

Peerless Securities Limited
Annual Report & Accounts
2015-16

BOARD OF DIRECTORS

Sri Pranab Kumar Choudhury
Sri Sunil Kanti Roy
Sri Ashish Kumar Thakur
Sri Bhargab Lahiri
Sri Dibyendra Nath Sengupta
Sri Jayanta Roy
Sri Asoke Kumar Mukhuty
Sri Jitendra Kumar Panda
Sri Atul Kumar Bajpai

CHAIRMAN

Sri Pranab Kumar Choudhury

MANAGING DIRECTOR & CEO

Sri Jitendra Kumar Panda

WHOLETIME DIRECTOR

Sri Atul Kumar Bajpai

CHIEF FINANCIAL OFFICER

Sri Abhishek Tantia

COMPANY SECRETARY

Sri Dinesh Mourya

AUDITORS

M/S De & Bose
Chartered Accountants

PRINCIPAL BANKERS

HDFC Bank Ltd.
State Bank of India
ICICI Bank Ltd.
Axis Bank Ltd.

REGISTERED OFFICE

Peerless Mansion
1, Chowringhee Square,
2nd Floor, Kolkata – 700069
CIN : U67120WB1995PLC067616
Phone : 91 033 4050 2700
Fax : 91 033 2243-6941
Website : www.peerlessec.co.in
E-mail : info@peerlessec.co.in

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in placing before you the Twenty First Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March, 2016.

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

FINANCIAL RESULTS

(Rs. in Lakhs)

	CONSOLIDATED		STANDALONE	
	2016	2015	2016	2015
Gross Revenue	1250.87	1273.15	1247.48	1271.69
Profit/(Loss) before Depreciation and tax	(249.36)	(295.40)	(251.13)	(296.54)
Less: Depreciation	37.24	57.77	37.24	57.77
Profit/(Loss) before tax	(286.60)	(353.17)	(288.37)	(354.31)
Less: Provision for Tax including Deferred Tax	12.26	(55.77)	11.67	(56.24)
Profit/(Loss) after Taxes	(298.86)	(297.40)	(300.04)	(298.06)
Add: Balance brought forward from previous year	(1596.60)	(1291.22)	(1595.16)	(1289.11)
Less: Additional Depreciation on fixed Assets	—	7.98	—	7.98
Less: Transfer to General Reserves	—	—	—	—
Leaving a balance to be carried forward to next year	(1895.46)	(1596.60)	(1895.20)	(1595.16)

DIVIDEND

Your Directors do not recommend any dividend for the financial year ended 31st March, 2016 in view of the loss.

BUSINESS ENVIRONMENT DURING THE YEAR

The year FY2015-16 witnessed high uncertainty in the equity market. The benchmark index S&P Nifty shed around 10% during the year amid high volatility, and touched 24 month low in February 2015.

Indian capital market turned negative on fear of slower global growth after Chinese Central Bank (PBoC) devalued its currency substantially to revive the exports. Benchmark indices corrected in August nearly 7% on flight of foreign capital from equities and foreign institutional investors sold USD 2.62 bn of Indian equities in the month of August'15 alone. US Federal Reserve started its much awaited interest rate hiking cycle in December'15 after a gap of 8 years. This move also impacted adversely the emerging market equities including India. With the start of calendar year 2016, global equities resumed high volatility with fear of higher than anticipated China slowdown and sharp fall in crude oil prices and Indian bench mark indices lost 14% in just first 2 months of CY2016. Participation of retail investors reduced substantially due to erratic movements of stock prices when many good quality stocks lost anywhere between 25-40%.

Market staged a smart pullback in March'16 from 24 month low as investors sentiment improved globally on Chinese government's steps to revive growth, increase in crude oil prices and slower rate hike guidance by US Federal Reserve.

Government's initiatives to kick start blocked infrastructure projects; revival of farm income, containing fiscal deficit and current account deficit, continuation of 'accommodative' monetary policy by RBI would help to remain India as a favorable investment destination for Investors.

COMPANY'S OPERATIONS

Brokerage and Commission earnings continue to be the mainstay of our business and no material changes in the nature of business took place during the year. Your Directors regret to report that FY 2015-16 ended in a net loss of Rs. 3.00 crores (as against a net loss of Rs. 2.98 crores in the previous year) after making provisions of Rs. 0.48 crores on diminution of long term investments and the net worth of the Company as on the closing of F-Y 2015-16 was Rs. 20.20 crores compared to Rs. 23.19 crores in 2014-15. This was due to adverse conditions in

the stock market which affected the overall operations of the company. During the year the Company had launched a new product PASS (Peerless Advisory Services) and in the very first year Company earned a revenue of Rs. 0.34 crores.

As on 31.03.2016, the Company had 24 branches and 177 registered Sub-brokers/Authorised Persons as against 27 and 209 respectively as on 31.03.2015. The company had cancelled the registration of 54 inactive Sub-brokers and 10 inactive Authorized Persons. During the year Company opened a new branch in Bangalore. A rationalization of the branch network resulted in closing of four loss making branches in Coimbatore, Jamshedpur, Thane and Bagbazar. Key priorities of your Company for FY 2016-17 shall continue to focus on aggressive cost cutting measures and also on expansion in Tier II and Tier III locations in India through Authorised Persons/Sub-brokers to improve business.

SUBSIDIARY COMPANY

Peerless Commodities Ltd (PCL) was incorporated in FY 2013-14 to provide Commodity Broking services; operations have not been initiated during the year. However, considering the positive outlook of the Commodity Market, PCL has issued share Capital of Rs. 50 lacs to augment the working capital and planned to start full-fledged operations as an Authorized Person in the FY 2016-17.

The gross Revenue of the Company for FY 2015-16 stood at Rs. 3.39 lacs (previous year Rs.1.46 lacs). The Company earned a Profit before tax of Rs. 1.77 lacs and Profit after tax of Rs. 1.18 lacs during the FY 15-16 vis-a-vis Rs. 1.14 lacs and Rs. 0.67 lacs respectively during the previous financial year. The net worth of the Company as on the closing of FY 2015-16 was Rs. 54.73 Lacs compared to Rs. 3.55 Lacs in 2014-15.

OUTLOOK FOR FISCAL 2016-17

The global economy is roiled with slow growth with major emerging market economics grappling with weak growth. Recovery in financial markets could be dispelled easily by a sudden return of risk off investor sentiment on incoming data specially pertaining to China or to US inflation. Fear of faster than anticipated US Federal Reserve rate hike and strengthening of US dollar would keep pressure in emerging markets currencies including India. The prices of crude oil likely to remain range bound and the mismatch of demand and supply may continue in the near term. Divergent policies of world's Major Central Banks, with ECB and Bank of Japan are continuing with easing monetary policy and US Federal Reserve hiking interest rate indicating uneven economic growth in the advanced economics.

Our market has ended Financial Year with negative return as benchmark indices shed near 10% with sustained outflow of funds by foreign portfolio investors (FPI). Higher participations from Domestic Institutional Investors (DII) in coming days are expected and would provide much needed depth in the Indian capital market. Retail participation is also likely to increase with revival in the primary market in coming months. Going forward, inflows from foreign investors are likely to be muted as global investors are increasingly becoming more cautious about the state of global economic recovery.

India's current account deficit (CAD) estimated to be narrowed further in FY2015-16 to 1.5% of GDP. With RBI's accommodative monetary policy, record foreign exchange reserve, containing fiscal deficit and improving macroeconomic scenario would help Indian rupee to outperform other emerging market currencies.

Stable oil prices may mean an upside surprise in FY 2016-17 for an economy like India and would present a golden opportunity for India to reform its costly fuel subsidy programs. Oil led commodities disinflation would make a strong case for revival of the bull markets in India and would make it less vulnerable to global shocks. Commodity disinflation would provide further room to RBI to continue on accommodative monetary policy in India.

Government' allocation of record USD 13 bn in various rural schemes in FY17, expected onset of normal monsoon, and visible green shoots in domestic corporate earnings growth would revive the global investors' interest towards India.

Equity market is likely to witness positive consolidation in this year and participation would not be very high as investors are in wait and watch mode to check the ground level impact of economic reform process spearheaded by the new government.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 (Act) and the Articles of Association of the Company, Mr. Bhargab Lahiri, Director of the Company, retires by rotation at the ensuing Annual General Meeting.

During the year under review, on the recommendations of Nomination & Remuneration Committee, the Board appointed Mr. Asoke Kumar Mukhuty as an Additional Director of the Company with effect from 11th February, 2016 and he holds office up to the date of the next Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act.

None of the Key Managerial Personnel have resigned during the year under review.

NOMINATION & REMUNERATION COMMITTEE AND NOMINATION & REMUNERATION POLICY

The terms of reference of Nomination & Remuneration Committee are in conformity with the requirements of Section 178 of the Companies Act, 2013. The Committee formulates criteria for determining qualifications, positive attributes and criteria for independence of Directors and also considers appointment and remuneration for the Directors, Key and Senior Managerial Personnel. It recommends to the Board to put in place the long-term performance objectives appropriate to the working of the Company and its goals. The Committee carries out evaluation of every Director's performance periodically.

Composition:

The Nomination & Remuneration Committee comprises of two Independent Directors and two Non-executive Directors namely, Mr. Sunil Kanti Roy, Non-executive Director as Chairman, Mr. Bhargab Lahiri, Non-executive Director as member, Mr. Dibyendra Nath Sengupta, Independent Director as Member, Mr. Pranab Kumar Choudhury, Independent Director as Member.

The Company has formulated a Nomination & Remuneration Policy for appointment/removal and remuneration of Directors and Key Managerial Personnel including criteria for determining qualifications, positive attributes and criteria for Independence of a Director and other matters as specified u/s 178(3) of the Companies Act, 2013.

The key features of the policy are given below:

Objectives

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

Applicability

The Policy is applicable to:

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

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

General

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

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. In the financial year 2015-16, the Board met five times. The meetings were held on 15th June 2015, 14th September 2015, 3rd November 2015, 11th February 2016 and 28th March 2016. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013.

Attendance of Directors at the Board Meetings:

Sr. No.	Name of Directors	No. of Board Meetings Attended
1.	Mr. Pranab Kumar Choudhury	5 of 5
2.	Mr. Sunil Kanti Roy	4 of 5
3.	Mr. Ashish Kumar Thakur	5 of 5
4.	Mr. Bhargab Lahiri	5 of 5
5.	Mr. Dibyendra Nath Sengupta	4 of 5
6.	Mr. Jayanta Roy	5 of 5
7.	Mr. Asoke Kumar Mukhuty*	2 of 5
8.	Mr. Jitendra Kumar Panda	5 of 5
9.	Mr. Atul Kumar Bajpai	5 of 5

*Appointed in the Board meeting dated 11th February 2016.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act 2013 a separate meeting of the Independent Directors of the Company was held on 15th June, 2015 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

COMMITTEES OF THE BOARD

Currently, the Board has three committees: Audit Committee, Nomination & Remuneration Committee and Business Plan Monitoring Committee. Compositions of the committees are as follows:

NAME OF THE COMMITTEE	COMPOSITION OF COMMITTEE
Audit Committee	Mr. Dibyendra Nath Sengupta, Chairman Mr. Pranab Kumar Choudhury Mr. Ashish Kumar Thakur Mr. Bhargab Lahiri
Nomination & Remuneration Committee	Mr. Sunil Kanti Roy, Chairman Mr. Dibyendra Nath Sengupta Mr. Pranab Kumar Choudhury Mr. Bhargab Lahiri
Business Plan Monitoring Committee	Mr. Dibyendra Nath Sengupta, Chairman Mr. Pranab Kumar Choudhury Mr. Bhargab Lahiri

In the financial year 2015-16, the Audit Committee met four times (15th June 2015, 14th September 2015, 3rd November 2015 and 11th February 2016), Nomination & Remuneration Committee two times (11th June 2015

and 3rd November 2015) the Business Plan Monitoring Committee four times (14th May 2015, 25th June 2015, 23rd July 2015 and 1st February 2016).

There was no occasion of non-acceptance of any recommendation of the Audit Committee by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 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 as at March 31, 2016 and of the Profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 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 are adequate and operating effectively.

RISK MANAGEMENT

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structure, processes, standards, code of conduct and behaviors together form the Risk Management System (RMS) that manages associated risks.

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.

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 weaknesses in the design or operation were observed.

EXPLANATION OR COMMENTS BY THE BOARD ON AUDITORS REPORT

The Board noted that the Statutory Auditors of the Company have not given any qualification, reservation or adverse remarks or disclaimers for the financial year 2015-16.

AUDITORS

At the Annual General Meeting held on September 11, 2014, M/s De & Bose, Chartered Accountants, (Firm Registration No 302175E), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first provision to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s De & Bose, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect

that if they are reappointed, it would be in accordance with the provision of Section 141 of the Companies Act, 2013.

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

Particulars regarding conservation of energy and technology absorption are not furnished as these are not applicable. There has been no foreign exchange earnings or outgo during the year.

LOANS, GUARANTEES & INVESTMENTS AS PER SECTION 186 OF THE COMPANIES ACT 2013

No such transaction took place during the financial year 2015-16.

PARTICULARS OF EMPLOYEES

A statement showing the name(s) of employees is annexed herewith as Annexure 'A' to this Report in terms of Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure 'B' to this Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year 2015-16 with related parties were in the ordinary course of business and on an arm's length basis and annexed hereto in this report as Annexure 'C'.

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

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

GENERAL

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

1. Details relating to deposits covered under Chapter V of the Act and others.
2. Corporate Social Responsibility
3. Neither the Managing Director & CEO nor the Whole-time Director of the Company receives any remuneration or commission from its Holding or subsidiary Company.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. There is no material change/event occurred after balance sheet date till the date of the report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to Securities and Exchange Board of India, National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd., National Securities Depositories Ltd. and Central Depository Services (India) Ltd. for their valued support and co-operation.

The patronage and co-operation received from clients and business associates are thankfully acknowledged by the Directors, as also the trust reposed by them in the Company.

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

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

For and on behalf of the Board of Directors

Pranab Kumar Choudhury
Chairman
DIN No 00015470

Place : Kolkata
Date : 20th May, 2016

Annexure - "A"

A. Particulars of Employees pursuant to the provisions of Section 134 of the Companies Act, 2013 read with sub-rule (2) of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016.

Sr. No.	Name	Mr. JITENDRA KUMAR PANDA
1	Designation of the employee;	Managing Director & CEO
2	Remuneration received;	Rs. 94,39,484
3	Nature of employment, whether contractual or otherwise;	Contractual
4	Qualifications	B.Sc, ACA, CMA
5	Experience (Years)	21
6	Date of commencement of employment;	09.10.2013
7	The age of such employee;	46
8	The last employment held by such employee before joining the company;	Business Head of Capital First Securities Ltd
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	Nil
10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	No

B. Employed for a part of the financial year and in receipt of remuneration aggregating Rs. 5,00,000/- or more per month - **None**

Note: 1. Gross remuneration comprises salary and allowance, company's contribution to provident, superannuation Performance Pay, and gratuity funds, where applicable, and monetary value of perquisites.

2. All appointments are subject to the rules and regulations of the Company for the time being in force.

ANNEXURE TO THE DIRECTORS' REPORT**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the 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:

CIN	U67120WB1995PLC067616
Registration Date	19/01/1995
Name of the Company	PEERLESS SECURITIES LTD
Category/Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details	1, CHOWRINGHEE SQUARE, 2ND FLOOR, KOLKATA - 700069, WEST BENGAL, INDIA Tel. No: 033 4050 2700 Fax No: 033 2243 6941 Email: info@peerlesssec.co.in Website: www.peerlesssec.co.in
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	No

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.	Broking and Allied services	67120	79.85%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	THE PEERLESS GENERAL FINANCE & INVESTMENT CO LTD PEERLESS BHAVAN, 3 ESPALANDE EAST, KOLKATA - 700069	U66010WB1932 PLC007490	HOLDING COMPANY	97.54 %	2(46)
2.	PEERLESS COMMODITIES LIMITED 1, CHOWRINGHEE SQUARE, 2ND FLOOR, KOLKATA - 700069, WEST BENGAL, INDIA	U74900WB2013 PLC196191	SUBSIDIARY COMPANY	99.86 %	2(87)(iii)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	1806	1806	0.01	—	1806	1806	0.01	Nil
b) Central Govt.	—	—	—	—	—	—	—	—	Nil
c) State Govt.	—	—	—	—	—	—	—	—	Nil
d) Bodies Corp	—	24561600	24561600	99.50	—	24561600	24561600	99.50	Nil
e) Banks/FI	—	—	—	—	—	—	—	—	Nil
f) Any Other....	—	—	—	—	—	—	—	—	Nil
Sub-total (A) (1):-	—	24563406	24563406	99.50	—	24563406	24563406	99.50	Nil
(2) Foreign									
a) NRIs – Individuals	—	—	—	—	—	—	—	—	Nil
b) Other – Individuals	—	—	—	—	—	—	—	—	Nil
c) Bodies Corp.	—	—	—	—	—	—	—	—	Nil
d) Banks/FI	—	—	—	—	—	—	—	—	Nil
e) Any Other....	—	—	—	—	—	—	—	—	Nil
Sub-total (A) (2): -	—	—	—	—	—	—	—	—	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	—	24563406	24563406	99.50	—	24563406	24563406	99.50	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	Nil
b) Banks/FI	—	—	—	—	—	—	—	—	Nil
c) Central Govt	—	—	—	—	—	—	—	—	Nil
d) State Govt(s)	—	—	—	—	—	—	—	—	Nil
e) Venture Capital Funds	—	—	—	—	—	—	—	—	Nil
f) Insurance Companies	—	—	—	—	—	—	—	—	Nil
g) FIs	—	—	—	—	—	—	—	—	Nil
h) Foreign Venture capital funds	—	—	—	—	—	—	—	—	Nil
i) Others (specify)	—	—	—	—	—	—	—	—	Nil
Sub-total (B) (1):-	—	—	—	—	—	—	—	—	Nil

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

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	
2. NonInstitutional									
a) Bodies Corp.									
i) Indian	—	43000	43000	0.17	—	43000	43000	0.17	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	—	79808	79808	0.33	—	79808	79808	0.33	—
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (specify)									
Sub-total (B)(2):- Total	—	122808	122808	0.50	—	122808	122808	0.50	—
Public Shareholding									
(B)=(B)(1)+ (B)(2)	—	122808	122808	0.50	—	122808	122808	0.50	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	—	24686214	24686214	100	—	24686214	24686214	100	Nil

(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	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total	
1.	The Peerless General Finance & Investment Co Ltd.	24080000	97.54 %	Nil	24080000	97.54 %	Nil	Nil
2	Shikha Holdings Pvt. Ltd.	481600	1.95%	Nil	481600	1.95%	Nil	Nil
3	Mr. Sunil Kanti Roy	602	0.002%	Nil	602	0.002%	Nil	Nil
4	Ms. Shikha Roy	602	0.002%	Nil	602	0.002%	Nil	Nil
5	Mr. Jayanta Roy	602	0.002%	Nil	602	0.002%	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change) Not Applicable

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	No Change during the year			
	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				
	At the End of the year				

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

Sl. No.		Shareholding at the beginning of the year (01.04.2015)			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total Shares of the Company	Increase/ Decrease in shareholding	No. of shares	% of total Shares of the Company
	For Each of the Top 10 Shareholder					
1	Ashish Kusum Chatterjee	77400	0.31	Nil	77400	0.31
2	The Peerless Advertising & Allied Services Pvt. Ltd	43000	0.17	Nil	43000	0.17

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2015)		Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total Shares of the Company		No. of shares	% of total Shares of the Company
1	Mr. S.K. Roy, Director	602	0.002%	Nil	602	0.002%
2.	Mr. B. Lahiri, Director	1204	0.004%	Nil	1204	0.004%
3	Mr. Jayanta Roy Director	602	0.002%	Nil	602	0.002%
4	Mr. Asoke Kumar Mukhuty, Director	602	0.002%	Nil	602	0.002%
4	Mr.A.K. Bajpai Wholetime Director	602	0.002%	Nil	602	0.002%

Note: No other Directors and KMPs hold any share of the Company

V. INDEBTEDNESS

(Rs. In Crores)

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1.50	Nil	1.60	3.10
ii) Interest due but not paid	0.01	—	—	0.01
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	1.51	Nil	1.60	3.11
Change in Indebtedness during the financial year				
• Addition	—	—	0.70	0.70
• Reduction	(1.51)	—	—	(1.51)
Net Change	(1.51)		0.70	(0.81)
Indebtedness at the end of the financial year:				
i) Principal Amount	—	—	2.30	2.30
ii) Interest due but not paid	—	—	—	0.00
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	2.30	2.30

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MR. J. K PANDA (MD & CEO)	MR. A.K. BAJPAI (WTD)	
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	Rs. 77.97	Rs. 39.48	Rs.117.45
		Rs. 4.60	Rs.1.25	Rs. 5.85
		Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission – as % of profit – others,specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	Rs. 82.57	Rs. 40.73	Rs. 123.30
	Ceiling as per the Act			

Note: Remuneration pursuant to section 197 of Companies Act 2013

Rs. 94.39

—

B. Remuneration to other directors:

1. Independent Directors

(Rs. Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		MR. P. K. CHOUDHURY	MR. D. N. SENGUPTA	MR. A. K. THAKUR	
1.	Fee for attending board/committee meetings	1.50	1.30	0.90	3.70
2.	Commission	Nil	Nil	Nil	Nil
3.	Others, please specify	Nil	Nil	Nil	Nil
	Total (B1)				3.70

2. Other Non- Executive Directors

(Rs. Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		MR. S. K ROY	MR. B. LAHIRI	MR. J. ROY	MR. A. K. MUKHUTY (w.e.f 11.02.2016)	
1.	Fee for attending board/ committee meetings	0.60	1.50	0.50	0.20	2.80
2.	Commission	Nil	Nil	Nil	Nil	Nil
3.	Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (B2)						2.80
Total Managerial Remuneration (B1+B2)						6.50
Total Sitting Fees						6.50
Total Commission						Nil
Overall Ceiling as per the Act for Payment of commission to Non-Executive Directors						Nil

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

(Rs. Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (MR. D. MOURYA)	CFO (MR. A.TANTIA)	TOTAL
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 4.60	Rs. 11.02	Rs. 15.62
	(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	—	—	—
	Stock Option	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil
	Commission – as % of profit – others, specify	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total			Rs. 15.62

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Annexure 'C'

Form No. AOC-2

Particulars of contracts/arrangements made with related parties

[Pursuant to Clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC -2]

This Form pertains to the 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 arm's length transactions under third proviso thereto.

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

There were no contracts or arrangements or transactions entered into during the year ended March 31 2016, which were not at arm's length basis.

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS.

The details of material contracts or arrangements or transactions at arm's length basis in ordinary course of business for year ended March 31 2016, are as follows:-

Name of related Party	Nature of relationship	Duration of contract	Salient terms	Amount (Rs. In lacs)
Nature of contract				
Purchase of shared services including facilities and personnel				
The Peerless General Finance & Investment Co. Ltd.	Holding company	Since 1995 – ongoing	Rent, Electricity etc.	98.50
Peerless Hotels Ltd.	Fellow Subsidiary	Not applicable	Cost of food and conference room hire charges	1.63
Peerless Financial Services Ltd.	Fellow Subsidiary	20.08.2014 1 Year	Availing marketing support	0.02
Peerless Hospitex Hospital and Research Centre Ltd.	Fellow Subsidiary	Not applicable	Availing medical facilities	0.48
Kaizen Leisure & Holidays Ltd.	Directors holding more than 2 %	Not applicable	Cost of Air Ticket, Hotel booking etc.	1.00
Sale of services				
The Peerless General Finance & Investment Co. Ltd.	Holding company	Since 1995 – ongoing	Brokerage & DP services	5.91
Peerless Mutual Fund	Refer note below	19.02.10 – ongoing	Brokerage	5.50
Peerless Financial Services Ltd.	Fellow Subsidiary	09.11.09 – ongoing	Brokerage & DP services	0.08
Peerless Commodities Ltd	Subsidiary	28.10.15 – ongoing	Brokerage & DP services	0.09

Note:

Peerless Funds Management Company Ltd and Peerless Trust Management Company Ltd (both being fellow subsidiary of the Company) act as Investment Manager and Trustees to Peerless Mutual Fund respectively.

For and on behalf of the Board of Directors

Pranab Kumar Choudhury
Chairman

DIN No 00015470

Kolkata
Dated: 20th May, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEERLESS SECURITIES LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the 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 the 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of 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 March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. In our opinion, proper books of account and records as specified in rule 15 of the Securities Contract (Regulation) Rules,1957 have been kept so far as appears from our examination of such books.
2. The Company has complied with the requirements of the stock exchanges so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchanges.
3. 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, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the ' Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
4. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". [Report in Annexure B will be issued after discussion onr.]
 - g. With respect to the other matters to be included in the Auditors' 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) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer note 2.26.11 to the financial statements;
 - ii) The Company did 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 & on behalf of
DE & BOSE
Chartered Accountants
Firm Registration No. 302175E

Subrata De
Partner
Membership No. 054962

Place : Kolkata
Dated : 20th May 2016

'ANNEXURE A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 3 under the heading of 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

- 1.1 a. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management. No material discrepancies were noticed on such physical verification.
- c. The Company does not have any immovable property and accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- 1.2 The securities held as stock in trade have been confirmed with the statement of holding of depository at regular interval and at the end of year. In our opinion, the frequency of verification of statement of holding is reasonable. No discrepancy is noticed during verification of statement of holding.
- 1.3 The Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- 1.4 According to the information and explanations given to us, since the Company has not given any loan or guarantee or provided any security in connection with loan or acquired securities during the year, paragraph 3(iv) of the Order is not applicable to the Company.
- 1.5 The Company has not accepted any deposits and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- 1.6 The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.
- 1.7 a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax and other material statutory dues as applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
- b. According to the information and explanations given to us and the records of the Company examined by us, the details of statutory dues as on March 31, 2016 have not been deposited on account of dispute as under :

Name of the Statute	Nature of the Dues	Forum where the dispute is pending	Amount (Rs. in lacs)
Service Tax	Service Tax and Penalty F.Y. 2006-07	Custom, Excise and Service Tax Appellate Tribunal	5.66
Income Tax Act, 1961	Income Tax A.Y. 2008-09 U/S 156/143(3)/263/143(3)	Commissioner of Income Tax (Appeals)	22.22

- 1.8 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to bank. The Company has not obtained any borrowings from any financial institution, government or debenture holders during the year.
- 1.9 The Company has not raised monies by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans and as such paragraph 3(ix) of the Order is not applicable to the Company.

- 1.10 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.
- 1.11 In our opinion and according to the information and explanations given to us, managerial remuneration including the sitting fees to the directors has been paid or provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act,2013.
- 1.12 In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 1.13 According to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 & 188 of the Companies Act,2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standard.
- 1.14 During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- 1.15 According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors/persons connected with the directors and therefore provisions of section 192 of the Act are not applicable to the Company.
- 1.16 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For & on behalf of
DE & BOSE
Chartered Accountants
Firm Registration No. 302175E

Subrata De
Partner
Membership No. 054962

Place : Kolkata

Dated : 20th May 2016

'ANNEXURE B' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph-4(f) under "Report on Other Legal & Regulatory Requirements" section of our report of even date

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For & on behalf of
DE & BOSE
Chartered Accountants
Firm Registration No. 302175E
Subrata De
Partner
Membership No. 054962

Place : Kolkata
Dated : 20th May 2016

BALANCE SHEET

AS AT 31ST MARCH, 2016

	Note	As at 31 st March, 2016		As at 31 st March, 2015	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2.1		246,862,140		246,862,140
(b) Reserves and Surplus	2.2		(44,886,867)		(14,883,260)
2. Non-Current Liabilities					
(a) Long-term Provisions	2.3		1,593,900		1,198,217
3. Current Liabilities					
(a) Short-term borrowings					
Loans	2.4 & 2.5		—	15,001,105	
Deposits	2.6	23,044,322	23,044,322	16,041,559	31,042,664
(b) Trade Payables	2.7		27,104,462		23,972,573
(c) Other Current Liabilities	2.8		8,003,381		10,265,877
(d) Short-term Provisions	2.9		1,025,135		1,290,069
			262,746,473		299,748,280
ASSETS					
1. Non-Current Assets					
(a) Fixed Assets	2.10				
(i) Tangible Assets		4,407,126		6,731,099	
(ii) Intangible Assets		1,253,300	5,660,426	1,488,924	8,220,023
(b) Non-Current Investments	2.11		17,850,321		30,842,285
(c) Deferred Tax Assets (Net)	2.12		5,695,752		6,862,563
(d) Long-term Loans and Advances	2.13		51,374,563		35,144,275
(e) Other Non- Current Assets	2.14		4,809,307		500,000
2. Current Assets					
(a) Current Investments	2.15		—		975,000
(b) Inventories	2.16		1,293,930		16,520
(c) Trade Receivables	2.17		63,910,099		66,435,070
(d) Cash and Cash Equivalents	2.18		100,492,148		139,256,740
(e) Short-term loans and advances	2.19		9,837,844		10,236,888
(f) Other Current Assets	2.20		1,822,083		1,258,916
			262,746,473		299,748,280

Significant Accounting Policies 1

Notes on Financial Statements 2

This is the Balance Sheet referred to in our report of even date.

For & on behalf of

DE & BOSE

(Firm Registration No. 302175E)

Chartered Accountants

Subrata De

Partner

Membership No. 054962

Kolkata, 20th May 2016

Dinesh Mourya
Company Secretary

Abhishek Tantia
Chief Financial Officer

On behalf of the Board

D. N. Sengupta
Jitendra Kumar Panda

Director
Managing
Director & CEO

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	Year ended 31 st March, 2016 ₹	Year ended 31 st March, 2015 ₹
Revenue from Operations	2.21	112,520,553	111,107,787
Other Income	2.22	12,227,504	16,061,122
TOTAL REVENUE		<u>124,748,057</u>	<u>127,168,909</u>
Expenses :			
Employee Benefits Expenses	2.23	83,078,543	74,859,024
Finance Costs	2.24	2,959,944	3,054,644
Administrative and Other expenses	2.25	58,861,809	63,439,120
Depreciation	2.10	3,724,578	5,776,872
Provision for Diminution in value of Investment	2.11 & 2.22	4,815,242	15,467,472
Diminution in value of Stock in Trade		144,737	2,522
TOTAL EXPENSES		<u>153,584,853</u>	<u>162,599,654</u>
Profit/(Loss) before Taxation		(28,836,796)	(35,430,745)
Tax Expense :			
Deferred Tax	2.12	1,166,811	(5,624,364)
Profit/(Loss) for the year		<u>(30,003,607)</u>	<u>(29,806,381)</u>
Earnings per equity shares of Rs. 10/- each			
Basic and Diluted Earnings per Share [Refer to Note : 2.26.05]		(1.22)	(1.21)

Significant Accounting Policies 1

Notes on Financial Statements 2

This is the Statement of Profit and Loss referred to in our report of even date.

For & on behalf of
DE & BOSE
(Firm Registration No. 302175E)
Chartered Accountants

Subrata De
Partner
Membership No. 054962
Kolkata, 20th May 2016

Dinesh Mourya
Company Secretary

Abhishek Tantia
Chief Financial Officer

On behalf of the Board

D. N. Sengupta
Jitendra Kumar Panda
Director
Managing
Director & CEO

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

	2015-16	2014-15
	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(28,836,796)	(35,430,745)
Adjusted for :		
Depreciation	3,724,578	5,776,872
Diminution in value of Stock in Trade	144,737	2,522
Diminution in value of Non-Current Investment	4,815,242	15,467,472
Interest Income	(9,818,145)	(9,869,878)
Dividend Income	(500,146)	(448,713)
Interest Paid	2,569,733	2,972,282
Provision for Doubtful Debts and Advances	375,000	516,253
Bad Debt written off	14,171	5,753,624
Loss on sale of Long Term Investments	7,801,567	1,880,264
Profit on sale of Current Investments	(17,000)	(935,090)
Provision for Doubtful Debts written back	(80,603)	(6,591,418)
Provision no longer required written back	(9,484,936)	—
Loss on Written off of Fixed Assets	207,887	90,182
	<u>(247,915)</u>	<u>14,614,372</u>
Operating Profit before Working Capital Changes	(29,084,711)	(20,816,373)
Adjusted for :		
Trade and Other Receivables	(13,783,597)	26,651,045
Inventories	(1,422,147)	(19,042)
Loans and Advances	(234,765)	(863,091)
Trade and Other Payables	8,133,275	4,602,278
	<u>(7,307,234)</u>	<u>30,371,190</u>
Cash generated from Operations	(36,391,945)	9,554,817
Tax paid (Net)	(599,114)	(782,748)
Net Cash (used in)/from Operating Activities	(35,792,831)	10,337,565
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,372,868)	(2,926,370)
Proceeds from sale of fixed assets	—	255,359
Investment in Subsidiary	(5,000,000)	—
Proceeds from Sale of Investments	15,852,091	18,669,048
Proceeds from maturity of Fixed Deposit with Bank	99,800,000	40,490,000
Investment in Fixed Deposit with Bank	(47,200,000)	(50,500,000)
Interest Income	9,245,671	10,798,365
Dividend Income	500,146	448,713
Net Cash from Investing Activities	71,825,040	17,235,115

CASH FLOW STATEMENT (Contd.)

	2015-16	2014-15
	₹	₹
CASH FLOW FROM FINANCING ACTIVITIES		
Overdraft and Short Term Loan facility	(15,001,105)	(13,202,465)
Interest Paid	<u>(2,700,103)</u>	<u>(2,841,912)</u>
Net Cash (used in) Financing Activities	<u>(17,701,208)</u>	<u>(16,044,377)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	18,331,001	11,528,303
Cash and Cash Equivalents (Opening Balance)	39,261,147	<u>27,732,844</u>
Cash and Cash Equivalents (Closing Balance) (Note - 1)	<u>57,592,148</u>	<u>39,261,147</u>

Note :

1. Cash and Cash Equivalents comprise :

Cash in hand	70,193	631,241
Balance with Banks :		
In Current Account	57,521,955	38,629,906
	<u>57,592,148</u>	<u>39,261,147</u>

This is the Cash Flow Statement referred to in our report of even date.

For & on behalf of
DE & BOSE
(Firm Registration No. 302175E)
Chartered Accountants

Subrata De
Partner

Membership No. 054962
Kolkata, 20th May 2016

Dinesh Mourya
Company Secretary

Abhishek Tantia
Chief Financial Officer

On behalf of the Board

D. N. Sengupta
Jitendra Kumar Panda

Director
Managing
Director & CEO

NOTE : 1**SIGNIFICANT ACCOUNTING POLICIES****(A) Basis of preparation of financial statements**

- (i) 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 the Companies Act, 2013 and Accounting Standards as prescribed under section 133 of the said Act, read with rule 7 of the Companies (Accounts) Rule, 2014 and other generally accepted accounting principles. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (ii) Incomes and Expenses are accounted for on accrual basis, provisions are made for all known liabilities and are based on available information.
- (iii) Brokerage and other income earned on secondary market operations is accounted on trade dates. Advisory services & related income are accounted on accrual basis. Depository income are accounted on cash basis due to uncertainty of realization.
- (iv) Income on account of interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable and to the extent considered realisable.
- (v) Income on account of dividend is recognised when the right to receive is established.
- (vi) Claims and refunds whose recovery cannot be ascertained with reasonable certainty are accounted for as and when accepted and/or on actual receipt basis.

(B) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements.

The difference between the actual results and estimates is recognised in the period in which the results are known/ materialized.

(C) Fixed Assets

- (i) Tangible Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental/installation expenses, etc less accumulated depreciation.
- (ii) Intangible Fixed Assets are stated at the cost of acquisition less accumulated amortised amount.

(D) Depreciation

- (i) Depreciation of Tangible Fixed Assets is provided for under Written Down Value method according to the useful lives of the assets and procedure prescribed in the Schedule II of the Companies Act, 2013.
- (ii) Intangible Assets, viz. Computer Software, are amortised over a period of five years or in lesser period if useful life is lower than five years on straight line basis.

(E) Investments

Investments that are readily realisable 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 investment are carried at cost.

However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long term investments.

(F) Stock-in-Trade

Securities acquired with the intention to trade by taking advantage of the short-term price movement are categorized as Stock-in-Trade and are valued at lower of cost and fair value, computed on individual basis.

(G) Leases

Operating lease payments are recognised as an expense in the profit and loss account.

NOTE : 1 (Contd.)**(H) Retirement Benefits**

- (i) The Company has Defined Contribution plans for post employment benefits' namely Provident Fund. Contribution to Provident Fund is made at the prescribed rates to the Provident Fund Commissioner and is charged to the Profit and Loss Account. There are no other obligation other than the contribution payable.
- (ii) The Company has Defined Benefit plans namely Gratuity for employees ,covered by a Group Gratuity cum Life Assurance Policy with Life Insurance Corporation of India(LIC). Annual contribution to the gratuity fund as determined by LIC is expensed in the year of contribution . The liability for Gratuity and is determined on the basis of an actuarial valuation at the end of the year. Gains and losses arising out of actuarial evaluations are recognized immediately in the Profit and Loss as income or expense. The liability for leave encashment is determined on an accrual basis according to Human Resource Policy.

(I) Impairment of Assets

At each Balance Sheet date the Company assesses whether there is any indication of impairment of assets. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds the recoverable amount. 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.

(J) Provision for Current and Deferred Tax

Provision for Current Income Tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act,1961. Deferred tax resulting from "timing difference" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

(K) Provisions, Contingent liability and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events , it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation . These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent Liabilities are not provided for and are disclosed by way of notes.

NOTE : 2**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR 31ST MARCH, 2016****Note : 2.1****SHARE CAPITAL**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs. 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
		250,000,000		250,000,000
Issued, Subscribed and Paid-up Capital				
Equity Shares of Rs. 10/- each At the beginning and at the end of the year	24,686,214	246,862,140	24,686,214	246,862,140
		246,862,140		246,862,140

2.1.1. Rights, preferences and restrictions attached to equity shares

The Equity Shares of the Company, having par value of ₹10 per share, rank pari passu in all respects including voting rights and entitlement to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.1.2. Disclosure of shares in the Company held by its holding company

(Amount in ₹)

Name of the Holding Company	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
The Peerless General Finance & Investment Company Ltd.	24,080,000	240,800,000	24,080,000	240,800,000

2.1.3. Details in respect of shares in the Company held by each shareholder holding more than 5% shares

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	Number of shares of the Company held by the shareholder	% holding	Number of shares of the Company held by the shareholder	% holding
The Peerless General Finance & Investment Company Ltd.	24,080,000	97.54%	24,080,000	97.54%

Note : 2.2**RESERVES AND SURPLUS**

(Figures in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Amount	Amount	Amount	Amount
Securities Premium Account At the beginning and at the end of the year		102,927,570		102,927,570
General Reserve At the beginning and at the end of the year		41,705,511		41,705,511
Surplus as per the Statement of Profit and Loss At the beginning of the year	(159,516,341)		(128,911,741)	
Adjustment on account of depreciation as per Schedule II of the Companies Act, 2013	—		(798,219)	
Add: Loss for the year as per Statement of Profit and Loss	(30,003,607)		(29,806,381)	
At the end of the year		(189,519,948)		(159,516,341)
TOTAL		(44,886,867)		(14,883,260)

Note : 2.3**LONG TERM PROVISIONS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits – Gratuity	1,593,900	1,198,217
TOTAL	1,593,900	1,198,217

Note : 2.4**LOANS FROM BANKS - Secured**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Loan repayable on demand-Overdraft	—	1,105
TOTAL	—	1,105

Secured on lien of Fixed Deposits with Bank

Note : 2.5**LOANS FROM BANKS - Partly Secured**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Loan repayable on demand-Short Term Facility	—	15,000,000
TOTAL	—	15,000,000

Partly secured on lien of Fixed Deposits with Bank

Note : 2.6**DEPOSITS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Margin Money - Clients	17,294,523	12,019,189
Security Deposit - Subbrokers	3,671,209	3,475,020
Security Deposit - Others	64,646	74,646
Sundry Deposit	2,013,944	472,704
TOTAL	23,044,322	16,041,559

Note : 2.7**TRADE PAYABLES**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Clients	26,942,311	22,971,070
Others	162,151	1,001,503
TOTAL	27,104,462	23,972,573

Note : 2.8**OTHER CURRENT LIABILITIES**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Government Dues	526,426	1,212,861
Sundry Creditors (micro enterprises and small enterprises under Micro,Small and Medium Enterprise Development Act,2006)	—	—
Sundry Creditors (Other than micro enterprises and small enterprises under Micro,Small and Medium Enterprise Development Act,2006)	7,414,549	9,053,016
Others	62,406	—
TOTAL	8,003,381	10,265,877

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

Note : 2.9**SHORT TERM PROVISIONS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits –Leave Encashment	1,025,135	1,290,069
TOTAL	1,025,135	1,290,069

Note : 2.10**TANGIBLE AND INTANGIBLE ASSETS**

(Figures in ₹)

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION				NET CARRYING VALUE			
	As at 1.4.2015	Additions	Disposal/ Adjustment	As at 31.3.2016	Up to 31.3.2015	For the year	Adjustment against Retained Earnings	Disposal/ Adjustment	As at 31.3.2016	As at 31.3.2016	As at 31.3.2015
TANGIBLE ASSETS :											
1. Furniture and Fittings	12,180,556	88,409	1,912,942	10,356,023	9,794,181	757,228	—	1,749,716	8,801,693	1,554,330	2,386,375
2. Motor Vehicles	2,382,418	—	—	2,382,418	1,864,737	155,085	—	—	2,019,822	362,596	517,681
3. Office Equipments	8,244,855	229,816	972,568	7,502,103	7,010,600	596,232	—	927,907	6,678,925	823,178	1,234,255
4. Computers and Data Processing Units	13,787,751	654,283	—	14,442,034	11,194,963	1,580,049	—	—	12,775,012	1,667,022	2,592,788
SUB TOTAL (A)	36,595,580	972,508	2,885,510	34,682,578	29,864,481	3,088,594	—	2,677,623	30,275,452	4,407,126	6,731,099
INTANGIBLE ASSETS :											
1. Computer Software *	7,831,794	400,360	—	8,232,154	6,342,870	635,984	—	—	6,978,854	1,253,300	1,488,924
SUB TOTAL (B)	7,831,794	400,360	—	8,232,154	6,342,870	635,984	—	—	6,978,854	1,253,300	1,488,924
TOTAL (A + B)	44,427,374	1,372,868	2,885,510	42,914,732	36,207,351	3,724,578	—	2,677,623	37,254,306	5,660,426	8,220,023
Previous Year	42,851,682	2,926,370	1,350,678	44,427,374	30,280,451	5,776,872	1,155,165	1,005,137	36,207,351	8,220,023	

* Other than internally generated.

Note : 2.11**NON-CURRENT INVESTMENTS****(Trade – Fully paid up)****A. Investment in Subsidiary**

(Figures in ₹)

Name of the Subsidiary	Face Value per share	31 st March, 2016		31 st March, 2015	
		No. of Equity Shares	Book Value	No. of Equity Shares	Book Value
Peerless Commodities Limited *	10	549,300	5,493,000	49,300	493,000
			5,493,000		493,000

B. Investment in Shares – Quoted

(Figures in ₹)

Name of the Company	Face Value per share	31 st March, 2016		31 st March, 2015	
		No. of Equity Shares	Book Value	No. of Equity Shares	Book Value
The Calcutta Stock Exchange Ltd. *	1	250	250	250	250
Aban Offshore Ltd.	2	300	258,240	300	258,240
Andhra Bank	10	6,000	710,864	6,000	710,864
Bharat Heavy Electricals Ltd.	2	—	—	5,500	2,740,685
Central Bank of India	10	8,000	1,487,801	8,000	1,487,801
Crompton Greaves Ltd.	2	2,000	569,013	13,000	4,077,850
Crompton Greaves Consumer Electricals Ltd.	2	2,000	—	—	—
East India Hotels Ltd.	2	10,718	1,227,712	38,000	4,856,701
Housing Development and Infrastructure Ltd.	10	5,000	860,615	5,000	860,615
Indiabulls Real Estate Ltd.	2	4,500	889,359	5,000	988,359
IDBI Bank Ltd.	10	—	—	13,500	2,164,979
IFCI Ltd.	10	6,500	397,150	6,500	397,150
IRB Infrastructure Developers Ltd.	10	10,250	2,895,753	17,450	4,957,486
JP Associates Ltd.	2	14,000	1,684,470	14,000	1,684,470
JSW Energy Ltd.	10	26,987	2,929,842	26,987	2,929,842
NIIT Ltd.	2	—	—	12,000	803,426
Power Finance Corporation Ltd.	10	1,250	313,188	1,250	313,188
PTC India Ltd.	10	5,000	581,375	5,000	581,375
Punj Lloyd Ltd.	2	15,000	1,761,539	26,000	3,231,552
Rattaninda Infrastructure Limited	2	14,750	—	14,750	—
Rural Electrification Corporation Ltd.	10	8,500	2,578,750	8,500	2,578,750
Reliance Capital Ltd.	10	—	—	2,000	1,446,471
Reliance Industries Ltd.	10	—	—	800	874,060
Reliance Infrastructure Ltd.	10	—	—	2,400	2,617,565
State Bank of India	1	13,000	3,737,581	17,000	4,983,481
Tata Steel Ltd.	10	700	271,597	700	271,597
			23,155,099		45,816,757
Less : Provision for Diminution in value of investment			10,797,778		15,467,472
			12,357,321		30,349,285

Note : 2.11 (contd.)

TOTAL OF NON-CURRENT INVESTMENTS	17,850,321	30,842,285
Aggregate amount of Quoted Investments	23,154,849	45,816,507
Aggregate amount of Unquoted Investments	5,493,250	493,250
Aggregate amount of market value of quoted Investments	12,408,696	30,917,618
Aggregate provision for diminution in value of investments	10,797,778	15,467,472

* denotes - not quoted

For basis of valuation, refer Note 1(E)

Note : 2.12

DEFERRED TAX (NET)

(Figures in ₹)

Particulars	Closing as at 31.03.2016	(Charge)/ Credited to P&L	Opening as at 01.04.2015
Deferred Tax Asset			
Provision for Leave Encashment	316,767	(81,864)	398,631
Provision for Gratuity	492,515	122,266	370,249
Provision for diminution in value of investment	3,336,513	(1,442,936)	4,779,449
	<u>4,145,795</u>	<u>(1,402,534)</u>	<u>5,548,329</u>
Deferred Tax Liability			
Depreciation	(1,549,957)	235,723	(1,314,234)
	<u>(1,549,957)</u>	<u>235,723</u>	<u>(1,314,234)</u>
Net Deferred Tax Asset /(Liability)	5695752		6,862,563
Deferred Tax Credited to Statement of Profit and Loss		(1166811)	

Note : 2.13

LONG TERM LOANS AND ADVANCES

(Figures in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
Security Deposits with				
Exchanges and Clearing Houses	47,610,411		31,610,411	
Depositories	1,500,000		1,500,000	
Others	1,183,629		1,251,981	
		<u>50,294,040</u>		<u>34,362,392</u>
Other Loans and advances				
Loan to Staff	—		7,182	
Prepaid Expenses	1,070,522		764,700	
Other Advances	10,001	1,080,523	10,001	781,883
TOTAL		<u>51,374,563</u>		<u>35,144,275</u>

Note : 2.14**OTHER NON-CURRENT ASSETS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Non-current bank balance [Refer to Note 2.18]	4,800,000	500,000
Interest Accrued but not due on fixed deposits with banks	9,307	—
TOTAL	4,809,307	500,000

Note : 2.15**CURRENT INVESTMENTS****(Trade - Fully Paid up)**

Investment in Debentures - Quoted

(Figures in ₹)

Name of Debentures	Nominal Value per debenture	31 st March, 2016		31 st March, 2015	
		No. of debenture	Value	No. of debenture	Value
Power Finance Corporation Ltd. 7.95% NCD 24 FEB 2016	1,000,000	—	—	1	975,000
			—		975,000
TOTAL OF CURRENT INVESTMENTS			—		975,000
Total market value of Current Investments			—		998,500
For basis of valuation, refer Note 1(E)					

Note : 2.16**INVENTORIES - Quoted**

(Figures in ₹)

Name of the Company	31 st March, 2016		31 st March, 2015	
	No. of Equity Shares	Value	No. of Equity Shares	Value
Reliance Industries Ltd.			20	16,520
HDFC Ltd.	400	442,240		
L&T Ltd.	700	851,690		
MSL Industries Ltd.	32,000		32,000	
TOTAL		1,293,930		16,520

For basis of valuation, refer note 1(F)

Note : 2.17**TRADE RECEIVABLES
(Unsecured)**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	11,582,336	4,809,207
Considered doubtful	4,012,899	3,718,502
Others - Considered good	52,327,763	61,625,863
	67,922,998	70,153,572
Less : Provision for doubtful debts	4,012,899	3,718,502
	63,910,099	66,435,070

Note : 2.18**CASH AND CASH EQUIVALENTS**

(Figures in ₹)

Particulars	Non-current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Balances with banks in current accounts	—	—	57,521,955	38,629,906
Cash in Hand (including Stamps)	—	—	70,193	631,241
Other Balances with Banks :				
Fixed deposit with banks having maturity period above three months but less than one year	—	—	7,500,000	—
Fixed deposit with banks under lien				
Original maturity more than 12 months but having maturity period within 3 months from the reporting date	—	—	15,000,000	10,000,000
Others	4,800,000	500,000	20,400,000	89,995,593
Amount disclosed under non-current assets [Refer note 2.14]	(4,800,000)	(500,000)	—	—
TOTAL	—	—	100,492,148	139,256,740

Note : 2.19**SHORT TERM LOANS AND ADVANCES****(Unsecured)**

(Figures in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
Security Deposits - Others		451,671		252,859
Advance Income Tax (including Tax Deducted at Source) [Net of provision]		4,677,753		5,276,867
Tax Refundable		219,670		219,670
Service Tax (Cenvat Credit)		784,864		324,701
Other Loans and Advances				
Staff Loan	22,165		66,367	
Prepaid Expenses	2,753,318		2,309,075	
Other Advances	1,067,553	3,843,036	1,926,499	4,301,941
TOTAL		9,976,994		10,376,038
Of the above				
Considered good		9,837,844		10,236,888
Considered doubtful		139,150		139,150
		9,976,994		10,376,038
Less : Provision for doubtful loans and advances		139,150		139,150
TOTAL		9,837,844		10,236,888

Note : 2.20**OTHER CURRENT ASSETS**

(Figures in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
Interest Accrued but not due				
On Investment	—		7,841	
On Term Deposit with Banks and IL&FS Ltd.	1,822,083	1,822,083	1,251,075	1,258,916
TOTAL		1,822,083		1,258,916

Note : 2.21**REVENUE FROM OPERATIONS**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016		For the year ended on 31.03.2015	
Brokerage		84,881,655		84,694,803
Securities Trading		599,177		617,564
Depository Operations		8,696,121		7,765,109
Delayed Payment Charges		14,737,644		16,249,156
Other Services		3,605,956		1,781,155
TOTAL		112,520,553		111,107,787

Note : 2.22**OTHER INCOME**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Interest Income [Refer to Note : 2.22.1]	9,818,145	9,869,878
Dividend Income [Refer to Note : 2.22.2]	500,146	448,713
Profit on sale of Long Term Investments	(7,801,567)	(1,880,264)
Profit on sale of Current Investments	17,000	935,090
Provision for doubtful debts written back	80,603	6,591,418
Provision no longer required written back	9,484,936	—
Profit on disposal of fixed assets	—	(90,182)
Other Non-operating Income	128,241	186,469
TOTAL	12,227,504	16,061,122

Note : 2.22.1

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Interest Income		
On Investments		
Non-current Investments	—	65,516
Current Investments	27,444	142,528
On Term Deposit with Banks		
Non-current	9,307	43,751
Current	7,144,608	9,228,194
On Deposits with IL & FS Ltd.		
	2,636,786	389,889
	9,818,145	9,869,878

Note : 2.22.2

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Dividend Income		
Trade Investment		
Non-current	448,046	448,371
Current	52,100	342
	500,146	448,713

Note : 2.23**EMPLOYEE BENEFITS EXPENSES**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Salaries, Allowances, Bonus, etc. [Refer to Note 2.26.8]	77,095,446	68,528,683
Contribution to Provident and other funds [Refer to Note 2.26.8]	3,452,976	2,897,876
Staff Welfare Expenses	2,530,121	3,432,465
TOTAL	83,078,543	74,859,024

Note : 2.24**FINANCE COSTS**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Interest Expenses	2,959,944	3,054,644
TOTAL	* 2,959,944	* 3,054,644

* Includes Commission on Bank Guarantee - 390,211/- (82,362/-)

Note : 2.25**ADMINISTRATIVE AND OTHER EXPENSES**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Rent and Lease Rent	9,244,809	8,842,564
Electricity Charges	3,166,946	2,991,979
Insurance	152,885	203,397
Travelling and Conveyance	3,823,830	3,194,686
Telephone and Postal Charges	4,823,785	4,736,444
Vehicle Upkeep Charges	753,726	997,920
Printing and Stationery	1,089,455	1,418,964
Repairs and maintenance - others	2,647,192	2,929,511
Legal and Professional Charges	1,088,900	736,787
SEBI Fees	490,895	570,694
Subbrokers' Fees	18,711,332	18,367,649
Software License Charges	3,923,248	4,214,231
Securities Transaction Tax	54,486	160,908
Marketing and Business Promotion	772,671	621,566
Transaction Charges	2,171,432	2,484,087
Service Tax and Brokers' Note	3,018,615	2,300,896
Directors' Sitting Fees	650,000	580,000
Membership and Subscription	263,108	291,622
Auditors' Remuneration		
Audit Fees	150,000	150,000
Certification Fees	60,750	75,750
Bad Debt written off	14,171	5,753,624
Provision for Doubtful Debts and Advances	375,000	516,253
Fixed Assets written off	207,887	—
Other Expenses	1,206,686	1,299,588
TOTAL	58,861,809	63,439,120

Note : 2.26

- .01 The advance tax, tax deducted at source and provision for tax have been adjusted for the years for which tax assessment has been completed.
- .02 The Company had incurred expenditure towards Development Fees in the assessment year 1996-97 for admission to Calcutta Stock Exchange which was debited to revenue account. The Income Tax Authorities had treated this as capital expenditure and this was confirmed by the Income Tax Appellate Tribunal by their Order No. 251/Cal/2000 dated 08.02.2005. The amount of Rs 31.31 lacs was determined by the Assessing Officer as Income Tax payable thereon which was deposited by the Company. However, the Company had filed an appeal against the same before the Hon'ble High Court at Calcutta, which is pending.
- .03 As the company's business activity falls mainly on a single primary business segment viz. dealing in Securities Markets and allied activities and no other segment falls under 10% threshold limit and in a single geographical segment, the disclosure requirements of Accounting Standard (AS - 17) "Segment Reporting" notified in Section 133 of the Companies Act, 2013 are not applicable.

- .04 The Company has leased facility under non-cancelable operating lease.

The future lease payment in respect of the lease as at 31st March, 2016 is as under :

Minimum lease payment

	2015-16	2014-15
	(₹)	(₹)
Not later than one year	336,960	431,840
Later than one year and not later than five years	435,820	705,480
Amount paid being minimum lease payment	393,460	451,080

General description of lease term :

- (i) Lease rentals are charged on the basis of agreed terms.
(ii) Assets are taken on lease for a period of three to ten years

- .05 Basic and Diluted Earnings per share ("EPS") computed in accordance with Accounting Standard - 20 is as under :

	2015-16	2014-15
Profit after tax - ₹ (Used as Numerator for calculation)	(30,003,607)	(29,806,381)
Number of Equity Shares at the beginning of the year	24,686,214	24,686,214
Number of Equity Shares at the end of the year	24,686,214	24,686,214
Weighted average number of Equity Share outstanding during the year (used as denominator for calculation)	24,686,214	24,686,214
Diluted Potential Equity Shares	—	—
Nominal value of Equity Shares – ₹	10	10
Basic and diluted earnings per Share – ₹	(1.22)	(1.21)

- .06 Details of Stock - in - Trade comprising of Shares :

Particulars	2015-16	2014-15
	(₹)	(₹)
Purchase/Transfer of Stock	2,011,200	3,433,965
Less : Diminution in value	144,737	2,522
Sales of Stock	604,259	3,438,970
Change in inventories of Stock	(1,277,410)	(16,520)
Profit/(Loss) on Trading of Shares	15,206	24,047

Note : 2.26

- 07 There is no impairment loss in terms of the Accounting Standard (AS) – 28 on “Impairment of Assets” notified in Section 133 of the Companies Act, 2013.
- .08 The disclosures required under Accounting Standard 15 “Employee Benefits” notified in Section 133 of the Companies Act, 2013:

Defined Contribution Plan

Employer’s Contribution to Provident Fund : ₹ 3,452,976 (Previous Year - ₹ 2,897,876)

Defined Benefit Plan

The employees’ gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Gratuity (Funded)**a. Reconciliation of opening and closing balances of Defined Benefit Obligation**

	2015-16 (₹)	2014-15 (₹)
Defined Benefit obligation at beginning of the year	4,969,097	3,855,962
Current Service Cost	1,336,707	912,368
Interest Cost	491,959	423,062
Actuarial Losses/(Gain)	(429,349)	419,935
Benefits Paid	(345,000)	(642,230)
Defined Benefit obligation at year end	<u>6,023,414</u>	<u>4,969,097</u>

b. Reconciliation of opening and closing balances of fair value of plan assets

	2015-16 (₹)	2014-15 (₹)
Fair value of Plan Assets at the beginning of the year	3,770,880	3,626,532
Expected return on plan Assets	292,743	276,138
Actuarial Gain / (Losses)	(16,563)	65,494
Contributions by Employer	727,454	444,946
Benefits Paid	(345,000)	(642,230)
Fair value of Plan Assets at year end	<u>4,429,514</u>	<u>3,770,880</u>

c. Reconciliation of fair value of assets and obligations

	31st March 2016	31st March 2015
Fair value of Plan Assets	4,429,514	3,770,880
Present value of obligation	6,023,414	4,969,097
Amount recognized in Balance Sheet	<u>1,593,900</u>	<u>1,198,217</u>

Note : 2.26**d. Expenses recognised during the year**

	2015-16	2014-15
Current Service Cost	1,336,707	912,368
Interest Cost	491,959	423,062
Expected return on Plan Assets	(292,743)	(276,138)
Actuarial (gain) / loss	(412,786)	354,441
Net Cost	1,123,137	1,413,733

e. Investment details**% invested**

	31st March 2016	31st March 2015
LIC Group Gratuity (Cash Accumulation) Policy	100	100

f. Actuarial assumptions :

Indian Assured Lives Mortality (2006 – 08) Ult Table

	Year ended	31st March, 2016	31st March, 2015
Discount rate (per annum)		7.90%	7.95%
Expected Rate of Return on Assets (per annum)		7.50%	7.50%
Salary Escalation (per annum)		7.00%	7.00%

.09 The movement in provision for bad and doubtful debts/advances during the year is as follows :

Particulars	2015-16 (₹)	2014-15 (₹)
Opening Balance	3,857,652	9,932,818
Add : Provision made	375,000	516,253
Less : Bad debt written off against provision	13,929	5,591,967
Less : Provision no longer required	66,714	999,452
Closing Balance	4,152,009	3,857,652

.10 Capital Commitments

	As on 31.03.2016	As on 31.03.2015
	(₹)	(₹)
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	—	119,400

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

(₹ in Lakhs)

Sl.No.	Particulars	Year	As on 31.03.2016	As on 31.03.2015
1	Income Tax matter pending in appeal	2007-08	22.22	22.22
2	Service Tax matter pending in appeal	2006-07	5.66	5.66
3	Service Tax matter pending for appeal	2011-12, 2012-13, 2013-14	8.34	—

Note : 2.26

- .12 In the opinion of the management, the Current Assets, Loans and Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet unless otherwise stated.
- .13 Related Party disclosures as required in terms of Accounting Standard (AS – 18) on Related Party disclosures notified in Section 133 of the Companies Act, 2013 are as under

- i. Holding Company : The Peerless General Finance and Investment Co. Ltd.
- ii. Subsidiary : Peerless Commodities Ltd.
- iii. Fellow Subsidiaries : Peerless Hotels Ltd.
Peerless Financial Products Distribution Ltd.
Peerless Hospitex Hospital and Research Center Ltd.
Peerless Fund Management Company Ltd.
Peerless Trust Management Company Ltd.
Peerless Financial Services Ltd.
- iv. Associates : Bengal Peerless Housing Development Company Ltd.
Kaizen Leisure & Holidays Ltd.
Kaizen Hotels & Resorts Ltd.
Peerless Mutual Fund (managed by Peerless Fund Management Company Ltd.)
- v. Key Management Personnels : Mr. Jitendra Kumar Panda, Managing Director and CEO
Mr. Atul Kumar Bajpai, Wholetime Director
Mr. Abhishek Tantia, CFO
Mr. Dinesh Mourya, Company Secretary

- vi. The Company's related party transactions during the year and outstanding balances as at 31st March, 2016 are as below :

(Figures in ₹)

	Holding Company		Subsidiary and Fellow Subsidiaries		Associates		Key Management Personnels		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Equity Contribution	—	—	5,000,000	—	—	—	—	—	5,000,000	—
Sale of Assets	—	75,359	—	—	—	—	—	—	—	75,359
Investment in Mutual Fund - Purchase					90,500,000	112,000,000			90,500,000	112,000,000
Investment in Mutual Fund - Sale					90,677,313	112,226,213			90,677,313	112,226,213
Receiving of Services				81,461	100,498	571,939			100,498	653,400
Reimbursement of expenses	2,867,829	2,548,837	213,330	201,017					3,081,159	2,749,854
Remuneration							13,893,102	12,435,375	13,893,102	12,435,375
Rental Expenses	6,981,823	7,043,506							6,981,823	7,043,506
Rendering of Services	591,469	1,095,224	27,418	187,437	551,452	457,004			1,170,339	1,739,665
Balances at year end										
Receivable	8,962	4,147	6,440		29,954	7,402			45,356	11,549
Payable	1,205,733	1,219,777							1,205,733	1,219,777

The above related party transactions are disclosed to the extent such parties have been identified by the management on the basis of information available. This is relied upon by the Auditors.

- .14 Figures of the previous year have been regrouped/rearranged wherever necessary to conform to the current year's presentation.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEERLESS SECURITIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **PEERLESS SECURITIES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the group”), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2016, and its consolidated loss and its consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets(net) of Rs. 5,504,257/- as at 31 March,2016, total revenues of Rs. 338,576/-and net cash flows amounting to Rs.260,017/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary , and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. 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 of the consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - c. The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". [Report in Annexure B will be issued after
 - g. With respect to the other matters to be included in the Auditors' 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) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 2.26.07 to the consolidated financial statements;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.

For and on behalf of
DE & BOSE
Chartered Accountants
Firm Registration No. 302175E

Place : Kolkata
Date : 20th May, 2016

Subrata De
Partner
Membership No. 054962

“ANNEXURE-A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in Paragraph-1(f) under “Report on Other Legal & Regulatory Requirements” section of our report of even date

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Peerless Securities Limited (“the Holding Company”) and its subsidiary company as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

the company are being made only in accordance with 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

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

Opinion

In our opinion, the Company has, the Holding and its subsidiary, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For and on behalf of
DE & BOSE
Chartered Accountants
Firm Registration No. 302175E

Subrata De
Partner
Membership No. 054962

Place : Kolkata

Date : 20th May, 2016

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2016

	Note	As at 31 st March, 2016		As at 31 st March, 2015	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2.1		246,862,140		246,862,140
(b) Reserves and Surplus	2.2		(44,911,459)		(15,025,500)
2. Minority Interest			5,481		4,981
3. Non-Current Liabilities					
(a) Long-term Provisions	2.3		1,593,900		1,198,217
4. Current Liabilities					
(a) Short-term borrowings					
Loans	2.4 & 2.5	—		15,001,105	
Deposits	2.6	23,044,322	23,044,322	16,041,559	31,042,664
(b) Trade Payables	2.7		27,104,462		23,972,573
(c) Other Current Liabilities	2.8		8,026,281		10,277,113
(d) Short-term Provisions	2.9		1,032,603		1,292,658
			262,757,730		299,624,846
ASSETS					
1. Non-Current Assets					
(a) Fixed Assets	2.10				
(i) Tangible Assets		4,407,126		6,731,099	
(ii) Intangible Assets		1,253,300	5,660,426	1,488,924	8,220,023
(b) Non-Current Investments	2.11		12,357,321		30,349,285
(c) Deferred Tax Assets (Net)	2.12		5,745,707		6,937,496
(d) Long-term Loans and Advances	2.13		51,374,563		35,144,275
(e) Other Non- Current Assets	2.14		4,809,307		500,000
2. Current Assets					
(a) Current Investments	2.15		5,000,000		975,000
(b) Inventories	2.16		1,293,930		16,520.00
(c) Trade Receivables	2.17		63,911,255		66,435,070
(d) Cash and Cash Equivalents	2.18		100,945,294		139,549,869
(e) Short-term loans and advances	2.19		9,837,844		10,236,888
(f) Other Current Assets	2.20		1,822,083		1,260,420
			262,757,730		299,624,846

Significant Accounting Policies 1

Notes on Financial Statements 2

This is the Balance Sheet referred to in our report of even date.

For & on behalf of

DE & BOSE

Firm Registration No. 302175E

Chartered Accountants

Subrata De

Partner

Membership No. 054962

Kolkata, 20th May 2016

Dinesh Mourya

Company Secretary

Abhishek Tantia

Chief Financial Officer

On behalf of the Board

D. N. Sengupta

Jitendra Kumar Panda

Director

Managing

Director & CEO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	Year ended 31 st March, 2016 ₹	Year ended 31 st March, 2015 ₹
Revenue from Operations	2.21	112,853,275	111,245,687
Other Income	2.22	12,233,358	16,069,676
TOTAL REVENUE		<u>125,086,633</u>	<u>127,315,363</u>
Expenses :			
Employee Benefits Expenses	2.23	83,107,133	74,859,024
Finance Costs	2.24	2,959,944	3,054,644
Administrative and Other expenses	2.25	58,994,638	63,471,270
Depreciation and amortization expenses	2.10	3,724,578	5,776,872
Provision for Diminution in value of Investment	2.11 & 2.22	4,815,242	15,467,472
Diminution in value of Stock in Trade		144,737	2,522
TOTAL EXPENSES		<u>153,746,272</u>	<u>162,631,804</u>
Profit/(Loss) before Taxation		(28,659,639)	(35,316,441)
Tax Expense :			
Current Tax		34,031	21,780
Deferred Tax	2.12	1,191,789	(5,599,387)
Profit/(Loss) for the year before Minority Interest		(29,885,459)	(29,738,834)
Minority Interest		500	946
Profit/(Loss) for the year attributable to the shareholders of the Company		<u>(29,885,959)</u>	<u>(29,739,780)</u>
Earnings per equity shares of Rs. 10/- each			
Basic and Diluted Earnings per Share [Refer to Note : 2.26.04]		(1.21)	(1.20)
Significant Accounting Policies	1		
Notes on Financial Statements	2		

This is the Statement of Profit and Loss referred to in our report of even date.

For & on behalf of
DE & BOSE
Firm Registration No. 302175E
Chartered Accountants

Subrata De
Partner
Membership No. 054962
Kolkata, 20th May 2016

Dinesh Mourya
Company Secretary

Abhishek Tantia
Chief Financial Officer

On behalf of the Board

D. N. Sengupta Director
Jitendra Kumar Panda Managing Director & CEO

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(28,659,639)	(35,316,441)
Adjusted for :		
Depreciation	3,724,578	5,776,872
Diminution in value of Stock in Trade	144,737	2,522
Diminution in value of Non-Current Investment	4,815,242	15,467,472
Interest Income	(9,823,999)	(9,878,432)
Dividend Income	(500,146)	(448,713)
Interest Paid	2,569,733	2,972,282
Provision for Doubtful Debts and Advances	375,000	516,253
Bad Debt written off	14,171	5,753,624
Loss on sale of Long Term Investments	7,801,567	1,880,264
Profit on sale of Current Investments	(17,000)	(935,090)
Provision for Doubtful Debts written back	(80,603)	(6,591,418)
Provision no longer required written back	(9,484,936)	
Loss on written off of Fixed Assets	207,887	90,182
	<u>(253,769)</u>	<u>14,605,818</u>
Operating Profit before Working Capital Changes	(28,913,408)	(20,710,623)
Adjusted for :		
Trade and Other Receivables	(13,784,753)	26,651,045
Inventories	(1,422,147)	(19,042)
Loans and Advances	(234,765)	(863,091)
Trade and Other Payables	8,144,960	4,602,278
	<u>(7,296,705)</u>	<u>30,371,190</u>
Cash generated from/(used in) Operations	(36,210,113)	9,660,567
Tax paid (Net)	(570,321)	(768,958)
Net Cash from/(used in) Operating Activities	(35,639,792)	10,429,525
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,372,868)	(2,926,370)
Proceeds from sale of fixed assets	—	255,359
Investment in Mutual Fund	(5,000,000)	—
Proceeds from Sale of Investments	15,852,091	18,669,048
Proceeds from maturity of Fixed Deposit with Bank	99,900,000	40,490,000
Investment to Fixed Deposit with Bank	(47,200,000)	(50,530,000)
Interest Income	9,252,649	10,806,968
Dividend Income	500,146	448,713
Net Cash from Investing Activities	71,932,018	17,213,718

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

	2015-16 ₹	2014-15 ₹
CASH FLOW FROM FINANCING ACTIVITIES		
Overdraft and Short Term Loan facility	(15,001,105)	(13,202,465)
Interest Paid	(2,700,103)	(2,841,912)
Net Cash (used in) Financing Activities	(17,701,208)	(16,044,377)
Net Increase in Cash and Cash Equivalents	18,591,018	11,598,866
Cash and Cash Equivalents (Opening Balance)	39,454,276	27,855,410
Cash and Cash Equivalents (Closing Balance) (Note - 1)	58,045,294	39,454,276

Note :

1. Cash and Cash Equivalents comprise :

Cash in hand	70,803	631,241
Balance with Banks :		
In Current Account	57,974,491	38,823,035
	58,045,294	39,454,276

This is the Cash Flow Statement referred to in our report of even date.

For & on behalf of
DE & BOSE
Firm Registration No. 302175E
Chartered Accountants

Subrata De
Partner

Membership No. 054962
Kolkata, 20th May 2016

Dinesh Mourya
Company Secretary

Abhishek Tantia
Chief Financial Officer

On behalf of the Board

D. N. Sengupta Director
Jitendra Kumar Panda Managing
Director & CEO

NOTE : 1**SIGNIFICANT ACCOUNTING POLICIES****(A) Basis of preparation of financial statements**

- (i) The consolidated financial statements of the group 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 the Companies Act, 2013 and Accounting Standards as prescribed under section 133 of the said Act, read with rule 7 of the Companies (Accounts) Rule, 2014 and other generally accepted accounting principles. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (ii) Incomes and Expenses are accounted for on accrual basis, provisions are made for all known liabilities and are based on available information.
- (iii) Brokerage and other income earned on secondary market operations is accounted on trade dates. Advisory services & related income are accounted on accrual basis. Depository income are accounted on cash basis due to uncertainty of realization.
- (iv) Income on account of interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable and to the extent considered realisable.
- (v) Income on account of dividend is recognised when the right to receive is established.
- (vi) Claims and refunds whose recovery cannot be ascertained with reasonable certainty are accounted for as and when accepted and/or on actual receipt basis.

(B) Principles of Consolidation

Peerless Securities Limited (the "Company") and its subsidiary constitute the "Group". The consolidated financial statements have been prepared on the following basis :

- (i) The financial statements of the Company and its subsidiary are combined on a line – by – line basis by adding together the book values of like items of assets , liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard(AS) 21 –“ Consolidated Financial Statements”.
- (ii) Minority Interest’s share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (iii) Minority Interest’s share of net assets of consolidate subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company.
- (iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions anf other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.
- (v) Details of the subsidiary whose assets, liabilities, income and expenses are included in the consolidation and the Company’s holdings therein are as under :

Entity	Proportion of Holding’s interest (%)	Date of Incorporation
Peerless Commodities Limited	99.87	07/08/2013

(C) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements.

The difference between the actual results and estimates is recognised in the period in which the results are known/ materialized.

(D) Other significant accounting policies :

These are set out under “Significant Accounting Policies” as given in the Company’s separate financial statements.

NOTE : 2**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR 31ST MARCH, 2016****Note : 2.1****SHARE CAPITAL**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs. 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
		250,000,000		250,000,000
Issued, Subscribed and Paid-up Capital				
Equity Shares of Rs. 10/- each At the beginning and at the end of the year	24,686,214	246,862,140	24,686,214	246,862,140
		246,862,140		246,862,140

2.1.1. Rights, preferences and restrictions attached to equity shares

The Equity Shares of the Company, having par value of ₹10 per share, rank pari passu in all respects including voting rights and entitlement to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.1.2. Disclosure of shares in the Company held by its holding company

(Amount in ₹)

Name of the Holding Company	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
The Peerless General Finance & Investment Company Ltd.	24,080,000	240,800,000	24,080,000	240,800,000

2.1.3. Details in respect of shares in the Company held by each shareholder holding more than 5% shares

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	Number of shares of the Company held by the shareholder	% holding	Number of shares of the Company held by the shareholder	% holding
The Peerless General Finance & Investment Company Ltd.	24,080,000	97.54%	24,080,000	97.54%

NOTE : 2 (Contd.)**Note : 2.2****RESERVES AND SURPLUS**

(Figures in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Amount	Amount	Amount	Amount
Securities Premium Account				
At the beginning and at the end of the year		102,927,570		102,927,570
General Reserve				
At the beginning and at the end of the year		41,705,511		41,705,511
Surplus as per the Statement of Profit and Loss				
At the beginning of the year	(159,658,581)		(129,120,582)	
Adjustment on account of depreciation as per Schedule II of the Companies Act, 2013			(798,219)	
Add: Loss for the year as per Statement of Profit and Loss	(29,885,959)		(29,739,780)	
At the end of the year		(189,544,540)		(159,658,581)
TOTAL		(44,991,459)		(15,025,500)

Note : 2.3**LONG TERM PROVISIONS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits – Gratuity	1,593,900	1,198,217
TOTAL	1,593,900	1,198,217

Note : 2.4**LOANS FROM BANKS - Secured**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Loan repayable on demand-Overdraft	—	1,105
TOTAL	—	1,105

Secured on lien of Fixed Deposits with Bank

Note : 2.5**LOANS FROM BANKS - Partly Secured**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Loan repayable on demand – Short Term Facility	—	15,000,000
TOTAL	—	15,000,000

Partly secured on lien of Fixed Deposits with Bank

Note : 2.6**DEPOSITS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Margin Money - Clients	17,294,523	12,019,189
Security Deposit - Subbrokers	3,671,209	3,475,020
Security Deposit - Others	64,646	74,646
Sundry Deposit	2,013,944	472,704
TOTAL	23,044,322	16,041,559

Note : 2.7**TRADE PAYABLES**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Clients	26,942,311	22,971,070
Others	162,151	1,001,503
TOTAL	27,104,462	23,972,573

Note : 2.8**OTHER CURRENT LIABILITIES**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Government Dues	526,426	1,212,861
Sundry Creditors (micro enterprises and small enterprises under Micro,Small and Medium Enterprise Development Act,2006)	—	—
Sundry Creditors (Other than micro enterprises and small enterprises under Micro,Small and Medium Enterprise Development Act,2006)	7,437,449	9,064,252
Others	62,406	—
TOTAL	8,026,281	10,277,113

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

Note : 2.9**SHORT TERM PROVISIONS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits – Leave Encashment	1,025,135	1,290,069
Provision for Taxation (Net of Advance Tax and Tax deducted at source)	7,468	2,589
TOTAL	1,032,603	1,292,658

Note : 2.10**TANGIBLE AND INTANGIBLE ASSETS**

(Figures in ₹)

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION				NET CARRYING VALUE			
	As at 1.4.2015	Additions	Disposal/ Adjustment	As at 31.3.2016	Up to 31.3.2015	For the year	Adjustment against Retained Earnings	Disposal/ Adjustment	As at 31.3.2016	As at 31.3.2016	As at 31.3.2015
TANGIBLE ASSETS :											
1. Furniture and Fittings	12,180,556	88,409	1,912,942	10,356,023	9,794,181	757,228	—	1,749,716	8,801,693	1,554,330	2,386,375
2. Motor Vehicles	2,382,418	—	—	2,382,418	1,864,737	155,085	—	—	2,019,822	362,596	517,681
3. Office Equipments	8,244,855	229,816	972,568	7,502,103	7,010,600	596,232	—	927,907	6,678,925	823,178	1,234,255
4. Computers and Data Processing Units	13,787,751	654,283	—	14,442,034	11,194,963	1,580,049	—	—	12,775,012	1,667,022	2,592,788
SUB TOTAL (A)	36,595,580	972,508	2,885,510	34,682,578	29,864,481	3,088,594	—	2,677,623	30,275,452	4,407,126	6,731,099
INTANGIBLE ASSETS :											
1. Computer Software *	7,831,794	400,360	—	8,232,154	6,342,870	635,984	—	—	6,978,854	1,253,300	1,488,924
SUB TOTAL (B)	7,831,794	400,360	—	8,232,154	6,342,870	635,984	—	—	6,978,854	1,253,300	1,488,924
TOTAL (A + B)	44,427,374	1,372,868	2,885,510	42,914,732	36,207,351	3,724,578	—	2,677,623	37,254,306	5,660,426	8,220,023
Previous Year	42,851,682	2,926,370	1,350,678	44,427,374	30,280,451	5,776,872	1,155,165	1,005,137	36,207,351	8,220,023	

* Other than internally generated.

Note : 2.11**NON-CURRENT INVESTMENTS****(Trade – Fully paid up)****A. Investment in Shares – Quoted**

(Figures in ₹)

Name of the Company	Face Value per share	31 st March, 2016		31 st March, 2015	
		No. of Equity Shares	Book Value	No. of Equity Shares	Book Value
The Calcutta Stock Exchange Ltd. *	1	250	250	250	250
Aban Offshore Ltd.	2	300	258,240	300	258,240
Andhra Bank	10	6,000	710,864	6,000	710,864
Bharat Heavy Electricals Ltd.	2	—	—	5,500	2,740,685
Central Bank of India	10	8,000	1,487,801	8,000	1,487,801
Crompton Greaves Ltd.	2	2,000	569,013	13,000	4,077,850
Crompton Greaves Consumer Electricals Ltd.	2	2,000	—	—	—
East India Hotels Ltd.	2	10,718	1,227,712	38,000	4,856,701
Housing Development and Infrastructure Ltd.	10	5,000	860,615	5,000	860,615
Indiabulls Real Estate Ltd.	2	4,500	889,359	5,000	988,359
IDBI Bank Ltd.	10	—	—	13,500	2,164,979
IFCI Ltd.	10	6,500	397,150	6,500	397,150
IRB Infrastructure Developers Ltd.	10	10,250	2,895,753	17,450	4,957,486
JP Associates Ltd.	2	14,000	1,684,470	14,000	1,684,470
JSW Energy Ltd.	10	26,987	2,929,842	26,987	2,929,842
NIIT Ltd.	2	—	—	12,000	803,426
Power Finance Corporation Ltd.	10	1,250	313,188	1,250	313,188
PTC India Ltd.	10	5,000	581,375	5,000	581,375
Punj Lloyd Ltd.	2	15,000	1,761,539	26,000	3,231,552
Rattaninda Infrastructure Limited	2	14,750	—	14,750	—
Rural Eletrification Corporation Ltd.	10	8,500	2,578,750	8,500	2,578,750
Reliance Capital Ltd.	10	—	—	2,000	1,446,471
Reliance Industries Ltd.	10	—	—	800	874,060
Reliance Infrastructure Ltd.	10	—	—	2,400	2,617,565
State Bank of India	1	13,000	3,737,581	17,000	4,983,481
Tata Steel Ltd.	10	700	271,597	700	271,597
			23,155,099		45,816,757
Less : Provision for Diminution in value of investment			10,797,778		15,467,472
			12,357,321		30,349,285

TOTAL OF NON-CURRENT INVESTMENTS

Aggregate amount of Quoted Investments	23,154,849	45,816,507
Aggregate amount of Unquoted Investments	250	250
Aggregate amount of market value of quoted Investments	12,408,696	30,917,618
Aggregate provision for diminution in value of investments	10,797,778	15,467,472

* denotes - not quoted

For basis of valuation , refer note 1(E)

Note : 2.12**DEFERRED TAX (NET)**

(Figures in ₹)

Particulars	Closing as at 31.03.2016	(Charge)/ Credited to P&L	Opening as at 01.04.2015
Deferred Tax Asset			
Provision for Leave Encashment	316,767	(81,864)	398,631
Provision for Gratuity	492,515	122,266	370,249
Provision for diminution in value of investment	3,336,513	(1,442,936)	4,779,449
Preliminary Expenses	49,955	(24,978)	74,933
	<u>4,195,750</u>	<u>(1,427,512)</u>	<u>5,623,262</u>
Deferred Tax Liability			
Depreciation	(1,549,957)	235,723	(1,314,234)
	<u>(1,549,957)</u>	<u>235,723</u>	<u>(1,314,234)</u>
Net Deferred Tax Asset/(Liability)	5,745,707		6,937,496
Deferred Tax Credited to Statement of Profit and Loss		(1,191,789)	

Note : 2.13**LONG TERM LOANS AND ADVANCES**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits with		
Exchanges and Clearing Houses	47,610,411	31,610,411
Depositories	1,500,000	1,500,000
Others	1,183,629	1,251,981
	<u>50,294,040</u>	<u>34,362,392</u>
Other Loans and advances		
Loan to Staff	—	7,182
Prepaid Expenses	1,070,522	764,700
Other Advances	10,001	10,001
	<u>1,080,523</u>	<u>781,883</u>
TOTAL	<u>51,374,563</u>	<u>35,144,275</u>

Note : 2.14**OTHER NON-CURRENT ASSETS**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Non-current bank balance [Refer to Note 2.18]	4,800,000	500,000
Interest Accrued but not due on fixed deposits with banks	9,307	—
TOTAL	<u>4,809,307</u>	<u>500,000</u>

Note : 2.15**CURRENT INVESTMENTS****(Trade - Fully Paid up)**

(Figures in ₹)

Investment in Debentures - Quoted

Name of Debentures	Nominal Value per debenture	31 st March, 2016		31 st March, 2015	
		No. of debenture	Value	No. of debenture	Value
Power Finance Corporation Ltd. 7.95% NCD 24FEB 2016	1,000,000	—	—	1	975,000
			<u>NIL</u>		<u>975,000</u>

(Other than Trade - Fully Paid up)

Investment in Mutual Fund - Unquoted

(Figures in ₹)

Name of Debentures	Nominal Value per debenture	31 st March, 2016		31 st March, 2015	
		No. of debenture	Value	No. of debenture	Value
Peerless Liquid Fund - Regular Plan Growth			5,000,000		—
			<u>5,000,000</u>		<u>—</u>

TOTAL OF CURRENT INVESTMENTS

5,000,000

975,000

Total market value of Current Investments

5,005,258

998,500

For basis of valuation, refer Note 1(E)

Note : 2.16**INVENTORIES - Quoted**

(Figures in ₹)

Name of the Company	31 st March, 2016		31 st March, 2015	
	No. of Equity Shares	Value	No. of Equity Shares	Value
Reliance Industries Ltd.			20	16,520
HDFC Ltd.	400	442,240		
L&T Ltd.	700	851,690		
MSL Industries Ltd.	32,000		32,000	
TOTAL		<u>1,293,930</u>		<u>16,520</u>

For basis of valuation, refer note 1(F)

Note : 2.17**TRADE RECEIVABLES****(Unsecured)**

(Figures in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	11,582,336	4,809,207
Considered doubtful	4,014,055	3,718,502
Others - Considered good	52,327,763	61,625,863
	67,924,154	70,153,572
Less : Provision for doubtful debts	4,012,899	3,718,502
	63,911,255	66,435,070

Note : 2.18**CASH AND CASH EQUIVALENTS**

(Figures in ₹)

Particulars	Non-current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Balances with banks in current accounts	—	—	57,974,491	38,823,035
Cash in Hand (including Stamps)	—	—	70,803	631,241
Other Balances with Banks :				
Fixed deposit with banks having maturity period above three months but less than one year	—	—	7,500,000	100,000
Fixed deposit under lien				
Original maturity more than 12 months but having maturity period within 3 months from the reporting date	—	—	15,000,000	10,000,000
Others	4,800,000	500,000	20,400,000	89,995,593
Amount disclosed under non-current assets [Refer note 2.14]	(4,800,000)	(500,000)	—	—
TOTAL	—	—	100,945,294	139,549,869

Note : 2.19**SHORT TERM LOANS AND ADVANCES****(Unsecured)**

(Figures in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
Security Deposits - Others		451,671		252,859
Advance Income Tax (including Tax Deducted at Source) [Net of provision]		4,677,753		5,276,867
Tax Refundable		219,670		219,670
Service Tax (Cenvat Credit)		784,864		324,701
Other Loans and Advances				
Staff Loan	22,165		66,367	
Prepaid Expenses	2,753,318		2,309,075	
Other Advances	1,067,553	3,843,036	1,926,499	4,301,941
TOTAL		9,976,994		10,376,038
Of the above				
Considered good		9,837,844		10,236,888
Considered doubtful		139,150		139,150
		9,976,994		10,376,038
Less : Provision for doubtful loans and advances		139,150		139,150
TOTAL		9,837,844		10,236,888

Note : 2.20**OTHER CURRENT ASSETS**

(Figures in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
Interest Accrued but not due				
On Investment	—		7,841	
On Term Deposit with Banks and IL&FS Ltd.	1,822,083	1,822,083	1,252,579	1,260,420
TOTAL		1,822,083		1,260,420

Note : 2.21**REVENUE FROM OPERATIONS**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016		For the year ended on 31.03.2015	
Brokerage		84,881,655		84,832,703
Securities Trading		931,899		617,564
Depository Operations		8,696,121		7,765,109
Delayed Payment Charges		14,737,644		16,249,156
Other Services		3,605,956		1,781,155
TOTAL		112,853,275		111,245,687

Note : 2.22**OTHER INCOME**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Interest Income [Refer to Note : 2.22.1]	9,823,619	9,878,432
Dividend Income [Refer to Note : 2.22.2]	500,146	448,713
Profit on sale of Long Term Investments	(7,801,567)	(1,880,264)
Profit on sale of Current Investments	17,000	935,090
Provision for doubtful debts written back	80,603	6,591,418
Provision no longer required written back	9,484,936	—
Profit on disposal of fixed assets	—	(90,182)
Other Non-operating Income	128,621	186,469
TOTAL	12,233,358	16,069,676

Note : 2.22.1

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Interest Income		
On Investments		
Non-current Investments	—	65,516
Current Investments	27,444	142,528
On Term Deposit with Banks		
Non-current	9,307	43,751
Current	7,150,082	9,236,748
On Deposits with IL & FS Ltd.		
	2,636,786	389,889
	9,823,619	9,878,432

Note : 2.22.2

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Dividend Income		
Trade Investment		
Non-current	448,046	448,371
Current	52,100	342
	500,146	448,713

Note : 2.23**EMPLOYEE BENEFITS EXPENSES**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Salaries, Allowances, Bonus, etc.	77,124,036	68,528,683
Contribution to Provident and other funds	3,452,976	2,897,876
Staff Welfare Expenses	2,530,121	3,432,465
TOTAL	83,107,133	74,859,024

Note : 2.24**FINANCE COSTS**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Interest Expenses	2,959,944	3,054,644
TOTAL	* 2,959,944	* 3,054,644

* Includes Commission on Bank Guarantee - 390,211/- (82,362/-)

Note : 2.25**ADMINISTRATIVE AND OTHER EXPENSES**

(Figures in ₹)

Particulars	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Rent and Lease Rent	9,244,809	8,842,564
Electricity Charges	3,166,946	2,991,979
Insurance	152,885	203,397
Travelling and Conveyance	3,858,089	3,194,686
Telephone and Postal Charges	4,823,785	4,736,444
Vehicle Upkeep Charges	753,726	997,920
Printing and Stationery	1,111,943	1,418,964
Repairs and maintenance - others	2,647,192	2,929,511
Legal and Professional Charges	1,105,020	747,462
SEBI Fees	490,895	570,694
Subbrokers' Fees	18,711,332	18,367,649
Software License Charges	3,923,248	4,214,231
Securities Transaction Tax	54,486	160,908
Marketing and Business Promotion	772,671	621,566
Transaction Charges	2,171,432	2,484,087
Service Tax and Brokers' Note	3,018,615	2,300,896
Directors' Sitting Fees	672,000	580,000
Membership and Subscription	263,108	291,622
Auditors' Remuneration		
Audit Fees	170,000	160,000
Certification Fees	60,750	75,750
Bad Debt written off	14,171	5,753,624
Provision for Doubtful Debts and Advances	375,000	516,253
Fixed Assets written off	207,887	
Other Expenses	1,224,648	1,311,063
TOTAL	58,994,638	63,471,270

Note : 2.26

- .01 The advance tax, tax deducted at source and provision for tax have been adjusted for the years for which tax assessment has been completed.
- .02 The Holding Company had incurred expenditure towards Development Fees in the assessment year 1996-97 for admission to Calcutta Stock Exchange which was debited to revenue account. The Income Tax Authorities had treated this as capital expenditure and this was confirmed by the Income Tax Appellate Tribunal by their Order No. 251/Cal/2000 dated 08.02.2005. The amount of ₹ 31.31 lacs was determined by the Assessing Officer as Income Tax payable thereon which was deposited by the Holding Company. However, the Holding Company had filed an appeal against the same before the Hon'ble High Court at Calcutta, which is pending.
- .03 As the Holding Company and its subsidiary's business activity falls mainly on a single primary business segment viz. dealing in Securities Markets and allied activities and no other segment falls under 10% threshold limit and in a single geographical segment, the disclosure requirements of Accounting Standard (AS - 17) "Segment Reporting" notified in Section 133 of the Companies Act, 2013 are not applicable.
- .04 Basic and Diluted Earnings per share ("EPS") computed in accordance with Accounting Standard - 20 is as under :

	2015-16	2014-15
Profit after tax – ₹ (Used as Numerator for calculation)	(29,885,959)	(29,739,780)
Number of Equity Shares at the beginning of the year	24,686,214	24,686,214
Number of Equity Shares at the end of the year	24,686,214	24,686,214
Weighted average number of Equity Share outstanding during the year (used as denominator for calculation)	24,686,214	24,686,214
Diluted Potential Equity Shares	—	—
Nominal value of Equity Shares – ₹	10	10
Basic and diluted earnings per Share - ₹	(1.21)	(1.20)

- .05 There is no impairment loss in terms of the Accounting Standard (AS) – 28 on “Impairment of Assets” notified in Section 133 of the Companies Act, 2013.
- .06 The movement in provision for bad and doubtful debts/ advances during the year is as follows :

Particulars	2015-16 (₹)	2014-15 (₹)
Opening Balance	3,857,652	9,932,818
Add : Provision made	375,000	516,253
Less : Bad debt written off against provision	13,929	5,591,967
Less : Provision no longer required	66,714	999,452
Closing Balance	4,152,009	3,857,652

Note : 2.26**.07 Contingent Liabilities**

(Figures in ₹)

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

Sl.No.	Particulars	Year	As on 31.03.2016	As on 31.03.2015
1	Income Tax matter pending in appeal	2007-08	22.22	22.22
2	Service Tax matter pending in appeal	2006-07	5.66	5.66
3	Service Tax matter pending for appeal	2011-12, 2012-13, 2013-14	8.34	—

.08 In the opinion of the management, the Current Assets, Loans and Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Consolidated Balance Sheet unless otherwise stated.

.09 Pursuant to the decision of the Board of directors on 11th February, 2016, the Company has entered into an agreement with a member of various commodities exchanges so that to act as Authorised Representative of the said member and / or do trades in those commodity exchanges. Necessary approval in this respect from certain exchanges has so far been received and that remaining is expected to be received shortly.

The amount received on issue of equity shares will be utilized for providing security etc. and meeting working capital requirements of the proposed business venture, Pending commencement of the same, the amount has been kept deposited as liquid investment under Mutual Fund. The company is, therefore, not required to be registered u/s. 45-IA of the Reserve Bank of India Act, 1934.

.10 Related Party disclosures as required in terms of Accounting Standard (AS – 18) on Related Party disclosures notified in Section 133 of the Companies Act,2013 are as under

- i. Holding Company : The Peerless General Finance and Investment Co. Ltd.
- ii. Fellow Subsidiaries : Peerless Hotels Ltd.
Peerless Financial Products Distribution Ltd.
Peerless Hospitex Hospital and Research Center Ltd.
Peerless Fund Management Company Ltd.
Peerless Trust Management Company Ltd.
Peerless Financial Services Ltd.
- iii. Associates : Bengal Peerless Housing Development Company Ltd.
Kaizen Leisure & Holidays Ltd.
Kaizen Hotels & Resorts Ltd.
Peerless Mutual Fund (managed by Peerless Fund Management Company Ltd.)
- iv. Key Management Personnels : Mr. Jitendra Kumar Panda, Managing Director and CEO
Mr. Atul Kumar Bajpai, Wholetime Director
Mr. Abhishek Tantia, CFO
Mr. Dinesh Mourya, Company Secretary

- v. The Company's related party transactions during the year and outstanding balances as at 31st March, 2016 are as below :

(Figures in ₹)

	Holding Company		Subsidiary and Fellow Subsidiaries		Associates		Key Management Personnels		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sale of Assets		75,359								75,359
Investment in Mutual Fund - Purchase					131,470,000	112,000,000			131,470,000	112,000,000
Investment in Mutual Fund - Sale					126,919,670	112,226,213			126,919,670	112,226,213
Receiving of Services				81,461	109,868	571,939			109,868	653,400
Reimbursement of expenses	2,867,829	2,548,837	213,330	201,017					3,081,159	2,749,854
Remuneration							13,893,102	12,435,375	13,893,102	12,435,375
Rental Expenses	6,981,823	7,043,506							6,981,823	7,043,506
Rendering of Services	591,469	1,095,224	18,475	187,437	551,452	457,004			1,161,396	1,739,665
Balances at year end										
Investment in Mutual Fund					5,000,000				5,000,000	
Receivable	8,962	4,147	6,440		29,954	7,402			45,356	11,549
Payable	1,205,733	1,219,777							1,205,733	1,219,777

The above related party transactions are disclosed to the extent such parties have been identified by the management on the basis of information available. This is relied upon by the Auditors.

- .11 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	Name of Entity	Net Assets		Share of Profit or (Loss)	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount
Parent	Peerless Securities Ltd.	97.29 %	19,64,82,273	(100.40) %	(3,00,03,607)
Subsidiary	Peerless Commodities Ltd.	2.71 %	54,73,889	00.40 %	1,18,148

- .12 Figures of the previous year have been regrouped/rearranged wherever necessary to conform to the current year's presentation

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Sl. No. : **1**
2. Name of the subsidiary: **PEERLESS COMMODITIES LIMITED**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period : **N.A**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. : **N.A**
5. Share capital : ₹ **55, 00,000**
6. Reserves & surplus : ₹ **(26,111)**
7. Total assets : ₹ **5,504,257**
8. Total Liabilities : ₹ **5,504,257**
9. Investments : **50,00,000**
10. Turnover : ₹ **338,576**
11. Profit before taxation : ₹ **177,157**
12. Provision for taxation : ₹ **59,009**
13. Profit after taxation : **Rs. 118,148**
14. Proposed Dividend : **NIL**
15. % of shareholding : **99.86%**

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: **N.A**
2. Names of subsidiaries which have been liquidated or sold during the year: **N.A**

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	Nil	Nil	Nil
2. Shares of Associate/Joint Ventures held by the company on the year end	Nil	Nil	Nil
No.	Nil	Nil	Nil
Amount of Investment in Associates/Joint Venture	Nil	Nil	Nil
Extend of Holding %	Nil	Nil	Nil
3. Description of how there is significant influence	Nil	Nil	Nil
4. Reason why the associate/joint venture is not consolidated	Nil	Nil	Nil
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Nil	Nil	Nil
6. Profit/Loss for the year	Nil	Nil	Nil
i. Considered in Consolidation	Nil	Nil	Nil
i. Not Considered in Consolidation	Nil	Nil	Nil

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Kolkata, 20th May 2016

Abhishek Tantia
Chief Financial Officer

Dinesh Mourya
Company Secretary

On behalf of the Board

D. N. Sengupta *Director*
Jitendra Kumar Panda *Managing Director & CEO*