

Peerless Financial Services Limited
Annual Report & Accounts
2016-17

BOARD OF DIRECTORS

Shri Deepak Mukerjee	– Independent Director & Chairman
Shri Sunil Kanti Roy	– Director
Shri Bhargab Lahiri	– Director
Shri Dipankar Chatterji	– Independent Director
Shri Asoke Kumar Mukhuty	– Director
Shri K. Balasubramanian	– Director
Shri Abhishek Tantia	– Managing Director & Chief Executive Officer

COMPANY SECRETARY

Shri Biswajit Das

CHIEF FINANCIAL OFFICER

Shri Partha Bose

AUDITORS

Messrs Lodha & Co.
Chartered Accountants

PRINCIPAL BANKER

HDFC Bank Ltd

REGISTRAR AND SHARE TRANSFER AGENT

C.B. Management Services (P) Ltd.
P-22 Bondel Road,
Kolkata- 700019

REGISTERED & CORPORATE OFFICE

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

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2016-17**TO,
THE MEMBERS**

Your Directors have pleasure in presenting the Twenty-ninth Annual Report of your Company for the financial year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

A summary of financial results for the FY 2016-17 along with the corresponding figures of previous FY of your Company is given below:-

PARTICULARS	Year ended 31st March, 2017	(Rs. in Lakh)
		Year ended 31st March, 2016
Gross Revenue	578.60	587.13
Profit/(Loss) before taxation	(772.36)	72.92
Less: Tax Expense	2.54	41.30
Profit/(Loss) after tax	(774.90)	31.62
Add: Balance brought forward from the previous year	232.97	207.67
Surplus	(541.93)	239.29
Transfer to Special Reserve	—	6.32
Balance transferred to Balance Sheet	(541.93)	232.97

The state of Company's Affairs

The lending operation of your Company suffered a setback owing to default in some corporate loans. Your Company's Management is taking every possible measure to recover the dues.

While the revenue of your Company for the year 2016-17 marginally decreased from 587.12 lakhs in 2015-16 to Rs. 578.61 lakhs in 2016-17, consequent upon write off of certain non-performing assets, the Company's operations resulted in a loss of Rs. 774.90 lakhs for the year under review against a profit of Rs. 31.62 lakhs in the previous year 2015-16.

Your Company is gearing up to enter into retail credit segment. During the year, your Company commenced Margin Funding Business to extend credit facilities primarily to the clients of Peerless Securities Ltd., a subsidiary of your Company's Holding Company. Other loan products designed for retail client segments are on the anvil and will be marketed in the near future.

Dividend

In view of loss incurred in the year under review, your directors do not recommend any dividend for the FY 2016-17.

Amounts Transferred to Reserves

In view of loss incurred in the year under review, the Board of Directors of the Company has decided not to transfer any amount to Special Reserve in terms of Section 45IC of RBI Act, 1934.

Acceptance of Public Deposit

The Company has neither accepted nor renewed any deposits from the public during the year under review.

Variation in Net Worth

The Net Worth of the Company as at the close of the financial year ended 31st March, 2017 was Rs. 4867.66 lakh,

as compared to the net worth as at the close of previous financial year ended 31st March, 2016 of Rs. 5642.56 lakh.

Extract of Annual Return

The details forming part of the extract of the Annual Return as on 31st March, 2017 in Form MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure – ‘A’ to this report.

Particulars of Loan, Guarantees and Investments under Section 186

Since your Company is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India and is engaged principally in providing loans to its clientele in the ordinary course of business, the provisions of Section 186 of the Companies Act, 2013 do not apply to the Company for providing loans.

Particulars of Contracts or Arrangements with Related Parties

All transactions with related parties have been entered into on an arm’s length basis and in the ordinary course of Business and are in compliance with the applicable provisions of the Companies Act, 2013. No material contracts or transactions with related parties were entered into during the year under review. Accordingly, the disclosure or Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. Statement of all transactions with related parties specifying the nature, value and terms and conditions of the transactions are regularly placed before the Audit Committee at its meetings for consideration and approval.

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

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

Explanation to Auditors’ Observations

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

Material Changes Affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

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

Particulars as required under Section 134(3)(m) read with sub-rule 3(A) and (B) of Rule 8 of Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption do not apply to the Company. There was no Foreign Exchange Earnings or Outgo during the FY 2016-17.

Details of Subsidiary, Joint Venture or Associates

No Company has become or ceased to be a subsidiary, joint venture or associate of your Company during the FY 2016-17.

Risk Management Policy

The Board of Directors have approved a risk management policy which maps the enterprise-wide risks that the company is exposed to, such as strategic, financial, credit, market, liquidity, security, property, information technology, legal, regulatory, reputational and other risks, and lays down processes for overseeing these risks periodically. The Audit Committee performs this function in assessing, managing, monitoring and reporting on the principal risks and uncertainties that can impact the company’s strategic objectives.

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

Details of Directors and Key Managerial Personnel

Mr. Pranab Kumar Choudhury (DIN : 00015470), an Independent Director and Former Chairman of the Company, passed away on 22/11/2016. During his association with the Company from 06/08/2012, the Late Pranab Kumar Choudhury had made significant contribution to the business and affairs of the Company. Your Board of Directors place on record their deep appreciation of the valuable contribution made by Late Pranab Kumar Choudhury during his tenure as a Director of the Company.

Mr. Deepak Mukerjee (DIN :00046690) has joined the Board as an Independent Director with effect from 17/12/2016, subject to approval of the shareholders. Subsequently, Mr. Deepak Mukerjee was elected as the Chairman of the Board with effect from 17/01/2017. Your Directors recommend the appointment of Mr. Deepak Mukerjee as an Independent Director of your Company with effect from 17/12/2016 at the ensuing Annual General Meeting.

Mr. Sudama Ram (DIN: 00271993), former Managing Director & CEO, resigned from the services of the Company with effect from 04/07/2016.

Mr. Abhishek Tantia (DIN :07651661) has been appointed as the Managing Director & CEO with effect from 02/01/2017, subject to approval of the shareholders at the ensuing general meeting. Your Directors recommend the appointment of Mr. Abhishek Tantia as the Managing Director & CEO of your Company with effect from 02/01/2017 at the ensuing Annual General Meeting.

In accordance with the relevant provisions of the Companies Act, 2013, Mr. Sunil Kanti Roy, Director (DIN: 00043966) will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Internal Control

An adequate Internal Control System has been established by the Company in respect of all the major processes. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

Internal Financial Control with Reference to the Financial Statements

The Company's internal financial control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The Company has documented Standard Operating Procedures (Accounts Manual) for various processes which are reviewed for changes as and when they arise and impact our business needs. Besides, the Company also has in place various policies such as, Human Resource Policy, Lending Policy, Risk Management Policy, IT & Security Policy, and Investment Policy etc. Internal Auditors and Statutory auditors as well as the management and the Audit Committee of the Board review the operating effectiveness of such policies and procedures periodically. In the opinion of the Board, the Internal Financial Control System of the Company is adequate and it is operating effectively.

Declaration by Independent Director

In pursuance of Section 149(7) of the Companies Act, 2013 Mr. Deepak Mukerjee (DIN :00046690) and Mr. Dipankar Chatterji, (DIN : 00031256), Independent Directors have submitted necessary declarations to the effect that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

Nomination & Remuneration Policy

The Company has a Nomination and Remuneration Policy in place. It covers appointment / removal and remuneration for directors, key managerial personnel and other employees and lays down criteria for determining qualifications, positive attributes and independence of a director and other matters, as formulated by the Nomination & Remuneration Committee in accordance with Section 178 of the Companies Act, 2013.

The salient aspects covered in the Nomination and Remuneration 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 to hold 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 sustain ability 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 means 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 matters to be dealt with and recommended by the Committee to the Board, Part – B covers nomination, appointment and removal, and Part – C covers remuneration, perquisites etc.

Number of Board Meetings

During the Financial Year 2016-17, the Board of Directors of the company held 6 (six) meetings on 21/05/2016, 07/07/2016, 18/08/2016, 08/09/2016, 17/12/2016 and 17.01.2017.

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

Sl. No.	Name & Designation	No. of meetings attended
1.	Mr. Deepak Mukerjee, Independent Director (appointed on 17/12/2016)	2 out of 6
2.	Mr. Dipankar Chatterji, Independent Director	5 out of 6
3.	Mr. Sunil Kanti Roy, Director	5 out of 6
4.	Mr. Bhargab Lahiri, Director	6 out of 6
5.	Mr. Asoke Kumar Mukhuty, Director	5 out of 6
6.	Mr. K Balasubramanian, Director	6 out of 6
7.	Mr. Abhishek Tantia, Managing Director & CEO (Appointed w.e.f. 02/01/2017)	1 out of 6
8.	Mr. Pranab Kumar Choudhury, Past Chairman (since expired on 22/11/2016)	4 out of 6
9.	Mr. Sudama Ram, Former Managing Director & CEO (Resigned w.e.f. 04/07/2016)	1 out of 6

Committees of the Board

For the purpose of giving focused attention to the business of the Company, the Board delegated different aspects of business to designated Committees of the Board.

Audit Committee

The terms of reference of the Audit Committee conform to the requirements of sub-Section (4) of Section 177 the Act. They include detailed review of audited / un-audited accounts and final accounts prior to consideration by the Board of Directors, approval of annual internal audit plan, review of internal audit reports, review of financial reporting

system, internal control system and compliance with the regulatory guidelines and recommendation for appointment of statutory and internal auditors.

Composition:

Audit Committee was constituted by the Board in terms of Section 177 of the Companies Act, 2013 (“the Act”) comprising Mr. Dipankar Chatterji, Independent Director, as Chairman, and Mr. Pranab Kumar Choudhury, Independent Director (since expired on 22/11/2016) and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members.

Consequent upon the demise of the Late Pranab Kumar Choudhury, the Audit Committee was reconstituted on 17/12/2016 with Mr. Dipankar Chatterji, Independent Director, as Chairman, and Mr. Deepak Mukerjee, Independent Director and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members thereof.

The Committee held four meetings during the financial year on 21/05/2016, 18/08/2016, 17/12/2016 and 17/01/2017.

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

Sl. No.	Name & Designation	No. of meetings attended
1.	Mr. Dipankar Chatterji, Independent Director, Chairman, Audit Committee	4 out of 4
2.	Mr. Deepak Mukerjee, Independent Director, Member (w.e.f. 17/12/2016)	1 out of 4
3.	Mr. Asoke Kumar Mukhuty, Member	4 out of 4
4.	Mr. Pranab Kumar Choudhury, Former Member (since expired on 22/11/2016)	2 out of 4

All the recommendations made by the Audit Committee were accepted by the Board.

Nomination & Remuneration Committee

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 independence of Directors. It also considers appointment and remuneration for Directors, key managerial personnel and others who may be appointed in senior management positions and makes recommendations to the Board. The Committee carries out evaluation of every director’s performance annually.

Composition:

The Nomination & Remuneration Committee was constituted by the Board in terms of Section 178 of the Companies Act, 2013 (“the Act”), comprising Mr. Dipankar Chatterji, Independent Director, as Chairman, and Mr. Pranab Kumar Choudhury, Independent Director (since expired on 22/11/2016) and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members.

Consequent upon the demise of the Late Pranab Kumar Choudhury, the Nomination & Remuneration Committee was reconstituted on 17/12/2016 with Mr. Dipankar Chatterji, Independent Director, as Chairman, and Mr. Deepak Mukerjee, Independent Director and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members.

The Committee held two meetings during the year FY on 21/05/2016 and 17/12/2016.

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

Sl. No.	Name & Designation	No. of meetings attended
1.	Mr. Dipankar Chatterji, Independent Director, Chairman, NRC	2 out of 2
2.	Mr. Deepak Mukerjee, Independent Director, Member (w.e.f. 17/12/2016)	—
3.	Mr. Asoke Kumar Mukhuty, Member	2 out of 2
4.	Mr. Pranab Kumar Choudhury, Former Member (since expired on 22/11/2016)	1 out of 2

Share Transfer & Stakeholders Relationship Committee

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

Composition:

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

The Committee held three meetings during the financial year on 01/08/2016, 14/12/2016 and 16/03/2017.

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

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

Recovery Committee

During this FY 2016-17 the Board has constituted a Recovery Committee of Directors on 17/01/2017.

The terms of reference of the Committee are to review recovery of funds deployed in the lending business of the Company.

Composition:

The Recovery Committee of Directors consists of Mr. Bhargab Lahiri, as Chairman, and Mr. A. K. Mukhuty, Mr. K Balasubramanian, Director and Mr. Abhishek Tantia, Managing Director & CEO, as Members.

Credit & Investment Committee

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

The Credit & Investment Committee comprises of Mr. S. K. Roy, Mr. Bhargab Lahiri, Mr. A. K. Mukhuty, Mr. K Balasubramanian, all Non-executive Directors and Mr. Abhishek Tantia, Managing Director & CEO, as Members.

Statutory Auditors

M/s. Lodha & Co., Chartered Accountants (FRN.301051E), were appointed at the 26th Annual General Meeting of the Company held on 21st June, 2014 as the Auditors for a period of three years, subject to ratification at every Annual General Meeting. The term of their office will expire at the conclusion of the ensuing Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of Companies (Audit and Auditors) Rules, 2014, the said Auditors cannot be reappointed.

M/s. Mukund M Chitale & Co., Chartered Accountants (FRN 106655W) have been selected and recommended by the Board of Directors for appointment as the Auditors of the Company for a period of five consecutive years commencing from the conclusion of the ensuing Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held during the year 2022, subject to ratification by the Members at every Annual General Meeting.

M/s. Mukund M Chitale & Co., Chartered Accountants (FRN 106655W), being eligible, offer themselves for appointment as the Auditors of the Company. They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified from being appointed as the Auditors of the Company. Your Directors recommend the appointment of M/s. Mukund M Chitale & Co., Chartered Accountants (FRN 106655W), as the Auditors of your Company at the ensuing Annual General Meeting.

Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees

The Board together with the Nomination & Remuneration Committee lays down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation process excluding the director being evaluated. Accordingly, evaluation of every Director is made.

Further, evaluation is made by the Board of its own performance and performance of statutory Committees.

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

Moreover, the Nomination and Remuneration Committee evaluates performance of all Directors. Independent Directors at their separate meetings evaluate performance of non-independent directors and express their views to the Board.

Particulars of Employees

Disclosure pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is made in Annexure 'B' to the Board's Report.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

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

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

Fraud Reporting

Pursuant to the provisions of Section 134(3) (ca) of the Companies (Amendment) Act, 2015, no fraud was reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

Directors Responsibility Statement

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

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2016-17 and of the profit & loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Significant / material Orders passed by the Regulators

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

Whistle Blower Policy & Vigil Mechanism

Your Company encourages its employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies or law and also encourages reporting of any event (actual or potential) of misconduct that is not reflective of the values and principles of the Company.

A Whistle blower Policy ("the Policy") has been formulated with a view to provide a mechanism for directors and employees and other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company.

General Disclosures

Your Directors further state and confirm the following in respect of the FY 2016-17.

1. There was no change in the nature of business during the year under review.
2. The Company did not accept nor hold any deposit covered under Chapter V of the Act.
3. The provisions of the Companies Act, 2013 for providing details about CSR Policy and implementation and initiative taken thereon do not apply to the Company.
4. The Company did not issue equity shares with differential rights as to dividend, voting or otherwise.
5. The Company did not issue any shares (including ESOP and sweat equity shares) to employees of the Company under any scheme.
6. Disclosure regarding receiving of any remuneration or commission by the Managing Director of the Company from its holding/subsidiary company is not applicable.

Acknowledgment

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

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

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

Kolkata
Date : 24th May, 2017

Registered office :
"PEERLESS BHAVAN"
3, Esplanade East
Kolkata - 700 069

For and on behalf of the Board

Deepak Mukerjee
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The current times are exciting by all standards and the future of banking in India looks not only exciting but also transformative. The country saw demonetization and now things getting back to normal faster than estimated by anyone in the country. The demonetization more than anything, communicated that future belongs to Swachh Bharat, not only in terms of clean streets, society but also Balance Sheets and second point which demonetization made was future belong to technology. Going forward, technology will make the engagement with banks/NBFCs more multi-dimensional even as other entities.

The introduction of Bankruptcy Code has built in confidence among Banks and NBFCs and now the industry is watching how this ecosystem develops and performs. This is a new India emerging, with cleaner Balance Sheets, technology ready and dedicated towards servicing their customers and give them a quality experience. The company is also building on the blocks to create the ecosystem of modern lending and shall expand as the economic environment get better.

The Banks including RBI now have been taking the NPA problems in the country seriously, which has been majorly created by corporate borrowers. Relevant steps are being taken in order to empower and promote Banks to recover their NPAs. The company is also going slow on corporate lending and is gearing up to approach the retail lending market.

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U65993WB1988PLC044077
- ii) Registration Date : 05/04/1988
- iii) Name of the Company : PEERLESS FINANCIAL SERVICES LIMITED
- iv) Category/Sub-Category of the Company : Indian Non-Government company/
Company limited by shares
- v) Address of the Registered office and contact details : Peerless Bhavan, 3rd Floor,
3, Esplanade East, Kolkata-700069,
Phone: 2262-5663, Fax : 2262-5664
- vi) Whether listed company : Yes / No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : C.B. Management Services (P) Ltd.
P-22 Bondel Road, Kolkata- 700019,
Phone : (033) 2280-6692

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities	649	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	—	2,65,501	2,65,501	0.71	—	2,65,501	265,501	0.71	Nil
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt (s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	—	36570651	36570651	98.16	—	36575501	36575501	98.17	+0.01
(e) Banks/FI	—	—	—	—	—	—	—	—	—
(f) Any Other.....	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	—	36836152	36836152	98.87	—	36841002	36841002	98.88	+0.01
(2) Foreign									
(a) NRIs – Individuals	—	—	—	—	—	—	—	—	—
(b) Other – Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other.....	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	—	36836152	36836152	98.87	—	36841002	36841002	98.88	+0.01
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	—	—	—	—	—	—	—	—	—
(b) Banks/FI	—	—	—	—	—	—	—	—	—
(c) Central Govt	—	—	—	—	—	—	—	—	—
(d) State Govt(s)	—	—	—	—	—	—	—	—	—
(e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FIs	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
(a) Bodies Corp.	—	25000	25000	0.07	—	25000	25000	0.07	—
(i) Indian	—	—	—	—	—	—	—	—	—
(ii) Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals									
(i) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	396756	396756	1.06	—	391906	391906	1.05	-0.01
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	—
(c) Other (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	421756	421756	1.13	—	416906	416906	1.12	-0.01
Total Public Shareholding (B)=(B)(1)+(B)(2)	—	421756	421756	1.13	—	416906	416906	1.12	-0.01
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	—	3,72,57,908	3,72,57,908	100	—	3,72,57,908	3,72,57,908	100	—

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	The Peerless General Finance & Investment Co. Ltd.	3,44,89,401	92.57	—	3,44,89,401	92.57	—	—
2	Shikha Holding Pvt. Ltd.	8,75,275	2.35	—	8,75,275	2.35	—	—
3	Bichitra Holdings Pvt. Ltd.	6,33,975	1.70	—	6,38,825	1.71	—	+0.01
4	Peerless Financial Products Distribution Ltd.	5,72,000	1.54	—	5,72,000	1.54	—	—
5	Sunil Kanti Roy	27,501	0.07	—	27,501	0.07	—	—
6	Jayanta Roy	1,25,000	0.34	—	1,25,000	0.34	—	—
7	Shikha Roy	62,500	0.17	—	62,500	0.17	—	—
8	Tushar Kanti Roy	500	0.001	—	500	0.001	—	—
9	Debasree Roy	50,000	0.14	—	50,000	0.14	—	—
	Total	3,68,36,152	98.88	—	3,68,41,002	98.89	—	+0.01

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

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	3,68,36,152	98.88	—	—
	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):	4850	0.01	3,68,41,002	98.89
	At the end of the year	—	—	3,68,41,002	98.89

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PEERLESS ADVTG & ALLIED SER P LTD	10000	0.027	10000	0.027
2	T T INVESTMENTS PVT LTD	10000	0.027	10000	0.027
3	EL GRAPHICUS PVT LTD	5000	0.013	5000	0.013
4	VINAYAK G PAWAR	4000	0.011	4000	0.011
5	ANAND CHOPRA	2500	0.007	2500	0.007
6	SANTANA DUTTA	2500	0.007	2500	0.007
7	ASIS KUSUM CHATTERJEE	2500	0.007	2500	0.007
8	SUBHRANGSHU CHAKRABARTI	2000	0.005	2000	0.005
9	KAKOLI SEN	2000	0.005	2000	0.005
10	PUSHPALATA L BANGERA	1400	0.004	1400	0.004

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sunil Kanti Roy				
	At the beginning of the year	27501	0.07		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	—	—	—	—
	At the end of the year			27501	0.07
2	Bhargab Lahiri				
	At the beginning of the year	200	0.0005		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	—	—	—	—
	At the end of the year			200	0.0005
3	Asoke Kumar Mukhuty				
	At the beginning of the year	1451	0.0039		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	—	—	—	—
	At the end of the year			1451	0.0039
4	Abhishek Tantia				
	At the beginning of the year	0	0		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	10	0.00002	10	0.00002
	At the end of the year			10	0.00002
5	Partha Bose				
	At the beginning of the year	0	0		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	10	0.00002	10	0.00002
	At the end of the year			10	0.00002
6	Biswajit Das				
	At the beginning of the year	0	0		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	10	0.00002	10	0.00002
	At the end of the year			10	0.00002
		29,182	0.0744%	29,182	0.0744

V. INDEBTEDNESS**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	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Name of MD/ WTD/Manager	Total Amount
		Mr. Sudama Ram MD & CEO (upto 04.07.2017	Mr. Abhishek Tantia MD & CEO (w.e.f. 02.01.2017 to 31.03.2017	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	23,27,143	4,34,970	27,62,113
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	8,460	5,700	14,160
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961			
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	- as % of profit	—	—	—
	- others, specify	—	—	—
5	Others, please specify			
6	Total (A)	23,35,603	4,40,670	27,76,273

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Late Mr. P. K Choudhury (upto 22.11 2016)	Mr. Deepak Mukerjee (w.e.f. 17.12 2016)	Mr. S. K. Roy	Mr. A. K. Mukhuty	Mr. B. Lahiri	Mr. D. Chatterji	Mr. K Balasubramanian	
1.	Independent Directors • Fee for attending board/committee meetings • Commission • Others, please specify	55,000	15,000	—	—	—	80,000	-	1,50,000
	Total (1)	55,000	15,000	—	—	—	80,000	-	1,50,000
2.	Other Non-Executive Directors • Fee for attending board/committee meetings • Commission • Others, please specify	—	—	70,000	95,000	1,00,000	—	95,000	3,60,000
	Total (2)	—	—	70,000	95,000	1,00,000	—	95,000	3,60,000
	Total (B)=(1+2)	55,000	15,000	70,000	95,000	1,00,000	80,000	95,000	5,10,000
	Total Managerial Remuneration								33,41,870
	Overall Ceiling as per the Act	As per resolutions passed by Nomination & Remuneration Committee, Board of Directors and Special Resolution passed/to be passed by the shareholders as per relevant sections of the Companies Act and the Schedule made thereunder.							

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,31,210	4,25,414	11,56,624
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	– as % of profit	—	—	—
	– others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total	7,31,210	4,25,414	11,56,624

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			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Kolkata

Dated : 24 May, 2017

Registered office :

"PEERLESS BHAVAN"

3, Esplanade East
Kolkata - 700 069

For and on behalf of the Board

Deepak Mukerjee
Chairman

ANNEXURE "B"

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Employees pursuant to the provisions of Section 134 of the Companies Act, 2013 read with sub-rule (2) of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017.

	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment /Post held
	1	2	3	4	5	6	7	8	9
A Top ten Employees in terms of remuneration									
1	Sudama Ram (Resigned w.e.f.04.07.2016)	55	MD & CEO	22,52,175	Contractual	B.Tech, MBA	32	12/12/2013	STCI Finance Ltd. / Chief Executive Officer – Lending
2	Abhishek Tantia (Appointed w.e.f.02.01.2017)	35	MD & CEO	5,12,936	Contractual	ACA, MBA	10	02/01/2017	Peerless Securities Ltd. / Chief Financial Officer
3	Dibyendu Basu.	44	Chief Manager	8,22,740	Non-contractual	B.Tech, MBA	17	01/01/2014	The Peerless General Finance & Investment Co. Ltd. /Chief Manager
4	Biswajit Das	48	Company Secretary & Chief Compliance Officer	7,98,576	Non-contractual	B.Com (Hons), ACS.	22	18/06/2015	The Peerless General Finance & Investment Co. Ltd. /Manager
5	Partha Bose	51	Chief Financial Officer	4,75,199	Non-contractual	B.SC., ICWA	23	29/09/1994	NIL
6	Sandeep Kaur (Resigned w.e.f.30.11.2016)	26	Asst. Manager	3,96,907	Non-contractual	B.Sc. (Hons.)	3	15/07/2015	ICRA Nepal Ltd. / Executive Trainee
7	Moumita Podder Das	37	Executive Assistant to MD & CEO	3,77,028	Non-contractual	B.A. (Hons.)	10	27/01/2014	Magma Fincorp Ltd./Sr. MIS Executive
8	Rajat Kanti Bhanja Choudhury	42	Asst. Manager	2,55,896	Non-contractual	B. Com (Hons.) & MBA	13	12/06/2015	TATA Asset Management Ltd. / Regional Co-ordinator (Operation)
9	Avijit Nag	43	Jr. Officer	2,21,662	Non-contractual	B. Com (Hons.)	22	16/12/2015	P. N. Memorial Neuro Center & Research Institute Limited/Officer-Admin.
10	Shampa Banerjee	51	Jr. Officer	1,77,941	Non-contractual	M.A., B. Ed.	22	29/01/1996	NIL

B. Employed throughout the financial year and in receipt of remuneration aggregating Rs.1,02,00,000/- or more per annum

None

C. Employed for a part of the financial year and in receipt of remuneration aggregating Rs. 8,50,000/- or more per month

None

- Notes: 1. Gross remuneration comprises salary and allowances, company's contribution to Provident Fund, Monetary value of perquisites etc. The employees are also entitled to Gratuity in accordance with the rules of the Company.
2. The nature of employment is contractual in case of Managing Director & CEO. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice of either side and liable to transfer to any division/holding/associate companies.
3. None of the employees is a relative of any Director of the Company.
4. None of the employees together with their relatives hold shares of 2% or more of the paid up share capital of the Company.

Kolkata
Dated : 24th May, 2017
Registered office :
"PEERLESS BHAVAN"
3, Esplanade East
Kolkata - 700 069.

For and on behalf of the Board

Deepak Mukerjee
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEERLESS FINANCIAL SERVICES LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of Peerless Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. According to the information and explanations given to us and on the basis of the test checking of the records carried out during the course of audit of the Company, our report of the matters specified under the Para 3A and 3C of the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 is as follows:
- a. The company is engaged in the business of non-banking financial institution and the Company has been granted registration with the Reserve Bank of India.
 - b. The company is entitled to continue to hold Certificate of Registration in terms of the asset/ income pattern as on 31.03.2017.
 - c. The company is not an Asset Finance Company (AFC) as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 and therefore provisions of para 3(A)(III) are not applicable to the company.
 - d. The company is not a Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFI) based on the criteria set forth in the Notification viz; Non-Banking Financial Company – Micro Finance Institutions (Reserve Bank) Directions, 2011 dated December 02, 2011 for classification of NBFCs as NBFC-MFIs and therefore provisions of para 3(A)(IV) are not applicable to the company.
 - e. The Board of Directors has passed a resolution for non-acceptance of any public deposit.
 - f. The Company has not accepted public deposits during the year.
 - g. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it and specified in the directions issued by the Reserve Bank of India in terms of Non-Systematically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015.
 - h. As stated in Note 2.24 of the accompanying financial statements, the Company is not a Systematically Important Non-deposit taking Non Banking Financial Company and therefore provisions of para 3(C)(iv) are not applicable to the Company.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on March 31, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. As per representation received from the management, the Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer Note 2.19(a) of the financial statements);
- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts. As explained, the Company does not have any derivative contracts.
- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees, exiting on 8th November, 2016) during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – (Refer Note no. 2.25 of Notes to the Financial Statements)

For Lodha & CO.
Chartered Accountants
Firm ICAI Registration No.: 301051E

Place : Kolkata
Date : 24.05.2017

R.P. Singh
Partner
Membership No. 052438

‘ANNEXURE A’ referred to in our report of even date

- i. According to the information and as explained to us:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets of the Company were physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies in respect of the assets verified during the year were noticed.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company.
- ii) The Company has no inventory and accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to any company, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security in connection with any loan taken by persons specified under Section 185 of the Act. As explained to us, since the Company is engaged in the business of financing of companies and has not acquired securities of any other body corporate, provisions of section 186 of the Act are not applicable to the Company.
- v) The Company has not accepted any deposits and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- vi) According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Act has not been specified and as such, paragraph 3(vi) of the Order is not applicable to the Company.

- vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Employee's State Insurance, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues where applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, as per our verification of the records of the Company, there are no dues with respect to income tax or sales tax or service tax or duty of customs or duty of excise or value added tax and cess which have not been deposited on account of any dispute, except as given hereunder:

Name of Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Forum where dispute Is pending
Income Tax Act, 1961	Income Tax	16,23,940	A.Y. 2008-2009	Dy. Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	9,48,840	A.Y. 2013-2014	Commissioner of Income Tax (Appeals)

- viii) According to the information and explanations given to us, the company has not taken any loans or borrowings taken during the year from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- ix) The Company has not raised monies by way of Initial Public Offer or further public offer (including debt instruments) and termloans and as such paragraph 3(ix) of the Order is not applicable to the Company.
- x) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, the managerial person of the Company has been appointed in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereof (CA 2013) and during the year the managerial remuneration paid or provided in this respect was in accordance with the terms and conditions as per relevant provisions of CA 2013
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with Directors/persons connected with the Directors and therefore provisions of section 192 of the Act are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the said registration has been obtained.

For Lodha & CO.
Chartered Accountants
Firm ICAI Registration No.: 301051E

R.P. Singh
Partner

Place : Kolkata
Date : 24.05.2017

Membership No. 052438

‘ANNEXURE B’ referred to in our report of even date

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

We have audited the internal financial controls over financial reporting of Peerless Financial Services Limited (“the Company”) as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lodha & CO.
Chartered Accountants
Firm ICAI Registration No.: 301051E

Place : Kolkata
Date : 24.05.2017

R.P. Singh
Partner
Membership No. 052438

BALANCE SHEET

AS AT 31ST MARCH, 2017

(Figures in Rupees)

Particulars	Note No.	As at 31.3.2017	As at 31.3.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	37,25,79,080	37,25,79,080
(b) Reserves and Surplus	2.2	12,25,36,659	20,00,26,279
(2) Non-Current Liabilities			
(a) Long term provisions	2.3	9,42,750	16,67,784
(3) Current Liabilities			
(a) Trade payables	2.4		
Outstanding dues of creditors (micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006)		—	—
Outstanding dues of creditors (other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006)		5,33,158	16,02,391
(b) Other current liabilities	2.5	8,66,081	19,35,621
(c) Short-term provisions	2.6	1,88,538	3,26,597
TOTAL		49,76,46,266	57,81,37,752
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.7		
i) Tangible Assets		1,30,39,542	38,78,419
ii) Intangible Assets		26,721	5,11,293
		1,30,66,263	43,89,712
(b) Deferred tax assets (net)	2.8	2,21,886	4,75,420
(c) Long-term loans and advances			
- Financing by way of Loans	2.9	2,54,98,493	22,65,03,349
- Other Long Term Advances	2.10	1,36,02,449	1,82,78,155
(2) Current Assets			
(a) Current investments	2.11	40,32,00,000	24,66,22,622
(b) Cash and Bank balances	2.12	15,59,520	36,58,197
(c) Short-term loans and advances	2.13	3,37,145	2,24,720
(d) Other current assets			
- Current Maturities of Long Term Loans	2.9	3,96,41,061	7,78,73,291
- Other Current Assets	2.14	5,19,449	1,12,286
TOTAL		49,76,46,266	57,81,37,752

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

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

R.P. Singh
Partner

Membership No. 052438
Dated : 24th May, 2017

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee — Chairman
Dipankar Chatterji — Director
Abhishek Tantia — Managing Director & CEO

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in Rupees)

Particulars	Note No.	Year ended 31.3.2017	Year ended 31.3.2016
I. Revenue from Operations	2.15	5,74,45,476	5,87,05,498
II. Other Income	2.16	4,15,188	7,285
III. Total Revenue (I+II)		5,78,60,664	5,87,12,783
IV. Expenses			
Employee benefits expense	2.17	69,67,362	1,27,80,964
Finance Costs (Interest)		—	33,00,000
Depreciation and Amortisation expense	2.7	11,43,138	13,47,934
Other expenses	2.18	12,69,86,250	3,39,91,937
Total Expenses (IV)		13,50,96,750	5,14,20,835
V. Profit before tax (III-IV)		(7,72,36,086)	72,91,948
VI. Taxation			
Current tax		—	42,25,000
Deferred tax	2.8	2,53,534	(95,350)
VII. Profit for the year (V-VI)		(7,74,89,620)	31,62,298
VIII. Earning per equity share face value of Rs. 10 each			
Basic and Diluted	2.21	(2.08)	0.09

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

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

R.P. Singh
Partner

Membership No. 052438
Dated : 24th May, 2017

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee — Chairman
Dipankar Chatterji — Director
Abhishek Tantia — Managing
Director
& CEO

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended on 31.3.2017	Year ended on 31.3.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	(7,72,36,086)	72,91,948
Adjustment for –		
Depreciation and Amortization	11,43,138	13,47,934
Interest Expense	—	33,00,000
Contingent Provision for Standard Assets written back	(5,23,239)	(1,54,173)
Bad debt written off	12,06,24,997	2,00,00,000
Provision for diminution in the value of current investments no longer required	(18,27,196)	—
Provision for diminution in the value of investments	—	11,42,472
Liability for expenses written back	(8,24,026)	—
Net gain on sale of current investments	(2,50,65,815)	(1,17,36,301)
Interest Income on Fixed Deposit	—	(9,360)
Dividend Income on Current Investments	(39,000)	(1,39,926)
Provision for Unrecognised Income	7,33,801	43,151
Operating profit/(loss) before working capital changes	1,69,86,574	2,10,85,745
Movements in working capital –		
Increase/(Decrease) in Trade Payable	(2,45,207)	1,75,252
(Increase)/Decrease in loans and advances and other assets	24,82,10,429	98,13,489
Increase/(Decrease) Liabilities/Provisions	(3,16,000)	4,70,472
Cash Generated/ (Utilised) from/in Operations	26,46,35,796	3,15,44,958
Less: Direct Taxes Paid (Net)	(48,17,221)	(1,09,67,566)
Net Cash from Operating Activities (A)	25,98,18,575	2,05,77,392
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of current investments	(377,95,65,193)	(151,22,84,949)
Sale of current investments	352,74,28,630	134,36,41,999
Dividend Income on Current Investments	39,000	1,39,926
Net Investments in Fixed Assets	(98,19,689)	(10,61,372)
Income from Fixed Deposits	—	9,360
Maturity proceeds on Fixed Deposit	—	48,35,264
Net Cash from Investing Activities (B)	(26,19,17,252)	(16,47,19,771)

	Year ended on 31.3.2017	Year ended on 31.3.2016
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	—	29,99,99,997
Intercompany Deposit	—	(15,00,00,000)
Payment of Interest Expense	—	(35,84,794)
Net Cash from Financing Activities (C)	—	14,64,15,203
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(20,98,677)	22,72,824
Opening Cash and Cash Equivalents	36,58,197	13,85,373
Closing Cash and Cash Equivalents	15,59,520	36,58,197

Notes to the Cash Flow Statement for the year ended 31st March 2017:

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

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

R.P. Singh
Partner

Membership No. 052438
Dated : 24th May, 2017

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee — *Chairman*
Dipankar Chatterji — *Director*
Abhishek Tantia — *Managing Director & CEO*

Notes to the financial statements for the year ended 31st March 2017**1. Significant Accounting Policies:-****(a) Use of Estimates:**

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

(b) Basis of Accounting:

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

(c) Revenue Recognition:

- The Company follows the accrual method of accounting for recognition of Income excepting in cases of uncertainties of collections, which are recognized on receipt basis.

Interest Income from financing by way of loan is recognised in terms of the respective agreements with the borrowers.

Dividend from Investments is accounted for when right to receive the same is established.

- In accordance with the guidelines issued by the Reserve Bank of India (RBI), incomes against non-performing assets are recognised on receipt basis.

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

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

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

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

Intangible Assets

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

(e) Impairment of Assets

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a pro-rata basis.

Notes to the financial statements for the year ended 31st March 2017**(f) Investments:**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. Current investments also include current maturities of long-term investments. All other investments are classified as non-current (long term) investments. Long-term investments are stated at cost less provision, if any, for diminution in value other than temporary. Current investments are valued at lower of cost or fair value.

(g) Loans and advances:

Classification of loans and advances are made as per the guidelines prescribed by RBI. Provision/write off against performing (standard) and non-performing assets are made as required in terms of prudential norms prescribed by RBI. Further, assets which are considered non recoverable are fully provided for/written off.

(h) Employee Benefits:

Employee benefits are accrued in the year services are rendered by the employees.

Long-term employee benefit viz. Gratuity and Leave are determined at the close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses are recognized in the Statement of Profit and Loss as income / expense in the year in which they arise.

(i) Income Tax:

Provision for Tax is made for current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

(j) Leases:

Lease rentals in respect of operating leases are recognized as expense in the statement of Profit and Loss as per the terms and conditions of the respective agreements.

(k) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

Notes to the financial statements for the year ended 31st March 2017**2.1 SHARE CAPITAL**

(Figures in Rupees)

Particulars	As at 31.03.2017		As at 31.3.2016	
	Number	Amount	Number	Amount
A. Authorised				
Equity Shares of Rs.10/- each	10,50,00,000	105,00,00,000	10,50,00,000	105,00,00,000
10% Redeemable Preference Shares of Rs. 100/- each	5,000	5,00,000	5,000	5,00,000
Total		105,05,00,000		105,05,00,000
B. Issued and Subscribed Equity Shares of Rs.10/- each				
(i) Fully paid up	3,72,57,908	37,25,79,080	3,72,57,908	37,25,79,080
Total	3,72,57,908	37,25,79,080	3,72,57,908	37,25,79,080

C.2. The Company is a subsidiary of The Peerless General Finance & Investment Company Limited and shares held by the holding company are as follows:

Particulars	2016-17	2015-16
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Number of Shares held by holding company:

(i) Fully paid up	3,44,89,401	3,44,89,401
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D. The reconciliation of number of shares outstanding and amount of share capital as at 31st March 2017 and 31st March 2016 is set out below

Particulars	31 March 2017		31 March 2016	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	3,72,57,908	37,25,79,080	3,72,57,908	23,92,45,748
Add: Call money received during the year	—	—	—	13,33,33,332
Shares outstanding at the end of the year	3,72,57,908	37,25,79,080	3,72,57,908	37,25,79,080

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

Name of the shareholder	As at 31.3.2017	As at 31.3.2016
	Number of shares (Fully Paid up, unless otherwise stated)	Number of shares (Fully Paid up, unless otherwise stated)
The Peerless General Finance & Investment Company Limited	3,44,89,401	3,44,89,401

Notes to the financial statements for the year ended 31st March 2017

2.1.1 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company is payable in proportion to the amount paid up there against, subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts in proportion to the number of equity shares held by them.

2.2 RESERVES AND SURPLUS

(Figures in Rupees)

Particulars	As at 31.03.2017		As at 31.3.2016	
	Amount	Amount	Amount	Amount
Capital Redemption Reserve				
At the commencement of the year	8,000		8,000	
Add/(Less): Changes during the year	—		—	
At the end of year		8,000		8,000
Securities Premium Account				
At the commencement of the year	16,83,80,853		17,14,188	
Add/(Less): Changes during the year	—		16,66,66,665	
At the end of year		16,83,80,853		16,83,80,853
Special Reserve (in terms of Section 45IC of Reserve Bank of India Act, 1934)				
At the commencement of the year	83,40,857		77,08,397	
Add: Transferred from Surplus	—		6,32,460	
At the end of year		83,40,857		83,40,857
Surplus				
At the commencement of the year	2,32,96,569		2,07,66,731	
Add: Profit for the year	(7,74,89,620)		31,62,298	
Less: Transfer to Special Reserve U/S 45IC of the Reserve Bank of India Act, 1934	—		(6,32,460)	
At the end of year		(5,41,93,051)		2,32,96,569
TOTAL		12,25,36,659		20,00,26,279

2.3 LONG-TERM PROVISIONS

(Figures in Rupees)

Particulars	Note No.	As at 31.3.2017	As at 31.3.2016
Provision for Employee Benefits	2.18.1	8,79,004	11,76,525
Provision for Contingencies against Standard Assets	2.23	63,746	4,91,259
TOTAL		9,42,750	16,67,784

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

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

Notes to the financial statements for the year ended 31st March 2017**2.5 OTHER CURRENT LIABILITIES**

(Figures in Rupees)

Particulars	As at 31.3.2017	As at 31.3.2016
Interest on Non-performing loans pending realization	7,33,801	43,151
Other Payables		
Statutory Dues – TDS, Provident Fund, Service and Professional Tax etc.	13,257	3,92,470
Deposit from borrowers against margin shortfall	—	15,00,000
Other Payables	1,19,023	—
TOTAL	8,66,081	19,35,621

2.6 SHORT-TERM PROVISIONS

(Figures in Rupees)

Particulars	Note No.	As at 31.3.2017	As at 31.3.2016
Provision for Employee Benefits	2.18.1	89,343	1,31,677
Provision for Contingencies against Standard Assets	2.24	99,195	1,94,920
TOTAL		1,88,538	3,26,597

27 FIXED ASSETS

(Figures in Rupees)

PARTICULARS	GROSS BLOCK (A)				DEPRECIATION/AMORTIZATION (B)				NET BLOCK (A-B)	
	Balance as on 01.04.2016	Additions	Disposal/ Adjustments	Balance as on 31.03.2017	Balance as on 01.04.2016	For the Year	Disposal/ Adjustments	Balance as on 31.03.2017	Balance as on 31.03.2017	Balance as on 31.03.2016
(A) Tangible Assets										
Improvement to Leasehold Building	6,52,382	—	—	6,52,382	1,56,410	62,055	—	2,18,465	4,33,917	4,95,972
Building (including flat)	—	97,71,737	—	97,71,737	—	40,604	—	40,604	97,31,133	—
Data Processing Equipments	27,33,512	7,802	—	27,41,314	25,99,173	86,257	—	26,85,430	55,884	1,34,339
Motor Car	10,88,236	—	—	10,88,236	3,06,093	1,37,185	—	4,43,278	6,44,958	7,82,143
Electrical Machinery	12,56,954	15,458	—	12,72,412	4,02,796	93,421	—	4,96,217	7,76,195	8,54,158
Furniture and Fixtures	24,50,502	2,000	—	24,52,502	9,05,261	1,62,274	—	10,67,535	13,84,967	15,45,241
Office Equipment	4,53,867	—	1,00,600	3,53,267	3,87,301	3,170	49,692	3,40,779	12,488	66,566
Total (A)=	86,35,453	97,96,997	1,00,600	1,83,31,850	47,57,034	5,84,966	49,692	52,92,308	1,30,39,542	38,78,419
(B) Intangible Assets										
Computer Software	19,73,035	73,600	—	20,46,635	14,61,742	5,58,172	—	20,19,914	26,721	5,11,293
Total (B)=	19,73,035	73,600	—	20,46,635	14,61,742	5,58,172	—	20,19,914	26,721	5,11,293
TOTAL (A+B)=	1,06,08,488	98,70,597	1,00,600	2,03,78,485	62,18,776	11,43,138	49,692	73,12,222	1,30,66,263	43,89,712
Previous Year Figure	96,03,549	7,60,324	2,44,615	1,06,08,488	48,70,842	13,47,934	—	62,18,776	43,89,712	47,32,707

Notes to the financial statements for the year ended 31st March 2017**2.8 DEFERRED TAX ASSETS (net)**

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

(Figures in Rupees)

Particulars	Opening as on 1.04.2016	Charge/ Credit during the period	Closing as on 31.03.2017
(A) Deferred Tax Assets			
(i) On account of Expenses allowable on payment basis	(4,32,531)	1,12,366	(3,20,165)
(B) On account of Depreciation difference	(42,889)	1,41,168	98,279
Net Deferred Tax Liability/(Assets)	(4,75,420)	2,53,534	(2,21,886)
Previous Year	(3,80,070)	(95,350)	(4,75,420)

2.9 LONG-TERM LOANS AND ADVANCES**(i) Financing by way of Loans****(Secured and Considered good unless otherwise stated)**

(Figures in Rupees)

Particulars	As at 31.3.2017		As at 31.3.2016	
	Non-Current Maturities	Current Maturities	Non-Current Maturities	Current Maturities
Loans and Advances to related parties				
Secured Loan against hypothecation of Plant and Machinery- Peerless Hospitex Hospital & Research Center Limited	—	8,00,018	8,00,018	15,99,996
Other Loans				
Secured				
Considered Good				
Secured Loan against hypothecation of plant & machinery	—	—	—	31,804
Loan against margin Funding	—	5,00,000	—	—
Secured Loan against Mortgage of properties	—	1,25,00,000	5,25,00,000	1,60,00,000
Secured Loan against charge of Machines & equipments	2,54,98,490	2,18,72,843	4,73,71,331	1,16,29,491
Secured Loan against Mortgage of Properties & Pledge of shares	—	39,68,200	3,33,32,000	1,11,12,000
Secured Loan against Pledge of Shares	—	—	4,40,16,857	2,18,14,993
Unsecured				
Loan against Pledge of shares	3	—	4,84,83,143	1,56,85,007
TOTAL	2,54,98,493	3,96,41,061	22,65,03,349	7,78,73,291

Notes to the financial statements for the year ended 31st March 2017

2.9.1 In respect of Loan of Rs. 15,00,00,000 (including Rs. 12,06,24,997 in this year, previous year Rs 2,00,00,000) even though written off considering the prudential norms prescribed by the Reserve Bank of India (RBI), the Company's claim against the same is being vigorously pursued at all forums. Consequential adjustments in this respect will be given effect to on recovery thereagainst.

2.10 OTHER LONG TERM ADVANCES**(Unsecured and considered good unless otherwise stated)**

(Figures in Rupees)

Particulars	As at 31.3.2017	As at 31.3.2016
Capital Advances	—	2,500
Security Deposits	1,56,650	10,08,950
Advances to related parties (Refer Note 2.20)		
Capital Advance against flat- Bengal Peerless Housing Development Company Limited for acquiring Flat	—	84,73,132
Other Advances		
Advance tax including Tax deducted at Source (Net of Provisions)	1,29,36,635	81,19,413
Prepaid Expenses	5,09,164	6,74,160
TOTAL	<u>1,36,02,449</u>	<u>1,82,78,155</u>

Notes to the financial statements for the year ended 31st March 2017**2.11 CURRENT INVESTMENTS****(Fully Paid-up)****(Valued at cost or fair value, whichever is lower)**

(Figures in Rupees)

Particulars	As at 31.3.2017			As at 31.3.2016		
	Number/ Unit	Nominal Value/ Face Value	Amount	Number/ Unit	Nominal Value/ Face Value	Amount
1. Investment (Quoted)						
Equity Shares						
State Bank Of India	—	—	—	15,000	1	44,30,668
Coal India Limited	—	—	—	3,000	10	11,86,127
Snowman Logistics Ltd	—	—	—	452	10	21,244
Total						56,38,039
Less: Provision for diminution in the value of investments						18,27,196
Net Value of Investments (1)						38,10,843
2. Investments in Mutual Funds						
-Unquoted						
(a) Franklin India Ultra Short Bond Fund - Direct Plan - Growth	22,45,455.19	10	5,00,00,000	88,56,001.42	10	18,00,00,000
(b) Baroda Pioneer Treasury Advantage Fund - Plan B - Growth	36,530.214	1,000	7,00,00,000	2,928.11	1,000	50,09,098
(c) Peerless Flexible Fund - Growth	—	—	—	24,176.79	10	3,02,681
(d) Peerless Liquid Fund - Growth	35,365.255	1,000	6,32,00,000	—	—	—
(e) Reliance Liquid Fund- Cash Plan Growth	—	—	—	23,644.34	1,000	5,75,00,000
(f) Franklin India Treasury Management Account-SIP-Growth	20,601.022	1,000	5,00,00,000	—	—	—
(g) DHFL PramericaLow Duration Fund - Direct Growth	22,07,154.713	10	5,00,00,000	—	—	—
(h) BOI -AXA Treasury Advantage Fund - Direct Plan- Growth	35,565.672	1,000	7,00,00,000	—	—	—
(i) India Bulls Liquid Fund - Direct Growth	31,535.027	1,000	5,00,00,000	—	—	—
Net Value of Investments (2)			40,32,00,000			24,28,11,779
Net Value of Investments (1+2)			40,32,00,000			24,66,22,622

2.11.1 None of the Investees as above are subsidiaries, associates, joint ventures or control special purpose entities of the Company.

(Figures in Rupees)

2.12.2. Aggregate amount of:	As at 31.3.2017	As at 31.3.2016
(a) Quoted investment	—	56,38,039
(b) Unquoted investment	40,32,00,000	24,28,11,779
(c) Diminution in value of investments	—	18,27,196
(d) Market value of quoted investments	—	38,13,601
(e) Investments with related parties	6,32,00,000	3,02,681

Notes to the financial statements for the year ended 31st March 2017**2.12 CASH AND BANK BALANCES**

(Figures in Rupees)

Particulars	As at 31.3.2017	As at 31.3.2016
A. Cash and Cash Equivalents		
a) Balances with Banks		
In Current Accounts	15,52,317	36,39,287
b) Cash on Hand	7,203	18,910
Total	15,59,520	36,58,197

2.13 SHORT-TERM LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

(Figures in Rupees)

Particulars	As at 31.3.2017	As at 31.3.2016
Others		
Prepaid Expenses	3,37,145	2,24,720
TOTAL	3,37,145	2,24,720

2.14 OTHER CURRENT ASSETS

(Figures in Rupees)

Particulars	As at 31.3.2017	As at 31.3.2016
Interest Receivable –		
Loan		
Accrued but not Due	64,221	85,516
Accrued and Due	3,507	—
Others	1,69,100	26,770
Service Tax Input Credit	2,82,621	—
TOTAL	5,19,449	1,12,286

Notes to the financial statements for the year ended 31st March 2017

2.15 REVENUE FROM OPERATIONS

(Figures in Rupees)

Particulars	Year ended on 31.3.2017	Year ended on 31.3.2016
A. Fund Based:		
<u>Interest Income (Gross)</u>		
Loans	2,90,97,708	4,61,02,373
On Investments		
Others	—	55,847
Upfront Fees and charge	3,000	1,00,000
<u>Dividend Income</u>		
On Investments		
Long Term Investments	—	—
Current Investments	39,000	1,39,926
B. Fee Based:		
<u>Other Financial Services</u>		
Commission Income	65,490	4,07,518
<u>Other Operating Revenues</u>		
Interest Income (Gross)- Fixed Deposits with Banks	—	9,360
Net Gain on Sale of Current Investments	2,50,65,817	1,17,36,301
Provisions no longer required:		
Diminution in the value of current investment	18,27,196	—
Liability for expenses	8,24,026	—
For Contingencies against standard assets	5,23,239	1,54,173
TOTAL	5,74,45,476	5,87,05,498

2.16 OTHER INCOME

(Figures in Rupees)

Particulars	Year ended on 31.3.2017	Year ended on 31.3.2016
Miscellaneous Income	2,80,188	7,285
Rental Income	1,35,000	—
TOTAL	4,15,188	7,285

Notes to the financial statements for the year ended 31st March 2017**2.17 EMPLOYEES BENEFIT EXPENSES**

(Figures in Rupees)

Particulars	Year ended on 31.3.2017	Year ended on 31.3.2016
Salaries, Wages and Bonus etc.	65,66,082	1,21,44,579
Contribution to Provident Fund and Administrative Charges and ESI Contribution	3,64,004	6,02,567
Staff Welfare expenses	37,276	33,818
TOTAL	69,67,362	1,27,80,964

2.17.1 The disclosures which are required under Accounting Standard - 15 are given below:

Defined Benefit Scheme:

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Gratuity (Unfunded)

(Figures in Rupees)

	2016-17	2015-16
i. Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
Liability at the beginning of the year	6,09,416	4,06,384
Interest cost	61,989	43,246
Current Service Cost	1,86,993	1,40,602
Actuarial (Gain)/Loss on obligations	(3,02,550)	58,559
Benefits paid	—	(39,375)
Liability at the end of the year	5,55,848	6,09,416
ii. Amount Recognized in Balance Sheet	2016-17	2015-16
Liability at the end of the year	5,55,848	6,09,416
Fair value of Plan Assets at the end of the year	—	—
Amount recognized in the Balance Sheet	5,55,848	6,09,416
iii. Expenses recognized in the Statement of Profit and Loss	2016-17	2015-16
Current service cost	1,86,993	1,40,602
Interest cost	61,989	43,246
Expected Return on Plan Assets	—	—
Net Actuarial (gain)/loss to be Recognized	(3,02,550)	58,559
Benefit Payments	—	—
Expenses Recognized in Statement of Profit and Loss	(53,568)	2,42,407

Notes to the financial statements for the year ended 31st March 2017

		2016-17	2015-16
iv. Balance Sheet Reconciliation			
	Opening Net Liability	6,09,416	4,06,384
	Expenses as above	(53,568)	2,03,032
	Employers Contribution	—	—
	Amount recognized in the Balance Sheet	5,55,848	6,09,416

		2013-14	2014-15	2015-16	2016-17
v. Other Disclosures					
	Present value of defined benefit obligation	2,33,145	4,06,384	6,09,416	5,55,848
	Fair value of Plan assets	—	—	—	—
	Surplus or (Deficit)	(2,33,145)	(4,06,384)	(6,09,416)	(5,55,848)
	Experience adjustments				
	Exp. Adj. on Plan Liabilities	4,222	(19,663)	52,641	(3,27,086)
	Exp. Adj on Plan Assets	—	—	—	—

		2016-17	2015-16
vi. Principal Actuarial assumption at the Balance Sheet			
	Discount Rate	6.85%	7.85%
	Rate of escalation in salary	8.00%	8.00%

Note : Assumptions relating to future salary increases, attrition, and interest rate for discount have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Defined Contribution Scheme

(Figures in Rupees)

Particulars	Year ended on 31.3.2017	Year ended on 31.3.2016
Employer's Contribution to Provident Fund	3,43,672	5,86,675
Employer's Contribution to E.S.I	20,332	15,892

Compensated Absences

The obligation for compensated absences is determined in the same manner as Gratuity and Rs. (1,25,962/-) (Previous Year Rs. 2,88,122/-) provided for the year in this respect has been shown under "Salaries and Wages".

Notes to the financial statements for the year ended 31st March 2017**2.18 OTHER EXPENSES**

(Figures in Rupees)

Particulars	Note No.	Year ended on 31.03.2017	Year ended on 31.03.2016
Rent		23,73,820	24,27,587
Repairs & maintenance to Machinery		54,877	86,595
Rates and Taxes		3,85,106	7,42,551
Auditor's Remuneration			
Audit Fees		1,25,000	1,00,000
Tax Audit Fees		10,000	10,000
Certificate		75,000	75,000
Legal and Professional Fees		10,20,715	5,11,225
Filing Fees		11,914	41,38,800
Travelling Expenses		1,33,480	3,68,113
Advertisement		65,000	5,29,721
Directors' Sitting Fees		5,10,000	5,65,000
Provision for Diminution in Value of Current Investment		—	11,42,472
Loans and advances written off (Note 2.9.1)		12,06,24,997	2,00,00,000
Miscellaneous Expenditure		15,96,341	32,94,873
TOTAL		12,69,86,250	3,39,91,937

2.19 Contingent Liabilities and Commitments:

(to the extent not provided for)

a) Contingent Liabilities:

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

In the opinion of the Management the above demands are not tenable and future cash outflows in respect of the same are determinable on the outcome of decisions pending with relevant Authorities.

b) Commitments:

(Figures in Rupees)

Particulars	As at 31.3.2017	As at 31.3.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance made there against) (inclusive of Service Tax).	—	4,43,287

Notes to the financial statements for the year ended 31st March 2017

2.20 Related Party Disclosures as required as per Accounting Standard - 18 on Related Party Disclosures are as below:

- Related parties with whom transactions have been taken place during the year ended on 31st March, 2017.

Holding Company

The Peerless General Finance & Investment Company Limited

Associates, Group Enterprises and Companies under common control

- Peerless Hospitex Hospital & Research Center Limited
- Peerless Financial Products Distribution Ltd.
- Peerless Securities Limited
- Bengal Peerless Housing Development Company Limited
- Peerless Funds Management Company Limited
- Peerless Mutual Fund (managed by Peerless Funds Management Company Limited)
- Peerless Trust Management Company Limited
- Peerless Hotels Ltd.
- Kaizen Leisure & Holidays Ltd.

Key Management Personnel (KMP)

Mr. Sudama Ram – Managing Director and Chief Executive Officer (upto 04.07.2016)
Mr. Abhishek Tantia – Managing Director and Chief Executive Officer (w.e.f. 02.01.2017)
Mr. Partha Bose – Chief Financial Officer
Mr. Biswajit Das – Company Secretary & Chief Compliance Officer

Notes to the financial statements for the year ended 31st March 2017

The Company's related party transactions during the year and outstanding balances as at 31st March, 2017 are annexed herewith:

Particulars	Holding Company, Associates, Group Enterprises and Companies under common control										Grand Total	
	The Peerless General Finance & Investment	Peerless Hospital & Research Center Ltd	Bengal Peerless Housing Development Co. Ltd.	Kaizen Leisure & Holidays Ltd.	Peerless Hotels Ltd.	Peerless Securities Ltd.	Peerless Mutual Fund (Managed by Peerless Funds Mgmt. Co. Ltd.)	Peerless Funds Management Company Ltd.	Key Management personnel			
INCOME												
Reimbursement of Expenses	—	—	—	—	—	—	—	—	—	—	—	—
Interest on Loan	—	1,42,128	—	—	—	(2,023)	—	—	—	—	—	(2,023)
TOTAL	—	(2,88,592)	—	—	—	—	—	—	—	—	—	1,42,128
EXPENSES												
Brokerage for share transaction	—	—	—	—	—	—	—	—	—	—	—	1,33,451
Demat Charges	—	—	—	—	—	(4,100)	—	—	—	—	—	(4,100)
Reimbursement of personnel expenses	—	—	—	—	—	3,205	—	—	—	—	—	3,205
Cost of Air ticket (incl. Service tax)	—	—	—	—	—	(4,025)	—	—	—	—	—	(4,025)
Interest paid/payable on borrowing	—	—	—	—	—	6,64,470	—	—	—	—	—	6,64,470
Rent (including Service Tax)	12,36,138	—	—	30,675	—	—	—	—	—	—	—	30,675
Cost of Food packers/ Room booking for meeting etc.	(11,43,946)	—	—	(95,456)	—	—	—	—	—	—	—	(95,456)
Remuneration	—	—	—	—	—	—	—	—	—	—	—	—
Expenses and deposit amount for registration of flat	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	12,36,138	—	4,35,554	30,675	61,899	8,01,126	—	—	—	—	—	40,38,887
	(11,43,946)	—	—	(95,456)	(1,19,040)	(8,125)	—	—	—	—	—	(81,69,631)
												4,35,554
												(—)
												(—)
												66,04,279
												(1,28,36,198)

Notes to the financial statements for the year ended 31st March 2017

Particulars	Holding Company, Associates, Group Enterprises and Companies under common control										Grand Total
	The Peerless General Finance & Investment	Peerless Hospital & Research Center Ltd	Bengal Peerless Housing Development Co. Ltd.	Kaizen leisure & Holidays Ltd.	Peerless Hotels Ltd.	Peerless Securities Ltd.	Peerless Mutual Fund (Managed by Peerless Funds Mgmt. Co. Ltd.)	Peerless Funds Mgmt. Company Ltd.	Key Management personnel		
INVESTMENT											
Purchase of Investment in Mutual Fund/Equity Shares	—	—	—	—	—	13,069	19,17,08,876	—	—	—	19,17,21,945
	(—)	(—)	(—)	(—)	(—)	(—)	(24,17,84,949)	(—)	(—)	(—)	(24,17,84,949)
Sale of Investment in Mutual Fund/Equity Shares	—	—	—	—	—	—	19,37,38,425	—	—	—	19,37,38,425
	(—)	(—)	(—)	(—)	(—)	(—)	(30,17,80,752)	(—)	(—)	(—)	(30,17,80,752)
SHARE CAPITAL											
Amount received by issue of Equity Shares	—	—	—	—	—	—	—	—	—	—	—
	(29,99,99,997)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(29,99,99,997)
Total	—	—	—	—	—	—	—	—	—	—	—
	(29,99,99,997)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(29,99,99,997)
CAPITAL ASSETS											
Purchase of Capital Assets	3,000	—	97,71,737	—	—	—	—	—	—	—	97,74,737
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
TOTAL	3,000	—	97,71,737	—	—	—	—	—	—	—	97,74,737
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
OUTSTANDING BALANCES											
Loan Given including interest	—	8,02,780	—	—	—	—	—	—	—	—	8,02,780
	(—)	(24,08,391)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(24,08,391)
Advance for acquiring Flat	—	—	—	—	—	—	—	—	—	—	—
	(—)	(—)	(84,73,132)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(84,73,132)
Short Term Borrowing (including interest)	—	—	—	—	—	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Rental of flat & reimbursement of Maintenance Expenses	—	—	—	—	1,75,158	—	—	—	—	—	1,75,158
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Payable of Expenses	—	—	—	17,468	—	19,114	—	—	—	—	36,582
	(—)	(—)	(—)	(—)	(—)	(1,590)	(—)	(—)	(—)	(10,61,680)	(10,63,270)
Investment in Mutual Fund	—	—	—	—	—	—	6,32,00,000	—	—	—	6,32,00,000
	(—)	(—)	(—)	(—)	(—)	(—)	(3,02,681)	(—)	(—)	(—)	(3,02,681)
TOTAL	—	8,02,780	—	17,468	1,75,158	19,114	6,32,00,000	—	—	—	6,42,14,520
	(—)	(24,08,391)	(84,73,132)	(—)	(—)	(1,590)	(3,02,681)	(—)	(10,61,680)	(—)	(1,22,47,474)

Note : A) Remuneration to the Key Management Personnel does not include the provisions made for Gratuity Benefits, as they are determined on an Actuarial basis for the Company as a whole.
B) Previous Year's Figures are indicated in brackets

Notes to the financial statements for the year ended 31st March 2017**2.21 Details of Earnings per Share (EPS) :**

(Figures in Rupees)

Particulars	Year ended on 31.3.2017	Year ended on 31.3.2016
Profit/(Loss) After Tax	(7,74,89,623)	31,62,298
Weighted Average Number of Equity Shares used as denominator for calculating EPS	3,72,57,908	3,45,98,527
Earnings per share		
Basic and Diluted	(2.08)	0.09
Face Value Per Equity Share (Rs.)	10	10

2.22 (a) Reserve Bank of India (RBI) vide its letter dated 05.12.2011 has granted the approval to carry on the business of a loan company. Investments, other assets and liabilities or proceeds thereof are therefore intended to be utilized for the said business activity.

(b) In view of the above, the Company operates in a single primary business and secondary geographical segment and hence, disclosure requirements of AS 17 on Segment Reporting are not applicable to it.

2.23 In terms of Para 10 of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, a provision of 0.25 percent of the outstanding amount of the standard assets during the year is required to be made. Accordingly, Rs.5,23,239/- (previous year Rs. 1,54,173/- charged out to statement of profit and loss) has been credited to statement of profit & loss and closing balance thereof is shown as "provision for contingencies against Standard Assets" in these accounts.

2.24 The Company as per the professional advice received on application of RBI Circular No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 (the Circular) and notifications issued by RBI on 27.03.2015 and 10.04.2015 for implementation thereof, has been classified as Non-Systemically Important Company. Various provisions and directions have accordingly been complied with and reported upon from time to time. In terms of the said advice, the Circular read with notifications as above dealing with aggregation of the assets of all the NBFC of the Group for the purpose of classification has not yet been made effective and as such is not applicable to the Company.

2.25 Details of Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees existing on 8th November, 2016) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	25,000	7,385	32,385
(+) Permitted Receipts	—	50,000	—
(-) Permitted Payments	—	52,096	—
(-) Amount Deposited in Banks	25,000	—	25,000
Closing Cash in Hand as on 30.12.2016	—	5,289	5,289

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

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

R.P. Singh
Partner

Membership No. 052438
Dated : 24th May, 2017

Biswajit Das
Company Secretary

Partha Bose
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee — Chairman
Dipankar Chatterji — Director
Abhishek Tantia — Managing
Director
& CEO

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(Rs. in Lakh)

Particulars			
Liabilities side :			
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
	(a) Debenture: Secured	—	—
	: Unsecured (other than falling due within the meaning of public deposits*)	—	—
	(b) Deferred Credits	—	—
	(c) Term Loans	—	—
	(d) Inter-corporate loans and borrowings	—	—
	(e) Commercial Paper	—	—
	(f) Other Loans (Specify nature)	—	—
	* Please see Note 1 below		
Asset side :			
		Amount outstanding	
(2)	Break-up of Loans and advances including bills receivables [other than those included in (4) below] :		
	(a) Secured		651.39
	(b) Unsecured		—
(3)	Break-up of Leased Assets and stock on hire and other Assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		—
	(b) Operating lease		—
	(ii) Stock on hire including the hire charges under sundry debtors		
	(a) Assets on hire		—
	(b) Repossessed Assets		—
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		—
	(b) Loans other than (a) above		—

(Rs. in Lakh)

(4)	Break-up of Investments	
	Current Investments	
	1. Quoted :	
	(i) Shares :(a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	2. Unquoted :	
	(i) Shares :(a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	4,032.00
	(iv) Government Securities	—
	(v) Others (please specify)	—
	Long Term Investments	
	1. Quoted :	
	(i) Shares :(a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	2. Unquoted :	
	(i) Shares :(a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see note 2 below

	Category	Amount net of provisions		
		Secured	Unsecured	Total
1. Related Parties**				
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	8.00	—	8.00
	(c) Others related parties	—	—	—
2. Other than related parties		643.39	—	643.39
Total		651.39	—	651.39

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Please see note 3 below

	Category	Amount net of provisions (Rs. in Lakh)	
		Market value/ Break up or fair value or NAV	Book value (Net of Provisions)
	1. Related Parties**		
	(a) Subsidiaries	—	—
	(b) Companies in the same group	633.21	632.00
	(c) Other related parties	—	—
	2. Other than related parties	3,409.06	3,400.00
	Total	4,042.27	4,032.00

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

(7) Other Information

	Particulars	Amount
	Gross Non-Performing Assets	—
(i)	(a) Related Parties	—
	(b) Other than related parties	1,206.25
	Net Non-Performing Assets	—
(ii)	(a) Related Parties	—
	(b) Other than related parties	1,206.25
(iii)	Assets acquired in satisfaction of debt	—

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non- Systemically important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or systemically Important Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and breakup/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.