

Peerless Trust Management Co. Ltd.
Annual Report & Accounts
2016-17

BOARD OF DIRECTORS

Mr. Satyabrata Ganguly
(Chairman)
Mr. Sunil Kanti Roy
Mr. Sunil Mitra
Mr. Sisir Kumar Chakrabarti

BANKERS

HDFC Bank Limited
2/6, Sarat Bose Road
Central Plaza
Kolkata

STATUTORY AUDITORS

M/s. Lodha & Co.
Chartered Accountants
14, Government Place East,
Kolkata - 700 069

REGISTERED OFFICE

Peerless Mansion,
1 Chowringhee Square, Third Floor,
Kolkata - 700 069
Tel: + 91 33 40185000
Fax: +91 33 40185010
Website: www.peerlessmf.co.in
Email: connect@peerlessmf.co.in

CORPORATE IDENTIFICATION NO.

U65990WB2009PLC134536

INTERNAL AUDITORS

M/s. M. P. Chitale & Co.
Chartered Accountants
1/11, Prabhadevi Ind. Estate,
1st Floor, Opp. Siddhivinayak
Temple, Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025

REPORT OF THE DIRECTORS

Dear Shareholders,

Your Directors are pleased to present the Eighth Annual Report and Audited Accounts of Peerless Trust Management Co. Limited for the year ended 31 March 2017.

FINANCIAL RESULTS

(in Rupees)

| Particulars | 2016-17 | 2015-16 |
|--|--------------------|-----------|
| Income | 25,60,452 | 32,03,056 |
| Profit/(Loss) before Depreciation | (15,45,799) | (34,037) |
| Depreciation | 3,168 | 3,176 |
| Net Profit/(Loss) | (15,74,821) | (66,513) |
| Balance brought forward from previous year | 37,69,926 | 38,36,439 |
| Surplus/(Deficit) carried to Balance Sheet | 2,195,105 | 37,69,926 |

Business and Financial Performance

Peerless Trust Management Company Limited (“PTMCL” or “the Company”) is a subsidiary of The Peerless General Finance and Investment Company Limited (“PGFI”) and acts as Trustee to Peerless Mutual Fund (PMF). Peerless Funds Management Co. Limited (PFMCL) acts as the Investment Manager to PMF.

During the year under review, PMF completed 7 years of operations with its continued focus on sustainable operational effectiveness, system based process, risk adjusted growth and emphasis on compliance & governance. Human resource strategy continued to be aligned towards efficacy and efficiency.

In its continuous effort to expand its reach, PFMCL increased its presence in the distribution community with new tie ups – both at national and at regional levels, with IFAs and with inclusion of retired senior citizens. Regular interactions between distributors and fund managers to share knowledge, philosophy and outlook, had gathered pace during the year and will intensify further.

Various investor awareness initiatives were undertaken through investor meets and audio visual presentations, displayed on websites targeted at maximum investor reach.

Average assets managed by PMF were Rs. 1,062 crore for the quarter ended March 2017 compared to Rs. 985 crore for the quarter ended March 2016.

During the year under review, your Company incurred a loss of Rs. 1,574,821 as against a loss of Rs. 66,513 in 2015-16.

As on 31 March 2017, the networth of your company stood at Rs. 22,195,105 as against a net worth of Rs. 23,769,926 as on 31 March 2016.

Corporate developments

Your Company’s promoters, PGFI reached an understanding with Essel Finance Management LLP (EFM) for sale of the mutual fund business to EFM. An agreement dated 7 November 2016 was executed between PGFI and EFM for sale of the entire shareholding in your Company to EFM. The transaction will be completed upon receipt of relevant regulatory & statutory approvals.

EFM is part of the \$10 billion Essel Group and is the umbrella brand for the financial businesses comprising SME loans, housing finance, MF & insurance distribution, foreign exchange, private equity and investment banking services.

Dividend

In view of the loss, your Directors express their inability to recommend any dividend for the year ended 31 March 2017.

Board Meetings

During the year under review, the Board of Directors of your Company met 6 (six) times. The maximum interval between any two Board Meetings did not exceed 120 days.

Details of Board meetings attended by the Directors during the financial year ended 31 March 2017:

| Sl. No. | Name of the Director | Dates of Meetings | Board Meetings | |
|---------|-----------------------------|-------------------|----------------|----------|
| | | | Held | Attended |
| 1. | Mr. Satya Brata Ganguly | 29.04.2016 | 6 | 5 |
| 2. | Mr. Sunil Kanti Roy | 13.06.2016 | 6 | 6 |
| 3. | Mr. Sunil Mitra | 22.08.2016 | 6 | 6 |
| 4. | Mr. Sisir Kumar Chakrabarti | 20.10.2016 | 6 | 6 |
| | | 8.12.2016 | | |
| | | 14.02.2017 | | |

Audit Committee

Pursuant to Securities and Exchange Board of India ("SEBI") circular MFD/CIR/010/024/2000 dated January 17, 2000, your Company has in place an Audit Committee of the Board. This currently comprises the following members:

| Name of the Director | Designation |
|------------------------------|--------------------------------|
| Mr. Sunil Mitra | Chairman, Independent Director |
| Mr. Sunil Kanti Roy | Member, Non-Executive Director |
| Mr. Satya Brata Ganguly | Member, Independent Director |
| Mr. Sisir Kumar Chakrabarti* | Member, Independent Director |

* Mr. Sisir Kumar Chakrabarti was appointed as a member of Audit Committee with effect from 14 February 2017.

During the year under review, the Committee met 6 (six) times.

Details of Audit Committee meetings attended by the Directors during the financial year ended 31 March 2017:

| Sl. No. | Name of the Director | Dates of Meetings | Audit Committee Meetings | |
|---------|-------------------------|-------------------|--------------------------|----------|
| | | | Held | Attended |
| 1. | Mr. Sunil Mitra | 29.04.2016 | 6 | 6 |
| | | 13.06.2016 | | |
| 2. | Mr. Sunil Kanti Roy | 22.08.2016 | 6 | 6 |
| | | 20.10.2016 | | |
| 3. | Mr. Satya Brata Ganguly | 8.12.2016 | 6 | 5 |
| | | 14.02.2017 | | |

Internal Complaints Committees

Your Company is not required to constitute Internal Complaints Committees pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the company

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of your Company and your company's operations in future.

Holding and Subsidiaries

Your company continues to be the subsidiary of The Peerless General Finance & Investment Co. Ltd.

Your Company has no subsidiary as on date.

Statutory Auditors and their Reports

In the last Annual General Meeting(AGM) held on 19 August, 2016 the appointment of M/s. Lodha & Co., Chartered Accountants had been ratified as Statutory Auditors of your company.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed with this report.

There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report.

Internal Auditors and their Reports

M/s. M.P. Chitale & Co., Chartered Accountants had been appointed as Internal Auditors of your company for the financial year 2016-17 and their reports placed before the Audit Committee and the Board for their consideration.

Share Capital

As on 31st March, 2017, the issued, subscribed and paid up share capital of your company stood at Rs. 2,00,00,000/- (Two Crore), comprising 20,00,000 Equity shares of Rs.10/- each.

Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed to this report as **Annexure 1**.

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

No disclosure is required to be made under section 134(3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014.

Your company does not have any activity relating to conservation of energy, technology absorption or foreign exchange earnings and outgo for the year ended 31 March 2017.

Board of Directors

(a) Changes in Directors

Mr. Sunil Kanti Roy will retire at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

(b) Declaration by Independent Directors and re-appointment, if any

Mr. Satya Brata Ganguly, Mr. Sunil Mitra and Mr. Sisir Kumar Chakrabarti are Independent Directors on the Board of your company. Your company has received statement of declaration of independence from the Independent Directors.

In the opinion of the Board they fulfill the conditions specified in section 149(6) of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Directors of the company.

(d) Formal Annual Evaluation

As required under section 134(3) of Companies Act 2013 read with Rule 8(4) of Companies (Account) Rules, 2014, and pursuant to Section 178 of the Companies Act, 2013, formal annual evaluation of all Directors, Committees of the Board and the Board as a whole have been carried out.

A meeting of the Independent Directors has been duly held during the year.

Particulars of loans, guarantees or investments under section 186

During the year under review, your Company has not given any loans, guarantees or made investments pursuant to Section 186 of the Companies Act, 2013.

Related party transactions

During the year under review, your company has not entered into any contracts or transactions or arrangements with related parties which are not on arms' length basis and ordinary course of business, nor has your company entered into any material contracts or transactions or arrangements with related parties at arms' length basis as referred in Section 188(1) of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Boards & its Powers) Rules, 2014.

The required disclosure in Form AOC-2 is enclosed to this report as **Annexure 2**.

Internal Controls over Financial Reporting

Your Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations.

Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Audit Committee has laid down strict processes for monitoring the internal control systems including an independent assessment of these at regular intervals. Compliance of the laws of the land is accorded utmost importance.

Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorised, recorded and reported correctly.

The Internal Auditor reviews the efficiency and effectiveness of these systems and procedures. Added objectives include evaluating the reliability of financial and operational information and ensuring compliances with applicable laws and regulations. The Internal Auditor submits his Report periodically which is placed before and reviewed by the Audit Committee.

The Statutory Auditors have also carried out a review of internal financial controls with reference to the financial statements and have reaffirmed on its adequacy and operating effectiveness in the Independent Auditors Report.

Your Directors are of the view that as on date the internal financial controls with reference to financial statements are adequate.

Particulars of Employees

There are no employees of your company who are in receipt of remuneration in excess of limits prescribed Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Deposits

During the year, the Company did not accept any deposits from the public under Chapter V of the Companies Act, 2013 and therefore, no amount of principal or interest was outstanding as on the Balance Sheet date.

Material changes and commitments

There were no material changes/commitments after the Balance Sheet date.

Directors' Responsibility Statement

In accordance with the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departures;
- (ii) 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 31 March 2017 and of the profit and loss of the Company for the period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis; and
- (v) 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.

Appreciation

Your Directors place on record their sincere appreciation of the co-operation and assistance received from the holding company, The Peerless General Finance & Investment Co. Ltd., SEBI, RBI, AMFI, Custodians, Fund accountants, Bankers, Registrars, Unit holders and other business constituents during the year under review.

Your Directors also wish to place on record their appreciation of the commitment displayed by all the executives, officers and staff for their unstinted support and cooperation.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 24 April 2017

Satyabrata Ganguly
Chairman

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017
of
PEERLESS TRUST MANAGEMENT CO. LIMITED

[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 : U65990WB2009PLC134536
- ii) Registration Date: 09.04.2009
- iii) Name of the Company: Peerless Trust Management Co. Limited
- iv) Category/Sub-Category of the Company: Public Limited Company
- v) Address of the Registered Office and contact details:
Peerless Mansion, 1, Chowringhee Square, 3rd Floor, Kolkata – 700069, Ph: 033-40185000
Email: connect@peerlessmf.co.in
- vi) Whether listed company : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Not Applicable

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. | Act as Trustee for Peerless Mutual Fund. | N.A. | 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 Company Limited 3, Esplanade East Kolkata - 700 069 | U66010WB1932 PLC007490 | Holding | 99.965 | Section 2(46) of Companies Act, 2013 |

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

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|------------------|------------------|-------------------|---|------------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual / HUF | Nil | 500 | 500 | 0.025 | Nil | 500 | 500 | 0.025 | Nil |
| (b) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) State Govt (s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (d) Bodies Corp. | Nil | 19,99,300 | 19,99,300 | 99.965 | Nil | 19,99,300 | 19,99,300 | 99.965 | Nil |
| (e) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (f) Any Other | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (1): | Nil | 19,99,800 | 19,99,800 | 99.990 | Nil | 19,99,800 | 19,99,800 | 99.990 | Nil |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) Other Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (d) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (e) Any Other | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (2): | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | Nil | 19,99,800 | 19,99,800 | 99.990 | Nil | 19,99,800 | 19,99,800 | 99.990 | Nil |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| (a) Mutual Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (d) State Govt(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| | | | | | | | | | |
|--|------------|------------------|------------------|---------------|------------|------------------|------------------|---------------|------------|
| (g) FIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (h) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (i) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(1):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. Non-Institutions | | | | | | | | | |
| (a) Bodies Corp. | | | | | | | | | |
| (i) Indian | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (ii) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | Nil | 200 | 200 | 0.010 | Nil | 200 | 200 | 0.010 | Nil |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(2):- | Nil | 200 | 200 | 0.010 | Nil | 200 | 200 | 0.010 | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | Nil | 200 | 200 | 0.010 | Nil | 200 | 200 | 0.010 | Nil |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | Nil | 20,00,000 | 20,00,000 | 100.00 | Nil | 20,00,000 | 20,00,000 | 100.00 | Nil |

(ii) Shareholding of Promoters

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of 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 | % change in share holding during the year |
| 1 | The Peerless General Finance & Investment Co. Ltd. | 19,99,300 | 99.965 | Nil | 19,99,300 | 99.965 | Nil | Nil |
| 2 | Mr. Sunil Kanti Roy | 200 | 0.010 | Nil | 200 | 0.010 | Nil | Nil |
| 3 | Mr. Jayanta Roy | 100 | 0.005 | Nil | 100 | 0.005 | Nil | Nil |
| 4 | Mrs. Shikha Roy | 100 | 0.005 | Nil | 100 | 0.005 | Nil | Nil |
| 5 | Mrs. Debasree Roy | 100 | 0.005 | Nil | 100 | 0.005 | Nil | Nil |

(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 |
| 1 | At the beginning of the year | 19,99,800 | 99.99 | 19,99,800 | 99.99 |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Nil | Nil | Nil | Nil |
| 3 | At the end of the year | 19,99,800 | 99.99 | 19,99,800 | 99.99 |

(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 | At the beginning of the year: | | | | |
| | Mr. Bhargab Lahiri | 100 | 0.005 | 100 | 0.005 |
| | Mr. Amal Chandra Chakrabortti | 100 | 0.005 | 100 | 0.005 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | NA | NA | NA | NA |
| 3 | At the end of the year: | | | | |
| | Mr. Bhargab Lahiri | 100 | 0.005 | 100 | 0.005 |
| | Mr. Amal Chandra Chakrabortti | 100 | 0.005 | 100 | 0.005 |

(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 | At the beginning of the year: | | | | |
| | Mr. Sunil Kanti Roy | 200 | 0.010 | 200 | 0.010 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Nil | Nil | Nil | Nil |
| 3 | At the end of the year: | | | | |
| | Mr. Sunil Kanti Roy | 200 | 0.010 | 200 | 0.010 |

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 ii)Interest due but not paid 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 I Addition I Reduction | Nil | Nil | Nil | Nil |
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year i)Principal Amount ii)Interest due but not paid 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 & CEO/WTD/ Manager | Name of MD & CEO/WTD/ Manager | Total Amount (Rs.) |
|----------------|--|--|--|---------------------------|
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NA | NA | NA |
| 2 | Stock Option | NA | NA | NA |
| 3 | Sweat Equity | NA | NA | NA |
| 4 | Commission - as % of profit | NA | NA | NA |
| 5 | Others, please specify | | | |
| | Total (A) | NA | NA | NA |
| | Ceiling as per the Act | NA | | |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount (Rs.) Per Annum |
|----------|--|-------------------------|-----------------|-----------------------------|------------------------------|
| | | Mr. Satya Brata Ganguly | Mr. Sunil Mitra | Mr. Sisir Kumar Chakrabarti | |
| 1 | Independent Directors | | | | |
| A | Fee for attending Board Meetings | 1,00,000 | 1,20,000 | 1,20,000 | 3,40,000 |
| B | Fee for attending Committee Meetings | 50,000 | 60,000 | N.A. | 1,10,000 |
| C | Commission | N.A. | N.A. | N.A. | N.A. |
| D | Others: Independent Directors' Meeting | 0 | 10,000 | 10,000 | 20,000 |
| | Total (1) | 1,50,000 | 1,90,000 | 1,30,000 | 4,70,000 |

| Sl. No. | Particulars of Remuneration | Name of Directors | Total Amount (Rs. Per Annum) |
|------------------------|--------------------------------------|---------------------|------------------------------|
| | | Mr. Sunil Kanti Roy | |
| 2 | Other Non-Executive Directors | | |
| A | Fee for attending Board Meetings | 1,20,000 | 1,20,000 |
| B | Fee for attending Committee Meetings | 60,000 | 60,000 |
| C | Commission | N.A. | N.A. |
| D | Others | N.A. | N.A. |
| | Total (2) | 1,80,000 | 1,80,000 |
| Total (B)=(1+2) | 6,50,000 | | |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|--|-------------------------------|-----------|-----------------------|
| | | Company Secretary | CFO | Total (Rs. Per Annum) |
| | | Ms. Preeti Lakhmani* | | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 5,38,485 (Cost to company) | NA | 5,38,485 |
| 2 | Stock Option | NA | NA | NA |
| 3 | Sweat Equity | NA | NA | NA |
| 4 | Commission - as % of profit - others, specify | NA | NA | NA |
| 5 | Others, please specify | NA | NA | NA |
| | Total | 5,38,485 | NA | 5,38,485 |

*Ms. Preeti Lakhmani, resigned with effect from 4 November 2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Form – AOC-2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

2. Details of material contracts or arrangement or transactions at arm's length basis – **Not Applicable**
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any:
 - (f) Amount paid as advances, if any:

For and on behalf of the Board of Directors

Satyabrata Ganguly

Chairman

Place: Kolkata
Date: 24 April 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEERLESS TRUST MANAGEMENT CO. LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Peerless Trust Management Co 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

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.

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. The Company does not have any pending litigations as at the year end which would impact its financial position.
 - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company as dealt with in Note no. 16.6 of Notes to the Financial Statements did not have any holdings or dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees) during the period from 8th November, 2016 to 30th December, 2016 and thereby the disclosure requirement as envisaged in Notification G.S.R. 308(E) dated 30th March, 2017 is not applicable to the Company.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.: 301051E

R. P. Singh
Partner
Membership No: 052438

Place : Kolkata
Date : 24 April 2017

ANNEXURE “A” REFERRED TO AUDITORS’ REPORT OF EVEN DATE

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets of the Company were physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies in respect of the assets verified during the year were noticed.
- (c) According to the information and explanations given to us, there being no immovable properties (viz. land and/or building) included under the head fixed assets for which there is requirement for having title deeds and as such paragraph 3(i)(c) of the Order is not applicable to the Company.
- ii) The Company has no inventory and accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to any company, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us, since the Company has not given any loan or guarantee or provided any security in connection with loan or acquired securities during the year, paragraph 3(iv) of the Order is not applicable to the Company.
- 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 of tax deducted at source and Service tax. Other statutory dues of Provident Fund, Employee’s State Insurance, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax were not applicable to the Company. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such 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, 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 that have not been deposited with the appropriate authority on account of any disputes.
- viii) According to the information and explanations given to us, the company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- ix) The Company has not raised monies by way of Initial Public Offer or further public offer (including debt instruments) and term loans and as such paragraph 3(ix) of the Order is not applicable to the Company.
- x) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.
- xi) In our opinion and according to the information and explanations given to us, no managerial remuneration except the sitting fees to the directors has been paid or provided by the Company and therefore paragraph 3(xi) of the Order is not applicable to the Company.

- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors/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 not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.: 301051E

R. P. Singh
Partner
Membership No: 052438

Place : Kolkata
Date : 24 April 2017

ANNEXURE “B” REFERRED TO AUDITORS’ 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 Trust Management Co 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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's ICAI Registration No.: 301051E

R. P. Singh
Partner
Membership No: 052438

Place : Kolkata
Date : 24 April 2017

BALANCE SHEET**AS AT 31 MARCH 2017**

(Amount in Rupees)

| Particulars | Note | As At 31 March 2017 | | As At 31 March 2016 | |
|---|------|----------------------------|--------------------|----------------------------|--------------------|
| 1 | 2 | 3 | | 4 | |
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' funds | | | | | |
| (a) Share capital | 2 | 2,00,00,000 | | 2,00,00,000 | |
| (b) Reserves and surplus | 3 | 21,95,105 | 2,21,95,105 | 37,69,926 | 2,37,69,926 |
| (2) Current liabilities | | | | | |
| (a) Trade Payables | 4 | | | | |
| Total outstanding dues of micro enterprise and small enterprises | | | — | | — |
| Total outstanding dues of creditors other than micro enterprise and small enterprises | | 2,70,000 | | 2,03,857 | |
| (b) Other current liabilities | 5 | 84,000 | 3,54,000 | 1,58,800 | 3,62,657 |
| TOTAL | | | 2,25,49,105 | | 2,41,32,583 |
| II. ASSETS | | | | | |
| (1) Non-current assets | | | | | |
| (a) Fixed assets | 6 | | | | |
| (i) Tangible assets | | 7,809 | | 10,977 | |
| (b) Long-term loans and advances | 7 | 8,59,376 | | 7,27,657 | |
| (c) Deferred Tax Asset | 16.4 | 2,15,242 | 10,82,427 | 2,41,096 | 9,79,730 |
| (2) Current assets | | | | | |
| (a) Trade receivables | 8 | 70,334 | | 74,209 | |
| (b) Cash and bank balances | 9 | 2,06,17,630 | | 2,14,87,801 | |
| (c) Short-term loans and advances | 10 | 3,26,543 | | 3,75,818 | |
| (d) Other current assets | 11 | 4,52,171 | 2,14,66,678 | 12,15,025 | 2,31,52,853 |
| TOTAL | | | 22,549,105 | | 24,132,583 |

Summary of Significant Accounting Policies 1

Other Notes to the financial statements 2-16

The accompanying notes are integral part of the financial statements

In terms of our report of even date

For **Lodha & Co.**

Chartered Accountants

R.P. Singh

Partner

Membership No. 52438

Place : Kolkata

Date : 24 April 2017

For and on behalf of the Board

S. B. Ganguly
Chairman**Sunil Mitra**
Director

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees)

| Particulars | Note | Year ended 31 March 2017 | Year ended 31 March 2016 |
|--|------|-----------------------------|-----------------------------|
| 1 | 2 | 3 | 4 |
| Revenue from operations | 12 | 8,51,715 | 8,21,394 |
| Other income | 13 | 17,08,737 | 23,81,662 |
| Total Revenue | | <u>25,60,452</u> | <u>32,03,056</u> |
| Expenses: | | | |
| Employee benefits expense | 14 | 5,78,000 | 6,90,000 |
| Depreciation and amortization expense | 6 | 3,168 | 3,176 |
| Other expenses | 15 | 35,28,251 | 25,47,093 |
| Total expenses | | <u>41,09,419</u> | <u>32,40,269</u> |
| Profit/(Loss) before tax | | (15,48,967) | (37,213) |
| Tax expense: | | | |
| (1) Current tax | | — | — |
| (2) Deferred tax | 16.4 | 25,854 | 29,300 |
| Profit/(Loss) after tax for the year | | <u>(15,74,821)</u> | <u>(66,513)</u> |
| Earnings per equity share: | | | |
| (1) Basic | 16.3 | (0.79) | (0.03) |
| (2) Diluted | | (0.79) | (0.03) |
| Summary of Significant Accounting Policies | 1 | | |
| Other Notes to the financial statements | 2-16 | | |
| The accompanying notes are integral part of the financial statements | | | |

In terms of our report of even date

For **Lodha & Co.**
Chartered Accountants

R.P. Singh
Partner
Membership No. 52438

Place : Kolkata
Date : 24 April 2017

For and on behalf of the Board

S. B. Ganguly **Sunil Mitra**
Chairman Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

| | 2016-17 (Rs.) | 2015-16 (Rs.) |
|---|--------------------|--------------------|
| A. Cash flows from Operating Activities | | |
| Net profit /(loss) before tax for the year | (15,48,967) | (37,213) |
| Adjustment for: | | |
| Depreciation | 3,168 | 3,176 |
| Sundry balances written off | 2,47,818 | — |
| Interest income | (16,95,354) | (2,379,782) |
| Operating profit before working capital changes | (29,93,335) | (2,413,819) |
| Tax Expenses | (33,547) | (368,588) |
| Adjustment for changes in working capital: | | |
| (Increase)/decrease in Non-Current Asset | (3,45,990) | (2,25,653) |
| (Increase)/decrease in Trade Receivables | 3,875 | (72,676) |
| (Increase)/decrease in Other Current Assets | 49,275 | 25,181 |
| Increase/(decrease) in current liabilities and provisions | (8,657) | (25,90,471) |
| Net cash from/(used in) operating activities (A) | (33,28,379) | (56,46,025) |
| B. Cash flow from investing activities | | |
| Fixed Deposit | 13,00,000 | 18,00,000 |
| Interest income | 24,58,208 | 41,42,343 |
| Net cash from/(used in) investing activities (B) | 37,58,208 | 59,42,343 |
| Net (decrease)/increase in cash and cash equivalents (A)+(B) | 4,29,829 | 2,96,318 |
| Cash and cash equivalents at beginning of year | 3,87,801 | 91,483 |
| Cash and cash equivalents at end of year | 8,17,630 | 3,87,801 |

In terms of our report of even date

For **Lodha & Co.**
Chartered Accountants

R.P. Singh
Partner
Membership No. 52438

Place : Kolkata
Date : 24 April 2017

For and on behalf of the Board

S. B. Ganguly **Sunil Mitra**
Chairman Director

Notes to the financial statements for the year ended 31 March 2017**NOTE – 1 Summary of Significant Accounting Policies****1.1 BASIS OF ACCOUNTING**

The financial statements of the Company are prepared under the historical cost convention, on an accrual basis of accounting and in compliance with the applicable accounting standards and relevant provisions of the Companies Act, 2013 and rules framed under the said Act.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure relating to contingent liabilities as of the date of financial statements and the reported amount of revenue and expenses during the period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 FIXED ASSETS

Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incidental to the acquisition and installation of the fixed asset.

1.4 DEPRECIATION

Depreciation on fixed assets is provided based on the useful life in the manner and as prescribed as per Schedule II of the Companies Act, 2013:

| CLASS OF FIXED ASSET | USEFUL LIFE OF ASSET |
|--|---|
| Furniture & Fixture | 10 years |
| Office Equipment | 5 years |
| Improvement to leasehold or rented premises (including electrical installations) | The primary period of the lease term or 5 Years whichever is less |

1.5 IMPAIRMENT OF FIXED ASSETS

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

1.6 LEASE

Lease rental payments for operating leases are recognised as an expense on straight-line basis over the lease term and paid/provided for as per terms of the agreement on an accrual basis.

1.7 REVENUE RECOGNITION*Trusteeship Fees*

Trusteeship fees (exclusive of service tax) are recognised on accrual basis.

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

Other Income

Interest income has been recognized on accrual basis as per the tenure and the terms applicable.

Dividend income is recognised when the right to receive dividend is established.

1.8 EMPLOYEE BENEFITS

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the related service is rendered. There are no long term employee benefits as at the year end.

1.9 TAXATION

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 years are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognised 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.

1.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are measured and recognised when there is substantial degree of estimation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognised in the financial statements and are disclosed in notes to the financial statements.

Contingent Assets are neither recognised in the financial statement nor disclosed.

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

(Amount in Rupees)

| 2. Share Capital | As at 31 March 2017 | | As at 31 March 2016 | |
|--|------------------------|--------------------|------------------------|--------------------|
| | Number | Rs. | Number | Rs. |
| <u>Authorised</u> | | | | |
| Equity Shares of Rs.10 each | 20,00,000 | 2,00,00,000 | 20,00,000 | 2,00,00,000 |
| | | <u>2,00,00,000</u> | | <u>2,00,00,000</u> |
| <u>Issued, Subscribed and Paid-up</u> | | | | |
| Equity Shares of Rs.10 each, fully paid-up | 20,00,000 | 2,00,00,000 | 20,00,000 | 2,00,00,000 |
| | | <u>2,00,00,000</u> | | <u>2,00,00,000</u> |

(a) The Company has only one class of equity shares of face value of Rs. 10 each and each share is entitled to one vote at general meetings

(b) Details of the shareholders holding more than 5% of Equity shares of the company

| Number of Shareholders | | As at 31 March 2017 | | As at 31 March 2016 | |
|------------------------|---|---------------------|-----------|---------------------|-----------|
| | | No. of shares held | | No. of shares held | |
| | | (%) | (Number) | (%) | (Number) |
| 1 | <i>The Peerless General Finance & Investment Company Limited, the Holding Company</i> | 99.97 | 19,99,300 | 99.97 | 19,99,300 |

(Amount in Rupees)

| 3. Reserves & Surplus | As at 31 March 2017 | | As at 31 March 2016 | |
|---|---|------------------|------------------------|------------------|
| | Surplus in the statement of Profit and Loss | | | |
| Opening Balance | | 37,69,926 | | 38,36,439 |
| Less : Loss transferred from Statement of Profit and Loss | | 15,74,821 | | 66,513 |
| Closing Balance | | <u>21,95,105</u> | | <u>37,69,926</u> |
| 4. Trade Payables | | | | |
| Total outstanding dues of micro enterprise and small enterprises | | — | | — |
| Total outstanding dues of creditors other than micro enterprise and small enterprises | | 2,70,000 | | 2,03,857 |
| | | <u>2,70,000</u> | | <u>2,03,857</u> |
| 5. Other Current Liabilities | | | | |
| Statutory Liabilities | | 62,518 | | 64,019 |
| Advances from Related Party (Note 16.2) | | 21,482 | | 94,781 |
| | | <u>84,000</u> | | <u>158,800</u> |

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

(Amount in Rupees)

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|--------------------------------------|---|-------------------------------------|
| 12. Revenue | | |
| Trusteeship Fees | 8,51,715 | 8,21,394 |
| | 8,51,715 | 8,21,394 |
| 13. Other income | | |
| Interest Income on Fixed Deposits | 16,95,354 | 23,79,782 |
| Interest on Tax Deducted at Source | 13,383 | 1,880 |
| | 17,08,737 | 23,81,662 |
| 14. Employee Benefit Expenses | | |
| Salaries and wages | 5,78,000 | 6,90,000 |
| | 5,78,000 | 6,90,000 |
| 15. Other expenses | | |
| Legal and professional fees | 15,76,977 | 8,41,597 |
| Travelling and Conveyance | 19,145 | 58,199 |
| Rent (Note 16.5) | 4,76,100 | 4,65,750 |
| Insurance | 1,73,447 | 1,70,260 |
| Repairs and maintenance | 33,493 | 36,553 |
| Electricity | 1,19,608 | 1,27,960 |
| Printing and stationery | 24,255 | 18,396 |
| Directors' Sitting Fees | 6,50,000 | 6,20,000 |
| Rates and taxes | 29,534 | 15,735 |
| Miscellaneous Expense | 1,52,874 | 1,67,643 |
| Sundry balances written off | 2,47,818 | — |
| Audit Fees | | |
| - Statutory Audit | 25,000 | 25,000 |
| | 35,28,251 | 25,47,093 |

Notes to the financial statements for the year ended 31 March 2017**NOTE 16 – Other Notes to financial statements****16.1 SEGMENT REPORTING**

The Company's operations predominantly relate to act as Trustees for Peerless Mutual Fund. As the Company is engaged only in one business segment and has no geographical segments, separate disclosure of segmental reporting is not applicable under Accounting Standard on "Segment Reporting" (AS-17).

16.2 RELATED PARTY INFORMATION**Holding company**

- i. The Peerless General Finance & Investment Company Limited

Fellow subsidiaries, associates & group enterprise

- ii. Peerless Funds Management Co Ltd
 iii. Peerless Financial Products Distribution Ltd (formerly Peerless Developers Limited)
 iv. Peerless Hospitex Hospital & Research Center Ltd
 v. Peerless Securities Ltd
 vi. Peerless Hotels Ltd
 vii. Kaizen Leisure & Holidays Ltd
 viii. Peerless Financial Services Ltd
 ix. Bengal Peerless Housing Development Co Ltd
 x. Kaizen Hotels & Resorts Ltd

Disclosure of transactions between the company and related parties and the status of outstanding balances as on 31 March 2017 :

| Nature of Transaction | Holding Company (in Rs.) | Fellow Subsidiaries (in Rs.) | | Group Enterprise (in Rs.) | Total (in Rs.) |
|------------------------------|--------------------------|------------------------------|----------------------------------|---------------------------|------------------------|
| | | Peerless Hotels Ltd | Peerless Funds Management Co Ltd | | |
| Rent (including service tax) | 5,47,116 (5,30,620) | — (-) | — (-) | — (-) | 5,47,116 (5,30,620) |
| Other administrative expense | — (-) | 28,968 (62,602) | 2,58,772 (2,52,998) | — (39,726) | 2,87,740 (3,55,326) |
| Advance received | — (-) | — (-) | 21,482 (94,781) | — (-) | 21,482 (94,781) |

Note : Figures for the previous year have been indicated in brackets.

Notes to the financial statements for the year ended 31 March 2017**16.3 EARNINGS PER SHARE**

Basic and Diluted earnings per share

(Amount in Rupees)

| | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|--|--|---|
| Net Profit/(Loss) after tax (Rs.) | (15,74,821) | (66,513) |
| Weighted average number of equity shares outstanding during the year | 20,00,000 | 20,00,000 |
| Basic and Diluted earnings per share (Rs.) | (0.79) | (0.03) |

16.4 DEFERRED TAX ASSET

The Company has recognised deferred tax asset arising out of timing differences between the written down value of fixed assets, as per Companies Act, 2013 and Income Tax Act, 1961, as follows:

| Particulars | Opening as on April 01, 2016 | (Charge) or Credit during the Year | Closing as at March 31, 2017 |
|---------------------------|---|---|---|
| Deferred Tax Assets: | | | |
| – Depreciation | 2,41,096 | (25,854) | 2,15,242 |
| Deferred Tax Liabilities: | NIL | NIL | NIL |
| Net Deferred Tax Asset | 2,41,096 | (25,854) | 2,15,242 |
| Previous Year figures | 2,70,396 | (29,300) | 2,41,096 |

16.5 LEASES

The Company has operating leases for office premises for a period of nine years and the same is cancellable by either side by giving a prior notice. There is escalation clause after every three years. There are no subleases. The amount of rent expenses included in the Statement of Profit and Loss towards operating lease amounts to Rs. 4,76,100 (Previous Year Rs. 4,65,750)

16.6 There are no cash transactions during the year and accordingly necessary disclosures as required in terms of Notification No. G.S.R. 308(E) dated 30th March, 2017 has not been given.

16.7 Previous year's figures have been re-arranged/re-grouped to make them comparable with the current year's figures.

For **Lodha & Co.**

Chartered Accountants

R.P. Singh

Partner

Membership No. 52438

Place : Kolkata

Date : 24 April 2017

For and on behalf of the Board**S. B. Ganguly**
Chairman**Sunil Mitra**
Director