

***BOARD OF DIRECTORS***

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

***CHAIRMAN***

Sri Dibyendra Nath Sengupta  
***MANAGING DIRECTOR & CEO***  
Sri Jitendra Kumar Panda

***WHOLETIME DIRECTOR***

Sri Atul Kumar Bajpai

***COMPANY SECRETARY***

Sri Rahul Harsh

***AUDITORS***

M/S De & Bose  
Chartered Accountants

***PRINCIPAL BANKERS***

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

***REGISTERED OFFICE***

Peerless Mansion  
1, Chowringhee Square,  
2nd Floor, Kolkata – 700069  
CIN : U67120WB1995PLC067616  
Phone : 033 4050 2700  
Fax : 033 2243-6941  
Website : [www.peerlessec.co.in](http://www.peerlessec.co.in)  
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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have immense pleasure in presenting the Twenty Second Annual Report on the business and operations of the Company and the audited accounts for the financial year ended 31st March, 2017.

A summary of the financial results for the financial year 2016-17, as compared to the previous year, is given below:

### FINANCIAL RESULTS

(₹ in Lakhs)

	CONSOLIDATED		STANDALONE	
	2017	2016	2017	2016
Gross Revenue	1119.02	1250.87	1110.78	1247.48
Profit/(Loss) before Depreciation and tax	50.16	(249.36)	46.63	(251.13)
Less: Depreciation	19.96	37.24	19.96	37.24
Profit/(Loss) before tax	30.20	(286.60)	26.67	(288.37)
Less: Provision for Tax including Deferred Tax	32.07	12.26	31.14	11.67
Profit/(Loss) after Taxes	(1.87)	(298.86)	(4.47)	(300.04)
Add: Balance brought forward from previous year	(1895.46)	(1596.60)	(1895.20)	(1595.16)
Less: Transfer to General Reserves	—	—	—	—
Leaving a balance to be carried forward to next year	(1897.31)	(1895.46)	(1899.67)	(1895.20)

### DIVIDEND

Your Directors do not recommend dividend for the financial year ended 31st March, 2017 in view of the loss.

### BUSINESS ENVIRONMENT DURING THE YEAR

The financial year 2016-2017 has been good for Indian equity market that surged nearly 18 per cent, with the Nifty50 index hitting its 52-week high of 9,218 during this period with strong domestic and foreign institutional investors' participation. Outcome of Britain referendum, US presidential election, demonetization in India had injected high volatility to Indian capital markets during the year. Pace of Economic reforms likely to be accelerated after greater political stability in India post the recently concluded assembly election outcome. The market witnessed high gyration on reacting to a slew of news ranging from demonetization, a change in the Reserve Bank of India (RBI)'s monetary policy stance from accommodative to 'neutral' and highly volatile global bond and foreign exchange (forex) markets. The impact of demonetization is transitory in nature and may depress growth in GDP in the short term although the long term impact is likely to be positive as it helps to formalization of Indian economy. Flows from foreign Portfolio Investors (FPI) were highly uncertain in second half of FY17 as foreign funds net sold stocks worth INR 33000 crore in the period of November 2016 – January 2017 after demonetization was announced in November, 2016. Foreign investors net purchased over INR 35000 crore of Indian equities in 2 months of February and March 2017. This massive fund flows in different direction in very short period of time had injected high volatility in Indian capital markets.

However fund flows from domestic institutional investors was robust and they purchased over INR 28000 crore of Indian equities in November 2016 –March 2017 period and provided much needed support to markets in times of uncertainty.

Government's initiatives to kick start blocked infrastructure projects; revival of farm income, containing fiscal deficit and current account deficit, continuation of policy reform, strong currency and favorable monetary policy by RBI would help to remain India as a favorable investment destination for Investors. However, the global environment is uncertain, both practically and economically, and this could act as a dampener.

## COMPANY'S OPERATIONS

Brokerage and Commission earnings continue to be the main stay of our business and no material changes in the nature of business took place during the year. Your Directors are pleased to report that during the Financial Year 2016-17, the Company made a profit before tax of Rs 0.27Crores, (against a Net Loss of Rs 2.88Crores in the Previous Financial Year). The Company's Profit after Tax is Rs. (0.04 Crores) [against Rs. (3.00 Crores) in the Previous Financial Year]. The Net Worth of the Company is Rs. 20.15 Crores (against Rs. 20.20 Crores in the Previous Financial Year). The Company has concentrated in consolidating its operational costs which has eventually led to a decrease in cost by 36.9 %. The revenue experienced a slight decline of 11.23% but over all the Company's financial performance has improved in comparison with the previous financial year and the same is expected to be continued further.

As on 31.03.2017, the Company had 22 branches and 159 registered Sub-brokers/Authorized Persons as against 24 and 177 respectively as on 31.03.2016. The company has cancelled the registration of 9 inactive Sub-brokers and 41 inactive Authorized Persons. A rationalization of the branch network resulted in closing of two branches in Bangalore and Borevalli. Key priorities of your Company for FY 2017-18 shall continue to focus on aggressive cost cutting measures and also on expansion in Tier II and Tier III locations in India through Authorized Persons/ Sub-brokers to improve business.

## SUBSIDIARY COMPANY

Peerless Commodities Ltd (PCL) was incorporated in FY 2013-14 to provide Commodity Broking services; operations of the Company have been initiated during the year. Considering the positive outlook of the Commodity Market, PCL has taken various steps towards increasing its client base as well to maintain a positive momentum of the business during the financial year 2016-17.

The gross revenue of the Company for FY 2016-17 stood at Rs. 8.23 Lakhs (previous year Rs.3.39 Lakhs). The Company earned a Profit before tax of Rs. 3.53 Lakhs and Profit after tax of Rs. 2.61 Lakhs during the FY 2016-17 vis-a-vis Rs. 1.77 Lakhs and Rs. 1.18 Lakhs respectively during the previous financial year. The net worth of the Company as on the closing of FY 2016-17 was Rs. 57.34 Lakhs compared to Rs. 54.73 Lakhs in FY 2015-16.

## OUTLOOK FOR FISCAL 2017-18

The Indian economy is expected to continue its growth momentum in FY 2017- 18 and RBI is projecting a GVA growth at 7.4% for the fiscal year.

Cash-sensitive sectors like hotels, retail trade, transportation and as well as in the organized sectors is expected to rapidly grow in terms of economic activity. Demonetization-induced ease in bank funding conditions has led to a sharp improvement in transmission of past policy rate reductions into marginal cost-based lending rates (MCLR), and in turn, to lending rates for healthy borrowers, which should spur a pick-up in both consumption and investment demand.

The emphasis in the Union Budget for FY 2017-18 on stepping up capital expenditure, and boosting the rural economy and affordable housing should contribute to growth.

Seamless and successful implementation of GST would be key driver for economy and markets performance in FY 2017-18.

The key domestic factor could be the monsoon and India is expected to receive normal rain this year according to IMD forecast. Markets may consolidate its gain and recovery in corporate earnings is required to justify the higher valuation in markets.

Retail participation is also likely to increase with revival in the primary market in coming months. Equity market is likely to witness consolidation in this year and participation would be high from domestic institutional and retail investors in FY18.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

With deep sorrow, we would like to inform that Mr. Pranab Kumar Choudhury former Chairman and Independent Director, who was associated with the company as a member of the Board since 29th April, 2008 had passed away

on 22nd November, 2016. The Board acknowledges his valuable contributions towards the deliberation at the Board Meetings and the operations of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sunil Kanti Roy, Director of the Company, retires by rotation at the ensuing 22nd Annual General Meeting, being eligible, offers himself for re-appointment.

During the year under review, on recommendations of Nomination & Remuneration Committee, the Board reappointed Mr. Jitendra Kumar Panda as the Managing Director & CEO of the Company w.e.f 5th of December, 2016 for a period of one year, pursuant to Section 196 (4) & 197 of the Act read with Schedule V thereof.

The Company has received declarations under section 149(7) from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

During the year Mr. Dinesh Mourya resigned from the post of Company Secretary w.e.f 14th June, 2016. Thereafter, Mr. Avishek Ghosh was selected to be appointed as a Company Secretary of the Company w.e.f 13th July, 2016 who has submitted his resignation w.e.f 21st August, 2016. Further, Mr. Rahul Harsh has been appointed as the Company Secretary w.e.f 9th January, 2017 in compliance with Section 203 of The Companies Act, 2013 and rules made there under.

Mr. Abhishek Tantia, Chief financial officer of the company resigned from the post w.e.f 19th July, 2016 and Mr. Subhendhu Laha who was selected to be Chief financial officer of the company w.e.f 15th December, 2016 but he submitted his resignation on 8th of December, 2016.

#### **NOMINATION & REMUNERATION COMMITTEE AND NOMINATION & REMUNERATION POLICY**

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

#### **Composition**

The Nomination & Remuneration Committee comprises of four Directors, Mr. Sunil Kanti Roy, Non-executive Director as Chairman, Mr. Asoke Kumar Mukhuty, Non-executive Director, Mr. Dibyendra Nath Sengupta & Mr. Ashish Kumar Thakur, Independent Directors as Members.

The Company has formulated a Nomination & Remuneration Policy for appointment/removal and remuneration of Directors and Key Managerial Personnel including criteria for determining qualifications, positive attributes and criteria for Independence of a Director and other matters as specified u/s 178(3) & (4) of the Companies Act, 2013.

The key features of the policy are given below:

#### **Objectives**

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

**Applicability****The Policy is applicable to:**

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

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

**GENERAL**

This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the nomination, appointment and removal of Directors, KMP & Senior Management Personnels, and Part – C covers remuneration & perquisites of Managing / Whole-Time Directors, KMPs And Senior Management Personnel.

**MEETINGS OF THE BOARD**

The Board of Directors meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. During the financial year 2016-17, the Board met four times. The meetings were held on 20th May 2016, 19th August 2016, 28th November 2016 and 13th February 2017. The interval between two board meetings were within the time span as specified under Section 173 of the Companies Act, 2013 and Secretarial Standard - 1.

The Attendance of Directors at the Board Meetings are as follows:

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

\* Demise of Mr Pranab Kumar Choudhury on 22nd day of November, 2016.

\*\* Mr Bhargab Lahiri retired by rotation at the 21st A.G.M held on 19th day of August, 2016.

**Separate Meeting of Independent Directors:**

As required under Schedule IV (point VII) of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 28th November, 2016 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management, Board and its Committees considered necessary for effective and reasonable performance while discharging their duties.

## COMMITTEES OF THE BOARD

As on date, the Board is having two committees viz.: Audit Committee and Nomination & Remuneration Committee. The compositions of the committees are as follows:

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

\*Business Planning and Monitoring Committee was dissolved during the year and its last meeting was held on 27th of October, 2016.

During the financial year 2016-17, the Audit Committee and Nomination & Remuneration Committee met four times on 20th May 2016, 19th August 2016, 28th November 2016 and 13th February 2017 which was in compliance with the requirements of Companies Act, 2013 and Secretarial Standard - 1.

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the year ended 31st March 2017, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there were no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2017, along with the Statement of Profit and Loss of the Company for the year ended;
- The Directors have 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 along with other irregularities;
- The Directors have prepared the annual accounts on a going concern basis; and
- The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## RISK MANAGEMENT

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

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

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to its financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**EXPLANATION OR COMMENTS BY THE BOARD ON AUDITORS REPORT**

The Board noted that the Statutory Auditors of the Company have not given any qualification, reservation or adverse remarks or disclaimers in their Audit Report for the financial year ended on 31st March, 2017.

**AUDITORS**

In terms of Section 139(1) of the Companies Act, 2013 and rules made there under M/s De & Bose, Chartered Accountants (Firm Registration No 302175E), were appointed as Statutory Auditors of the Company at the 21st Annual General Meeting held on 19th August, 2016 to hold office till the conclusion of the 22nd Annual General Meeting to be held in the calendar year 2017.

The term of appointment of Statutory Auditors of the Company completes at the conclusion of the ensuing 22nd Annual General Meeting of the Company. In this regard, the Board would propose to appoint new statutory auditor of the Company at its Meeting scheduled to be held on 15th of May, 2017. This appointment shall be subject to the approval by the Members at the 22nd Annual General Meeting.

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

No such transaction took place during the financial year 2016-17.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company in Format MGT - 9 is annexed herewith as Annexure 'A' to this Report.

**SECRETARIAL AUDIT REPORT**

Pursuant to Section 204 of the Companies Act, 2013 and the Rules framed there under, the Company was not required to conduct Secretarial Audit for the year under review.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year 2016-17 with related parties were in the ordinary course of business and on an arm's length basis and annexed hereto in this report as Annexure 'B'.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW**

Particulars regarding Conservation of Energy and Technology absorption are furnished here with as 'Annexure C'. There has been no foreign exchange earnings and outgo during the period under review.

**PARTICULARS OF EMPLOYEES**

Particulars of Employee's in terms of Remuneration Paid during the year as required under Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is annexed here with as Annexure 'D'.

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

An Internal Complaints Committee has been set up by the company to redress complaints received regarding sexual harassment of women employees. All women employees whether permanent, contractual, temporary or trainees



are covered under this policy. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items during the year under review:

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

## **CONCLUSION & ACKNOWLEDGEMENT**

Over the last twenty two years, your Company has created multiple drivers of growth by developing portfolio of Best in - class businesses. Your Company's Board and employees are inspired by the vision of sustaining Peerless position as one of India's most admired and valuable companies in its sector, creating & enduring value for all stakeholders. Your Directors wish to place on record their sincere thanks to Securities and Exchange Board of India (SEBI), National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd. (BSE), National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for their valued support and co-operation during the year.

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

Your Directors recognize the commitment and contribution of the employees at all levels and looks forward to their increased involvement and dedicated services towards the company in the coming years.

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

For and on behalf of the Board of Directors

Place : Kolkata  
Date : 15<sup>th</sup> May, 2017

Dibyendra Nath Sengupta  
Chairman  
DIN No 02081588

## ANNEXURE TO THE DIRECTORS' REPORT

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 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:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Broking and Allied services	67120	80.66%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	THE PEERLESS GENERAL FINANCE & INVESTMENT CO LTD PEERLESS BHAVAN, 3 ESPALANDE EAST, KOLKATA - 700069	U66010WB1932 PLC007490	HOLDING COMPANY	97.54 %	2(46)
2.	PEERLESS COMMODITIES LIMITED 1, CHOWRINGHEE SQUARE, 2ND FLOOR, KOLKATA - 700069, WEST BENGAL, INDIA	U74900WB2013 PLC196191	SUBSIDIARY COMPANY	99.87 %	2(87)(ii)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	—	1806	1806	0.01	—	1806	1806	0.01	Nil
b) Central Govt.	—	—	—	—	—	—	—	—	Nil
c) State Govt.	—	—	—	—	—	—	—	—	Nil
<b>d) Bodies Corp</b>	—	24561600	24561600	99.49	—	24561600	24561600	99.49	Nil
e) Banks/FI	—	—	—	—	—	—	—	—	Nil
f) Any Other....	—	—	—	—	—	—	—	—	Nil
<b>Sub-total (A) (1):-</b>	—	24563406	24563406	99.50	—	24563406	24563406	99.50	Nil
<b>(2) Foreign</b>									
a) NRIs – Individuals	—	—	—	—	—	—	—	—	Nil
b) Other – Individuals	—	—	—	—	—	—	—	—	Nil
c) Bodies Corp.	—	—	—	—	—	—	—	—	Nil
d) Banks/FI	—	—	—	—	—	—	—	—	Nil
e) Any Other....	—	—	—	—	—	—	—	—	Nil
<b>Sub-total (A) (2): -</b>	—	—	—	—	—	—	—	—	Nil
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	—	24563406	24563406	99.50	—	24563406	24563406	99.50	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	Nil
b) Banks/FI	—	—	—	—	—	—	—	—	Nil
c) Central Govt	—	—	—	—	—	—	—	—	Nil
d) State Govt(s)	—	—	—	—	—	—	—	—	Nil
e) Venture Capital Funds	—	—	—	—	—	—	—	—	Nil
f) Insurance Companies	—	—	—	—	—	—	—	—	Nil
g) FIs	—	—	—	—	—	—	—	—	Nil
h) Foreign Venture capital funds	—	—	—	—	—	—	—	—	Nil
i) Others (specify)	—	—	—	—	—	—	—	—	Nil
<b>Sub-total (B) (1):-</b>	—	—	—	—	—	—	—	—	Nil

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. NonInstitutional</b>									
a) Bodies Corp.									
i) Indian	—	43000	43000	0.17	—	43000	43000	0.17	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	—	79808	79808	0.33	—	79808	79808	0.33	—
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (specify)									
<b>Sub-total (B)(2):- Total</b>	<b>—</b>	<b>122808</b>	<b>122808</b>	<b>0.50</b>	<b>—</b>	<b>122808</b>	<b>122808</b>	<b>0.50</b>	<b>—</b>
<b>Public Shareholding</b>									
<b>(B)=(B)(1)+ (B)(2)</b>	<b>—</b>	<b>122808</b>	<b>122808</b>	<b>0.50</b>	<b>—</b>	<b>122808</b>	<b>122808</b>	<b>0.50</b>	<b>—</b>
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	—	24686214	24686214	100	—	24686214	24686214	100	Nil

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total	
1.	The Peerless General Finance & Investment Co Ltd.	24080000	97.54 %	Nil	24080000	97.54 %	Nil	Nil
2	Shikha Holdings Pvt. Ltd.	481600	1.95%	Nil	481600	1.95%	Nil	Nil
3	Mr. Sunil Kanti Roy	602	0.002%	Nil	602	0.002%	Nil	Nil
4	Ms. Shikha Roy	602	0.002%	Nil	602	0.002%	Nil	Nil
5	Mr. Jayanta Roy	602	0.002%	Nil	602	0.002%	Nil	Nil

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year	No Change during the year			
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc				
	At the End of the year				

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

Sl. No.		Shareholding at the beginning of the year (01.04.2016)		Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total Shares of the Company		No. of shares	% of total Shares of the Company
	For Each of the Top 10 Shareholder					
1	Ashish Kusum Chatterjee	77400	0.31	Nil	77400	0.31
2	The Peerless Advertising & Allied Services Pvt. Ltd	43000	0.17	Nil	43000	0.17
3	B. Lahiri	1204	0.004	Nil	1204	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 (01.04.2016)		Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total Shares of the Company		No. of shares	% of total Shares of the Company
1	Mr. S.K. Roy, Director	602	0.002%	Nil	602	0.002%
2	Mr. Jayanta Roy Director	602	0.002%	Nil	602	0.002%
3	Mr. Asoke Kumar Mukhuty, Director	602	0.002%	Nil	602	0.002%
4	Mr.A.K. Bajpai Wholetime Director	602	0.002%	Nil	602	0.002%

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

**V. INDEBTEDNESS**

(₹ in Crores)

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits (Margin Deposits, Etc.)	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	—	—	2.30	2.30
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	2.30	2.30
<b>Change in Indebtedness during the financial year</b>				
• Addition	—	—	0.48	0.48
• Reduction	—	—	—	—
<b>Net Change</b>	—	—	0.48	0.48
<b>Indebtedness at the end of the financial year:</b>				
i) Principal Amount	—	—	2.78	2.78
ii) Interest due but not paid	—	—	—	0.00
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	2.78	2.78

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MR. J. K PANDA (MD & CEO)	MR. A.K. BAJPAI (WTD)	
1	<b>Gross salary</b> (a) Salary as per provisions contained in u/s 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	67.49	37.29	104.78
		4.85	1.25	6.10
		Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission – as % of profit – others,specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	72.34	38.54	110.88
	Ceiling as per the Act			

## B. Remuneration to other directors:

## 1. Independent Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		MR. P. K. CHOUDHURY	MR. D. N. SENGUPTA	MR. A. K. THAKUR	
1.	Fee for attending board/committee meetings	0.70	1.30	0.90	2.90
2.	Commission	Nil	Nil	Nil	Nil
3.	Others, please specify	Nil	Nil	Nil	Nil
	Total (B1)				2.90

## 2. Other Non- Executive Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		MR. S. K ROY	MR. B. LAHIRI	MR. J. ROY	MR. A. K. MUKHUTY	
1.	Fee for attending board/ committee meetings	0.80	0.60	0.10	0.70	2.20
2.	Commission	Nil	Nil	Nil	Nil	Nil
3.	Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (B2)						2.20
Total Managerial Remuneration (B1+B2)						5.10
Total Sitting Fees						5.10
Total Commission						Nil
Overall Ceiling as per the Act for Payment of commission to Non-Executive Directors						Nil

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary (MR. D. MOURYA)	Company Secretary (MR. R. HARSH)	CFO (MR. A. TANTIA)	TOTAL
	<b>Gross salary</b>				
	(a) Salary as per provisions contained in u/s 17(1) of the Income-tax Act, 1961	0.88	0.75	4.29	5.92
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	—	—	—	—
	Stock Option	Nil	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil	Nil
	Commission – as % of profit – others, specify	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total	0.88	0.75	4.29	5.92



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

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

**Annexure 'B'**  
**Form No. AOC-2**

**Particulars of contracts/arrangements made with related parties**

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

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31 2017, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis in ordinary course of business for year ended March 31 2017, are as follows:-

Name of related Party	Nature of relationship	Duration of contract	Salient terms	Amount (₹ In lacs)
<b>Nature of contract</b> <b>Purchase of shared services including facilities and personnel</b> The Peerless General Finance & Investment Co. Ltd.	Holding company	Since 1995 – ongoing	Rent Electricity Office Maintenance	69.08 23.09 0.16
Peerless Hotels Ltd.	Fellow Subsidiary	Not applicable	Cost of food and conference room hire charges	0.57
Kaizen Hotels and Resorts Ltd.	Director Holding 2% or more shares	Not Applicable	Hotel Booking	0.03
<b>Sale of services</b> The Peerless General Finance & Investment Co. Ltd.	Holding company	Since 1995 – ongoing	Brokerage Income DP services	9.40 0.16
Peerless Financial Services Ltd.	Fellow Subsidiary	09.11.09 – ongoing	Deputation cost DP charges Brokerage Income	6.64 0.04 1.33
Peerless Commodities Ltd	Subsidiary	28.10.15 – ongoing	Brokerage & DP services	0.17
Peerless Fund Management Company Ltd	Fellow Subsidiary	Not Applicable	Brokerage Income Brokerage on FPD	1.55 3.75
Peerless Financial Products Distribution Ltd.	Fellow Subsidiary	Not Applicable	DP Charges	0.01
Kaizen Hotels and Resorts Ltd.	Directors holding 2% or more shares	Not applicable	DP Charges	0.01

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

**Annexure 'C'****Conservation of Energy, Technology Absorption and Foreign Exchange Inflow & Outflow Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 and forming part of the Boards' Report for the year ended on 31st March 2017.****A. Conservation of Energy**

1. Steps taken or impact on Conservation of Energy: The Company continues to remain conscious of conserving energy resources and takes various measures to rationalize the consumption of energy.
2. Steps taken by the Company for utilizing Alternate Sources of Energy – N.A
3. Capital Investment on Energy Conservation Equipments: The Company continues to identify and modernise systems & processes for Energy Conservation.

**B. Technology Absorption**

1. Efforts made towards Technology absorption
  - a. Training of personnel
  - b. Absorption/adaptation of technology to suit clients requirements.
  - c. Participation in conferences, seminars and exhibitions.
2. Benefits derived
  - a. New Clients Additions
  - b. Strengthening of technological base.
3. Imported Technology (Imported during last 3 Years)
  - a. Details of Technology Imported : N.A.
  - b. Year of Import : N.A
  - c. Whether the technology been fully absorbed : N.A.
  - d. If not, reasons : N.A.
4. Expenditure Incurred on Research and Development: (₹ in Lakhs)
  - a. Capital : N.A
  - b. Revenue : N.A
  - c. Total : N.A
  - d. Total R & D Expenditure : N.A  
(as a % of total turnover)

**C. Foreign Exchange Inflow & Outflow**

1. Activities relating to Exports: N.A.
2. Total Foreign Exchange used and earned: (₹ in Lakhs)  
Foreign Exchange earned : N.A  
Foreign Exchange used : N.A

## Annexure 'D'

**Statement of Particulars of Employees Pursuant to the Provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name & Designation	Remuneration received (₹ in Lakhs)	Nature of employment	Qualifications & Experience of the employee	Date of commencement of employment	Age	The Last employment held by before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) :	Whether employee is a relative of any director or manager of the company and if so, name of such director or manager
Jitendra Kumar Panda (CEO & MD)	84.32	Contractual	ACA & CMA 22 Years	09.10.2013	47	Capital First Securities Ltd	0	Nil
Atul Kumar Bajpai (Whole Time Director)	44.38	Contractual	FCA 29 Years	01.07.1995	56	The Peerless General Finance & Investment Co. Ltd.	0.002%	Nil
Chandresh Bhupendra Mehta (Head – AP Acquisition and Development)	18.27	Permanent Employee	Diploma in Textile Engineering 27 Years	21.01.2014	50	Capital First Securities Ltd	0	Nil
Rajes Pramanik (VP – Business Development and Sales)	12.78	Permanent Employee	PGDBM 12 Years	06.01.2014	40	India Infoline Ltd	0	Nil
Abhishek Tantia* (VP- Finance & Treasury)	10.96	Permanent Employee	ACA & PGDM 10 Years	14.05.2012	36	Emkay Global Financial Services Ltd	0	Nil
Bidyoot Sarkar@ (Regional Head – Broking)	9.63	Permanent Employee	MBA 10 Years	20.04.2016	37	Religare Securities Ltd	0	Nil
Krishnaditya Jha (Sr.Manager Wealth)	9.52	Permanent Employee	MBA 9 Years	10.03.2015	37	Way to Wealth Brokers Pvt Ltd	0	Nil
Suresh C Gaddi (VP –Institution Sales)	9.37	Permanent Employee	Masters Degree In Marketing 10 Years	24.01.2012	42	Shah Investors Home Ltd	0	Nil
Suman Banerjee (VP –Systems & IT)	6.74	Permanent employee	B.Sc & MCA 20 Years	14.03.2005	45	Digital iCon Pvt Ltd	0	Nil
Kanchan Chaudhuri (Chief Manager- Risk Management)	6.70	Permanent Employee	B.Com Hons, ICMA Inter 16 Years	16.03.2011	39	Ashika Stock Broking Ltd	0	Nil
Pragati Vinayak Khot (Manager Debt Market)	6.49	Permanent employee	MBA 10 Years	02.02.2016	33	Bonanza Portfolio Ltd	0	Nil

\*Resigned w.e.f 01.01.2017

@ Joined w.e.f 20.04.2016

Note : Gross remuneration comprises salary and allowances, company's contribution to provident fund, gratuity funds, monetary value of perquisites etc.

For and on behalf of the Board of Directors

Dibyendra Nath Sengupta  
Chairman  
DIN No 02081588

Place : Kolkata  
Date : 15<sup>th</sup> May, 2017

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF PEERLESS SECURITIES LIMITED**

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

We have audited the accompanying standalone financial statements of PEERLESS SECURITIES LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 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 Standalone Financial Statements**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards of Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

#### **Opinion**

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

#### **Report on Other Legal and Regulatory Requirements**

1. In our opinion, proper books of account and records as specified in rule 15 of the Securities Contract ( Regulation) Rules, 1957 have been kept so far as appears from our examination of such books.

2. The Company has complied with the requirements of the stock exchanges so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchanges.
3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
4. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer note 2.23.10 to the financial statements;
    - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company .
    - d) The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

Subrata De  
*Partner*  
Membership No. 054962

Place : Kolkata  
Dated : 15<sup>th</sup> May, 2017

**‘ANNEXURE A’ TO THE INDEPENDENT AUDITORS’ REPORT**

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

- 1.1 a. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
  - b. According to the information and explanations given to us, the fixed assets have been physically verified by the management. No material discrepancies were noticed on such physical verification.
  - c. The Company does not have any immovable property and accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- 1.2 The securities held as stock in trade have been confirmed with the statement of holding of depository at regular interval and at the end of year. In our opinion, the frequency of verification of statement of holding is reasonable. No discrepancy is noticed during verification of statement of holding.
- 1.3 The Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- 1.4 According to the information and explanations given to us, since the Company has not given any loan or guarantee or provided any security in connection with loan or acquired securities during the year, paragraph 3(iv) of the Order is not applicable to the Company.
- 1.5 The Company has not accepted any deposits from public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- 1.6 The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.
- 1.7 a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, service tax and other material statutory dues as applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.
  - b. According to the information and explanations given to us and the records of the Company examined by us, there is no statutory dues as on March 31, 2017 which have not been deposited on account of dispute.
- 1.8 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to bank. The Company has not obtained any borrowings from any financial institution, government or debenture holders during the year.
- 1.9 The Company has not raised monies by way of Initial Public Offer or further public offer (including debt instruments) and term loans and as such paragraph 3(ix) of the Order is not applicable to the Company.
- 1.10 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.



- 1.11 In our opinion and according to the information and explanations given to us, managerial remuneration including the sitting fees to the directors has been paid or provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 1.12 In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 1.13 According to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 & 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standard.
- 1.14 During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- 1.15 According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors/persons connected with the directors and therefore provisions of section 192 of the Act are not applicable to the Company.
- 1.16 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Subrata De  
*Partner*  
Membership No. 054962

Place : Kolkata  
Dated : 15<sup>th</sup> May, 2017

## **‘ANNEXURE B’ TO THE INDEPENDENT AUDITORS’ REPORT**

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

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

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

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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 & on behalf of  
DE & BOSE  
*Chartered Accountants*  
Firm Registration No. 302175E

Subrata De  
*Partner*  
Membership No. 054962

Place : Kolkata

Dated : 15<sup>th</sup> May, 2017

**BALANCE SHEET**

AS AT 31ST MARCH, 2017

	Note	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	2.1		246,862,140		246,862,140
(b) Reserves and Surplus	2.2		(45,333,835)		(44,886,867)
<b>2. Non-Current Liabilities</b>					
(a) Long-term Provisions	2.3		1,370,114		1,593,900
<b>3. Current Liabilities</b>					
(a) Short-term borrowings					
Deposits	2.4		27,840,001		23,044,322
(b) Trade Payables	2.5		42,231,597		27,104,462
(c) Other Current Liabilities	2.6		9,436,141		8,003,381
(d) Short-term Provisions	2.7		1,198,883		1,025,135
			<b>283,605,041</b>		<b>262,746,473</b>
<b>ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets	2.8				
(i) Tangible Assets		2,998,208		4,407,126	
(ii) Intangible Assets		1,041,698	4,039,906	1,253,300	5,660,426
(b) Non-Current Investments	2.9		7,938,423		17,850,321
(c) Deferred Tax Assets (Net)	2.10		2,581,406		5,695,752
(d) Long-term Loans and Advances	2.11		46,806,921		51,374,563
(e) Other Non- Current Assets	2.12		500,000		4,809,307
<b>2. Current Assets</b>					
(a) Inventories	2.13		-		1,293,930
(b) Trade Receivables	2.14		64,448,524		63,910,099
(c) Cash and Cash Equivalents	2.15		147,414,500		100,492,148
(d) Short-term Loans and Advances	2.16		8,929,861		9,837,844
(e) Other Current Assets	2.17		945,500		1,822,083
			<b>283,605,041</b>		<b>262,746,473</b>
Significant Accounting Policies	1				
Notes on Financial Statements	2				

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

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

Subrata De  
Partner  
Membership No. 054962  
Kolkata, 15<sup>th</sup> May 2017

Rahul Harsh  
Company Secretary

On behalf of the Board

D. N. Sengupta  
Chairman  
DIN : 02081588

Jitendra Kumar Panda  
Managing Director & CEO  
DIN : 06703336

## STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
Revenue from Operations	2.18	99,886,755	112,520,553
Other Income	2.19	11,192,050	12,227,504
<b>TOTAL REVENUE</b>		<b>111,078,805</b>	<b>124,748,057</b>
Expenses :			
Employee Benefits Expenses	2.20	61,092,880	83,078,543
Finance Costs	2.21	1,037,544	2,959,944
Administrative and Other Expenses	2.22	44,432,715	58,861,809
Depreciation	2.8	1,995,547	3,724,578
Provision for Diminution in value of Investment		—	4,815,242
Diminution in value of Stock in Trade		(147,259)	144,737
<b>TOTAL EXPENSES</b>		<b>108,411,427</b>	<b>153,584,853</b>
<b>Profit/(Loss) before Taxation</b>		<b>2,667,378</b>	<b>(28,836,796)</b>
Tax Expense :			
Deferred Tax	2.10	3,114,346	1,166,811
<b>Profit/(Loss) for the year</b>		<b>(446,968)</b>	<b>(30,003,607)</b>
Earnings per equity shares of Rs. 10/- each			
Basic and Diluted Earnings per Share [Refer to Note : 2.23.05]		(0.02)	(1.22)

Significant Accounting Policies 1  
Notes on Financial Statements 2

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

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

Subrata De  
Partner  
Membership No. 054962  
Kolkata, 15<sup>th</sup> May 2017

Rahul Harsh  
Company Secretary

On behalf of the Board

D. N. Sengupta  
Chairman  
DIN : 02081588

Jitendra Kumar Panda  
Managing Director & CEO  
DIN : 06703336

**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>2016-17</b>	<b>2015-16</b>
	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax</b>	2,667,378	(28,836,796)
Adjusted for :		
Depreciation	1,995,547	3,724,578
Diminution in value of Stock in Trade	(147,259)	144,737
Diminution in value of Non-Current Investment	—	4,815,242
Interest Income	(6,493,595)	(9,818,145)
Dividend Income	(137,881)	(500,146)
Interest Paid	54,604	2,569,733
Provision for Doubtful Debts and Advances	2,177,931	375,000
Bad Debt written off	1,508,583	14,171
Loss on sale of Long Term Investments	8,507,334	7,801,567
Profit on sale of Current Investments	(1,546,866)	(17,000)
Provision for Doubtful Debts written back	(1,287,261)	(80,603)
Provision no longer required written back	(10,029,589)	(9,484,936)
Profit on sale of Fixed Assets	(28,343)	—
Loss on written off of Fixed Assets	71,496	207,887
	<u>(5,355,299)</u>	<u>(247,915)</u>
<b>Operating Profit before Working Capital Changes</b>	<b>(2,687,921)</b>	<b>(29,084,711)</b>
Adjusted for :		
Trade and Other Receivables	1,262,322	(13,783,597)
Inventories	1,441,189	(1,422,147)
Loans and Advances	852,844	(234,765)
Trade and Other Payables	21,305,536	8,133,275
	<u>24,861,891</u>	<u>(7,307,234)</u>
<b>Cash generated from/(used in) Operations</b>	<b>22,173,970</b>	<b>(36,391,945)</b>
Tax paid (Net)	(227,188)	(599,114)
<b>Net Cash from/(used in) Operating Activities</b>	<b>22,401,158</b>	<b>(35,792,831)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(561,081)	(1,372,868)
Proceeds from sale of fixed assets	142,901	—
Investment in Subsidiary	—	(5,000,000)
Proceeds from Sale of Investments	12,981,019	15,852,091
Proceeds from maturity of Fixed Deposit with Bank	43,095,593	99,800,000
Investment in Fixed Deposit with Bank	(42,900,000)	(47,200,000)
Interest Income	7,379,485	9,245,671
Dividend Income	137,881	500,146
<b>Net Cash from Investing Activities</b>	<b>20,275,798</b>	<b>71,825,040</b>

**CASH FLOW STATEMENT** (Contd.)

	<b>2016-17</b>	<b>2015-16</b>
	₹	₹
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Overdraft and Short Term Loan facility	—	(15,001,105)
Interest Paid	(54,604)	(2,700,103)
<b>Net Cash (used in) Financing Activities</b>	<b>(54,604)</b>	<b>(17,701,208)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>42,622,352</b>	18,331,001
Cash and Cash Equivalents (Opening Balance)	57,592,148	39,261,147
Cash and Cash Equivalents (Closing Balance) (Note - 1)	<b><u>100,214,500</u></b>	<b><u>57,592,148</u></b>

Note :

1. Cash and Cash Equivalents comprise :

Cash in hand	40,002	70,193
Balance with Banks :		
In Current Account	100,174,498	57,521,955
	<b><u>100,214,500</u></b>	<b><u>57,592,148</u></b>

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

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

Subrata De  
Partner  
Membership No. 054962  
Kolkata, 15<sup>th</sup> May 2017

Rahul Harsh  
Company Secretary

On behalf of the Board

D. N. Sengupta  
Chairman  
DIN : 02081588

Jitendra Kumar Panda  
Managing Director & CEO  
DIN : 06703336

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

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

**(B) Use of Estimates**

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

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

**(C) Fixed Assets:**

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

**(D) Depreciation:**

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

**(E) Investments:**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments .Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investment are carried at cost.

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

**(F) Stock-in-Trade**

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

**(G) Leases**

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



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

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

**(I) Impairment of Assets**

At each Balance Sheet date the Company assesses whether there is any indication of impairment of assets. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds the recoverable amount. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets.

**(J) Provision for Current and Deferred Tax**

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

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

**(K) Provisions, Contingent liability and Contingent Assets**

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

**NOTE : 2****NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****Note : 2.1****SHARE CAPITAL**

(Amount in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
		<b>250,000,000</b>		<b>250,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>				
Equity Shares of Rs. 10/- each At the beginning and at the end of the year	24,686,214	246,862,140	24,686,214	246,862,140
		<b>246,862,140</b>		<b>246,862,140</b>

**2.1.1. Rights, preferences and restrictions attached to equity shares**

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

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

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

(Amount in ₹)

Name of the Holding Company	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
The Peerless General Finance & Investment Company Ltd.	24,080,000	240,800,000	24,080,000	240,800,000

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

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016	
	Number of shares of the Company held by the shareholder	% holding	Number of shares of the Company held by the shareholder	% holding
The Peerless General Finance & Investment Company Ltd.	24,080,000	97.54%	24,080,000	97.54%

**Note : 2.2****RESERVES AND SURPLUS**

(Figures in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Amount	Amount	Amount	Amount
<b>Securities Premium Account</b> At the beginning and at the end of the year		102,927,570		102,927,570
<b>General Reserve</b> At the beginning and at the end of the year		41,705,511		41,705,511
<b>Surplus as per the Statement of Profit and Loss</b> At the beginning of the year	(189,519,948)		(159,516,341)	
Adjustment on account of depreciation as per Schedule II of the Companies Act, 2013	—		—	
Add: Loss for the year as per Statement of Profit and Loss	(446,968)		(30,003,607)	
At the end of the year		(189,966,916)		(189,519,948)
<b>TOTAL</b>		<b>(45,333,835)</b>		<b>(44,886,867)</b>

**Note : 2.3****LONG TERM PROVISIONS**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Provision for Employee Benefits – Gratuity	1,370,114	1,593,900
<b>TOTAL</b>	<b>1,370,114</b>	<b>1,593,900</b>

**Note : 2.4****DEPOSITS**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Margin Money - Clients	20,429,804	17,294,523
Security Deposit - Subbrokers	3,679,499	3,671,209
Security Deposit - Others	64,646	64,646
Sundry Deposit	3,666,052	2,013,944
<b>TOTAL</b>	<b>27,840,001</b>	<b>23,044,322</b>

**Note : 2.5****TRADE PAYABLES**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Clients	42,055,566	26,942,311
Others	176,031	162,151
<b>TOTAL</b>	<b>42,231,597</b>	<b>27,104,462</b>

**Note : 2.6****OTHER CURRENT LIABILITIES**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Government Dues	708,024	526,426
Sundry Creditors (micro enterprises and small enterprises under Micro, Small and Medium Enterprise Development Act, 2006)	—	—
Sundry Creditors (Other than micro enterprises and small enterprises under Micro, Small and Medium Enterprise Development Act, 2006)	8,482,051	7,414,549
Others	246,066	62,406
<b>TOTAL</b>	<b>9,436,141</b>	<b>8,003,381</b>

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

**Note : 2.7****SHORT TERM PROVISIONS**

(Figures in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Employee Benefits – Leave Encashment	1,198,883	1,025,135
<b>TOTAL</b>	<b>1,198,883</b>	<b>1,025,135</b>

**Note : 2.8****TANGIBLE AND INTANGIBLE ASSETS**

(Figures in ₹)

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION				NET CARRYING VALUE		
	As at 1.4.2016	Additions	Disposal/ Adjustment	As at 31.3.2017	Up to 31.3.2016	For the year	Disposal/ Adjustment	As at 31.3.2017	As at 31.3.2017	As at 31.3.2016
<b>TANGIBLE ASSETS :</b>										
1. Furniture and Fittings	10,356,023	5,400	573,386	9,788,037	8,801,693	363,398	450,803	8,714,288	1,073,749	1,554,330
2. Motor Vehicles	2,382,418	—	—	2,382,418	2,019,822	103,316	—	2,123,138	259,280	362,596
3. Office Equipments	7,502,103	42,448	653,234	6,891,317	6,678,925	246,892	592,555	6,333,262	558,055	823,178
4. Computers and Data Processing Units	14,442,034	191,416	28,529	14,604,921	12,775,012	748,522	25,737	13,497,797	1,107,124	1,667,022
SUB TOTAL (A)	34,682,578	239,264	1,255,149	33,666,693	30,275,452	1,462,128	1,069,095	30,668,485	2,998,208	4,407,126
<b>INTANGIBLE ASSETS :</b>										
1. Computer Software *	8,232,154	321,817	—	8,553,971	6,978,854	533,419	—	7,512,273	1,041,698	1,253,300
SUB TOTAL (B)	8,232,154	321,817	—	8,553,971	6,978,854	533,419	—	7,512,273	1,041,698	1,253,300
TOTAL (A + B)	42,914,732	561,081	1,255,149	42,220,664	37,254,306	1,995,547	1,069,095	38,180,758	4,039,906	5,660,426
Previous Year	44,427,374	1,372,868	2,885,510	42,914,732	36,207,351	3,724,578	2,677,623	37,254,306	5,660,426	

\* Other than internally generated.

**Note : 2.9****NON-CURRENT INVESTMENTS****(Trade – Fully paid up)****A. Investment in Subsidiary**

(Figures in ₹)

Name of the Subsidiary	Face Value per share	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016	
		No. of Equity Shares	Book Value	No. of Equity Shares	Book Value
Peerless Commodities Limited *	10	549,300	5,493,000	549,300	5,493,000
			<b>5,493,000</b>		<b>5,493,000</b>

**B. Investment in Shares – Quoted**

(Figures in ₹)

Name of the Company	Face Value per share	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016	
		No. of Equity Shares	Book Value	No. of Equity Shares	Book Value
The Calcutta Stock Exchange Ltd. *	1	250	250	250	250
Aban Offshore Ltd.	2	—	—	300	258,240
Andhra Bank	10	—	—	6,000	710,864
Central Bank of India	10	—	—	8,000	1,487,801
Crompton Greaves Ltd.	2	—	—	2,000	569,013
Crompton Greaves Consumer Electricals Ltd.	2	—	—	2,000	—
East India Hotels Ltd.	2	—	—	10,718	1,227,712
Housing Development and Infrastructure Ltd.	10	—	—	5,000	860,615
Indiabulls Real Estate Ltd.	2	—	—	4,500	889,359
IFCI Ltd.	10	—	—	6,500	397,150
IRB Infrastructure Developers Ltd.	10	5,000	1,392,669	10,250	2,895,753
JP Associates Ltd.	2	—	—	14,000	1,684,470
JSW Energy Ltd.	10	15,987	1,559,904	26,987	2,929,842
Power Finance Corporation Ltd.	10	—	—	1,250	313,188
PTC India Ltd.	10	—	—	5,000	581,375
Punj Lloyd Ltd.	2	—	—	15,000	1,761,539
Rattaninda Infrastructure Limited	2	14,750	—	14,750	—
Rural Electrification Corporation Ltd.	10	—	—	8,500	2,578,750
State Bank of India	1	1,000	260,789	13,000	3,737,581
Tata Steel Ltd.	10	—	—	700	271,597
			<b>3,213,612</b>		23,155,099
Less : Provision for Diminution in value of investment			768,189		10,797,778
			<b>2,445,423</b>		<b>12,357,321</b>

**Note : 2.9** (contd.)

<b>TOTAL OF NON-CURRENT INVESTMENTS</b>	<b>7,938,423</b>	17,850,321
Aggregate amount of Quoted Investments	<b>3,213,362</b>	23,154,849
Aggregate amount of Unquoted Investments	<b>5,493,250</b>	5,493,250
Aggregate amount of market value of quoted Investments	<b>2,502,698</b>	12,408,696
Aggregate provision for diminution in value of investments	<b>768,189</b>	10,797,778

\* denotes - not quoted

For basis of valuation, refer Note 1(E)

**Note : 2.10**

**DEFERRED TAX (NET)**

(Figures in ₹)

<b>Particulars</b>	<b>Closing as at 31.03.2017</b>	<b>(Charge)/ Credited to P&amp;L</b>	<b>Opening as at 01.04.2016</b>
<b>Deferred Tax Asset</b>			
Provision for Leave Encashment	370,455	53,688	316,767
Provision for Gratuity	423,365	(69,150)	492,515
Provision for diminution in value of investment	237,370	(3,099,143)	3,336,513
	<u>1,031,190</u>	<u>(3,114,605)</u>	<u>4,145,795</u>
<b>Deferred Tax Liability</b>			
Depreciation	(1,550,216)	259	(1,549,957)
	<u>(1,550,216)</u>	<u>259</u>	<u>(1,549,957)</u>
<b>Net Deferred Tax Asset /(Liability)</b>	<b>2,581,406</b>		<b>5,695,752</b>
<b>Deferred Tax Credited to Statement of Profit and Loss</b>		<b>(3,114,346)</b>	

**Note : 2.11**

**LONG TERM LOANS AND ADVANCES**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Security Deposits with		
Exchanges and Clearing Houses	43,410,411	47,610,411
Depositories	1,500,000	1,500,000
Others	1,211,929	1,183,629
	<u>46,122,340</u>	<u>50,294,040</u>
Other Loans and advances		
Loan to Staff	4,500	—
Prepaid Expenses	670,080	1,070,522
Other Advances	10,001	10,001
	<u>684,581</u>	<u>1,080,523</u>
<b>TOTAL</b>	<b><u>46,806,921</u></b>	<b><u>51,374,563</u></b>

**Note : 2.12****OTHER NON-CURRENT ASSETS**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Non-current bank balance [Refer to Note 2.15]	500,000	4,800,000
Interest Accrued but not due on fixed deposits with banks	—	9,307
<b>TOTAL</b>	<b>500,000</b>	<b>4,809,307</b>

**Note : 2.13****INVENTORIES - Quoted**

(Figures in ₹)

<b>Name of the Company</b>	<b>31<sup>st</sup> March, 2017</b>		<b>31<sup>st</sup> March, 2016</b>	
	<b>No. of Equity Shares</b>	<b>Value</b>	<b>No. of Equity Shares</b>	<b>Value</b>
Reliance Industries Ltd.				
HDFC Ltd.	—	—	400	442,240
L&T Ltd.	—	—	700	851,690
MSL Industries Ltd.	32,000	—	32,000	—
<b>TOTAL</b>		<b>—</b>		<b>1,293,930</b>

For basis of valuation, refer note 1(F)

**Note : 2.14****TRADE RECEIVABLES  
(Unsecured)**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	4,140,136	7,569,437
Considered doubtful	4,903,569	4,012,899
Others - Considered good	60,308,388	56,340,662
	69,352,093	67,922,998
Less : Provision for doubtful debts	4,903,569	4,012,899
	<b>64,448,524</b>	<b>63,910,099</b>

**Note : 2.15****CASH AND CASH EQUIVALENTS**

(Figures in ₹)

Particulars	Non-current		Current	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Balances with banks in current accounts	—	—	100,174,498	57,521,955
Cash in Hand (including Stamps)	—	—	40,002	70,193
Other Balances with Banks :				
Fixed deposit with banks having maturity period above three months but less than one year	—	—	2,500,000	7,500,000
Fixed deposit with banks under lien				
Original maturity more than 12 months but having maturity period within 3 months from from the reporting date	—	—	—	15,000,000
Others	500,000	4,800,000	44,700,000	20,400,000
Amount disclosed under non-current assets [Refer note 2.14]	(500,000)	(4,800,000)	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>	<b>147,414,500</b>	<b>100,492,148</b>

**Note : 2.16****SHORT TERM LOANS AND ADVANCES****(Unsecured)**

(Figures in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
Security Deposits - Others	215,807	451,671
Advance Income Tax (including Tax Deducted at Source) [Net of provision]	4,450,565	4,677,753
Tax Refundable	219,670	219,670
Service Tax (Cenvat Credit)	740,476	784,864
Other Loans and Advances		
Staff Loan	18,000	22,165
Prepaid Expenses	2,869,454	2,753,318
Other Advances	452,760	3,340,214
<b>TOTAL</b>	<b>8,966,732</b>	<b>9,976,994</b>
Of the above		
Considered good	8,929,861	9,837,844
Considered doubtful	36,871	139,150
	8,966,732	9,976,994
Less : Provision for doubtful loans and advances	36,871	139,150
<b>TOTAL</b>	<b>8,929,861</b>	<b>9,837,844</b>



**Note : 2.17****OTHER CURRENT ASSETS**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Interest Accrued but not due On Term Deposit with Banks and IL&FS Ltd.	945,500	1,822,083
<b>TOTAL</b>	<b>945,500</b>	<b>1,822,083</b>

**Note : 2.18****REVENUE FROM OPERATIONS**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
Brokerage	72,986,866	84,881,655
Securities Trading	1,592,175	599,177
Depository Operations	6,697,632	8,696,121
Delayed Payment Charges	16,608,514	14,737,644
Other Services	2,001,568	3,605,956
<b>TOTAL</b>	<b>99,886,755</b>	<b>112,520,553</b>

**Note : 2.19****OTHER INCOME**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
Interest Income [ Refer to Note : 2.19.1]	6,493,595	9,818,145
Dividend Income [ Refer to Note : 2.19.2]	137,881	500,146
Profit on sale of Long Term Investments	(8,507,334)	(7,801,567)
Profit on sale of Current Investments	1,546,866	17,000
Provision for doubtful debts written back	1,389,540	80,603
Provision no longer required written back	10,029,589	9,484,936
Profit on disposal of fixed assets	28,343	—
Other Non-operating Income	73,570	128,241
<b>TOTAL</b>	<b>11,192,050</b>	<b>12,227,504</b>

**Note : 2.19.1**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
<b>Interest Income</b>		
On Investments		
Current Investments	194,974	27,444
On Term Deposit with Banks		
Non-current	—	9,307
Current	3,655,354	7,144,608
On Deposits with IL & FS Ltd.	2,643,267	2,636,786
	<b>6,493,595</b>	<b>9,818,145</b>

**Note : 2.19.2**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>		<b>For the year ended on 31.03.2016</b>	
<b>Dividend Income</b>				
Trade Investment				
Non-current	129,824		448,046	
Current	8,057	137,881	52,100	500,146
		<b>137,881</b>		<b>500,146</b>

**Note : 2.20****EMPLOYEE BENEFITS EXPENSES**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>		<b>For the year ended on 31.03.2016</b>	
Salaries, Allowances, Bonus, etc. [Refer to Note 2.23.8]		55,693,443		77,095,446
Contribution to Provident and other funds [Refer to Note 2.23.8]		3,296,307		3,452,976
Staff Welfare Expenses		2,103,130		2,530,121
<b>TOTAL</b>		<b>61,092,880</b>		<b>83,078,543</b>

**Note : 2.21****FINANCE COSTS**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>		<b>For the year ended on 31.03.2016</b>	
Interest Expenses		1,037,544		2,959,944
<b>TOTAL</b>		<b>*1,037,544</b>		<b>* 2,959,944</b>

\* Includes Commission on Bank Guarantee - 982,940/- (390,211/-)

**Note : 2.22****ADMINISTRATIVE AND OTHER EXPENSES**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
Rent and Lease Rent	7,650,373	9,244,809
Electricity Charges	2,337,931	3,166,946
Insurance	147,478	152,885
Travelling and Conveyance	2,375,512	3,823,830
Telephone and Postal Charges	4,564,338	4,823,785
Repairs and Maintenance - others	1,523,688	2,647,192
Legal and Professional Charges	1,013,125	1,088,900
Subbrokers' Fees	8,287,911	18,711,332
Software License Charges	3,308,640	3,923,248
Transaction Charges	1,625,731	2,171,432
Service Tax and Brokers' Note	3,307,269	3,018,615
Directors' Sitting Fees	510,000	650,000
Auditors' Remuneration		
Audit Fees	150,000	150,000
Certification Fees	62,500	60,750
Bad Debt and Receivable Written off	1,610,862	14,171
Provision for Doubtful Debts and Advances	2,177,931	375,000
Fixed Assets Written off	71,496	207,887
Other Expenses	3,707,930	4,631,027
<b>TOTAL</b>	<b><u>44,432,715</u></b>	<b><u>58,861,809</u></b>

**Note : 2.23**

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

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

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

Minimum lease payment

	<b>2016-17</b>	<b>2015-16</b>
	(₹)	(₹)
Not later than one year	237,600	336,960
Later than one year and not later than five years	198,220	435,820
Amount paid being minimum lease payment	336,960	393,460

General description of lease term :

(i) Lease rentals are charged on the basis of agreed terms.

(ii) Assets are taken on lease for a period of three to ten years

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

	<b>2016-17</b>	<b>2015-16</b>
Profit after tax - ₹ (Used as Numerator for calculation)	(446,968)	(30,003,607)
Number of Equity Shares at the beginning of the year	24,686,214	24,686,214
Number of Equity Shares at the end of the year	24,686,214	24,686,214
Weighted average number of Equity Share outstanding during the year (used as denominator for calculation)	24,686,214	24,686,214
Diluted Potential Equity Shares	—	—
Nominal value of Equity Shares – ₹	10	10
Basic and diluted earnings per Share – ₹	(0.02)	(1.22)

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

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
	(₹)	(₹)
Purchase/Transfer of Stock	6,574,413	2,011,200
Less : Diminution in value	—	144,737
Sales of Stock	6,862,572	604,259
Change in inventories of Stock	—	(1,277,410)
Profit/(Loss) on Trading of Shares	288,159	15,206

**Note : 2.26**

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

**Defined Contribution Plan**

Employer’s Contribution to Provident Fund : ₹ 3,296,307 ( Previous Year – ₹ 3,452,976)

**Defined Benefit Plan**

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

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

	<b>2016-17</b>	<b>2015-16</b>
	(₹)	(₹)
Defined Benefit obligation at beginning of the year	<b>6,023,414</b>	4,969,097
Current Service Cost	1,150,344	1,336,707
Interest Cost	556,893	491,959
Actuarial Losses / ( Gain )	(825,553)	(429,349)
Benefits Paid	(41,019)	(345,000)
Defined Benefit obligation at year end	<b><u>6,864,079</u></b>	<b><u>6,023,414</u></b>

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

	<b>2016-17</b>	<b>2015-16</b>
	(₹)	(₹)
Fair value of Plan Assets at the beginning of the year	<b>4,429,514</b>	3,770,880
Expected return on plan Assets	360,378	292,743
Actuarial Gain / (Losses)	(32,968)	(16,563)
Contributions by Employer	778,060	727,454
Benefits Paid	(41,019)	(345,000)
Fair value of Plan Assets at year end	<b><u>5,493,965</u></b>	<b><u>4,429,514</u></b>

**c. Reconciliation of fair value of assets and obligations**

	<b>31<sup>st</sup> March 2017</b>	<b>31<sup>st</sup> March 2016</b>
Fair value of Plan Assets	5,493,965	4,429,514
Present value of obligation	6,864,079	6,023,414
Amount recognized in Balance Sheet	<b><u>1,370,114</u></b>	<b><u>1,593,900</u></b>

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

	<b>2016-17</b>	<b>2015-16</b>
Current Service Cost	1,150,344	1,336,707
Interest Cost	556,893	491,959
Expected return on Plan Assets	(360,378)	(292,743)
Actuarial (gain) / loss	(792,585)	(412,786)
Net Cost	<b>554,274</b>	<b>1,123,137</b>

**e. Investment details****% invested**

	<b>31<sup>st</sup> March 2017</b>	<b>31<sup>st</sup> March 2016</b>
LIC Group Gratuity (Cash Accumulation) Policy	100	100

**f. Actuarial assumptions :**

Indian Assured Lives Mortality (2006 – 08) Ult Table

	Year ended	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
Discount rate (per annum)		7.55%	7.90%
Expected Rate of Return on Assets (per annum)		7.50%	7.50%
Salary Escalation (per annum)		7.00%	7.00%

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

<b>Particulars</b>	<b>2016-17 (₹)</b>	<b>2015-16 (₹)</b>
Opening Balance	4,152,049	3,857,652
Add : Provision made	2,177,931	375,000
Less : Bad debt written off against provision	1,389,540	13,929
Less : Provision no longer required	—	66,674
Closing Balance	<b>4,940,440</b>	<b>4,152,049</b>

**.10 CONTIGENT**

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

(₹ in Lakhs)

<b>Sl. No.</b>	<b>Particulars</b>	<b>Year</b>	<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
1	Income Tax matter pending in appeal	2007-08	22.22	22.22
2	Service Tax matter pending in appeal	2006-07	—	5.66
3	Service Tax matter pending for appeal	2011-12, 2012-13, 2013-14	8.34	8.34
4	Dispute before Labour Court	2017	0.56	—
5	Claim by Clients	2016-17	4.90	—

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

**Note : 2.26**

- .12 Disclosure of details of Specified Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	5,500.00	15,040.00	20,540.00
Add: Permitted Receipts		242,746.00	242,746.00
Less: Permitted Payments		207,189.00	207,189.00
Less : Amount deposited to Banks	5,500.00	40,033.00	45,533.00
Closing Cash in hand as on 30.12.2016		10,564.00	10,564.00

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

- i. Holding Company : The Peerless General Finance and Investment Co. Ltd.
- ii. Subsidiary : Peerless Commodities Ltd.
- iii. Fellow Subsidiaries : Peerless Hotels Ltd.  
Peerless Financial Products Distribution Ltd.  
Peerless Hospitex Hospital and Research Center Ltd.  
Peerless Fund Management Company Ltd.  
Peerless Trust Management Company Ltd.  
Peerless Financial Services Ltd.
- iv. Associates : Bengal Peerless Housing Development Company Ltd.  
Kaizen Leisure & Holidays Ltd.  
Kaizen Hotels & Resorts Ltd.  
Peerless Mutual Fund (managed by Peerless Fund Management Company Ltd.)
- v. Key Management Personnels : Mr. Jitendra Kumar Panda, Managing Director and CEO  
Mr. Atul Kumar Bajpai, Wholetime Director  
Mr. Abhishek Tantia, CFO (upto 19.07.2016)  
Mr. Dinesh Mourya, Company Secretary (upto 14.06.2016 )  
Mr. Rahul Harsh, Company Secretary (since 09.01.2017)

**Note : 2.26**

- vi. The Company's related party transactions during the year and outstanding balances as at 31st March, 2017 are as below :

(Figures in ₹)

	Holding Company		Subsidiary and Fellow Subsidiaries		Associates		Key Management Personnels		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Equity Contribution	—	—	—	5,000,000	—	—	—	—	—	5,000,000
Investment in Mutual Fund - Purchase	—	—	—	—	57,500,000	90,500,000	—	—	57,500,000	90,500,000
Investment in Mutual Fund - Sale	—	—	—	—	57,599,408	90,677,313	—	—	57,599,408	90,677,313
Receiving of Services	—	—	56,933	211,307	3,383	100,498	—	—	60,316	311,805
Reimbursement of expenses	2,325,033	2,867,829	682,779	2,023	—	—	—	—	3,007,812	2,869,852
Remuneration	—	—	—	—	—	—	13,461,822	13,893,102	13,461,822	13,893,102
Rental Expenses	6,907,679	6,981,823	—	—	—	—	—	—	6,907,679	6,981,823
Rendering of Services	956,484	591,469	155,560	27,418	531,555	551,452	—	—	1,643,599	1,170,339
Balances at year end										
Receivable	1,135	8,962	19,114	6,440	33,037	29,954	—	—	53,286	45,356
Payable	192,590	1,205,733	—	—	—	—	—	—	192,590	1,205,733

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

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



## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF PEERLESS SECURITIES LIMITED**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **PEERLESS SECURITIES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the group”), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

#### **Management’s Responsibility for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards of Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

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

#### **Opinion**

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

**Other Matters**

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets(net) of Rs. 5,823,528/- as at 31 March,2017, total revenues of Rs. 823,032/-and net cash flows amounting to Rs.5,190,320/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary , and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
  - c. The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors of the holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 2.24.07 to the consolidated financial statements;
    - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

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

Place : Kolkata  
Date : 15<sup>th</sup> May, 2017

Subrata De  
Partner  
Membership No. 054962

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

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Peerless Securities Limited (“the Holding Company”) and its subsidiary company as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, the Holding and its subsidiary, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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.

### **Other Matters**

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

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

Subrata De  
*Partner*  
Membership No. 054962

Place : Kolkata  
Date : 15<sup>th</sup> May, 2017

**CONSOLIDATED BALANCE SHEET**

AS AT 31ST MARCH, 2017

	Note	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	2.1		246,862,140		246,862,140
(b) Reserves and Surplus	2.2		(45,097,968)		(44,911,459)
<b>2. Minority Interest</b>			5,813		5,481
<b>3. Non-Current Liabilities</b>					
(a) Long-term Provisions	2.3		1,370,114		1,593,900
<b>4. Current Liabilities</b>					
(a) Short-term borrowings					
Deposits	2.4		27,840,001		23,044,322
(b) Trade Payables	2.5		42,231,597		27,104,462
(c) Other Current Liabilities	2.6		9,480,081		8,026,281
(d) Short-term Provisions	2.7		1,243,791		1,032,603
			<b><u>283,935,569</u></b>		<b><u>262,757,730</u></b>
<b>ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets	2.8				
(i) Tangible Assets		2,998,208		4,407,126	
(ii) Intangible Assets		1,041,698	4,039,906	1,253,300	5,660,426
(b) Non-Current Investments	2.9		2,445,423		12,357,321
(c) Deferred Tax Assets (Net)	2.10		2,606,383		5,745,707
(d) Long-term Loans and Advances	2.11		46,906,921		51,374,563
(e) Other Non- Current Assets	2.12		500,000		4,809,307
<b>2. Current Assets</b>					
(a) Current Investments	2.13		—		5,000,000
(b) Inventories	2.14		—		1,293,930
(c) Trade Receivables	2.15		64,503,609		63,911,255
(d) Cash and Cash Equivalents	2.16		153,057,966		100,945,294
(e) Short-term Loans and Advances	2.17		8,929,861		9,837,844
(f) Other Current Assets	2.18		945,500		1,822,083
			<b><u>283,935,569</u></b>		<b><u>262,757,730</u></b>
Significant Accounting Policies	1				
Notes on Financial Statements	2				

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

For &amp; on behalf of

DE &amp; BOSE

(Firm Registration No. 302175E)

Chartered Accountants

Subrata De

Partner

Membership No. 054962

Kolkata, 15<sup>th</sup> May 2017Rahul Harsh  
Company Secretary

On behalf of the Board

D. N. Sengupta

Chairman

DIN : 02081588

Jitendra Kumar Panda

Managing Director &amp; CEO

DIN : 06703336

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

	Note	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
Revenue from Operations	2.19	100,709,787	112,853,275
Other Income	2.20	11,192,050	12,233,358
<b>TOTAL REVENUE</b>		<b>111,901,837</b>	<b>125,086,633</b>
Expenses :			
Employee Benefits Expenses	2.21	61,411,878	83,107,133
Finance Costs	2.22	1,037,544	2,959,944
Administrative and Other expenses	2.23	44,583,708	58,994,638
Depreciation and Amortization Expenses	2.08	1,995,547	3,724,578
Provision for Diminution in value of Investment		—	4,815,242
Diminution in value of Stock in Trade		(147,259)	144,737
<b>TOTAL EXPENSES</b>		<b>108,881,418</b>	<b>153,746,272</b>
<b>Profit/(Loss ) before Taxation</b>		<b>3,020,419</b>	<b>(28,659,639)</b>
Tax Expense :			
Current Tax		67,272	34,031
Deferred Tax	2.12	3,139,324	1,191,789
<b>Profit/(Loss) for the year before Minority Interest</b>		<b>(186,177)</b>	<b>(29,885,459)</b>
<b>Minority Interest</b>		<b>332</b>	<b>500</b>
<b>Profit/(Loss) for the year attributable to the shareholders of the Company</b>		<b>(186,509)</b>	<b>(29,885,959)</b>
Earnings per equity shares of Rs. 10/- each			
Basic and Diluted Earnings per Share [Refer to Note : 2.24.04]		(0.01)	(1.21)
Significant Accounting Policies	1		
Notes on Financial Statements	2		

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

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

Subrata De  
Partner  
Membership No. 054962  
Kolkata, 15<sup>th</sup> May 2017

Rahul Harsh  
Company Secretary

On behalf of the Board

D. N. Sengupta  
Chairman  
DIN : 02081588

Jitendra Kumar Panda  
Managing Director & CEO  
DIN : 06703336

**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>2016-17</b>	<b>2015-16</b>
	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax</b>	<b>3,020,419</b>	<b>(28,659,639)</b>
Adjusted for :		
Depreciation	1,995,547	3,724,578
Diminution in value of Stock in Trade	(147,259)	144,737
Diminution in value of Non-Current Investment	—	4,815,242
Interest Income	(6,493,595)	(9,823,999)
Dividend Income	(137,881)	(500,146)
Interest Paid	54,604	2,569,733
Provision for Doubtful Debts and Advances	2,177,931	375,000
Bad Debt written off	1,508,583	14,171
Loss on sale of Long Term Investments	8,507,334	7,801,567
Profit on sale of Current Investments	(1,546,866)	(17,000)
Provision for Doubtful Debts written back	(1,287,261)	(80,603)
Provision no longer required written back	(10,029,589)	(9,484,936)
Profit on sale of Fixed Assets	(28,343)	—
Loss on written off of Fixed Assets	71,496	207,887
	<u>(5,355,299)</u>	<u>(253,769)</u>
<b>Operating Profit before Working Capital Changes</b>	<b>(2,334,880)</b>	<b>(28,913,408)</b>
Adjusted for :		
Trade and Other Receivables	1,208,393	(13,784,753)
Inventories	1,441,189	(1,422,147)
Loans and Advances	752,844	(234,765)
Trade and Other Payables	21,326,576	8,144,960
	<u>24,729,002</u>	<u>(7,296,705)</u>
Cash generated from Operations	22,394,122	(36,210,113)
Tax paid (Net)	(197,356)	(570,321)
<b>Net Cash from/(used in) Operating Activities</b>	<b>22,591,478</b>	<b>(35,639,792)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(561,081)	(1,372,868)
Proceeds from sale of fixed assets	142,901	—
Investment in Mutual Fund	—	(5,000,000)
Proceeds from Sale of Mutual Fund	5,000,000	—
Proceeds from Sale of Investments	12,981,019	15,852,091
Proceeds from maturity of Fixed Deposit with Bank	43,095,593	99,900,000
Investment to Fixed Deposit with Bank	(42,900,000)	(47,200,000)
Interest Income	7,379,485	9,252,649
Dividend Income	137,881	500,146
<b>Net Cash from Investing Activities</b>	<b>25,275,798</b>	<b>71,932,018</b>

**CONSOLIDATED CASH FLOW STATEMENT** (Contd.)

	<b>2016-17</b> ₹	<b>2015-16</b> ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Overdraft and Short Term Loan facility	—	(15,001,105)
Interest Paid	(54,604)	(2,700,103)
<b>Net Cash (used in) Financing Activities</b>	<b>(54,604)</b>	<b>(17,701,208)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>47,812,672</b>	<b>18,591,018</b>
Cash and Cash Equivalents (Opening Balance)	58,045,294	39,454,276
Cash and Cash Equivalents (Closing Balance)(Note - 1)	<b><u>105,857,966</u></b>	<b><u>58,045,294</u></b>
Note :		
1. Cash and Cash Equivalents comprise :		
Cash in hand	40,297	70,803
Balance with Banks :		
In Current Account	105,817,669	57,974,491
	<b><u>105,857,966</u></b>	<b><u>58,045,294</u></b>

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

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

Subrata De  
Partner  
Membership No. 054962  
Kolkata, 15<sup>th</sup> May 2017

Rahul Harsh  
Company Secretary

On behalf of the Board

D. N. Sengupta  
Chairman  
DIN : 02081588

Jitendra Kumar Panda  
Managing Director & CEO  
DIN : 06703336



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

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

**(B) Principles of Consolidation**

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

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

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

**(C) Use of Estimates**

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

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

**(D) Other significant accounting policies :**

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

**NOTE : 2****NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****Note : 2.1****SHARE CAPITAL**

(Amount in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
		<b>250,000,000</b>		<b>250,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>				
Equity Shares of Rs. 10/- each At the beginning and at the end of the year	24,686,214	246,862,140	24,686,214	246,862,140
		<b>246,862,140</b>		<b>246,862,140</b>

**2.1.1. Rights, preferences and restrictions attached to equity shares**

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

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

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

(Amount in ₹)

Name of the Holding Company	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
The Peerless General Finance & Investment Company Ltd.	24,080,000	240,800,000	24,080,000	240,800,000

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

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016	
	Number of shares of the Company held by the shareholder	% holding	Number of shares of the Company held by the shareholder	% holding
The Peerless General Finance & Investment Company Ltd.	24,080,000	97.54%	24,080,000	97.54%

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

(Figures in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Amount	Amount	Amount	Amount
<b>Securities Premium Account</b>				
At the beginning and at the end of the year		102,927,570		102,927,570
<b>General Reserve</b>				
At the beginning and at the end of the year		41,705,511		41,705,511
<b>Surplus as per the Statement of Profit and Loss</b>				
At the beginning of the year	(189,544,540)		(159,658,581)	
Adjustment on account of depreciation as per Schedule II of the Companies Act, 2013			—	
Add: Loss for the year as per Statement of Profit and Loss	(186,509)		(29,885,959)	
At the end of the year		(189,731,049)		(189,544,540)
<b>TOTAL</b>		<b>(45,097,968)</b>		<b>(44,991,459)</b>

**Note : 2.3****LONG TERM PROVISIONS**

(Figures in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Employee Benefits – Gratuity	1,370,114	1,593,900
<b>TOTAL</b>	<b>1,370,114</b>	<b>1,593,900</b>

**Note : 2.4****DEPOSITS**

(Figures in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
Margin Money - Clients	20,429,804	17,294,523
Security Deposit - Subbrokers	3,679,499	3,671,209
Security Deposit - Others	64,646	64,646
Sundry Deposit	3,666,052	2,013,944
<b>TOTAL</b>	<b>27,840,001</b>	<b>23,044,322</b>

**Note : 2.5****TRADE PAYABLES**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Clients	42,055,566	26,942,311
Others	176,031	162,151
<b>TOTAL</b>	<b>42,231,597</b>	<b>27,104,462</b>

**Note : 2.6****OTHER CURRENT LIABILITIES**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Government Dues	712,181	526,426
Sundry Creditors (micro enterprises and small enterprises under Micro, Small and Medium Enterprise Development Act, 2006)	—	—
Sundry Creditors (Other than micro enterprises and small enterprises under Micro, Small and Medium Enterprise Development Act, 2006)	8,505,051	7,437,449
Others	262,849	62,406
<b>TOTAL</b>	<b>9,480,081</b>	<b>8,026,281</b>

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

**Note : 2.7****SHORT TERM PROVISIONS**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Provision for Employee Benefits – Leave Encashment	1,198,883	1,025,135
Provision for Taxation (Net of Advance Tax and Tax deducted at source)	44,908	7,468
<b>TOTAL</b>	<b>1,243,791</b>	<b>1,032,603</b>

**Note : 2.8****TANGIBLE AND INTANGIBLE ASSETS**

(Figures in ₹)

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION/AMORTISATION				NET CARRYING VALUE		
	As at 1.4.2016	Additions	Disposal/ Adjustment	As at 31.3.2017	Up to 31.3.2016	For the year	Disposal/ Adjustment	As at 31.3.2017	As at 31.3.2017	As at 31.3.2016
<b>TANGIBLE ASSETS :</b>										
1. Furniture and Fittings	10,356,023	5,400	573,386	9,788,037	8,801,693	363,398	450,803	8,714,288	1,073,749	1,554,330
2. Motor Vehicles	2,382,418	—	—	2,382,418	2,019,822	103,316	—	2,123,138	259,280	362,596
3. Office Equipments	7,502,103	42,448	653,234	6,891,317	6,678,925	246,892	592,555	6,333,262	558,055	823,178
4. Computers and Data Processing Units	14,442,034	191,416	28,529	14,604,921	12,775,012	748,522	25,737	13,497,797	1,107,124	1,667,022
SUB TOTAL (A)	34,682,578	239,264	1,255,149	33,666,693	30,275,452	1,462,128	1,069,095	30,668,485	2,998,208	4,407,126
<b>INTANGIBLE ASSETS :</b>										
1. Computer Software *	8,232,154	321,817	—	8,553,971	6,978,854	533,419	—	7,512,273	1,041,698	1,253,300
SUB TOTAL (B)	8,232,154	321,817	—	8,553,971	6,978,854	533,419	—	7,512,273	1,041,698	1,253,300
TOTAL (A + B)	42,914,732	561,081	1,255,149	42,220,664	37,254,306	1,995,547	1,069,095	38,180,758	4,039,906	5,660,426
Previous Year	44,427,374	1,372,868	2,885,510	42,914,732	36,207,351	3,724,578	2,677,623	37,254,306	5,660,426	

\* Other than internally generated.

**Note : 2.9****NON-CURRENT INVESTMENTS****(Trade – Fully paid up)****A. Investment in Shares – Quoted**

(Figures in ₹)

Name of the Company	Face Value per share	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016	
		No. of Equity Shares	Book Value	No. of Equity Shares	Book Value
The Calcutta Stock Exchange Ltd. *	1	250	250	250	250
Aban Offshore Ltd.	2	—	—	300	258,240
Andhra Bank	10	—	—	6,000	710,864
Central Bank of India	10	—	—	8,000	1,487,801
Crompton Greaves Ltd.	2	—	—	2,000	569,013
Crompton Greaves Consumers Electricals Ltd.	2	—	—	2,000	—
East India Hotels Ltd.	2	—	—	10,718	1,227,712
Housing Development and Infrastructure Ltd.	10	—	—	5,000	860,615
Indiabulls Real Estate Ltd.	2	—	—	4,500	889,359
IFCI Ltd.	10	—	—	6,500	397,150
IRB Infrastructure Developers Ltd.	10	5,000	1,392,669	10,250	2,895,753
JP Associates Ltd.	2	—	—	14,000	1,684,470
JSW Energy Ltd.	10	15,987	1,559,904	26,987	2,929,842
Power Finance Corporation Ltd.	10	—	—	1,250	313,188
PTC India Ltd.	10	—	—	5,000	581,375
Punj Lloyd Ltd.	2	—	—	15,000	1,761,539
Rattaninda Infrastructure Limited	2	14,750	—	14,750	—
Rural Eletrification Corporation Ltd.	10	—	—	8,500	2,578,750
State Bank of India	1	1,000	260,789	13,000	3,737,581
Tata Steel Ltd.	10	—	—	700	271,597
			<b>3,213,612</b>		<b>23,155,099</b>
Less : Provision for Diminution in value of investment			768,189		10,797,778
			<b>2,445,423</b>		<b>12,357,321</b>

<b>TOTAL OF NON-CURRENT INVESTMENTS</b>	<b>2,445,423</b>	12,357,321
Aggregate amount of Quoted Investments	<b>3,213,362</b>	23,154,849
Aggregate amount of Unquoted Investments	<b>250</b>	250
Aggregate amount of market value of quoted Investments	<b>2,502,698</b>	12,408,696
Aggregate provision for diminution in value of investments	<b>768,189</b>	10,797,778

\* denotes - not quoted

For basis of valuation , refer note 1(E)

**Note : 2.10****DEFERRED TAX (NET)**

(Figures in ₹)

<b>Particulars</b>	<b>Closing as at 31.03.2017</b>	<b>(Charge)/ Credited to P&amp;L</b>	<b>Opening as at 01.04.2016</b>
<b>Deferred Tax Asset</b>			
Provision for Leave Encashment	370,455	53,688	316,767
Provision for Gratuity	423,365	(69,150)	492,515
Provision for diminution in value of investment	237,370	(3,099,143)	3,336,513
Preliminary Expenses	24,977	(24,978)	49,955
	<u>1,056,167</u>	<u>(3,139,583)</u>	<u>4,195,750</u>
<b>Deferred Tax Liability</b>			
Depreciation	(1,550,216)	259	(1,549,957)
	<u>(1,550,216)</u>	<u>259</u>	<u>(1,549,957)</u>
<b>Net Deferred Tax Asset/(Liability)</b>	<b>2,606,383</b>		<b>5,745,707</b>
<b>Deferred Tax Credited to Statement of Profit and Loss</b>		<b>(3,139,324)</b>	

**Note : 2.11****LONG TERM LOANS AND ADVANCES**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Security Deposits with		
Exchanges and Clearing Houses	43,410,411	47,610,411
Depositories	1,500,000	1,500,000
Others	<u>1,311,929</u>	<u>1,183,629</u>
	46,222,340	50,294,040
Other Loans and advances		
Loan to Staff	4,500	—
Prepaid Expenses	670,080	1,070,522
Other Advances	10,001	10,001
	684,581	1,080,523
<b>TOTAL</b>	<b><u>46,906,921</u></b>	<b><u>51,374,563</u></b>

**Note : 2.12****OTHER NON-CURRENT ASSETS**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Non-current bank balance [Refer to Note 2.16]	500,000	4,800,000
Interest Accrued but not due on fixed deposits with banks	—	9,307
<b>TOTAL</b>	<b><u>500,000</u></b>	<b><u>4,809,307</u></b>

**Note : 2.13****CURRENT INVESTMENTS**

Name of Debentures	(Other than Trade - Fully Paid up)	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Value	Value
Peerless Liquid Fund - Regular Plan Growth	—	5,000,000
	—	5,000,000
<b>TOTAL OF CURRENT INVESTMENTS</b>	—	5,000,000
Total market value of Current Investments	—	5,005,258
For basis of valuation, refer Note 1(E)		

**Note : 2.14****INVENTORIES - Quoted**

Name of the Company	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016	
	No. of Equity Shares	Value	No. of Equity Shares	Value
HDFC Ltd.			400	442,240
L&T Ltd.			700	851,690
MSL Industries Ltd.	32,000	—	32,000	—
<b>TOTAL</b>		—		<b>1,293,930</b>

For basis of valuation, refer note 1(F)

**Note : 2.15****TRADE RECEIVABLES****(Unsecured)**

Particulars	As at 31.03.2017	As at 31.03.2016
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	4,140,136	7,569,437
Considered Doubtful	4,903,569	4,012,899
Others - Considered good	60,363,473	56,341,818
	69,407,178	67,924,154
Less : Provision for doubtful debts	4,903,569	4,012,899
	<b>64,503,609</b>	<b>63,911,255</b>



**Note : 2.16****CASH AND CASH EQUIVALENTS**

(Figures in ₹)

Particulars	Non-current		Current	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Balances with banks in current accounts	—	—	105,817,669	57,974,491
Cash in Hand (including Stamps)	—	—	40,297	70,803
Other Balances with Banks :				
Fixed deposit with banks having maturity period above three months but less than one year	—	—	2,500,000	7,500,000
Fixed deposit under lien				
Original maturity more than 12 months but having maturity period within 3 months from from the reporting date	—	—		15,000,000
Others	500,000	4,800,000	44,700,000	20,400,000
Amount disclosed under non-current assets [ Refer note 2.12 ]	(500,000)	(4,800,000)	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>	<b>153,057,966</b>	<b>100,945,294</b>

**Note : 2.17****SHORT TERM LOANS AND ADVANCES****(Unsecured)**

(Figures in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
Security Deposits - Others	215,807	451,671
Advance Income Tax (including Tax Deducted at Source) [Net of provision]	4,450,565	4,677,753
Tax Refundable	219,670	219,670
Service Tax (Cenvat Credit)	740,476	784,864
Other Loans and Advances		
Staff Loan	18,000	22,165
Prepaid Expenses	2,869,454	2,753,318
Other Advances	452,760	3,843,036
<b>TOTAL</b>	<b>8,966,732</b>	<b>9,976,994</b>
Of the above		
Considered Good	8,929,861	9,837,844
Considered Doubtful	36,871	139,150
	8,966,732	9,976,994
Less : Provision for Doubtful Loans and Advances	36,871	139,150
<b>TOTAL</b>	<b>8,929,861</b>	<b>9,837,844</b>

**Note : 2.18****OTHER CURRENT ASSETS**

(Figures in ₹)

<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Interest Accrued but not due On Term Deposit with Banks and IL&FS Ltd.	945,500	1,822,083
<b>TOTAL</b>	<b>945,500</b>	<b>1,822,083</b>

**Note : 2.19****REVENUE FROM OPERATIONS**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
Brokerage	73,434,049	84,881,655
Securities Trading	1,968,024	931,899
Depository Operations	6,697,632	8,696,121
Delayed Payment Charges	16,608,514	14,737,644
Other Services	2,001,568	3,605,956
<b>TOTAL</b>	<b>100,709,787</b>	<b>112,853,275</b>

**Note : 2.20****OTHER INCOME**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
Interest Income [Refer to Note : 2.20.1]	6,493,595	9,823,619
Dividend Income [Refer to Note : 2.20.2]	137,881	500,146
Profit on sale of Long Term Investments	(8,507,334)	(7,801,567)
Profit on sale of Current Investments	1,546,866	17,000
Provision for Doubtful Debts Written Back	1,389,540	80,603
Provision no Longer required Written Back	10,029,589	9,484,936
Profit on Disposal of Fixed Assets	28,343	—
Other Non-operating Income	73,570	128,621
<b>TOTAL</b>	<b>11,192,050</b>	<b>12,233,358</b>

**Note : 2.20.1**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
<b>Interest Income</b>		
On Investments		
Current Investments	194,974	27,444
On Term Deposit with Banks		
Non-current	—	9,307
Current	3,655,354	7,150,082
On Deposits with IL & FS Ltd.	2,643,267	2,636,786
	<b>6,493,595</b>	<b>9,823,619</b>

**Note : 2.20.2**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>		<b>For the year ended on 31.03.2016</b>	
<b>Dividend Income</b>				
Trade Investment				
Non-current	129,824		448,046	
Current	8,057	137,881	52,100	500,146
		<b>137,881</b>		<b>500,146</b>

**Note : 2.21****EMPLOYEE BENEFITS EXPENSES**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>		<b>For the year ended on 31.03.2016</b>	
Salaries, Allowances, Bonus, etc.		55,992,138		77,124,036
Contribution to Provident and Other Funds		3,316,610		3,452,976
Staff Welfare Expenses		2,103,130		2,530,121
<b>TOTAL</b>		<b>61,411,878</b>		<b>83,107,133</b>

**Note : 2.22****FINANCE COSTS**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>		<b>For the year ended on 31.03.2016</b>	
Interest Expenses		1,037,544		2,959,944
<b>TOTAL</b>		<b>* 1,037,544</b>		<b>* 2,959,944</b>

\* Includes Commission on Bank Guarantee - 982,940/- (390,211/-)

**Note : 2.23****ADMINISTRATIVE AND OTHER EXPENSES**

(Figures in ₹)

<b>Particulars</b>	<b>For the year ended on 31.03.2017</b>	<b>For the year ended on 31.03.2016</b>
Rent and Lease Rent	7,650,373	9,244,809
Electricity Charges	2,337,931	3,166,946
Insurance	147,478	152,885
Travelling and Conveyance	2,384,912	3,858,089
Telephone and Postal Charges	4,585,359	4,823,785
Vehicle Upkeep Charges		
Printing and Stationery		
Repairs and Maintenance - others	1,523,688	2,647,192
Legal and Professional Charges	1,024,575	1,105,020
SEBI Fees		
Subbrokers' Fees	8,287,911	18,711,332
Software License Charges	3,334,325	3,923,248
Securities Transaction Tax		
Marketing and Business Promotion		
Transaction Charges	1,625,731	2,171,432
Service Tax and Brokers' Note	3,307,269	3,018,615
Directors' Sitting Fees	542,000	672,000
Membership and Subscription		
Auditors' Remuneration		
Audit Fees	170,000	170,000
Certification Fees	62,500	60,750
Service Tax	3,000	—
Bad Debt and Receivable written off	1,610,862	14,171
Provision for Doubtful Debts and Advances	2,177,931	375,000
Fixed Assets written off	71,496	207,887
Other Expenses	3,736,367	4,671,477
<b>TOTAL</b>	<b>44,583,708</b>	<b>58,994,638</b>

**Note : 2.24**

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

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

	<b>2016-17</b>	<b>2015-16</b>
Profit after tax – ₹ (Used as Numerator for calculation)	(186,509)	(29,885,959)
Number of Equity Shares at the beginning of the year	24,686,214	24,686,214
Number of Equity Shares at the end of the year	24,686,214	24,686,214
Weighted average number of Equity Share outstanding during the year (used as denominator for calculation)	24,686,214	24,686,214
Diluted Potential Equity Shares	—	—
Nominal value of Equity Shares – ₹	10	10
Basic and diluted earnings per Share - ₹	(0.01)	(1.21)

.05 There is no impairment loss in terms of the Accounting Standard (AS) – 28 on “Impairment of Assets” notified in Section 133 of the Companies Act, 2013.

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

<b>Particulars</b>	<b>2016-17 (₹)</b>	<b>2015-16 (₹)</b>
Opening Balance	4,152,049	3,857,652
Add : Provision made	2,177,931	375,000
Less : Bad debt written off against provision	1,389,540	13,929
Less : Provision no longer required	—	66,674
Closing Balance	<b>4,940,440</b>	<b>4,152,049</b>

#### .07 Contingent Liabilities

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

<b>Sl. No.</b>	<b>Particulars</b>	<b>Year</b>	<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
1	Income Tax matter pending in appeal	2007-08	22.22	22.22
2	Service Tax matter pending in appeal	2006-07		5.66
3	Service Tax matter pending for appeal	2011-12, 2012-13, 2013-14	8.34	8.34
4	Dispute before Labour Court	2017	0.56	—
5	Claim by Clients	2016-17	4.90	—

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

(Figures in ₹)

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

- i. Holding Company : The Peerless General Finance and Investment Co. Ltd.
- ii. Fellow Subsidiaries : Peerless Hotels Ltd.  
Peerless Financial Products Distribution Ltd.  
Peerless Hospitex Hospital and Research Center Ltd.  
Peerless Fund Management Company Ltd.  
Peerless Trust Management Company Ltd.  
Peerless Financial Services Ltd.
- iii. Associates : Bengal Peerless Housing Development Company Ltd.  
Kaizen Leisure & Holidays Ltd.  
Kaizen Hotels & Resorts Ltd.  
Peerless Mutual Fund (managed by Peerless Fund Management Company Ltd.)
- iv. Key Management Personnels : Mr. Jitendra Kumar Panda, Managing Director and CEO  
Mr. Atul Kumar Bajpai, Wholetime Director  
Mr. Abhishek Tantia, CFO (upto 19.07.2016)  
Mr. Dinesh Mourya, Company Secretary (upto 14.06.2016)  
Mr. Rahul Harsh, Company Secretary (since 09.01.2017)
- v. The Company's related party transactions during the year and outstanding balances as at 31<sup>st</sup> March, 2017 are as below :

(Figures in ₹)

	Holding Company		Subsidiary and Fellow Subsidiaries		Associates		Key Management Personnels		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Investment in Mutual Fund –Purchase					82,500,000	131,470,000			82,500,000	131,470,000
Investment in Mutual Fund –Sale					87,599,408	126,919,670			87,599,408	126,919,670
Receiving of Services			56,933	211,307	3,383	109,868			60,316	321,175
Reimbursement of expenses	2,325,033	2,867,829	682,779	2,023					3,007,812	2,869,852
Remuneration							13,461,822	13,893,102	13,461,822	13,893,102
Rental Expenses	6,907,679	6,981,823							6,907,679	6,981,823
Rendering of Services	956,484	591,469	138,611	18,475	531,555	551,452			1,626,650	1,161,396
Balances at year end										
Investment in Mutual Fund						5,000,000				5,000,000
Receivable	1,135	8,962	19,114	6,440	33,037	29,954			53,286	45,356
Payable	192,590	1,205,733							192,590	1,205,733

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

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

	Name of Entity	Net Assets		Share of Profit or (Loss)	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount
Parent	Peerless Securities Ltd.	97.95%	278,112,041	(240.08)	(446,967)
Subsidiary	Peerless Commodities Ltd.	2.05%	5,823,528	140.08	260,791

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

**Form AOC-I**

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

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

**Part "A": Subsidiaries**

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

1. Sl. No. : **1**
2. Name of the subsidiary: **PEERLESS COMMODITIES LIMITED**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period : **N.A**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. : **N.A**
5. Share capital : **₹ 55,00,000**
6. Reserves & surplus: **₹ 2,34,680**
7. Total assets : **₹ 58,23,528**
8. Total Liabilities : **₹ 58,23,528**
9. Investments : **NIL**
10. Turnover : **₹ 8,23,032**
11. Profit before taxation: **₹ 3,53,041**
12. Provision for taxation: **₹ 92,250**
13. Profit after taxation: **₹ 260,791**
14. Proposed Dividend : **NIL**
15. % of shareholding: **99.87%**

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

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

**Part “B”: Associates and Joint Ventures**

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

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

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

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

On behalf of the Board

Dated : 15<sup>th</sup> May 2017  
Place : Kolkata

Rahul Harsh  
Company Secretary

D. N. Sengupta  
Chairman  
DIN : 02081588

Jitendra Kumar Panda  
Managing Director & CEO  
DIN : 06703336



**BOARD OF DIRECTORS**

Sri Dibyendra Nath Sengupta

Sri Asoke Kumar Mukhuty

Sri Atul Kumar Bajpai

Sri Jitendra Kumar Panda

**CHAIRMAN**

Sri Dibyendra Nath Sengupta

**AUDITORS**

M/S Lodha & Co.

Chartered Accountants

**PRINCIPAL BANKERS**

HDFC Bank Ltd.

**REGISTERED OFFICE**

Peerless Mansion

1, Chowringhee Square,

2nd Floor, Kolkata - 700 069

**CIN** : U74900WB2013PLC196191

**Phone** : 033-40502700, 033-22435942

**Fax** : 033 2243-6941

**E-mail** : commodity@peerlessec.co.in

## DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in placing before you the **Fourth Annual Report** of the Company and the Audited Accounts for the year ended 31st March, 2017.

### FINANCIAL HIGHLIGHTS

A Summary of the financial results for the year 2016-2017, as compared to the previous year, is given below:

	₹ in Lakhs	
<b>FINANCIAL HIGHLIGHTS</b>	<b>2016-17</b>	<b>2015-16</b>
Profit/(Loss) before Depreciation & Tax	3.53	1.77
Less: Depreciation	—	—
Profit/(Loss) before tax	3.53	1.77
Less: Provision for Taxes including Deferred Tax	(0.92)	(0.59)
Profit/(Loss) after tax	2.61	1.18
Add: Balance brought forward from previous year	(0.26)	(1.44)
Less: Transfer to General Reserves	—	—
Leaving a balance to be carried forward to next year	2.35	(0.26)

### THE STATE OF THE COMPANY'S AFFAIRS

#### A. COMPANY'S OPERATIONS

During the year your Company has started the Broking Business of Commodity Derivatives, as an Authorized Person (AP) of M/s Geofin Comtrade Ltd on MCX, NCDEX & NMCE. Your Company earned revenue by way of Brokerage Rs. 4.47 Lakhs, Mutual Fund operations Rs. 3.38 Lakhs and from Derivatives-Options Rs. 0.38 Lakhs totaling to Rs. 8.23 Lakhs. During the year the Company made a Profit After Tax of Rs 2.61 Lakhs as against a Profit After Tax of Rs. 1.18 Lakhs in the previous year. During the year net worth of the Company over previous year was increased by Rs 2.61 Lakhs. In FY 2017-18, your Directors look forward to enhance the Company's business for better financial performance.

#### B. BUSINESS PROSPECTS

In the FY 2017-18 Commodity markets could witness increased participation with slew of reformist measures from market regulator SEBI and government. Allowing unified license to brokers and clearing members to operate in commodity derivative as well as equity markets would help to integrate commodities and securities markets participants, brokers and operational framework, potentially resulting in ease of doing business. Introduction of option on commodity derivative exchanges would help in increasing the investors' base in commodity markets. West Bengal government has also removed the Stamp Duty a disadvantage that the West Bengal based companies faced until recently. In view of all this, in FY 2017-18 your Company's operations are expected to gain momentum considering its expansion plans new branches are proposed.

#### DIVIDEND

To strengthen the reserves and to increase the net worth of the Company, your Directors do not recommend any dividend for the year ended 31st March 2017.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts for the year ended 31st March 2017, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there were no material departures from the same;

2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2017, along with the Statement of Profit and Loss of the Company for the year ended;
3. The Directors have 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 along with other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis; and
5. The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the Financial Year 2016-17 with related parties were in ordinary course of business and on an arm's length basis, the details of such transactions are annexed hereto with this report as Annexure 'A'.

### **DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY**

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

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company maintained the adequate internal financial controls with reference to financial statements.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the Articles of Association of the Company, Mr D. N. Sengupta retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

### **BOARD MEETINGS**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. In the financial year 2016-17, the board met four times. The meetings were held on 11th May 2016, 19th August 2016, 28th November 2016 and 13th February 2017. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Secretarial Standard - 1.

Attendance of Directors at the Board Meetings:

Sr. No.	Name of Directors	No. of Meetings Eligible Attended	No. of Meetings Attended
1.	Mr. Dibyendra Nath Sengupta	4	4
2.	Mr. Asoke Kumar Mukhuty	4	4
3.	Mr. Jitendra Kumar Panda	4	4
4.	Mr. Atul Kumar Bajpai	4	4

### **DEPOSITS**

Your Company has not accepted any public deposits from the public or the Members during the financial year 2016-17 and no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

### **AUDITORS**

At the Annual General Meeting held on 9th September, 2014, M/s. Lodha & Co. , Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the 6th AGM to be held in the calendar year 2019. In terms of the first provision to Section 139 of the Companies Act, 2013, the appointment of the auditors

shall be placed for ratification by the members at every Annual General Meeting. Accordingly, the appointment of M/s Lodha & Co, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the members. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provision of Section 141 of the Companies Act, 2013 and rules made there under.

### **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company in Form MGT – 9 is annexed herewith as Annexure 'B' to this Report.

### **EXPLANATION OR COMMENTS BY THE BOARD ON AUDITORS REPORT**

The Board noted that the Statutory Auditor of the Company have not given any qualification, reservation or adverse remarks or disclaimers in their Audit Report for the financial year ended on 31st March, 2017.

### **MATERIAL CHANGES AND COMMITMENTS**

No Material Changes in the operations of the company took place during the year under review.

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

Particulars regarding Conservation of Energy and Technology absorption are furnished here with as 'Annexure C'. There has been no foreign exchange earnings and outgo during the period under review.

### **PARTICULARS OF EMPLOYEES**

Particulars of Employee's in terms of Remuneration Paid during the year as required under Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is annexed here with as Annexure 'D'.

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

Since, there are no women employees currently employed with the company therefore; no disclosure is required under this provision.

### **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were not applicable to the Company during the year under review:

- Details relating to deposits covered under Chapter V of the Act and others.
- A Statement on Declaration given by Independent Directors u/s 149 (6) of the Companies Act 2013.
- Corporate Social Responsibility.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- Details relating to loans, guarantees or investments under section 186.
- The Company is not required to appoint Key Managerial Personnel as per Section 203 of the Companies Act, 2013.
- Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed there under, the company is not required to constitute a Nomination & Remuneration Committee for the year under review.
- Pursuant to Section 204 of the Companies Act, 2013 and the Rules framed there under, the Company was not required to conduct Secretarial Audit for the year under review.
- There is no material change/event occurred after balance sheet date till the date of the report.
- No case of fraud has been 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.

## **ACKNOWLEDGEMENT**

Over the last four years, your Company has created multiple drivers of growth by developing various portfolio of businesses. Your Directors and Employees are inspired by the vision of sustaining Peerless position as one of India's most admired and valuable companies in its sector, creating & enduring value for all stakeholders.

Your Directors wish to place on record their sincere thanks to our clients and business associates for their valued support during the year.

Your Directors recognize the commitment and contribution of the employees at all levels and look forward to their increased involvement and dedicated services towards the company in the coming years.

Finally your Directors take this opportunity to express their appreciation for the continued support co-operation and guidance received from the holding Company viz., M/s. Peerless Securities Limited.

For and on behalf of the Board of Directors

D. N. Sengupta  
*Chairman*  
(DIN02081588)

Date : 15<sup>th</sup> May , 2017

Place : Kolkata

**Annexure A****Form No. AOC-2****Particulars of contracts/arrangements made with related parties**

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

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31 2017, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis in ordinary course of business for year ended March 31 2017, are as follows:-

<b>Name of related Party</b>	<b>Nature of relationship</b>	<b>Duration of contract</b>	<b>Salient terms</b>	<b>Amount in Rupees</b>
Peerless Securities Limited	Holding company	28/10/2015 – ongoing	Brokerage & DP Services	16,949

**"Annexure-B"****Form No. MGT-9****EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March 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:- **U74900WB2013PLC196191**
- ii) Registration Date: **07/08/2013**
- iii) Name of the Company: **PEERLESS COMMODITIES LIMITED**
- iv) Category/Sub-Category of the Company: **Company limited by shares/Indian Non-Government Company**
- v) Address of the Registered office and contact details:  
**1, Chowringhee Square, 2nd Floor, Kolkata – 700069, West Bengal, India**
- vi) Email ID of the Company: commodity@peerlesssec.com
- vii) Whether listed company: **No**
- viii) Name, Address and Contact details of Registrar and Transfer Agent, if any **N.A**

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

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Brokerage & Commission	997152	54%
2.	Dealing in Mutual Fund	N.A	41%

**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	Peerless Securities Ltd 1, Chowringhee Square, 2nd Floor, Kolkata - 700069, West Bengal, India	U67120WB1995 PLC067616	Holding	99.86 %	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
<b>a) Individual/HUF</b>	—	<b>700</b>	<b>700</b>	<b>0.13</b>	—	<b>700</b>	<b>700</b>	<b>0.13</b>	<b>Nil</b>
b) Central Govt.	—	—	—	—	—	—	—	—	Nil
c) State Govt.	—	—	—	—	—	—	—	—	Nil
<b>d) Bodies Corp</b>	—	<b>549300</b>	<b>549300</b>	<b>99.87</b>	—	<b>549300</b>	<b>549300</b>	<b>99.87</b>	<b>Nil</b>
e) Banks/FI	—	—	—	—	—	—	—	—	Nil
f) Any Other....	—	—	—	—	—	—	—	—	Nil
<b>Sub-total (A) (1):-</b>									
<b>(2) Foreign</b>									
a) NRIs – Individuals	—	—	—	—	—	—	—	—	Nil
b) Other – Individuals	—	—	—	—	—	—	—	—	Nil
c) Bodies Corp.	—	—	—	—	—	—	—	—	Nil
d) Banks/FI	—	—	—	—	—	—	—	—	Nil
e) Any Other....	—	—	—	—	—	—	—	—	Nil
<b>Sub-total (A) (2): -</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	—	550000	550000	100	—	550000	550000	100	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	Nil
b) Banks/FI	—	—	—	—	—	—	—	—	Nil
c) Central Govt	—	—	—	—	—	—	—	—	Nil
d) State Govt(s)	—	—	—	—	—	—	—	—	Nil
e) Venture Capital Funds	—	—	—	—	—	—	—	—	Nil
f) Insurance Companies	—	—	—	—	—	—	—	—	Nil
g) FII's	—	—	—	—	—	—	—	—	Nil
h) Foreign Venture capital funds	—	—	—	—	—	—	—	—	Nil
i) Others (specify)	—	—	—	—	—	—	—	—	Nil
<b>Sub-total (B) (1) :-</b>	—	—	—	—	—	—	—	—	Nil



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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. NonInstitutional</b>									
a) Bodies Corp.	—	—	—	—	—	—	—	—	Nil
i) Indian	—	—	—	—	—	—	—	—	Nil
ii) Overseas	—	—	—	—	—	—	—	—	Nil
b) Individuals	—	—	—	—	—	—	—	—	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	—	—	—	—	—	—	—	—	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	—	—	—	—	—	—	—	—	Nil
c) Others (specify)	—	—	—	—	—	—	—	—	Nil
<b>Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>Nil</b>
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	Nil
Grand Total (A+B+C)		550000	550000	100		550000	550000	100	Nil

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total	
1.	PEERLESS SECURITIES LTD	549300	99.87	Nil	549300	99.87	Nil	1.26
2.	Mr. Sunil Kanti Roy	100	0.02	Nil	100	0.02	Nil	Nil
3.	Mr. Jayanta Roy	100	0.02	Nil	100	0.02	Nil	Nil

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

Sl NO.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year	N.A	N.A	N.A	N.A
	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)	N.A	N.A	N.A	N.A
	At the End of the year	N.A	N.A	N.A	N.A

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

Sl. NO.		Shareholding at the beginning of the year (01.04.2016)			Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total Shares of the Company	Increase/ Decrease in shareholding	No. of shares	% of total Shares of the Company
1.	Mr. Bhargab Lahiri	100	0.02	Nil	100	0.02
2.	Mr. Samar Bhattacharyya	100	0.02	Nil	100	0.02

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Director and KMP	Shareholding at the beginning of the year (01.04.2016)		Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total Shares of the Company		No. of shares	% of total Shares of the Company
1.	Mr. Asoke Kumar Mukhuty	100	0.02	Nil	100	0.02
2.	Mr. Dibyendra Nath Sengupta	100	0.02	Nil	100	0.02
3.	Mr. Atul Kumar Bajpai	100	0.02	Nil	100	0.02

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year:</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount in ₹
1	<b>Gross salary</b> (a) Salary as per provisions contained in u/s 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 u/s 17(3) Income tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission – as % of profit – others,specify...	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act					

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount in ₹
		Mr. D. N. Sengupta	Mr. A. K. Mukhuty	Mr. J. K. Panda	Mr. A. K. Bajpai	
	1. Independent Directors					
	• Fee for attending board/committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
	2. Other Non-Executive Directors					
	• Fee for attending board/committee meetings	8000	8000	8000	8000	32000
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	8000	8000	8000	8000	32000
	Total (B)=(1+2)	8000	8000	8000	8000	32000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

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

Amount in ₹

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

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

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

**Annexure 'C'****Conservation of Energy, Technology Absorption and Foreign Exchange Inflow & Outflow  
Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies  
(Accounts) Rules 2014 and forming part of the Boards' Report for the year ended on 31st March 2017.****A. Conservation of Energy**

1. Steps taken or impact on Conservation of Energy: The Company continues to remain conscious of conserving energy resources and takes various measures to rationalize the consumption of energy.
2. Steps taken by the Company for utilizing Alternate Sources of Energy – N.A.
3. Capital Investment on Energy Conservation Equipments: The Company continues to identify and modernise systems & processes for Energy Conservation.

**B. Technology Absorption**

1. Efforts made towards Technology absorption
  - a. Training of personnel
  - b. Absorption/adaptation of technology to suit clients requirements.
  - c. Participation in conferences, seminars and exhibitions.
2. Benefits derived
  - a. New Clients Additions
  - b. Strengthening of technological base.
3. Imported Technology (Imported during last 3 Years)
  - a. Details of Technology Imported : N.A.
  - b. Year of Import : N.A.
  - c. Whether the technology been fully absorbed: N.A.
  - d. If not, reasons : N.A.
4. Expenditure Incurred on Research and Development: (Rs. In Lakhs)
  - a. Capital : N.A.
  - b. Revenue: N.A.
  - c. Total : N.A.
  - d. Total R & D Expenditure : N.A.  
(as a % of total turnover)

**C. Foreign Exchange Inflow & Outflow**

1. Activities relating to Exports:
2. Total Foreign Exchange used and earned : (Rs. In Lakhs)  
Foreign Exchange earned : N.A.  
Foreign Exchange used : N.A.

**Annexure 'D'****Statement of Particulars of Employees Pursuant to the Provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name & Designation	Remuneration received (Rs. in Lakhs)	Nature of employment	Qualifications & Experience of the employee	Date of commencement of employment	Age	The Last employment held by before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) :	Whether employee is a relative of any director or manager of the company and if so, name of such director or manager
Mr. Vishal Singh,* -Dealer	1.67	Non - Contractual	B.Com, 12 yrs Exp	20/04/2016	38 Yrs	SMC Comtrade Ltd.	0	Nil
Mr. Sabir Ali, -Relationship Manager-Dealing	0.76	Non - Contractual	Bachelors in Management Studies, 6 Yrs Exp.	18/10/2016	32 Yrs	Religare Commodities limited	0	Nil
Mr. Ranjeet Choudhary,* -Dealer	0.55	Non - Contractual	B.Com, 8 Yrs Exp.	20/12/2016	27 Yrs	Bhartiya Stock Broking Ltd.	0	Nil
Mr. Shirshok Saha, - Executive Trainee - Accounts	0.13	Non - Contractual	B.Com, Cost & Management Accountant, -Nil	22/02/2017	26 Yrs	NA	0	Nil

\* Mr. Vishal Singh: Resigned W.E.F – 09/12/2016

\* Mr. Ranjeet Chowdhury: Resigned W.E.F – 20/03/2017

Note : Gross remuneration comprises salary and allowances, company's contribution to provident fund, gratuity funds, monetary value of perquisites etc.

On behalf of the Board  
For Peerless Commodities Limited

D. N. Sengupta  
Chairman  
(DIN02081588)

Date : 15<sup>th</sup> May, 2017  
Place : Kolkata

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Peerless Commodities Limited**

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

We have audited the accompanying financial statements of Peerless Commodities 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 profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 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:
  - a.i. The Company does not have any pending litigations as at the end of the year which would impact its financial position.
  - a.ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - a.iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - a.iv. The Company did not have any holdings or dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees existing on 8th November, 2016 during the period from 8th November, 2016 to 30th December, 2016  
- Refer Note no. 16.4 of Notes to the Financial Statements.

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

Place : Kolkata  
Date: 15<sup>th</sup> May, 2017

R. P. Singh  
Partner  
Membership No. 052438

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**‘Annexure A’ referred to in our report of even date**

- i) The Company does not have any fixed assets and accordingly, paragraph 3(i) (a) to (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 including Provident Fund, Employee’s State Insurance, Income Tax, Sales 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, 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, where applicable, 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 transactions with related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standard. As explained, the Company is not required to constitute an Audit Committee in terms of Section 177 of the Act and Rules framed thereunder. Accordingly, Section 177 of the Act is not applicable to the Company.
- 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

Place : Kolkata  
Date: 15<sup>th</sup> May, 2017

R. P. Singh  
Partner  
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 Commodities 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

Place : Kolkata  
Date: 15<sup>th</sup> May, 2017

R. P. Singh  
Partner  
Membership No. 052438

## BALANCE SHEET

### AS AT 31ST MARCH, 2017

Particulars	Notes	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	5,500,000	5,500,000
(b) Reserves and Surplus	3	234,680	(26,111)
		<b>5,734,680</b>	<b>5,473,889</b>
<b>2. Current Liabilities</b>			
(a) Trade Payables	4	23,000	22,900
(b) Short Term Provisions	5	44,908	7,468
(c) Other Current Liabilities	6	20,940	—
		<b>88,848</b>	<b>30,368</b>
<b>TOTAL</b>		<b>5,823,528</b>	<b>5,504,257</b>
<b>ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Deferred Tax Assets	7	24,977	49,955
(b) Long-Term Loans and Advances	8	100,000	—
		124,977	49,955
<b>2. Current Assets</b>			
(a) Current Investment	9	—	5,000,000
(b) Trade Receivables	10	55,085	1,156
(c) Cash and Cash Equivalents	11	5,643,466	453,146
		<b>5,698,551</b>	<b>5,454,302</b>
<b>TOTAL</b>		<b>5,823,528</b>	<b>5,504,257</b>
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: 052438  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2017

For & on behalf of the Board of Directors

D.N. Sengupta  
Chairman  
(DIN02081588)

A. K. Mukhuty  
Director  
(DIN00173745)

## STATEMENT OF PROFIT AND LOSS

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

	Note	Year ended 31 <sup>st</sup> March, 2017 (₹)	Year ended 31 <sup>st</sup> March, 2016 (₹)
Revenue from Operations	12	785,371	272,357
Other Income	13	37,661	66,219
		<b>823,032</b>	<b>338,576</b>
Expenses:			
Employee Benefits Expense	14	318,998	28,590
Other Expenses	15	150,993	132,829
<b>TOTAL EXPENSES</b>		<b>469,991</b>	<b>161,419</b>
<b>Profit/(Loss) before Taxation</b>		<b>353,041</b>	<b>177,157</b>
Tax expense			
(1) Current Tax		67,272	34,031
(2) Deferred Tax		24,978	24,978
<b>Profit/(Loss) for the year</b>		<b>260,791</b>	<b>118,148</b>
Earnings per equity share	16.3		
(1) Basic		0.47	0.27
(2) Diluted		0.47	0.27
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: 052438

Place: Kolkata  
Date: 15<sup>th</sup> May, 2017

For & on behalf of the Board of Directors

D.N. Sengupta  
Chairman  
(DIN 02081588)

A. K. Mukhuty  
Director  
(DIN 00173745)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17 (₹)	2015-16 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit /(loss) before tax for the year	353,041	177,157
Adjustment for:		
Interest Income	—	(5,854)
<b>Operating profit before working capital changes</b>	<b>353,041</b>	<b>171,303</b>
Adjustment for changes in working capital:		
(Increase)/decrease in Trade Receivables	(53,929)	(1,156)
(Increase)/decrease in Long Term Loan & Advances	(100,000)	—
Increase/(decrease) in current liabilities and provisions	21,040	11,685
Tax Expenses	(29,832)	(28,793)
<b>Net cash from/(used in) operating activities (A)</b>	<b>190,320</b>	<b>153,039</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from Sale of Mutual Fund	5,000,000	—
Fixed Deposit	—	100,000
Investment in Mutual Fund	—	(5,000,000)
Interest income	—	6,978
<b>Net cash from/(used in) investing activities (B)</b>	<b>5,000,000</b>	<b>(4,893,022)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of Share Capital	—	5,000,000
<b>Net cash generated from financing activities (C)</b>	<b>—</b>	<b>5,000,000</b>
<b>Net (decrease)/increase in cash and cash equivalents(A) + (B) + (C )</b>	<b>5,190,320</b>	<b>260,017</b>
Cash and cash equivalents at beginning of year	453,146	193,129
<b>Cash and cash equivalents at end of year</b>	<b>5,643,466</b>	<b>453,146</b>

In terms of our report of even date

For Lodha & Co.  
Chartered Accountants

R.P.Singh  
Partner  
Membership No: 052438

Place: Kolkata  
Date: 15<sup>th</sup> May, 2017

For & on behalf of the Board of Directors

D.N. Sengupta                      A. K. Mukhuty  
Chairman                              Director  
(DIN02081588)                      (DIN00173745)

**NOTES OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST 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 on 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 on the date of financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**1.3 REVENUE RECOGNITION**

Revenue has been recognised to the extent it is probable that the economic benefit will flow to the company and the revenue can be readily measured. All revenue income is recognised on accrual basis.

**1.4 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 recognized 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 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.

**1.5 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. All other investments are classified as non-current (long term) investments. Current investments are valued at lower of cost or fair value. Long term investments are stated at cost less provision, if any, for diminution in value other than temporary.

**1.6 EMPLOYEE BENEFITS**

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

**1.7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are measured and recognized 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 recognized in the financial statements and are disclosed in notes to the financial statements.

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



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE : 2

## SHARE CAPITAL

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Amount (₹)	Number	Amount (₹)
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
		<b>50,000,000</b>		<b>50,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>				
Equity Shares of Rs. 10/- each				
As on the beginning of the year	550,000	5,500,000	50,000	500,000
Add: Issued during the year	—	—	500,000	5,000,000
At the end of the year	<b>550,000</b>	<b>5,500,000</b>	<b>550,000</b>	<b>5,500,000</b>

2.1 The Company has only one class of equity shares of face value of ₹ 10 each and each share is entitled to one vote at general meetings

2.2 Details of the shareholders holding more than 5% of Equity shares of the company

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	Number of shares held	% holding	Number of shares held	% holding
Peerless Securities Ltd. (Holding Company)	549,300	99.87	549,300	99.87

## NOTE: 3

RESERVE & SURPLUS	As on 31.03.2017	As on 31.03.2016
	₹	₹
Surplus as per last Balance Sheet	(26,111)	(144,259)
Add: Net profit after tax transferred from statement of profit and loss	260,791	118,148
Surplus at the end of year	<b>234,680</b>	<b>(26,111)</b>

## NOTE: 4

TRADE PAYABLE	As on 31.03.2017	As on 31.03.2016
	₹	₹
(A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	—	—
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	23,000	22,900
	<b>23,000</b>	<b>22,900</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE: 5

<b>SHORT TERM PROVISIONS</b>	<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	₹	₹
Provision for Taxation (Net of Advance tax and Tax Deducted at Source)	44,908	7,468
	<b>44,908</b>	<b>7,468</b>

## NOTE: 6

<b>OTHER CURRENT LIABILITIES</b>	<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	₹	₹
Government Dues	4,157	—
Others	16,783	—
	<b>20,940</b>	<b>—</b>

## NOTE: 7

<b>DEFERRED TAX ASSET</b>	<b>As on 31.03.2017</b>	<b>Charged to the Statement of profit and loss</b>	<b>As on 31.03.2016</b>
	₹	₹	₹
Preliminary Expenses	24,977	(24,978)	49,955
	<b>24,977</b>	<b>(24,978)</b>	<b>49,955</b>
Previous year's figures	49,955		74,933

## NOTE: 8

<b>LONG TERM LOANS AND ADVANCES</b>	<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	₹	₹
Security Deposit with Geofin Comtrade Ltd	100,000	—
	<b>100,000</b>	<b>—</b>

## NOTE: 9

<b>CURRENT INVESTMENTS</b> <b>(Other than Trade- Fully paid up)</b> (Valued at cost or fair value, whichever is lower)	<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	₹	₹
Investments in Mutual Funds- Unquoted Peerless Liquid fund- Regular Plan Growth	—	5,000,000
	—	<b>5,000,000</b>
Total Market value of Current Investments (NAV)	—	<b>5,005,258</b>

9.1 None of the investees on above were subsidiaries, associates, joint ventures or controlled special purpose entities of the Company

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE: 10

<b>TRADE RECEIVABLES</b> (Unsecured and considered good)	<b>As on 31.03.2017</b> ₹	<b>As on 31.03.2016</b> ₹
Outstanding for a period of less than six months from the date they are due for payment	55,085	1,156
Outstanding for a period of more than six months from the date they are due for payment	—	—
	<b>55,085</b>	<b>1,156</b>

## NOTE: 11

<b>CASH &amp; CASH EQUIVALENTS</b>	<b>As on 31.03.2017</b> ₹	<b>As on 31.03.2016</b> ₹
<b>Balances with banks</b>		
(a) In current accounts	5,643,171	452,536
(b) Cash in hand	295	610
	<b>5,643,466</b>	<b>453,146</b>

## NOTE: 12

<b>REVENUE FROM OPERATIONS</b>	<b>For the year ended</b> <b>31.03.2017</b> (₹)	<b>For the year ended</b> <b>31.03.2016</b> (₹)
Brokerage & Commission	447,183	—
Profit on Sale of Mutual Fund	338,188	272,357
	<b>785,371</b>	<b>272,357</b>

## NOTE: 13

<b>OTHER INCOME</b>	<b>For the year ended</b> <b>31.03.2017</b> (₹)	<b>For the year ended</b> <b>31.03.2016</b> (₹)
Profit from Trading in Derivatives-Options	37,661	60,365
Interest Income from Fixed Deposit	—	5,474
Interest Income on Income Tax Refund	—	380
	<b>37,661</b>	<b>66,219</b>

## NOTE: 14

<b>EMPLOYEE BENEFITS EXPENSES</b>	<b>For the year ended</b> <b>31.03.2017</b> (₹)	<b>For the year ended</b> <b>31.03.2016</b> (₹)
Salary & Allowance	298,695	28,590
Employer Contribution to PF	20,303	—
	<b>318,998</b>	<b>28,590</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE: 15

OTHER EXPENSES	For the year ended 31.03.2017 (₹)	For the year ended 31.03.2016 (₹)
Rates and Taxes	14,500	2,500
Professional Fees	11,450	16,120
Auditors Remuneration -Statutory Audit*	23,000	22,900
Directors Sitting Fees	32,000	22,000
Filing Fees	1,932	4,200
Printing & Stationery	4,900	22,488
Tours & Travels	9,400	34,259
Telephone Expense	21,021	—
Software Charges	25,685	—
Miscellaneous Charges	7,105	8,362
	<b>150,993</b>	<b>132,829</b>

\* Statutory Audit fees is inclusive of Service Tax

## NOTE – 16 Other Notes to Financial Statements

## 16.1 SEGMENT REPORTING

The Company is engaged in business segment of trading in Derivatives-Options only and has no geographical segments; hence separate disclosure of segmental reporting is not applicable under Accounting Standard on “Segment Reporting” (AS-17).

## 16.2 RELATED PARTY INFORMATION

**Related Party Disclosure as per Accounting Standard – 18 on Related Party Disclosures are as below:**

Related party with whom transactions have been taken place during the year ended on 31st March, 2017:

**Holding company**

Peerless Securities Limited

**Associates, Group Enterprises and Companies under common control**

Peerless Mutual Fund

Kaizen Leisure & Holidays Ltd.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in ₹)

Particulars	Peerless Securities Limited		Peerless Mutual Fund		Kaizen Leisure & Holidays Ltd.	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Transactions during the year</b>						
Issue of equity share capital	—	50,00,000	—	—	—	—
Purchase of Investment in Mutual Fund	—	—	2,50,00,000	4,09,70,000	—	—
Sale of Investment in Mutual Fund	—	—	3,00,00,000	3,62,42,357	—	—
Brokerage and DP Services	16,949	8,943	—	—	—	—
Hotel Booking Charges	—	—	—	—	—	9,370
<b>Outstanding Balances</b>						
Share Capital	54,93,000	54,93,000	—	—	—	—
Investment in Mutual Fund	—	—	—	50,00,000	—	—
Total	54,93,000	54,93,000	—	50,00,000	—	—

**16.3 EARNING PER SHARE**

Basic and Diluted earnings per share

	For the year ended 31.03.2017	For the year ended 31.03.2016
No. of Equity Shares of Rs. 10/- each		
As on the beginning of the year	5,50,000	50,000
Issued during the year	—	5,50,000
At the end of the year	550,000	550,000
Weighted Average no. of equity shares	550,000	433,880
Profit/(Loss) for the year	2,60,791	118,148
<b>Earnings per equity share</b>		
(1) Basic	0.47	0.27
(2) Diluted	0.47	0.27

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

- 16.4 There are no cash transactions during the period from 8th November, 2016 to 30th December, 2016 and accordingly necessary disclosures as required in terms of Notification No. G.S.R. 308(E) dated 30th March, 2017 has not been given.
- 16.5 Previous year's figures have been re-arranged/re-grouped to make the comparable with the current year's figures.

For Lodha & Co.  
Chartered Accountants

R.P.Singh  
Partner  
Membership No: 052438

Place: Kolkata  
Date: 15<sup>th</sup> May, 2017

For & on behalf of the Board of Directors

D.N. Sengupta  
Chairman  
(DIN02081588)

A. K. Mukhuty  
Director  
(DIN00173745)