

Peerless Financial Products Distribution Ltd.
(Formerly Peerless Developers Ltd.)
Annual Report & Accounts
2015-16

REGISTERED OFFICE

1(H-L), Chowringhee Square
4th Floor, Kolkata-700069
Ph. No. - (033) 4030 4700
Website-www.peerlessfpd.co.in

CORPORATE IDENTIFICATION NO.

U70109WB1987PLC042819

BOARD OF DIRECTORS

Mr. Sunil Kanti Roy
Mr. Susim Mukul Datta
Mr. Patit Paban Ray
Mr. Ajay Kumar Doshi
Mr. Atanu Sen
(With effect from 1st March, 2016)
Mr. Sudhin Roychowdhury
(With effect from 1st March, 2016)
Mr. Jayanta Roy

CHAIRMAN

Mr. Susim Mukul Datta

**MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER**

Mr. Jayanta Roy

**COMPANY SECRETARY CUM
COMPLIANCE OFFICER**

Mr. Subhabrata Talukdar

AUDIT COMMITTEE

Mr. Ajay Kumar Doshi – *Chairman*
Mr. S. M. Datta – *Member*
Mr. Jayanta Roy – *Member*

**NOMINATION &
REMUNERATION COMMITTEE**

Mr. P. P. Ray – *Chairman*
Mr. S. M. Datta – *Member*
Mr. A. K. Doshi – *Member*

KEY MANAGERIAL PERSONS

Mr. Jayanta Roy
*Managing Director &
Chief Executive Officer*

Mr. Subhabrata Talukdar
*Company Secretary cum
Compliance Officer*

Mr. Arnab Kumar Basu
*Chief Financial Officer &
Vice President (IT & HR)*
(Effective till 4th June, 2015)

Ms. Samadrita Chakravarty
Chief Financial Officer
(With effect from 5th June, 2015)

BANKERS

State Bank of India
HDFC Bank
ICICI Bank
United Bank of India
Corporation Bank

STATUTORY AUDITOR

Walker Chandiook & Co. LLP
Chartered Accountants
Firm Reg. No: 001076N/N500013
6th Floor, Plot No. 19A
Sector 16A, Noida – 201301
Uttar Pradesh, India.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in placing before you the 28th Annual Report on the business and operations of the Company and the audited financial accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS :

A summary of the financial results for the year 2015-16, as compared to the previous year, are given below:

Particulars	Amount	Amount
	(₹ in thousand)	(₹ in thousand)
	2015-16	2014-15
Total Revenue	230,796	213,631
Total Expenses	294,053	354,219
Profit/(Loss) before Tax	(63,257)	(140,588)
Less : Provision for Current Tax (incl. Deferred Tax)	—	12.44
Profit/(Loss) after Tax	(63,257)	(141,832)
Add : Balance brought forward from last year	(353,103)	(211,271)
Balance Profit/(Loss) transferred to Balance Sheet	(416,360)	(353,103)

BUSINESS ENVIRONMENT DURING THE YEAR:

During April 2015 to February 2016 period, the life insurance industry recorded a new premium income of Rs 1.072 trillion (US\$ 15.75 billion), indicating a growth rate of 18.3 percent. The general insurance industry recorded a 14.1 percent growth in Gross Direct Premium underwritten in FY2016 upto the month of February 2016 at Rs 864.2 billion (US\$ 12.7 billion).

India's life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate (CAGR) of 12-15 percent over the next five years. The insurance industry plans to hike penetration levels to five percent by 2020.

The country's insurance market is expected to quadruple in size over the next 10 years from its current size of US\$ 60 billion. During this period, the life insurance market is stated to cross US\$ 160 billion.

The general insurance business in India is currently at Rs 78,000 Crore (US\$ 11.44 billion) premium per annum industry and is growing at a healthy rate of 17 percent.

The Indian insurance market is a huge business opportunity waiting to be harnessed. India currently accounts for less than 1.5 percent of the world's total insurance premiums and about 2 percent of the world's life insurance premiums despite being the second most populous nation. The country is the fifteenth largest insurance market in the world in terms of premium volume, and has the potential to grow exponentially in the coming years.

COMPANY'S OPERATIONS:

Financial Products Distribution (FPD) business:

Your Company is presently engaged in the distribution of Insurance and Mutual Fund products of its Principals. The present Regulatory regime of single insurer principal in each vertical has expired on 31st March, 2016. The IRDA has notified IRDA (Registration of Corporate Agents) Regulations, 2015, which is effective from 1st April, 2016. The new Regulations has provided recognition to the Corporate Agents as Insurance Intermediary as well as given opportunity

to engage with maximum three (3) insurers in each vertical. The new Regulations has added a boon to the Company's existing business and has opened up new opportunities through which the Company will be benefitted. The said IRDA Regulation will also help the Company to increase its revenue. During the year under review, IRDA has renewed the Corporate Agency license of the Company. Thereafter, pursuant to the IRDA (Registration of Corporate Agents) Regulations, 2015, the Company has obtained registration certificate on 17th March, 2016 to act as Insurance Intermediary for undertaking solicitation, procurement and servicing of insurance policy and its customers, for the tenure of three (3) years, effective 1st April, 2016.

During the year under review the Company has increased its revenue in Insurance business to Rs. 217,824* in comparison to Rs. 182,458* in the preceding year. The company has also rationalized its cost to a great extent to Rs. 294,053* in comparison to Rs. 354,219* in the preceding year. The company has also reduced its operation loss to Rs. 63,257* (in comparison to Rs. 141,832* in the preceding year).

(* All figures are rupees in thousands).

EXTRACT OF ANNUAL RETURN:

Pursuant to Sections 92(3) and 134(3) of the Companies Act, 2013 and Companies (Management & Administration) Rules, 2014, the extract of the Annual Return for the financial year ended as on 31st March, 2016 is appended hereunder as **Annexure-1**

DEPOSIT/FIXED DEPOSIT:

The Company has not accepted/renewed any public deposits during the period under review.

DIVIDEND:

The Company has incurred loss, so your Directors do not recommend any dividend on equity shares and preference shares for the year under review.

AMOUNT TRANSFERRED TO RESERVES:

The Board of the company considering the financial position has proposed not to carry any amount to its reserves.

BOARD MEETINGS:

The Board met ten (10) times during the year under review viz. 24th April, 2015, 22nd May, 2015, 29th June, 2015, 31st July, 2015, 25th August, 2015, 24th September, 2015, 27th November, 2015, 6th January, 2016, 8th February, 2016 and on 31st March, 2016. The maximum interval between any of these two meetings did not exceed 120 days.

The details of the Board meetings of F.Y. 2015-16 are:

Name of Director	Date of Meeting and Attendance									
	24/04/15	22/05/15	29/06/15	31/07/15	25/08/15	24/09/15	27/11/15	06/01/16	08/02/16	31/03/16
Mr. S. M. Datta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. S. K. Roy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. P. Ray	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No
Mr. A. K. Doshi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Jayanta Roy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Atanu Sen (Appointed w.e.f. 1/3/2016)	—	—	—	—	—	—	—	—	—	Yes
Mr. S. Roychowdhury (Appointed w.e.f. 1/3/2016)	—	—	—	—	—	—	—	—	—	Yes

COMMITTEES OF THE BOARD:

There are currently three Committees of the Board:- (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Risk Monitoring Committee. During the year under review, pursuant to the advice and direction of our Holding Company, i.e. The Peerless General Finance & Investment Company Ltd., effective 1st April, 2016, the Board of Directors of the Company has constituted the Risk Monitoring Committee to oversee the risks concerning the business. The details of the Committees alongwith their composition and meetings held during the year are provided herein below.

• **Audit Committee:**

The Audit Committee comprises of Mr. A. K. Doshi, Mr. Jayanta Roy and Mr. S. M. Datta. Mr. A. K. Doshi is the Chairman of the Committee. The Composition of the Audit Committee and its terms of reference are in conformity with Section 177 of the Companies Act, 2013. The Committee held four (4) meetings during the year under review, i.e. on 21st May, 2015, 30th July, 2015, 27th November, 2015 and on 30th March, 2016.

Name of Director	Date of Meeting and Attendance			
	21st May, 2015	30th July, 2015	27th November, 2015	30th March, 2016
Mr. A. K. Doshi	Yes	Yes	Yes	Yes
Mr. S. M. Datta	Yes	Yes	Yes	Yes
Mr. Jayanta Roy	Yes	Yes	Yes	Yes

• **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consisted of Mr. P. P. Ray, Mr. A. K. Doshi and Mr. S. M. Datta. Mr. P. P. Ray was the Chairman of the Committee. The composition of the Committee and its terms of reference are in conformity with the Companies Act, 2013. The committee held three (3) meetings during the year under review, i.e., as on 8th April, 2015, 21st May, 2015 and on 8th February, 2016.

Name of Director	Date of Meeting and Attendance		
	8th April, 2015	21st May, 2015	8th February, 2016
Mr. P. P. Ray	Yes	Yes	Yes
Mr. S. M. Datta	No	Yes	Yes
Mr. A. K. Doshi	Yes	Yes	Yes

Effective 1st March, 2016, the Board has re-constituted the Committee with Mr. Sudhin Roychowdhury as its Chairman and with Mr. A. K. Doshi and Mr. Atanu Sen as its members.

The Company recognizes the importance of aligning business objects with the specific and measurable individual objects and targets. The Board is therefore under the process of formulating the remuneration policy for its Directors, Key Managerial Personnel keeping in view of the following objects:-

- 1) Ensuring that the level and position of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully;
- 2) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmark;
- 3) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives property to the working of the Company and its goal.

The Board believes that the present composition structure is commensurate with industry best practices in terms of remunerating non-executive/independent Directors of a Company of similar size, and adequately compensates for the time and contribution made by our non-executive/independent Directors.

Risk Monitoring Committee:

The Risk Monitoring Committee was formed by the Company with effect from 1st April, 2016. Pursuant to the Regulatory changes and also considering the advices and directions of our Holding Company, i.e. The Peerless General Finance & Investment Company Ltd. the Board constituted the Risk Monitoring Committee. The Committee comprises of Mr. Atanu Sen, Mr. Jayanta Roy and Mr. Sudhin Roychowdhury. Mr. Atanu Sen is the Chairman of the Committee. Mr. Subhabrata Talukdar, Company Secretary cum Compliance Officer has been appointed as the Chief Risk Officer. The Composition of the Committee and its terms of reference are guided by the Companies Act, 2013. The Committee held its first meeting on 5th May, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Pursuant to Section 186 of the Companies Act, 2013, the company has not given any loans, guarantees or investments during the period under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Pursuant to the provisions of Section 188(1) of the Companies Act, 2013 the contracts or arrangements entered into by the Company with the related parties are under the ordinary course of business and on arm's length basis. All contracts/arrangements/transactions entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note 24 to the audited financial statements which set out related party disclosures.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, affecting the financial position of the Company for the period under review which took place between the ends of the financial year to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars relating to Conservation of Energy and Technology Absorption as required to be furnished under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 does not apply to the Company. There were no Foreign Exchange earnings during the year; however, the company has made payment in foreign currency towards purchase and maintenance of software from Sales Force.com Singapore Pvt. Ltd. at - Rs. 5503226.38 (equivalent to US\$ 85145.28).

RISK MANAGEMENT:

During the year, your Directors have constituted a Risk Monitoring Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, Legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

DIRECTOR(S) AND KEY MANAGERIAL PERSONNEL (KMP's):

The Company's Board of Directors comprises of:

Sl. No.	Name of Director	Category
1.	Mr. S. M. Datta	Non-Executive, Independent Director
2.	Mr. S. K. Roy	Non-Executive Director
3.	Mr. P. P. Ray	Non-Executive Director
4.	Mr. A. K. Doshi	Non-Executive, Independent Director
5.	Mr. Jayanta Roy	Executive Director
6.	Mr. Atanu Sen*	Non-Executive Director
7.	Mr. Sudhin Roychowdhury*	Non-Executive Director

* With effect from 1st March 2016.

Your Directors state that pursuant to the provision of Sections 196, 203, and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014, Mr. Jayanta Roy has been re-appointed as the Managing Director of the Company designated as 'Managing Director & Chief Executive Officer', being one of the Key Managerial Personnel for a period of three (3) years with effect from 1st September, 2015.

Pursuant to the provisions of Sections 161(1) and 152(5) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 Mr. Atanu Sen and Mr. Sudhin Roychowdhury have been appointed as the additional directors of the Company and will hold their office till the conclusion of Annual General Meeting of the Company. The Board recommends the appointment of Mr. Atanu Sen and Mr. Sudhin Roychowdhury as Director subject to the approval of the shareholders in the ensuing Annual General Meeting. On appointment as Director, they will act as non-executive Independent Directors on the Board.

Pursuant to the applicable provisions of the Companies Act, 2013, Mr. S. K. Roy, Director will retire by rotation at the ensuing Annual General Meeting of the shareholders. Mr. S. K. Roy, being eligible offers himself for re-appointment.

Pursuant to the provisions of Sections 2(19) and 203 of the Companies Act, 2013, read with the applicable Rules, the Board in its meeting dated 22/5/2015 has appointed Ms. Samadrita Chakravarty as the Chief Financial Officer (CFO), in place of Mr. Arnab Kumar Basu, as one of the Key Managerial Personnel. Ms. Chakravarty was appointed with effect from 5/06/2015.

The Key Managerial Personnel of the company are:

Sl. No.	Name of Key Managerial Personnel	Designation
1.	Mr. Jayanta Roy	Managing Director & Chief Executive Officer (MD & CEO)
2.	Mr. Subhabrata Talukdar	Company Secretary cum Compliance Officer
3.	Ms. Samadrita Chakravarty**	Chief Financial Officer

** replaced Mr. Arnab Kumar Basu, effective 5th June, 2015.

PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of Rule 5(2)(i) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out hereunder:

PEERLESS FINANCIAL PRODUCTS DISTRIBUTION LIMITED
(Previously known as Peerless Developers Ltd.)

Name	Remuneration (Gross) (In Rupees).	Designation	Qualifications	Date of commencement of employment	Total Experience (years)	Age (years)	Last Employment
Mr. Jayanta Roy	11980332	Managing Director & Chief Executive Officer (MD & CEO)	M.Com (Cal) M.B.A. (Cardiff)	01/09/2012	19	40	The Peerless General Finance & Investment Co. Ltd

Note:

- Gross remuneration shown above is subject to tax and comprises salary, allowances, incentive, and monetary value of perquisite and company's contribution to Provident Fund etc. In addition to above, the employees are entitled to Gratuity in accordance with the Company's rules.
- The nature of employment is contractual in nature. Pursuant to the provisions of Sections 196, 203, and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 Mr. Jayanta Roy was appointed in the Company in the year 01/09/2012 as MD & CEO for a period of 3 (three) years and the said tenure expired on 31st August, 2015. Thereafter Mr. Roy was reappointed with the approval of the shareholders for a further period of 3 (three) years with effect from 1st September, 2015 on existing terms and conditions.
- Mr. Jayanta Roy holds 40 (forty) equity shares of Rs 10/- each jointly with The Peerless General Finance & Investment Company Ltd as its nominee.
- Mr. Jayanta Roy and Mr. S. K. Roy, Director are relatives.

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES:

Pursuant to the Companies Act, 2013 the Board is in the process of formulating the statement policy indicating the manner of formal annual evaluation of its own performance, it's Directors, and committees. The Board believes that the present composition structure is commensurate with industry based practices in terms of remunerating non-executive /independent Directors of a Company of similar size, and adequately compensates for the time and contribution made by our non-executive/independent Directors.

INTERNAL FINANCIAL CONTROL:

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 design or operation was observed.

IMPLEMENTATION OF ANTI-FRAUD FRAMEWORK:

The Company has adopted a comprehensive fraud monitoring policy for detection and prevention of fraud. The anti-fraud framework encompasses within itself the need and its importance in today's scenario with respect to serious fraud risks within which customer, stakeholders play a major role. The Insurance Regulatory and Development Authority (IRDA) has also notified new Regulation which states that Companies engaged in the Insurance business require to set up a comprehensive fraud monitoring framework. As a Corporate Agent of Life Insurance, General Insurance, Health Insurance and distributor of Mutual Fund products wherein a communication is created between the Company and the customers, precautionary measures have been taken for their protection. Considering amendments in the Insurance Laws and IRDA regulations, it was felt to formulate and implement an anti-fraud framework, to safeguard the trust reposed by customers on us. The anti-fraud policy as designed has been implemented.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations pursuant to Section 149(6) of the Companies Act, 2013 from Mr. A. K. Doshi and Mr. S. M. Datta. During the period under review Mr. Atanu Sen and Mr. Sudhin Roychowdhury were appointed

as additional Directors on the Board with effect from 1st March, 2016. Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and the same has been recorded by the Board.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION(3) OF SECTION 178:

Pursuant to the provisions of the Companies Act, 2013 the Nomination and Remuneration Committee of the Board is in the process of formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommendation of Directors, Key Managerial Personnel for their appointment. With the advent of Companies Act, 2013 come into force, the Nomination and Remuneration Committee has been reconstituted and its terms were formulated in accordance with the new provisions, in alignment with the line of business of the Company. The Nomination and Remuneration Committee of the Board is in the process of formulating the criteria for determining qualifications, positive attributes, independence of a director keeping in view the objectives as mentioned in the Committee's terms of reference. The Company 'PFPDL' recognizes the importance of aligning business objectives with specific and measurable individual objectives and targets.

AUDITORS:

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 made thereon, M/s. Walker Chandiok & Co. LLP, having office at 7th floor, Plot No. 19A, Sector 16A, Noida – 201301 (UP) India, was appointed as the Auditors of the company in the year 2014 for a period of five (5) years subject to ratification by the shareholders in the ensuing Annual General Meeting pursuant to Section 139 of the Companies Act, 2013.

EXPLANATION BY THE BOARD ON COMMENTS MADE IN THE AUDITORS' REPORT:

Pursuant to Section 143 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the notes to the Accounts referred to in the Auditors' Report are self-explanatory, and does not contain any adverse remark, therefore, does not call for any further comment by the Board.

Observations by Auditor's in Auditor's Report reported in sl. no. (x) in Annexure A relating to reporting of Fraud:

According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year, except for one incident of cash misappropriation by an employee of the Company aggregating to Rs. 435 thousands identified by the management on receipt of customers' complaints. The company filed complaint in Police Station and the said accused employee was arrested. The matter is presently sub-judice in the Court of Chief Judicial Magistrate, Coochbeher, West Bengal.

SIGNIFICANT OR MATERIAL ORDER PASSED BY THE COURT, TRIBUNAL:

During the year under review no significant or material orders have passed by Court or Tribunal.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Sections 134 (3)(c) and 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The directors have 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 have prepared the annual accounts on a going concern basis; and
- e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PREVENTION OF SEXUAL HARASSMENT COMMITTEE:

Pursuant to the provisions of the Sexual Harassment of the Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Board has promulgated a policy on sexual harassment of women at workplace and has also constituted Internal Complaints Committee consisting of four employees and one external philanthropist working for the cause of women. During the period under review the company has not received any complaint from any employees or others. The Committee held no meeting during the period under review.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere thanks to the Customers, Insurance Regulatory and Development Authority of India (IRDAI), Association of Mutual Funds in India (AMFI), and Principal Insurers, Banks for their patronage as well as valued support and co-operation.

The patronage and co-operation received from the principals of the insurance business, M/s. Max Life Insurance Co. Ltd., M/s. Iffco-Tokio General Insurance Co. Ltd., CIGNA TTK and Birla Sun Life Insurance Co., are thankfully acknowledged by the Directors, as also the trust reposed by them in the Company.

Your Directors recognize the devotion and contribution of the employees at all levels and look forward to their increased involvement and dedicated services in the journey ahead.

Your Directors take this opportunity to express their appreciation and thanks for the continued support, co-operation and guidance received from the holding company, viz, The Peerless General Finance & Investment Co. Ltd.

Registered Office :
1(H-L) Chowringhee Square, 4th Floor
Kolkata-700 069

Dated : 23rd May, 2016

For and on behalf of the Board

Ajay Kumar Doshi — *Director*
Jayanta Roy — *Managing Director & CEO*

Annexure – 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U70109WB1987PLC042819
- ii) Registration Date : 10th August, 1987
- iii) Name of the company : M/s. Peerless Financial Products Distribution Limited
(formerly known as Peerless Developers Ltd)
- iv) Category/Sub-Category of the company : Public Company/ Limited by Shares
- v) Address of the Registered Office and contact details : 1(H-L), Chowringhee Square, 4th Floor, Kolkata- 700069.
Ph. No:(033) 4030 4700
- vi) Whether listed company Yes/No : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : N.A.

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	% to total turnover of the company
1.	Commission on soliciting and procuring Insurance Products as Corporate Agent	66220 - Activities of insurance agents and brokers	96.93

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Peerless General Finance & Investment Company Limited 3, Esplanade East, Kolkata - 700 069	U66010WB1932PLC007490	Holding Company	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

- a) All the Equity shares are held by our Holding Company, M/s. The Peerless General Finance & Investment Company Ltd., a Body Corporate.
- b) No shares are pledged or encumbered during the period under review.
- c) There has been no change in the Promoter's shareholding during the period under review.
- d) The Directors and Key Managerial Personnel do not hold any shares individually but as nominee of PGFI jointly with PGFI. Mr. Jayanta Roy, MD & CEO, Mr. S.K.Roy and Mr. P.P.Ray, Directors each hold 40 shares jointly with PGFI. Other than MD & CEO no other KMP hold any shares.

V. INDEBTEDNESS:

There are no loans & advances taken by the Company till date.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in thousands)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Jayanta Roy	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,553.81	9553.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,411.52	1,411.52
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	NA
2	Stock Option	NA	NA
3	Sweat Equity	NA	NA
4	Commission	NA	NA
5	Others, please specify	NA	NA
	Income exempted under IT Act	1015	1015
	Total (A)	11,980.33	11,980.33
6	Ceiling as per the Act	Pursuant to Rule 7 sub rule (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	

B. Remuneration to other directors :

(Amount in thousands)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. S.M. Datta	Mr. A.K. Doshi			
	Fee for attending board committee meetings	160	160			320
	Commission	NA	NA			NA
	Others, please specify	NA	NA			NA
	Total (1)	160	160			320
2	Other Non-Executive Directors	Mr. S.K. Roy	Mr. P.P. Ray	Mr. A Sen	Mr. S. Roy chowdhury	
	Fee for attending board committee meetings	110	110	20	10	250
	Commission	NA	NA	NA		
	Others, please specify	NA	NA	NA		
	Total (2)	110	110	20	10	250
	Total (B)=(1+2)	270	270	20	10	570
	Total Managerial Remuneration	270	270	20	10	570
	Overall Ceiling as per the Act	Maximum sitting fees of Rs. 100000 each Director for attending each meeting				

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

(Amounts in thousands)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO (w.e.f. 5th June, 2015)	CFO (Till 4th June, 2015)	Total
1	Gross salary	Mr. Subhabrata Talukdar	Ms. Samadrita Chakravarty	Mr. Arnab Basu	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,330.03	2,077.65	542.96	3,950.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	100.93	127.86	28.9	257.69
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	
2	Stock Option	NA	NA	NA	
3	Sweat Equity	NA	NA	NA	
4	Commission	NA	NA	NA	
	– as % of profit	NA	NA	NA	
	others, specify...	NA	NA	NA	
5	Others, please specify	NA	NA	NA	
	Income exempted under IT Act	159.82	220.91	454.14	834.87
	Total	1590.78	2426.42	1026	5043.2

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year the company has not paid any penalties, nor has been punished or compounded for any offences during the year under review.

* NA denotes Not Applicable

For and on behalf of the Board

Ajay Kumar Doshi — Director

Jayanta Roy — Managing Director & CEO

Dated : 23rd May, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Peerless Financial Products Distribution Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Peerless Financial Products Distribution Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. We conducted our audit in accordance with the Standards of 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls 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. An audit also includes evaluating the appropriateness of 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 23 May 2016 as per Annexure B expressing our unmodified opinion on adequacy and operative effectiveness of internal controls over financial reporting.
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 17 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Place: Kolkata
Date: 23 May 2016

per Anamitra Das
Partner
Membership No.: 062191

Annexure A to the Independent Auditor's Report of even date to the members of Peerless Financial Products Distribution Limited, on the financial statements for the year ended 31 March 2016

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, the Company had complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amount payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in thousands)	Amount Paid Under Protest (Rs. in thousands)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2,575.25	Nil	1992-1993	High Court, Kolkata
Finance Act, 1994 (read with Service Tax Rules, 1994)	Service Tax	16,675.64	1,590.33	2006-2007 to 2010-2011	CESTAT

Annexure A to the Independent Auditors' Report of even date to the members of Peerless Financial Products Distribution Limited, on the financial statements for the year ended 31 March 2016

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year, except for one incident of cash misappropriation by an employee of the Company aggregating to Rs. 435 thousands identified by the management on receipt of customer complaints. The employee has been arrested and is under police custody.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Anamitra Das
Partner
Membership No.: 062191

Place: Kolkata
Date: 23 May 2016

Annexure B to the Independent Auditor's Report of even date to the members of Peerless Financial Products Distribution Limited, on the financial statements for the year ended 31 March 2016

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Peerless Financial Products Distribution Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Place: Kolkata
Date: 23 May 2016

per Anamitra Das
Partner
Membership No.: 062191

BALANCE SHEET

AS AT 31ST MARCH, 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	Notes	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	4,85,685	4,85,685
Reserves and Surplus	4	(416,360)	(353,103)
		<u>69,325</u>	<u>132,582</u>
Non-Current Liabilities			
Long-term provisions	5	11,802	12,019
		<u>11,802</u>	<u>12,019</u>
Current Liabilities			
Trade payables	6	15,927	16,985
Other current liabilities	7	68,691	58,603
Short-term provisions	5	739	1,302
		<u>85,357</u>	<u>76,890</u>
		<u>166,484</u>	<u>221,491</u>
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	8	7,624	10,388
Intangible assets	9	5,547	10,949
Non-current investments	10	3,452	3,452
Deferred tax assets (net)	11	—	—
Long-term loans and advances	12	43,775	35,124
Other non current assets	13	1,500	1,200
		<u>61,898</u>	<u>61,113</u>
Current Assets			
Trade receivables	14	23,911	21,824
Cash and bank balances	15	72,309	124,615
Short-term loans and advances	12	8,169	13,862
Other current assets	16	197	77
		<u>104,586</u>	<u>160,378</u>
		<u>166,484</u>	<u>221,491</u>
Contingent liabilities and commitments	17		

Notes 1 to 26 form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013
per Anamitra Das
Partner
M. No. 062191
Kolkata
23 May, 2016

For and on behalf of the Board of Directors

Ajay Kumar Doshi — Director
Jayanta Roy — Managing Director & CEO
Samadrita Chakravarty — Chief Financial Officer
Subhabrata Talukdar — Company Secretary cum
Compliance Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	Notes	Year ended 31st March 2016	Year ended 31st March 2015
Revenue			
Revenue from operations	18	2,17,824	1,82,458
Other income	19	12,972	31,173
Total revenue		2,30,796	2,13,631
Expenses			
Employee benefit expenses	20	147,513	165,751
Depreciation and amortisation expense	21	10,297	12,889
Other expenses	22	136,243	175,579
Total expenses		294,053	354,219
Loss before tax		(63,257)	(140,588)
Tax expense			
Deferred tax		—	2,353
Current tax		—	—
Income tax paid relating to earlier years		—	(1,109)
Loss for the year		(63,257)	(141,832)
Earnings per equity share			
	23		
Basic and diluted		(1.44)	(3.22)

Notes 1 to 26 form an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013
per Anamitra Das
partner
M. No. 062191
Kolkata
23 May, 2016

For and on behalf of the Board of Directors
Ajay Kumar Doshi — Director
Jayanta Roy — Managing Director & CEO
Samadrita Chakravarty — Chief Financial Officer
Subhabrata Talukdar — Company Secretary cum
Compliance Officer

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	Year ended 31st March 2016	Year ended 31st March 2015
Cash flows from operating activities		
Loss before tax	(63,257)	(140,588)
Adjustments for non-cash transactions		
Depreciation and amortisation expense	10,297	12,889
Profit on sale of assets (net)	6	19
Profit on sale of investments (net)	(1,169)	(53)
Liabilities no longer required written back	(5,325)	(11,651)
Interest income	(465)	(11,834)
Dividend income	(1,756)	(3,236)
	1,588	(13,866)
Operating loss before working capital changes	(61,669)	(154,454)
(Increase) / decrease in trade receivables	(2,087)	879
(Increase) / decrease in long-term loans and advances	(1,285)	1,185
(Increase) / decrease in short-term loans and advances	5,693	3,056
(Increase) / decrease in other current assets	(120)	1,451
Increase / (decrease) in long-term provisions	(217)	2,177
(decrease) in short-term provisions	(563)	(766)
Increase in trade payables	4,267	401
Increase in current liabilities	10,088	10,772
Cash used in Operations	(45,893)	(135,299)
Income taxes paid	(7,366)	5,021
Net cash used in operating activities	(53,259)	(130,278)
Cash flows from investing activities		
Purchase of fixed assets	(2,356)	(11,786)
Proceeds from sale of fixed assets	219	963
Purchase of investments	(294,895)	(203,879)
Proceeds from sale of investments	296,064	266,651
Fixed deposits taken	(300)	(1,200)
Redemption of fixed deposits	60,000	58,564
Interest received	465	11,834
Dividends received	1,756	3,236
Net cash flow from investing activities	60,953	124,383
Cash flow from financing activities	—	—
Net cash from / (used) in financing activities	—	—

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	Year ended 31st March 2016	Year ended 31st March 2015
Net increase/(decrease) in cash and cash equivalents	7,694	(5,895)
Cash and cash equivalents as at the beginning of the period	34,615	40,510
Cash and cash equivalents as at the end of the year	42,309	34,615
Reconciliation of cash and cash equivalents		
Cash and bank balances as per Note 15	72,309	124,615
Less: Other bank balances	30,000	90,000
Cash and cash equivalents considered for cash flow	42,309	34,615

Note :

The above Cash Flow Statement has been prepared under the indirect method as set out in AS 3 on Cash Flow Statements as notified under Section 133 of the Companies Act, 2013 and reallocation required for this purpose are as made by the Company.

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013
per Anamitra Das
Partner
M. No. 062191
Kolkata
23 May, 2016

For and on behalf of the Board of Directors
Ajay Kumar Doshi — Director
Jayanta Roy — Managing Director & CEO
Samadrita Chakravarty — Chief Financial Officer
Subhabrata Talukdar — Company Secretary cum
Compliance Officer

Notes to the financial statements for the year ended 31st March 2016

1 Company overview

Peerless Financial Products Distribution Limited ("the Company") (formerly known as Peerless Developers Limited) was incorporated in 1987 and is presently engaged in the business of financial products distribution. The distributed products include life insurance, general insurance and mutual funds. The Company was previously engaged in the business of real estate development which has been discontinued since the year 2013-14.

2 Significant accounting policies:

a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act and pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The accounting policies applied by the Company are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of work, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates includes classification of assets and liabilities into current and non-current and the useful life of fixed assets.

Actual results could differ from these estimates. Any change in the accounting estimates is adjusted prospectively in the current and future periods.

c) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the recoverability is reasonably assured.

- Commission on insurance products is recognized on the commencement or renewal of the related policies after receipt of necessary approval from the Insurer.
- Brokerage and commission on other financial products are recognized on confirmation of the transactions.
- Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable.

d) Fixed assets

Fixed assets (tangible and intangible) are stated at cost, net of depreciation/amortization. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use. Subsequent expenditures, if any, related to an item of fixed asset are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

e) Depreciation and amortization

Depreciation on tangible assets is provided on written down value method over the useful lives of assets prescribed

Notes to the financial statements for the year ended 31st March 2016

under Schedule II of the Act. Furniture & fixtures in leasehold premises are depreciated over a period of 3 years on Straight Line Basis. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/installation. Written down value of all assets acquired prior to 1 April 2014 are being depreciated over their remaining useful life as prescribed in Schedule II of the Act. Intangible assets (computer software) are amortized over a period of 3 years on straight line basis.

f) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in value of the long-term investments.

g) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

h) Transactions in foreign exchange

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary item is recognized in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet and resultant gain/loss, if any, is recorded as an income or expense in the period in which they arise.

i) Accounting for taxes on income

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred tax reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

j) Provisions, contingent assets and contingent liabilities:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably

Notes to the financial statements for the year ended 31st March 2016

will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

k) Employee retirement benefits:

The Company's obligation towards various employee benefits has been recognized as follows:

Short-term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the statement of profit and loss in the period in which the employee renders the related service.

Defined contribution plan

Contribution to provident fund/national pension fund is a defined contribution plan. Such contributions are deposited with the Fund Commissioner and charged to the statement of profit and loss.

Defined benefit plan

Gratuity and compensated absences are defined benefit plans. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary 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 obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Treatment of actuarial gains or losses

Actuarial gains and losses are recognized immediately in the statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

l) Leases:

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as Operating Leases. Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term.

m) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

3 Share Capital

	As at 31st March 2016		As at 31st March 2015	
	Number	Amount	Number	Amount
Authorised share capital				
Equity Shares of Rs. 10 each	5,50,00,000	5,50,000	5,50,00,000	5,50,000
Preference shares of Rs. 100 each				
12% Non-Cumulative Preference Shares	1,00,000	10,000	1,00,000	10,000
7% Redeemable Cumulative Preference Shares	5,00,000	50,000	5,00,000	50,000
	5,56,00,000	6,10,000	5,56,00,000	6,10,000
Issued, Subscribed and Fully Paid up				
Equity shares of Rs. 10 each	4,40,68,536	4,40,685	4,40,68,536	4,40,685
Preference shares of Rs. 100 each				
7% Redeemable Cumulative Preference Shares (Refer Note (a) below)	2,50,000	25,000	2,50,000	25,000
7% Redeemable Cumulative Preference Shares (Refer Note (b) below)	2,00,000	20,000	2,00,000	20,000
	4,45,18,536	4,85,685	4,45,18,536	4,85,685
TOTAL	4,45,18,536	4,85,685	4,45,18,536	4,85,685

Note:

- (a) These shares are held by the Holding Company of the Company. In terms of the Scheme of Arrangement, these shares are to be redeemed within five years from the same being effective i.e. 2nd December, 2010, the earliest date of redemption. The Company had approached the Parent Company for deferment of redemption of these preference shares which was approved by it in its board meeting held on 26 November 2015 and subsequently vide order of the Hon'ble High court dated 22 December, 2015, the redemption of these preference shares has been deferred to 2nd December 2017.
- (b) These shares are held by the Holding Company of the Company. In terms of the Scheme of Arrangement, these shares are to be redeemed at a premium of ₹ 20 per share within seven years from the same being effective i.e. 2nd December, 2010, the earliest date of redemption.
- (c) There is no movement in the equity share capital during the current and comparative period
- (d) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

(d) Shareholders holding more than 5% of the shares	Number		% of holding	
	Number	% of holding	Number	% of holding
Equity shares of Rs. 10 each				
The Peerless General Finance & Investment Company Limited	440,68,536	100	440,68,536	100
7% Redeemable Cumulative Preference Shares of Rs. 100 each				
The Peerless General Finance & Investment Company Limited	2,50,000	100	2,50,000	100
7% Redeemable Cumulative Preference Shares of Rs. 100 each				
The Peerless General Finance & Investment Company Limited	2,00,000	100	2,00,000	100

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

e) Terms and rights attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. During the current financial year the company has not proposed/declared any dividend.

Preference Shares: Redeemable preference shares carry 7% fixed dividend on cumulative basis on outstanding unredeemed portion of the amount. In the event of liquidation of the Company, the holder of preference shares shall be entitled to receive assets of the Company, before its distribution to equity shareholders. The distribution will be in proportion to the number of preference shares held by preference shareholders.

	As at 31st March 2016	As at 31st March 2015
4 Reserves and surplus		
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(353,103)	(211,271)
Add : Transferred from the statement of profit and loss	(63,257)	(141,832)
Balance at the end of the year	<u>(416,360)</u>	<u>(353,103)</u>

	As at 31st March 2016		As at 31st March 2015	
	Non-current	Current	Non-current	Current
5 Provisions				
Provisions for gratuity (Also refer note (a) below)	3,889	—	3,326	—
Provisions for compensated absences	7,913	739	8,693	1,302
	<u>11,802</u>	<u>739</u>	<u>12,019</u>	<u>1,302</u>

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

a) Employee benefits

The Company has taken a group gratuity for its employees with the Life Insurance Corporation of India (LIC). Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation, retirement or death in lump sum.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	As at 31st March 2016	As at 31st March 2015
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	4,576	3,535
Service cost	1,922	1,344
Interest cost	510	426
Actuarial (gain) / loss	(976)	(65)
Benefits paid	—	(664)
Projected benefit obligation at the end of the year	<u>6,032</u>	<u>4,576</u>
Change in plan assets		
Fair value of plan assets at the beginning of the year	1,250	259
Expected return on plan assets	125	34
Actuarial gain/(loss)	(30)	69
Employer contributions	798	1,552
Benefits paid	—	(664)
Fair value of plan assets at the end of the year	<u>2,143</u>	<u>1,250</u>
Actual return on Plan Assets	96	103
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	6,032	4,576
Funded status of the plans	2,143	1,250
Liability/(asset) recognized in the balance sheet	<u>3,889</u>	<u>3,326</u>
Components of net gratuity costs are		
Service cost	1,922	1,344
Interest cost	510	426
Expected returns on plan assets	(125)	(34)
Recognized net actuarial (gain)/ loss	(946)	(134)
Net gratuity costs	<u>1,361</u>	<u>1,602</u>
Assumptions used		
Discount rate	7.95%	7.95%
Rate of return on plan assets	7.50%	7.50%
Experience adjustments on plan liabilities	(733)	(733)
Experience adjustments on plan assets	(30)	69

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

Table for 5 years actuarial valuation disclosures for Gratuity

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	6,032	4,576	3,536	6,318	8,647
Plan assets	2,143	1,250	258	526	-
(Surplus)/Deficit	3,889	3,326	3,278	5,792	8,647
Net actuarial loss/(gain) recognized during the current year	(946)	(134)	(4,130)	(767)	(4,420)

Notes

- i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled. Expected rate of return on Plan Assets is based on actuaries expectation of the above long term rate of return expected on investment of the fund during the estimated term of the obligations.
- ii) As per AS-15, liability for leave encashment have been categorized as other long term employee benefits and therefore above disclosure as made for gratuity are not applicable in this respect.
- iii) For major employees, the company has taken a gratuity policy with Life Insurance Corporation of India, the funds of which are managed by the insurer. Therefore, the percentage of investments in GOI securities, public financial institutions etc. are not ascertainable.

	As at 31st March 2016	As at 31st March 2015
6 Trade payables		
Dues to others	15,927	16,985
	15,927	16,985

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED Act') pertaining to micro or small enterprises.

For the year ended 31st March 2016, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED Act.

7 Other current liabilities

Amount payable to insurance companies	23,057	27,600
Statutory dues to Government Authorities	3,159	2,893
Other payables	42,475	28,110
	68,691	58,603

Notes to the financial statements for the year ended 31st March 2016
(All amounts are ₹ in Thousand, unless otherwise stated)

8 Tangible assets

Gross block	Buildings	Electric Installations and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers and Data Processing Units	Total
Balance as at 1st April 2014	3,508	—	6,761	4,932	1,201	8,278	24,680
Additions	—	27	1,551	—	608	826	3,012
Disposals	—	—	—	1,427	57	—	1,484
Balance as at 1st April 2015	3,508	27	8,312	3,505	1,752	9,104	26,208
Additions	—	17	99	—	423	1,817	2,356
Disposals	—	—	13	955	224	155	1,347
Balance as at 31st March 2016	3,508	44	8,398	2,550	1,951	10,766	27,217
Accumulated depreciation and amortization							
Balance as at 31st March 2014	1,936	—	794	1,840	640	3,538	8,748
Depreciation charge	103	7	2,519	942	614	3,389	7,574
Reversal on disposal of assets	—	—	—	489	13	—	502
Balance as at 31st March 2015	2,039	7	3,313	2,293	1,241	6,927	15,820
Depreciation charge	45	8	2,774	236	136	1,696	4,895
Reversal on disposal of assets	—	—	13	783	181	145	1,122
Balance as at 31st March 2016	2,084	15	6,074	1,746	1,196	8,478	19,593
Net block							
Balance as at 31st March 2015	1,469	20	4,999	1,212	511	2,177	10,388
Balance as at 31st March 2016	1,424	29	2,324	804	755	2,288	7,624

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

9 Intangible assets

Gross block	Computer Software	Total
Balance as at 1st April 2014	12,776	12,776
Additions	8,774	8,774
Disposals	—	—
Balance as at 1st April 2015	<u>21,550</u>	<u>21,550</u>
Additions	—	—
Disposals	—	—
Balance as at 31st March 2016	<u>21,550</u>	<u>21,550</u>
Accumulated depreciation and amortization		
Balance as at 31st March 2014	5,286	5,286
Depreciation charge	5,315	5,315
Reversal on disposal of assets	—	—
Balance as at 31st March 2015	<u>10,601</u>	<u>10,601</u>
Depreciation charge	5,402	5,402
Reversal on disposal of assets	—	—
Balance as at 31st March 2016	<u>16,003</u>	<u>16,003</u>
Net block		
Balance as at 31st March 2015	10,949	10,949
Balance as at 31st March 2016	5,547	5,547

<u>As at 31st March 2016</u>		<u>As at 31st March 2015</u>	
Number	Amount	Number	Amount

10 Non-current investments (non-trade)
(Face Value Rs. 10 each unless otherwise stated)

Investments in equity instruments - (Quoted)

Shristi Infrastructure Development Corporation Limited	40	2	40	2
--	----	---	----	---

Investments in equity instruments - (Unquoted)

Peerless Hotels Limited	240	2	240	2
Peerless Financial Services Limited	5,72,000	3,448	5,72,000	3,448
	<u>5,72,280</u>	<u>3,452</u>	<u>5,72,280</u>	<u>3,452</u>

Aggregate amount of

Quoted investments	2	2
Market value of quoted investments	4	3
Unquoted investments	3,450	3,450

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
11 Deferred taxes		
Deferred tax liabilities		
Difference between depreciation as per the Companies Act, 2013 and Income-tax Act, 1961	(304)	(697)
Total	(304)	(697)
Deferred tax assets		
Expense allowable on payment basis under the Income-tax Act, 1961	(304)	(697)
Total	(304)	(697)
Net deferred tax asset/(liability)	—	—

In accordance with AS 22, Accounting for Taxes on Income, deferred tax assets have been recognised only to the extent of deferred tax liability. Accordingly, the net deferred tax asset as 31st March 2016 has been recognized in the statement of profit and loss.

	As at 31st March 2016		As at 31st March 2015	
	Non-current	Current	Non-current	Current
12 Loans and advances				
Security deposits				
- Unsecured, considered good	1,476	—	602	82
	1,476	—	602	82
Loans and advances to related parties				
- Unsecured, considered good	—	—	—	—
	—	—	—	—
Other loans and advances				
- Unsecured, considered good				
Advance tax (net of provision)	41,800	—	34,434	—
Capital advances	—	—	62	—
Loans and advances to employees	303	357	26	1,657
Advance to suppliers	100	127	—	2,056
Prepaid expenses	—	5,713	—	6,820
Other receivables	96	1,972	—	3,247
	42,299	8,169	34,522	13,780
	43,775	8,169	35,124	13,862

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	As at 31st March 2016	As at 31st March 2015
13 Other non current assets		
Balances with banks		
- in deposit accounts with maturity more than 12 months	1,500	1,200
	1,500	1,200
14 Trade receivables		
Balance outstanding for a period less than six months from the date they are due for payment	—	—
Other debts		
-Unsecured considered good	23,911	21,824
Total	23,911	21,824
15 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	23,219	27,458
Balances with banks		
- in current accounts	19,000	7,157
	42,309	34,615
Other bank balances		
- in deposit accounts with maturity less than 3 months	30,000	90,000
	30,000	90,000
Total	72,309	124,615
16 Other current assets		
Interest receivable	197	77
	197	77
17 Contingent liabilities and commitments		
i) Income Tax matters pending before High Court (Net of Provision ₹1,905 thousand) (Decided in favour of the company at appellate level)	2,217	2,217
ii) Service Tax matter pending in appeal (excluding interest)	16,676	16,676
iii) Cumulative dividend on Preference Shares (Including dividend distribution tax)	14,774	10,983
iv) Writ Petition relating to Bonus payment has been filed by the Company bearing Writ Petition No: 8002 w of 2016 before the Calcutta High Court on dated 28.04.2016.	1,490	—

Note:-

In the opinion of the management, the above claims/demands in (i) to (iv) above are not tenable and future cash outflows in respect of the same are determinable on receipt of decisions/judgments pending with various forums/authorities.

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	Year ended 31st March 2016	Year ended 31st March 2015
18 Revenue		
Revenue from operations		
Commission on insurance products	211,133	175,575
Brokerage and commission on other financial products	6,691	6,883
Revenue from operations	<u>217,824</u>	<u>182,458</u>
19 Other income		
<u>Interest income</u>		
- on fixed deposit with banks	258	9,758
- on refund of income tax	—	1,953
- on loans/advances to employees	207	123
Liability no longer required written back	5,325	11,651
Dividend income from current investments	1,755	3,235
Dividend income from non-current investments	1	1
Gain on sale of current investments	1,169	53
Miscellaneous income	4,257	4,399
	<u>12,972</u>	<u>31,173</u>
20 Employee benefit expense		
Salaries, wages and bonus	128,890	147,105
Contribution to provident and other funds	10,541	11,395
Staff welfare expenses	8,082	7,251
	<u>147,513</u>	<u>165,751</u>
21 Depreciation and amortisation expense		
Depreciation of tangible assets (also, refer note 8)	4,895	7,574
Amortisation of intangible assets (also, refer note 9)	5,402	5,315
	<u>10,297</u>	<u>12,889</u>

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

	Year ended 31st March 2016	Year ended 31st March 2015
22 Other expenses		
Electricity Charges	3,618	3,694
Rent (refer note (i) below)	16,288	18,705
Repairs and maintenance		
- Others	17,150	16,115
Insurance	832	1,585
Rates and taxes (also refer note (ii) below)	12,733	11,529
Support Service Expense	41,523	55,680
Recruitment Expenses	175	2,751
Training Expenses	645	966
Sales Promotion and Distribution Expenses	9,844	9,760
Audit Fees (refer note (iii) below)	910	839
Legal and Professional Fees	7,759	12,834
Travelling Expenses	9,848	23,239
Motor Car Expenses	1,848	2,397
Communication Expenses	4,013	4,029
Printing & Stationery Expenses	1,704	3,065
Loss on sale of fixed assets	6	19
Miscellaneous expenses	7,347	8,372
	136,243	175,579
Note		
i) The company has certain cancellable operating lease arrangements for office accommodation and use of certain furniture and fixtures with tenure extending one to three years. Terms of arrangements in this respect include option for renewal on specified terms and conditions. Expenditure incurred on account of operating lease rentals during the year and recognized in Statement of Profit and Loss amount to ₹16288 (Previous Year ₹18705)		
ii) Amount includes ₹11296 thousand (previous year ₹10580 thousand) for interest and penalty on arrears of municipality taxes. The Company had received a notice from Panihati Municipality for payment of arrears of municipal taxes related to the financial years prior to 2003 and a provision of ₹10580 thousand towards the municipal taxes was made in the previous financial year. The Company has during the year received another notice towards the interest and penalty on the arrears of municipal tax for ₹11296 thousand. The Company has approached the municipality for providing details of calculations and valuation reports on the basis of which the above arrears have been arrived upon which are awaited.		
iii) Payment to auditors		
- Statutory audit fees	773	758
- Reimbursement of expenses	137	81
	910	839
23 Earning per share		
a) Computation of profit for computing EPS		
Net loss for the year	(63,257)	(141,832)
Loss attributable to equity shareholder	(63,257)	(141,832)
No of Shares Outstanding (*)	44,068,536	44,068,536
Basic and diluted earnings per share	(1.44)	(3.22)
(*) anti-dilutive since decreasing loss per share from ordinary activities		

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

24 Related parties

a) Name of the related parties

Relationship	Name
Holding company	} The Peerless General Finance & Investment Co. Ltd
Group Enterprises and Companies under common control	} Peerless Hotels Ltd Peerless Securities Ltd Peerless Hospitex Hospital & Research Center Ltd Peerless Financial Services Ltd Peerless Funds Management Co. Ltd Peerless Trust Management Co. Ltd Kaizen Hotels & Resorts Ltd Bengal Peerless Housing Development Co. Ltd Peerless Mutual Fund (Managed by Peerless Fund Mgmt. Co. Ltd) Kaizen Leisure & Holidays Ltd
Key management personnel (KMP)	} Mr. Jayanta Roy, Managing Director and Chief Executive Officer Mr. Arnab Basu, Chief Financial Officer & Vice President (IT & HR), till 4th June , 2015 Mrs. Samadrita Chakravarty, Chief Financial Officer, w.e.f., 5th June, 2015 Mr. Subhabrata Talukdar, Company Secretary cum Legal and Compliance Officer

PEERLESS FINANCIAL PRODUCTS DISTRIBUTION LIMITED
(Previously known as Peerless Developers Ltd.)

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

b) Transactions with related parties:

Nature of Transactions	Holding Company	Associates, Group Enterprises and Companies under common control							
	The Peerless General Finance & Investment Co. Ltd.	Peerless Hotels Ltd.	Peerless Securities Ltd.	Peerless Hospitex Hospital & Research Center Ltd.	Peerless Financial Services Ltd.	Kaizen Hotels & Resorts Ltd.	Peerless Mutual Fund (Managed by Peerless Fund Mgmt. Co. Ltd.)	Bengal Peerless Housing Development Co. Ltd.	Kaizen Leisure & Holidays Ltd.
1. Revenue from Operations:									
Real estate	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—
2. Other Income:									
a) Miscellaneous Income	—	—	—	—	—	—	—	—	—
b) Reimbursement of Expenses	5,989 (6,341)	—	—	—	—	—	40 (44)	—	—
c) Dividend Income	—	—	—	—	—	—	1,755 (3,235)	—	—
d) Brokerage & commission on Other Financial Products	—	—	—	—	—	—	6,421 (6,412)	—	—
Total	5,989 (6,341)	—	—	—	—	—	8,216 (9,691)	—	—
3. Expenses:									
a) Rent Paid	13,609 (18,057)	—	—	—	—	—	—	—	—
b) Other Expenses (including Prepaid)	10,952 (13,626)	282 (432)	10 (1)	—	—	—	784 (6)	—	4,972 (10,313)
c) Dividend on Preference Shares	—	—	—	—	—	—	—	—	—
Total	24,561 (31,683)	282 (432)	10 (1)	—	—	—	784 (6)	—	4,972 (10,313)
4. Investments:									
a) Purchase	—	—	—	—	—	—	294,895 (2,01,302)	—	—
b) Sales	—	—	—	—	—	—	296,064 (2,66,598)	—	—
5. Advance Paid	—	—	—	—	—	—	—	—	—
6. Sale of Fixed Assets	—	—	—	—	—	—	—	—	—

Notes to the financial statements for the year ended 31st March 2016

(All amounts are ₹ in Thousand, unless otherwise stated)

c) Balances with related parties at year end

Nature of Transaction	Holding Company	Group Enterprises and Companies under common control							
	The Peerless General Finance & Investment Co. Ltd.	Peerless Hotels Ltd.	Peerless Securities Ltd.	Peerless Hospitex Hospital & Research Center Ltd.	Peerless Financial Services Ltd.	Kaizen Hotels & Resorts Ltd.	Peerless Mutual Fund (Managed by Peerless Fund Mgmt. Co. Ltd.)	Bengal Peerless Housing Development Co. Ltd.	Kaizen Leisure & Holidays Ltd.
a) Trade Receivables	33 (548)	—	—	—	—	—	578 (251)	—	—
b) Loans and Advances	—	—	—	—	—	—	—	—	—
c) Other Payable	2,605 (2,990)	—	5	—	—	—	—	—	164
d) Equity Share Capital	4,40,685 (4,40,685)	—	—	—	—	—	—	—	—
e) 7% Redeemable Cumulative Preference Shares	45,000 (45,000)	—	—	—	—	—	—	—	—
f) Investments in Equity Shares	—	2 (2)	—	—	3,448 (3,448)	—	—	—	—
g) Investments in Mutual Funds	—	—	—	—	—	—	—	—	—

d) Transactions with key management personnel:

Particulars	Year ended on 31.03.2016	Year ended on 31.03.2015
Remuneration		
Mr. Jayanta Roy	11,980	13,620
Mr. Arnab Basu	1,026	3,785
Mrs. Samadrita Chakravarty	2426	—
Mr. Subhabrata Talukdar	1,591	1,683

Note: The remuneration to the key managerial personnel does not include the provisions made for Gratuity and Leave Benefits, as they are determined on an actuarial basis for the company as a whole.

e) No amount has been written off or written back during the year in respect of above parties.

25 The Company's business activities include distribution of financial products and is a single segment company.

26 Previous year figures have been regrouped or rearranged whenever necessary.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013
per Anamitra Das
Partner
M. No. 062191
Kolkata
23 May, 2016

For and on behalf of the Board of Directors

Ajay Kumar Doshi — Director
Jayanta Roy — Managing Director & CEO
Samadrita Chakravarty — Chief Financial Officer
Subhabrata Talukdar — Company Secretary cum Compliance Officer