



# 32<sup>nd</sup> Annual Report 2019-2020

**PEERLESS FINANCIAL  
SERVICES LIMITED**

## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

Shri Biswajit Das

## CHIEF FINANCIAL OFFICER

Shri Partha Bose

## AUDITORS

Messers Mukund M. Chitale & Co.  
Chartered Accountants

## PRINCIPAL BANKER

HDFC Bank Ltd

## REGISTRAR AND SHARE TRANSFER AGENT

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

## REGISTERED & CORPORATE OFFICE

Peerless Bhavan,  
3, Esplanade East,  
Kolkata-700 069  
Phone : +91-33-2262 5663/4062 2525  
Fax : +91-33-2262 5664  
E-Mail: pfs@peerlessfinance.in  
Website: www.peerlessfinance.in  
CIN: U65993WB1988PLC044077

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## BOARD'S REPORT

### To the Members,

The Board has pleasure in presenting the Thirty-second Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2020.

### BACKGROUND

Peerless Financial Services Limited ("Peerless Finance" or "the Company") is a subsidiary of The Peerless General Finance & Investment Company Limited ("PGFI") and is a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company, holding a Certificate of Registration dated January 17, 2003, from the Reserve Bank of India ("RBI"). The Company has its Registered and Corporate Office in Kolkata,

### Financial Highlights

Peerless Finance, a subsidiary of PGFI, has prepared the Financial Statements as per Ind AS in compliance with the directions of the regulators.

A summary of financial results for the FY 2019-20 along with the corresponding figures of previous FY of your Company is given below:-

| PARTICULARS   | (Rupees in Thousands)          |                                |
|---|--------------------------------|--------------------------------|
|   | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
| Revenue from Operations   | <b>37,835.69</b>               | <b>38,381.80</b>               |
| Other Income  | 2,880.28                       | 4,612.84                       |
| Gross Revenue   | <b>40,715.97</b>               | <b>42,994.64</b>               |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 13,487.38                      | 19,455.97                      |
| Less: Depreciation/ Amortisation/ Impairment                                      | 2014.61                        | 875.13                         |
| Profit/loss before Finance Costs, Exceptional items and Tax Expense               | <b>11,472.77</b>               | <b>20,331.10</b>               |
| Less: Tax Expense (Current & Deferred)  | 2,656.39                       | 5,514.77                       |
| Profit /loss for the year (1)   | <b>8,816.38</b>                | <b>14,816.33</b>               |
| Total Comprehensive Income/loss (2)   | (271.05)                       | (101.27)                       |
| Total (1+2)   | <b>8,545.33</b>                | <b>14,715.06</b>               |
| Balance of profit /loss for earlier years   | (24,892.03)                    | (36,664.01)                    |
| Less: Transfer to Special Reserves  | 1709.07                        | 2943.01                        |
| Balance carried forward   | <b>(18,055.77)</b>             | <b>(24,891.96)</b>             |

### The state of Company's Affairs

Your Company, Peerless Finance, is a NBFC - Investment and Credit Company (NBFC-ICC). As its primary business, the Company offers loans to individuals, firms and corporate entities both in the nature of Term Loan and other Credit facilities. Various loan products offered by the Company include Loan against Salary, Loan to Professionals, Medical Equipment Finance, Business Loan and Loan against Marketable Securities etc.

During the year under review, Peerless Finance disbursed loans aggregating Rs. 117,469 Thousand. The gross revenue of your company decreased by 5.30% from Rs. 42,995 Thousand in 2018-19 to Rs. 40,716 Thousand in 2019-20. The decline in gross revenue by Rs. 2,279 Thousand in FY 2019-20 was due to lower returns from treasury investments and repayment of high-ticket loan accounts.

The Company earned a Profit before Tax of Rs.11,473 Thousand and Profit after Tax of Rs. 8,545 Thousand during the FY 2019-20 vis-à-vis Rs. 20,331 Thousand and Rs. 14,715 Thousand respectively, during the previous financial year. The decline in profits in FY 2019-20, was due to provisioning as per the Expected Credit Loss (ECL) method adopted and provisioning on loans that were granted moratorium on repayments on account of the pandemic.

### **The Covid-19 Pandemic**

The Covid-19 pandemic brought in its wake unprecedented health hazards and an emergency situation, leading to a series of protective measures taken by the Government, culminating in a nationwide lockdown starting from the 25th March 2020. Similar measures were taken by other countries as well which resulted in a global slowdown which is likely to have wide repercussions on our economy, including the business of your Company.

The safety and well-being of the employees, customers and other stakeholders have been the Company's highest priorities. A Rapid Action Force (RAF) was formed for constantly monitoring the situation and taking swift and effective remedial action. This included a series of communications addressed by the top management to all employees of the Company in order to create awareness of the do's and don'ts in emergency situations.

Following the lockdown, the Company enabled almost all its employees to work remotely from their homes. They were engaged through product developments, learning sessions, leadership communication, and online team building events which helped them to get used to the new normal. The Company also ensured timely updates to customers through personalised communication.

Once lockdown restrictions were eased, the Company progressively resumed operations in a phased manner. Plans and protocols were put in place for return to office once the lockdown was eased. Necessary precautions, such as testing of temperature of all persons entering into office premises, mandatory use of face masks and hand sanitisers, cleaning and disinfection of the office premises on a regular basis etc. are being followed strictly.

The Company is actively monitoring the impact of the Covid-19 pandemic on its financial condition, viz., liquidity, operations, suppliers, industry, and its workforce, relying on prudence in making judgments, estimates and assumptions based on the current realities. In assessing recoverability of assets on the strength of goodwill, inventories, financial and other assets, the Company does not have reasons to expect undue problems. However, the extent to which Covid-19 will impact the Company's operations will depend on future developments which remain uncertain.

### **Material Changes Affecting the Financial Position of the Company**

Apart from matters relating to the COVID-19 pandemic, as stated above, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, and the date of this report.

### **Dividend**

Your directors do not recommend any dividend for the FY 2019-20 on account of the cumulative loss which stands in the books of the Company,

### **Amounts Transferred to Reserves**

The Board of Directors of the Company has decided to transfer an amount of Rs.1709.07 Thousand to Special Reserve in terms of Section 45IC of RBI Act, 1934.

### **Acceptance of Public Deposit**

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

### **Variation in Net Worth**

The Net Worth of the Company as at the close of the financial year ended 31st March, 2020 recorded a rise to Rs.540,146

Thousand, compared to the net worth of Rs. 531,600 Thousand as at the close of the previous financial year ended 31st March, 2019.

### **Extract of Annual Return**

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014 is available in the prescribed Form No. MGT- 9, on the website of the Company, [www.peerlessfinance.in](http://www.peerlessfinance.in).

### **Particulars of Loan, Guarantees and Investments under Section 186**

Your Company is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India and categorized as Investment and Credit Company (NBFC-ICC). Hence, the provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loans to any other bodies corporate or persons and acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, are not applicable to the Company.

### **Particulars of Contracts or Arrangements with Related Parties**

During the year, the Company has not entered into any material transactions with Related Parties which are not in its ordinary course of business or not on an arm's length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

However, as a gesture of good governance, some contracts / arrangements / transactions which took place in the ordinary course of business and on arm's length basis with the related parties are disclosed in Form No. AOC-2 and marked as Annexure 'A'. Further, details of Related Party Transactions, as required to be disclosed by Indian Accounting Standard 24 on "Related Party Disclosures" specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the Notes to the Financial Statements.

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

The Company is registered with the RBI as a Non-Systemically Important Non-Deposit taking - Non-Banking Financial Company. The Company has complied with and continues to comply with the provisions of Reserve Bank of India Act, 1934 and all applicable rules, circulars, regulations and directions including, Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as updated, prescribed by the Reserve Bank of India ("RBI").

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

As a provider of financial services, your Company requires normal consumption of energy and technology. The Company is not undertaking any activity which requires substantial consumption of energy or technology and therefore, no such particulars are furnished. However, the Company is taking every necessary step to reduce consumption of electricity in its office premises.

There was no Foreign Exchange Earnings or Outgo during the year under review.

### **Details of Subsidiary, Joint Venture or Associates**

No company has become or ceased to be a subsidiary, joint venture or associate of your Company during the year under review.

### **Risk Management**

Risk Management is an integral part of the Company's day-to-day business management activities. This function is governed by a Risk Management Policy approved by the Board for Risk identification, assessment and monitoring as an ongoing process.

The risk management policy provides for identification of risks that the Company is exposed to. Such risks cover a whole spectrum of strategic, financial, credit, market, liquidity, security, information technology, legal, regulatory,

reputational and other risks. Review of risk management periodically is also a task assigned by the said policy. The Audit Committee performs the function of assessing, managing, monitoring and advising upon the principal risks and uncertainties that can impact the company's strategic objectives.

The Company follows various processes for Enterprise Risk Management which includes Internal Controls Management, Internal Audit, Process Audit and Special Audit conducted by the Management on periodic basis. Risks associated with frauds are mitigated by regular monitoring by the Senior Management Team.

### **Internal Control**

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

The Company's internal control system is commensurate with its size and the nature of its operations.

### **Internal Financial Control with reference to the Financial Statements**

The system of internal financial control with reference to the financial statements of the Company has been designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. A Standard Operating Procedure (Accounts Manual) has been documented for various processes which are reviewed for changes, if any, that may arise due to business needs. Besides, policies covering other key areas such as Human Resource Policy, Lending Policy, Risk Management Policy, IT & Security Policy, Investment Policy etc. are also in place in the company. Internal Auditors, Process Auditors and Statutory Auditors as well as the management and the Audit Committee of the Board review the operating effectiveness of such policies and procedures periodically. In the opinion of the Board, the Internal Financial Control System of the Company is adequate and it is operating effectively.

### **Details of Directors and Key Managerial Personnel**

#### **Directors :**

In accordance with the relevant provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bhargab Lahiri (DIN: 00043772) Director, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Based on the recommendation of Nomination & Remuneration Committee of Directors, the Board of Directors at its meeting held on 28th November, 2019, has reappointed Mr. Abhishek Tantia (DIN: 07651661) as the Managing Director & Chief Executive Officer (hereinafter referred to as "MD & CEO") of the Company with effect from 2nd January, 2020 for a further period of 3 (three) years, subject to approval of shareholders at the general meeting. Your Directors recommend the reappointment of Mr. Abhishek Tantia as the Managing Director & CEO of your Company with effect from 2nd January, 2020 at the ensuing Annual General Meeting ("AGM") on such terms as are specified in the Explanatory Statement annexed to the Notice convening the AGM.

#### **Independent Directors :**

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

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and are of the highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar ("IICA"). Pursuant to the first proviso to sub-rule (4) of rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, the said Independent Directors of the Company are not required

to undertake the online proficiency self-assessment test conducted by the IICA, since they have requisite experience of serving for more than ten years as a Director in such companies as are mentioned in the said rule.

### **Key Managerial Personnel :**

Pursuant to the provisions of Section 203 of the Act, Mr. Abhishek Tantia (DIN: 07651661), Mr. Partha Bose, Chief Financial Officer, and Biswajit Das, Company Secretary, were the Key Managerial Personnel (“KMP”) of the Company as on March 31, 2020.

During FY 2019-20, Mr. Abhishek Tantia (DIN: 07651661) has been reappointed as the Managing Director & CEO of the Company with effect from January 2, 2020 for a further period of three years, subject to approval of the shareholders at the ensuing general meeting.

No other Director or KMP was appointed or resigned during the year under review.

### **EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the NRC. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The criteria for evaluation of the Board as a whole, inter alia, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and the Management. The criteria for evaluation of Individual Directors included factors such as knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to the mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, etc.

In carrying out performance evaluation, the Board took into consideration the feedback of the Independent Directors on the performance of Non-independent Directors, the Chairman of the Company and the Board as a whole and their assessment of the quality, quantity and timeliness of flow of information between the Company

### **Nomination & Remuneration Policy**

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

The salient aspects covered in the Nomination and Remuneration Policy are given below:

#### **Objectives**

- To lay down criteria and terms & conditions with regard to identifying persons qualified to become Directors (Executive and Non-Executive) and to hold Senior Management and Key Managerial positions
- To determine remuneration based on the Company’s size, financial position, trends and practices prevailing in peer companies and in the industry as a whole.
- 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.
- To carry out evaluation of the performance of Directors.

#### **Applicability**

The Policy is applicable to:

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

- Senior Management Personnel

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

## General

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

A copy of the Nomination and Remuneration Policy is posted on the website of the Company at <http://www.peerlessfinance.in/nrc-policy.html>.

## Number of Board Meetings

The Board of Directors of the company held 5 (five) meetings on 16/05/2019, 19/08/2019, 28/11/2019, 27/02/2019 and 17/03/2020 respectively during the Financial Year 2019-20.

## Committees of the Board

The Board has constituted committees with specific terms of reference to focus effectively on various issues and to ensure resolution of matters in an expedient and efficient manner. Different aspects of business are delegated by the Board to designated Committees of the Board in order to give focused attention to the business of the Company.

The Committees constituted by the Board are : Audit Committee, Nomination and Remuneration Committee, Share Transfer & Stakeholders’ Relationship Committee, and Credit & Investment Committee.

### 1. Audit Committee

Audit Committee was constituted by the Board in compliance with the requirements of the Companies Act, 2013. The scope of Audit Committee includes detailed review of financial statements prior to consideration by the Board of Directors, approval of annual internal audit plan, review of internal and other audit reports, review of financial reporting system, internal financial control with reference to financial statements and risk management system. Audit Committee makes recommendation for appointment of statutory and internal auditors.

Composition:

The Audit Committee has two Independent Directors and one Non-executive Director, namely, Mr. Dipankar Chatterji, Independent Director, as Chairman, Mr. Deepak Mukerjee, Independent Director, as Member and Mr. Asoke Kumar Mukhuty, Non-executive Director, as Member.

Audit Committee held three meetings during the financial year 2019-20 on 15/05/2019, 28/11/2019 and 27/02/2020 respectively.

All the recommendations made by the Audit Committee during the FY 2019-20 were accepted by the Board.

### 2. Nomination & Remuneration Committee (“NRC”)

Terms of Reference of the Committee, inter alia, include the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- formulate criteria for evaluation of performance of the Board, its Committees and Directors, and also carry out evaluation of every director’s performance annually.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, consider appointment and remuneration for Directors, key managerial personnel and others and recommend to the Board their appointment and / or removal.



The NRC comprises Mr. Dipankar Chatterji, Independent Director, as Chairman, and Mr. Deepak Mukerjee, Independent Director, and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members.

The Committee held two meetings on 15/05/2019 and 28/11/2019 during the FY 2019-20.

The Chairman of the Committee was present at the last Annual General Meeting held on August 19, 2019.

### **3. Share Transfer & Stakeholders Relationship Committee**

The Share Transfer & Stakeholders Relationship Committee considers grievances, if any, of the security holders of the Company. The scope of work of the Committee also covers consideration, approval and registration of share transmission and issue of duplicate or renewed share certificates.

#### **Composition:**

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

The Committee held one meeting during the FY 2019-20 on 16/03/2020.

The Chairman of the Committee was present at the last Annual General Meeting held on August 19, 2019.

### **4. Credit & Investment Committee**

The Credit & Investment Committee sanctions credit facilities to the customers, and also approves proposals for investment/disinvestment of the Company's surplus funds in different investment instruments/ avenues under the powers delegated to it by the Board.

The Credit & Investment Committee has the following members :

Mr. S.K. Roy, Mr. Bhargab Lahiri, Mr. A.K. Mukhuty, Mr. K Balasubramanian, all Non-executive Directors, and Mr. Abhishek Tania, Managing Director & CEO.

### **Statutory Auditors**

M/s. Mukund M Chitale & Co., Chartered Accountants (FRN 106655W), Statutory Auditors, were appointed at the 29th Annual General Meeting of the Company held on 14/07/2017, for a period of five years from the conclusion of the 29th AGM till the conclusion of 34th AGM to be held in the calendar year 2022.

### **Explanation to Auditors' Observations**

There is no qualification, reservation or adverse remarks made by the Statutory Auditors in their Report for the FY 2019-20 that needs to be explained or responded to.

### **Particulars of Employees**

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

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

The Company has put in place a Policy against Sexual Harassment of Women at workplace in compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee, as set up by the Board, redresses complaints, if any.

However, no complaint on sexual harassment has been made so far including the year under review.

Necessary awareness programmes are held to spread awareness among the employees periodically.

### **Fraud Reporting**

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

**Accounting Standard Followed**

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 of the Companies Act, 2013. The Company also follows RBI Directions. The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values in accordance with the provisions of the Act and the rules made thereunder. Accounting policies adopted in the preparation of the Financial Statements have been consistently followed in the FY 2019-20.

**Directors Responsibility Statement**

Proper systems and procedures for the business and affairs of the Company have been devised by your Directors and a number of policies have been implemented to safeguard the ability of the Company to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholders' value. Your Directors have assessed the Company's ability to continue as a going concern and found it to be adequate.

To the best of the knowledge and belief and according to the information and explanations obtained, your Directors confirm that -

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2018-19 and of the profit & loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and all applicable Secretarial Standards and that such systems were adequate and operating effectively.

**Significant / material Orders passed by the Regulators**

There was no significant material order, which was passed by the Regulators or Courts or Tribunals during the year under review, impacting the going concern status of your Company and its operations in future.

**Whistle Blower Policy & Vigil Mechanism**

In order to encourage the employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies or law and also encourage reporting of any event (actual or potential) of misconduct that is not reflective of the values and principles of the Organization, the Company has formulated a Whistleblower Policy ("the Policy"), with a view to provide a mechanism for all the stakeholders to approach the Chairman of the Audit Committee. The said policy has been posted on the website of the Company.

**General Disclosures**

Your Directors further state and confirm the following in respect of the FY 2019-20.

1. During the year under review there was no change in the nature of business of the Company.
2. Your Company did not accept nor hold any deposit covered under Chapter V of the Act.
3. The provisions of the Companies Act, 2013 for providing details about CSR Policy and implementation and initiative taken thereon do not apply to the Company.
4. Your Company did not issue equity shares with differential rights as to dividend, voting or otherwise.

5. Your Company did not issue any shares (including ESOP and sweat equity shares) to employees of the Company under any scheme.
6. Disclosure regarding receiving of any remuneration or commission by the Managing Director from its holding/subsidiary company is not required, since Managing Director & CEO of the Company does not hold any such position.
7. There was no corporate action, such as buy- back of securities, payment of dividend declared, mergers and de-mergers, delisting, split and issue of any securities etc. announced by the Company during the year under review, failure to implement which is required to be disclosed.
8. Since the Company is a Non-Banking Financial Company, the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not required by the Company accordingly such accounts and records are not made and maintained by the Company.

### **Acknowledgment**

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the RBI, Registrar of Companies, Ministry of Corporate Affairs, and other Government and Regulatory agencies. They would also like to convey their appreciation to PGFI, the holding company, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation for the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

The Directors regret the loss of lives that occurred all over the world due to COVID-19 pandemic and would like to express their appreciation and immense respect to the warriors of the COVID-19 pandemic, such as, doctors, nurses, medical staffs, cleaners, police, suppliers of emergency goods and services, voluntary organisations etc. who have risked their lives to fight this pandemic.

For and on behalf of the Board

Kolkata  
Date : 16th October, 2020

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

Deepak Mukerjee  
Chairman  
(DIN : 00046690)

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31/03/2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

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

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

##### (i) Category-wise Share Holding

| Category of Shareholders   | No. of Shares held at the beginning of the year |                    |                    |                   | No. of Shares held at the end of the year |                    |                    |                   | % Change during the year |
|--|---|--------------------|--------------------|-------------------|---|--------------------|--------------------|-------------------|--------------------------|
|  | Demat   | Physical           | Total              | % of Total Shares | Demat                                     | Physical           | Total              | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| (1) <b>Indian</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| (a) Individual/HUF   | —   | 2,65,501           | 2,65,501           | 0.71              | 133125                                    | 138001             | 271126             | 0.7277            | +0.0177                  |
| (b) Central Govt   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (c) State Govt (s)   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (d) Bodies Corp.   | —   | 36583251           | 36583251           | 98.18             | 574000                                    | 36011251           | 36585251           | 98.1946           | +0.0046                  |
| (e) Banks/FI   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (f) Any Other.....   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| <b>Sub-total (A) (1):-</b>   | —   | 36848752           | 36848752           | 98.9              | 707125                                    | 36149252           | 36856377           | 98.9223           | +0.02                    |
| (2) <b>Foreign</b>   |   |                    |                    |                   |   |                    |                    |                   |                          |
| (a) NRIs - Individuals   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (b) Other - Individuals  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (c) Bodies Corp.   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (d) Banks / FI   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (e) Any Other.....   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| <b>Sub-total (A) (2):-</b>   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| <b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                          | —   | 36848752           | 36848752           | 98.9              | 707125                                    | 36149252           | 36856377           | 98.9223           | +0.02                    |
| <b>B. Public Shareholding</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| 1. <b>Institutions</b>   |   |                    |                    |                   |   |                    |                    |                   |                          |
| (a) Mutual Funds   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (b) Banks/FI   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (c) Central Govt   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (d) State Govt(s)  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (e) Venture Capital Funds  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (f) Insurance Companies  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (g) FII's  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (h) Foreign Venture Capital Funds  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (i) Others (specify)   | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| <b>Sub-total (B)(1):-</b>  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| 2. <b>Non-Institutions</b>   |   |                    |                    |                   |   |                    |                    |                   |                          |
| (a) <b>Bodies Corp.</b>  |   |                    |                    |                   |   |                    |                    |                   |                          |
| (i) Indian   | —   | 25000              | 25000              | 0.07              | 10000                                     | 15000              | 25000              | 0.07              | —                        |
| (ii) Overseas  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (b) <b>Individuals</b>   |   |                    |                    |                   |   |                    |                    |                   |                          |
| (i) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh  | 3510  | 380646             | 384156             | 1.03              | 4590                                      | 371941             | 376531             | 1.01              | -0.02                    |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| (c) Other (specify)  | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| <b>Sub-total (B)(2):-</b>  | 3510  | 405646             | 409156             | 1.10              | 14590                                     | 386941             | 401531             | 1.08              | -0.02                    |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                                 | 3510  | 405646             | 409156             | 1.10              | 14590                                     | 386941             | 401531             | 1.08              | -0.02                    |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                             | —   | —                  | —                  | —                 | —   | —                  | —                  | —                 | —                        |
| <b>Grand Total (A+B+C)</b>   | <b>3510</b>                                     | <b>3,72,54,398</b> | <b>3,72,57,908</b> | <b>100</b>        | <b>721715</b>                             | <b>3,65,36,193</b> | <b>3,72,57,908</b> | <b>100</b>        | <b>—</b>                 |

**(ii) Shareholding of Promoters**

| Sl. No. | Shareholder's Name                                 | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |   | % change In share holding during the year |
|---------|--|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
|         |  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares |   |
| 1.      | The Peerless General Finance & Investment Co. Ltd. | 3,44,89,401                               | 92.57                            | —   | 3,44,89,401                         | 92.57                            | —   | —   |
| 2       | Shikha Holding Pvt. Ltd.                           | 8,75,275                                  | 2.35                             | —   | 8,75,275                            | 2.35                             | —   | —   |
| 3       | Bichitra Holdings Pvt. Ltd.                        | 6,46,575                                  | 1.7354                           | —   | 6,48,575                            | 1.7408                           | —   | +0.01                                     |
| 4       | Peerless Financial Products Distribution Ltd.      | 5,72,000                                  | 1.54                             | —   | 5,72,000                            | 1.54                             | —   | —   |
| 5       | Sunil Kanti Roy                                    | 27,501                                    | 0.07                             | —   | 27,501                              | 0.07                             | —   | —   |
| 6       | Jayanta Roy  | 1,25,000                                  | 0.34                             | —   | 1,25,000                            | 0.34                             | —   | —   |
| 7       | Shikha Roy   | 62,500                                    | 0.17                             | —   | 62,500                              | 0.17                             | —   | —   |
| 8       | Tushar Kanti Roy                                   | 500                                       | 0.001                            | —   | 500                                 | 0.001                            | —   | —   |
| 9       | Debasree Roy                                       | 50,000                                    | 0.13                             | —   | 50,000                              | 0.13                             | —   | —   |
|         | Total  | 3,68,48,752                               | 98.90                            | —   | 3,68,56,377                         | 98.92                            | —   | +0.02                                     |

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

| Sl. No. |   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|         | At the beginning of the year  | <b>3,68,48,752</b>                        | <b>98.90</b>                     | —                                       | —                                |
|         | 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): | 7625                                      | 0.02                             | <b>3,68,56,377</b>                      | <b>98.92</b>                     |
|         | At the end of the year  | —   | —                                | <b>3,68,56,377</b>                      | <b>98.92</b>                     |

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

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                     | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | PEERLESS ADVTG & ALLIED SER P LTD   | 10000                                     | 0.027                            | 10000                                   | 0.027                            |
| 2       | T T INVESTMENTS PVT LTD             | 10000                                     | 0.027                            | 10000                                   | 0.027                            |
| 3       | EL GRAPHICUS PVT LTD                | 5000                                      | 0.013                            | 5000                                    | 0.013                            |
| 4       | VINAYAK G PAWAR                     | 4000                                      | 0.011                            | 4000                                    | 0.011                            |
| 5       | ASIS KUSUM CHATTERJEE               | 2500                                      | 0.007                            | 2500                                    | 0.007                            |
| 6       | SUBHRANGSHU CHAKRABARTI             | 2000                                      | 0.005                            | 2000                                    | 0.005                            |
| 7       | KAKOLI SEN                          | 2000                                      | 0.005                            | 2000                                    | 0.005                            |
| 8       | PUSHPALATA L BANGERA                | 1400                                      | 0.004                            | 1400                                    | 0.004                            |
| 9       | KISHAN KUMAR GANDHI                 | 1250                                      | 0.003                            | 1250                                    | 0.003                            |
| 10      | AJIT KUMAR CHATTERJEE               | 1250                                      | 0.003                            | 1250                                    | 0.003                            |

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

| Sl. No. | For each of the Directors and KMP  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | Sunil Kanti Roy  |   |                                  |   |                                  |
|         | At the beginning of the year   | 27501                                     | 0.07                             |   |                                  |
|         | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ <b>transfer</b> /bonus/sweat equity etc): | —   | —                                | —                                       | —                                |
|         | At the end of the year   |   |                                  | 33126                                   | 0.089                            |
| 2       | Bhargab Lahiri   |   |                                  |   |                                  |
|         | At the beginning of the year   | 200                                       | 0.0005                           |   |                                  |
|         | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ <b>transfer</b> /bonus/sweat equity etc): | —   | —                                | —                                       | —                                |
|         | At the end of the year   |   |                                  | 200                                     | 0.0005                           |
| 3       | Asoke Kumar Mukhuty  |   |                                  |   |                                  |
|         | At the beginning of the year   | 1451                                      | 0.0039                           |   |                                  |
|         | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ <b>transfer</b> /bonus/sweat equity etc): | —   | —                                | —                                       | —                                |
|         | At the end of the year   |   |                                  | 1451                                    | 0.0039                           |
| 4       | Abhishek Tantia  |   |                                  |   |                                  |
|         | At the beginning of the year   | 10  | 0.00002                          |   |                                  |
|         | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ <b>transfer</b> /bonus/sweat equity etc): | 0   | 0                                | 10                                      | 0.00002                          |
|         | At the end of the year   |   |                                  | 10                                      | 0.00002                          |
| 5       | Partha Bose  |   |                                  |   |                                  |
|         | At the beginning of the year   | 10  | 0.00002                          |   |                                  |
|         | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ <b>transfer</b> /bonus/sweat equity etc): | 0   | 0                                | 10                                      | 0.00002                          |
|         | At the end of the year   |   |                                  | 10                                      | 0.00002                          |
| 6       | Biswajit Das   |   |                                  |   |                                  |
|         | At the beginning of the year   | 10  | 0.00002                          |   |                                  |
|         | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ <b>transfer</b> /bonus/sweat equity etc): | 0   | 0                                | 10                                      | 0.00002                          |
|         | At the end of the year   |   |                                  | 10                                      | 0.00002                          |
|         |  | <b>29,182</b>                             | <b>0.0744</b>                    | <b>34,807</b>                           | <b>0.0934</b>                    |



## V. INDEBTEDNESS

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl.<br>No. | Particulars of Remuneration   | Name of MD/<br>WTD/Manager      | Total<br>Amount  |
|------------|---|---------------------------------|------------------|
|            |   | Mr. Abhishek Tantia<br>MD & CEO |                  |
| 1          | Gross salary  |                                 |                  |
|            | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 28,88,697                       | 28,88,697        |
|            | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 4,24,079                        | 4,24,079         |
|            | (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961      |                                 |                  |
| 2          | Stock Option  | —                               | —                |
| 3          | Sweat Equity  | —                               | —                |
| 4          | Commission  |                                 |                  |
|            | – as % of profit  | —                               | —                |
|            | – others, specify   | —                               | —                |
| 5          | Others, please specify  |                                 |                  |
| 6          | Total (A)   | <b>33,12,776</b>                | <b>33,12,776</b> |

**B. Remuneration to other directors:**

| Sl. No. | Particulars of Remuneration                  | Name of Directors   |               |                   |               |                  |                        | Total Amount |
|---------|--|---|---------------|-------------------|---------------|------------------|------------------------|--------------|
|         |  | Mr. Deepak Mukerjee   | Mr. S. K. Roy | Mr. A. K. Mukhuty | Mr. B. Lahiri | Mr. D. Chatterji | Mr. K. Balasubramanian |              |
| 1.      | Independent Directors                        |   |               |                   |               |                  |                        |              |
|         | • Fee for attending board/committee meetings | 1,50,000  | —             | —                 | —             | 1,50,000         | —                      | 3,00,000     |
|         | • Commission                                 | —   | —             | —                 | —             | —                | —                      | —            |
|         | • Others, please specify                     | —   | —             | —                 | —             | —                | —                      | —            |
|         | Total (1)                                    | 1,50,000  | —             | —                 | —             | 1,50,000         | —                      | 3,00,000     |
| 2.      | Other Non-Executive Director                 |   |               |                   |               |                  |                        |              |
|         | • Fee for attending board/committee meetings | —   | 60,000        | 1,60,000          | 1,20,000      | —                | 1,20,000               | 4,60,000     |
|         | • Commission                                 | —   | —             | —                 | —             | —                | —                      | —            |
|         | • Others, please specify                     | —   | —             | —                 | —             | —                | —                      | —            |
|         | Total (2)                                    | —   | 60,000        | 1,60,000          | 1,20,000      | —                | 1,20,000               | 4,60,000     |
|         | Total (B)=(1+2)                              | 1,50,000  | 60,000        | 1,60,000          | 1,20,000      | 1,50,000         | 1,20,000               | 7,60,000     |
|         | Total Managerial Remuneration                |   |               |                   |               |                  |                        | 40,72,776    |
|         | Overall Ceiling as per the Act               | As per resolutions passed by Nomination & Remuneration Committee, Board of Directors and Special Resolution passed/to be passed by the shareholders as per relevant sections of the Companies Act and the Schedule made thereunder. |               |                   |               |                  |                        |              |

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

| Sl.No. | Particulars of Remuneration   | Key Managerial Personnel |                 |                  |
|--------|---|--------------------------|-----------------|------------------|
|        |   | Company Secretary        | CFO             | Total            |
| 1.     | Gross salary  |                          |                 |                  |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 11,35,704                | 5,52,293        | 15,19,070        |
|        | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 21,000                   | 21,000          | 88,834           |
|        | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961       | —                        | —               | —                |
| 2.     | Stock Option  | —                        | —               | —                |
| 3.     | Sweat Equity  | —                        | —               | —                |
| 4.     | Commission  |                          |                 |                  |
|        | – as % of profit  | —                        | —               | —                |
|        | – others, specify...  | —                        | —               | —                |
| 5.     | Others, please specify  | —                        | —               | —                |
|        | Total   | <b>11,56,704</b>         | <b>5,73,293</b> | <b>17,29,997</b> |

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

| Type                         | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give Details) |
|------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| A. COMPANY                   |                              |                   |  |                             |                                    |
| Penalty                      | None                         |                   |  |                             |                                    |
| Punishment                   |                              |                   |  |                             |                                    |
| Compounding                  |                              |                   |  |                             |                                    |
| B. DIRECTORS                 |                              |                   |  |                             |                                    |
| Penalty                      | None                         |                   |  |                             |                                    |
| Punishment                   |                              |                   |  |                             |                                    |
| Compounding                  |                              |                   |  |                             |                                    |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |  |                             |                                    |
| Penalty                      | None                         |                   |  |                             |                                    |
| Punishment                   |                              |                   |  |                             |                                    |
| Compounding                  |                              |                   |  |                             |                                    |

For and on behalf of the Board

Deepak Mukerjee  
(DIN : 00046690)  
Chairman

Kolkata  
Date : 16th October, 2020

Registered office :  
"PEERLESS BHAVAN"

3, Esplanade East  
Kolkata - 700 069

## ANNEXURE "B"

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

**1. Details of contracts or arrangements or transactions not at arm's length basis**

|     |   |      |
|-----|---|------|
| (a) | Name(s) of the related party and nature of relationship   | NIL  |
| (b) | Nature of contracts/arrangements/ transactions  | N.A. |
| (c) | Duration of the contracts / arrangements/ transactions  | N.A. |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any                        | N.A. |
| (e) | Justification for entering into such contracts or arrangements or transactions                                    | N.A. |
| (f) | Date(s) of approval by the Board  | N.A. |
| (g) | Amount paid as advances, if any   | N.A. |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | N.A. |

**2. Details of material contracts or arrangement or transactions at arm's length basis**

(i)

|     |   |  |
|-----|---|--|
| (a) | Name(s) of the related party and nature of relationship                                     | The Peerless General Finance & Investment Co. Ltd. (Holding Company) |
| (b) | Nature of contracts/ arrangements/transactions  | Service Received   |
| (c) | Duration of the contracts / arrangements/ transactions                                      | 01.04.2019 to 31.03.2020   |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | Payment of Rent<br>Rs. 15,82,271/-. (incl. GST)                      |
| (e) | Date(s) of approval by the Board/Audit Committee, if any                                    |  |
| (f) | Amount paid as advances, if any:  | NIL  |

(ii)

|     |   |   |
|-----|---|---|
| (a) | Name(s) of the related party and nature of relationship                                     | Peerless Securities Ltd. (a subsidiary of the holding company)        |
| (b) | Nature of contracts/ arrangements/transactions  | Service received  |
| (c) | Duration of the contracts / arrangements/ transactions                                      | 01.04.2019 to 31.03.2020  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | Payment of Demat Maintenance Charges<br>Rs. 4,722/-.(incl. GST-720/-) |
| (e) | Date(s) of approval by the Board/Audit Committee, if any                                    |   |
| (f) | Amount paid as advances, if any:  | NIL   |

(iii)

|     |   |   |
|-----|---|---|
| (a) | Name(s) of the related party and nature of relationship                                     | Peerless Hotels Ltd. (a subsidiary of the holding company)                          |
| (b) | Nature of contracts/ arrangements/transactions  | Service received  |
| (c) | Duration of the contracts / arrangements/ transactions                                      | 01.04.2019 to 31.03.2020  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | Cost of food and conference room hire charges and hotel booking etc. Rs.1,19,592/-. |
| (e) | Date(s) of approval by the Board/Audit Committee, if any                                    |   |
| (f) | Amount paid as advances, if any:  | NIL   |

(iv)

|     |   |   |
|-----|---|---|
| (a) | Name(s) of the related party and nature of relationship                                     | Peerless Hotels Ltd. (a subsidiary of the holding company)  |
| (b) | Nature of contracts/ arrangements/transactions  | Service received  |
| (c) | Duration of the contracts / arrangements/ transactions                                      | 01.04.2019 to 31.03.2020  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | Rent and reimbursement of maintenance expenses for flat at Avidipta-1 received for Rs.6,19,632/-. |
| (e) | Date(s) of approval by the Board, if any  |   |
| (f) | Amount paid as advances, if any:  | NIL   |

(v)

|     |   |   |
|-----|---|---|
| (a) | Name(s) of the related party and nature of relationship                                     | Bengal Peerless Housing Development Company Ltd (an Associate Company of the Holding Company)   |
| (b) | Nature of contracts/ arrangements/transactions  | Service received  |
| (c) | Duration of the contracts / arrangements/ transactions                                      | 01.04.2019 to 31.03.2020  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | Installments paid for acquiring two flats at AVIDIPTA II Housing Complex for Rs. 66,48,580/- including GST. (Total Cost of two flats is Rs.3,34,05,817/-) |
| (e) | Date(s) of approval by the Board, if any  |   |
| (f) | Amount paid as advances, if any:  | NIL   |

(vi)

|     |   |   |
|-----|---|---|
| (a) | Name(s) of the related party and nature of relationship                                     | Kaizen Liesure & Holidays Ltd (Associate Company)   |
| (b) | Nature of contracts/ arrangements/transactions  | Service received  |
| (c) | Duration of the contracts / arrangements/ transactions                                      | 01.04.2019 to 31.03.2020  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | For ticket booking of Airlines for MD & CEO for his official visit to Mumbai : Rs. 70,600/- (incl cost of ticket) |
| (e) | Date(s) of approval by the Board, if any  |   |
| (f) | Amount paid as advances, if any:  | NIL   |

For and on behalf of the Board

Deepak Mukerjee  
(DIN : 00046690)  
Chairman

Kolkata  
Date : 16th October, 2020

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

## ANNEXURE “C”

## ANNEXURE TO THE DIRECTORS’ REPORT

**Particulars of Employees pursuant to the provisions of Section 134 of the Companies Act, 2013 read with sub-rule (2) of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors’ Report for the year ended 31st March, 2020.**

|   | Name                            | Age<br>(Years) | Designation                                  | Gross<br>Remune-<br>ration<br>(Rs.) | Nature<br>of<br>Employ-<br>ment | Qualification  | Experience<br>(Years) | Date of<br>Commence<br>ment of<br>Employment | Last<br>Employment<br>/Post held                             |
|---|---------------------------------|----------------|--|-------------------------------------|---------------------------------|--|-----------------------|--|--|
|   | 1                               | 2              | 3  | 4                                   | 5                               | 6  | 7                     | 8  | 9  |
| <b>A Top ten Employees in terms of remuneration</b> |                                 |                |  |                                     |                                 |  |                       |  |  |
| 1   | Abhishek Tantia                 | 38             | MD & CEO                                     | 40,62,952/-                         | Contractual                     | ACA, MBA   | 13                    | 02/01/2017                                   | Peerless Securities Ltd. / Chief Financial Officer           |
| 2   | Biswajit Das                    | 51             | Company Secretary & Chief Compliance Officer | 12,10,132/-                         | Non-contractual                 | B.Com (Hons), ACS.                                       | 25                    | 18/06/2015                                   | The Peerless General Finance & Investment Co. Ltd. /Manager  |
| 3   | Partha Bose                     | 54             | Chief Financial Officer                      | 6,21,731/-                          | Non-contractual                 | B.Sc, ICWA   | 26                    | 29/09/1994                                   | NIL  |
| 4   | Brijesh Goyal                   | 33             | Chief Manager- Credit                        | 10,44,660/-                         | Non-contractual                 | B.Com (Hons), ACA, AICWA                                 | 9                     | 07/05/2018                                   | Allahabad Bank / Sr. Manager                                 |
| 5   | Arnab Mukhuty                   | 39             | Chief Manager- Marketing                     | 13,00,020/-                         | Non-contractual                 | B.Com(Hons), MBA(Finance & Marketing), M.SC. (Marketing) | 14                    | 25/06/2018                                   | YES Bank Ltd/ Sr. Manager                                    |
| 6   | Saptarshi Roy Bardhan           | 53             | Chief Manager- Legal & Risk                  | 9,72,000/-                          | Non-contractual                 | B.Com. (Hons) , MBA (Finance)                            | 27                    | 20/12/2017                                   | BMA Wealth Creators Ltd./ VP                                 |
| 7   | Atanu Basak (Part of the year)  | 30             | Manager – Loan to Professionals (East)       | 7,42,534/-                          | Non-contractual                 | B. Com (Hons)  | 8                     | 12/06/2019                                   | Bajaj Finserv / Area Manager – Professional Loan, Direct     |
| 8   | Somraj Saha (Part of the year)  | 30             | Manager – Equipment Finance                  | 5,83,022/-                          | Non-contractual                 | B.Com, MBA   | 5                     | 01/07/2019                                   | SREI / Assistant Manager - Healthcare                        |
| 9   | Rubun Mondal (Part of the year) | 36             | Manager – Business Loan                      | 2,17,219/-                          | Non-contractual                 | B.Sc., Post-Graduation                                   | 5                     | 20/01/2020                                   | Branch Sales Manager – S&D - Microfinance                    |
| 10  | Rajat Kanti Bhanja Choudhury    | 45             | Manager - credit                             | 2,27,148/-                          | Non-contractual                 | B.Com. (Hons), MBA                                       | 16                    | 12/06/2015                                   | TATA Asset Management Ltd/ regional Co ordinator (Operation) |

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

**None**

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

**None**

- Notes: 1. Gross remuneration comprises salary and allowances, company's contribution to Provident Fund, Monetary value of perquisites etc. The employees are also entitled to Gratuity in accordance with the rules of the Company.
2. The nature of employment is contractual in case of Managing Director & CEO. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice of either side and liable to transfer to any division/holding/associate companies.
3. Mr. Arnab Mukhuty, Chief Manager- Marketing (joined w.e.f. 25/06/2018), is a relative of Mr. Asoke Kumar Mukhuty, Director. None of the other employees is a relative of any Director of the Company.
4. None of the employees together with their relatives hold shares of 2% or more of the paid up share capital of the Company.

For and on behalf of the Board

Kolkata  
Date : 16th October, 2020

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

Deepak Mukerjee  
(DIN : 00046690)  
Chairman



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

### **Report on the Audit of Ind AS Financial Statements**

#### **1. Opinion**

We have audited the accompanying Ind AS financial statements of Peerless Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including total other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **2. Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, as prescribed under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **3. Information other than Ind AS financial statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

#### **4. Responsibilities of the Management and Those charged with governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 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 Ind AS financial statement, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

## **5. Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Companies Act, 2013 (“the Act”), we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **6. Emphasis of matter**

As described in Note 44.1 to the standalone financial statements, in respect of standard accounts at 29 February 2020 where moratorium benefit has been granted, the classification of those accounts as on 31 March 2020 is based on the days past due status as on 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

Further, as described in Note 44.2 to the standalone financial statements, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

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

- i) 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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii) As stated in Note 36 of the accompanying Ind AS financial statements, the Company is not systematically Important Non-deposit taking Non-Banking Financial Company and therefore provisions of para 3 (C)(iv) are not applicable to the company.
- iii) As required by section 143(3) of the Act, based on our audit 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of written representations received from the Directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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" to this report.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mukund M. Chitale & Co.  
Chartered Accountants  
Firm's Registration No.: 106655W

S. M. Chitale  
Partner

Date : 3rd August, 2020  
Place : Mumbai

Membership No.: 111383  
UDIN : 20111383AAAAKP7332

## **Annexure A to the Independent Auditor's Report of even date on the financial statements of Peerless Financial Services Limited**

### **Referred to in paragraph [7 (i)] under Report on Other Legal and Regulatory Requirements of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us, fixed assets of the Company have been physically verified by the management during the year, which in our opinion is reasonable having regards the size of the Company and nature of its business. No material discrepancies were noticed on such physical verification.
- (c) According to information and explanations given to us and on the basis of our examination of records of the company, the title deeds of immovable property are held in the name of the Company.
- (ii) The Company has no inventory and accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). On the basis of information and explanations given to us and on the basis of our verification we have observed that:
  - (a) The terms and conditions of the grant of these loans are not prejudicial to the interest of the Company.
  - (b) Schedule of repayment of principal and payment of interest has been stipulated and the company is regular in the repayments of these amounts.
  - (c) Since repayment of principal amount of receipts of interest are regular provisions of paragraph 3(iii) (c) is not applicable to the Company and hence not commented upon.
- (iv) As explained to us, since the Company is engaged in the business of financing and has not acquired securities of any other body corporate, thus the provisions of section 185 and section 186 of the Act are not applicable to the Company. Accordingly, the provisions of paragraph 3(iv) of the Order are not applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of the cost records under section 148 (1) of the Companies Act, 2013.
- (vii) (a) According to information and explanations given to us, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident fund, Employee's State Insurance, Income-tax, Sales tax, Service tax / Goods and Service tax, duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it as per the available records, as far as ascertained by us on our verification.  
According to information and explanations given to us there were no undisputed amount payable in respect of outstanding statutory dues as aforesaid as at 31st March 2019 for a period more than six months from the date they become payable.
- (b) According to information and explanations given to us, dues in respect of Sales tax, Income tax, Custom duty, Wealth Tax, Service Tax/ Goods and Service tax, Excise duty, Value Added Tax and Cess that have not been deposited with the appropriate authorities on account of any dispute is as under:

| <b>Name of Statute</b> | <b>Nature of the Dues</b> | <b>Amount Rs.</b> | <b>Period to which the amount relates</b> | <b>Forum where dispute is pending</b> |
|------------------------|---------------------------|-------------------|---|---------------------------------------|
| Income Tax Act, 1961   | Income Tax                | 16,23,940         | A.Y. 2008-2009                            | Dy. Commissioner of Income Tax        |

- (viii) According to information and explanation provided to us, the Company has not taken any loans or borrowings from any Financial Institutions or Banks or Government during the year. The Company has not issued any debentures as at balance sheet date. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments and term loans; during the year, hence reporting under paragraph 3 (ix) is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report, we have neither come across any incidence of fraud by the company or fraud on the Company by the officers and employees of the Company nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, and based on our verification of records, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, and based on our verification of records of the Company and on the basis of review and approvals by the Board and Audit Committee, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under paragraph 3(xiv) are not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is required to be Registered under section 45-IA of the Reserve Bank of India Act, 1934 and the said registration has been obtained.

For Mukund M. Chitale & Co.  
Chartered Accountants  
Firm's Registration No.: 106655W

S. M. Chitale  
Partner

Date : 3rd August, 2020  
Place : Mumbai

Membership No.: 111383  
UDIN : 20111383AAAAKP7332

**Annexure B to the Independent Auditor's Report of even date on the financial statements of Peerless Financial Services Limited**

**Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements 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")**

1. We have audited the internal financial controls over financial reporting of Peerless Financial Services Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date

**Management's Responsibility for Internal Financial Controls**

2. 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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**

3. 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 and the Standards on Auditing as specified under section 143(10) of the Act, to the extent 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

4. 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

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

5. 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**

6. 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, 2020, 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 Mukund M. Chitale & Co.  
Chartered Accountants  
Firm's Registration No.: 106655W

S. M. Chitale  
Partner

Date : 3rd August, 2020  
Place : Mumbai

Membership No.: 111383  
UDIN : 20111383AAAAKP7332



## BALANCE SHEET AS ON 31ST MARCH, 2020

(Amount in Rs. thousand)

| Particulars   | Note No. | As on 31st<br>March, 2020 | As on 31st<br>March, 2019 |
|---|----------|---------------------------|---------------------------|
| <b>ASSETS</b>   |          |                           |                           |
| <b>(I) Financial Assets</b>   |          |                           |                           |
| (a) Cash and Cash Equivalent  | 5        | 10,328.29                 | 52,473.70                 |
| (b) Loans   | 6        | 162,563.70                | 152,811.60                |
| (c) Investments   | 7        | 313,588.07                | 290,333.96                |
| (d) Other Financial assets  | 8        | 1,893.07                  | 1,634.08                  |
|   |          | <u>488,373.12</u>         | <u>497,253.34</u>         |
| <b>(II) Non Financial Assets</b>  |          |                           |                           |
| (a) Current Tax Assets (Net)  | 9        | 17,932.97                 | 11,764.28                 |
| (b) Deferred Tax Assets (Net)   | 10       | 2,581.37                  | 1,046.60                  |
| (c) Investment Property   | 11       | 9,242.55                  | 9,405.41                  |
| (d) Property, Plant and Equipment   | 12       | 6,041.20                  | 3,158.63                  |
| (e) Intangible Assets under development   | 13       | 4,771.80                  | 40.00                     |
| (g) Other Intangible Assets   | 14       | 23.57                     | 52.47                     |
| (h) Other Non Financial Assets  | 15       | 19,147.21                 | 11,569.42                 |
|   |          | <u>59,740.67</u>          | <u>37,036.81</u>          |
| <b>Total Assets</b>   |          | <b><u>548,113.79</u></b>  | <b><u>534,290.15</u></b>  |
| <b>LIABILITIES AND EQUITY</b>   |          |                           |                           |
| <b>LIABILITIES</b>  |          |                           |                           |
| <b>(I) Financial Liabilities</b>  |          |                           |                           |
| (a) Payables  |          |                           |                           |
| (I) Trade Payables  | 16       |                           |                           |
| (i) Total outstanding dues of micro enterprises and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 |          | —                         | —                         |
| (ii) Other Dues   |          | 1,215.85                  | 420.44                    |
| (II) Other Payables   | 17       |                           |                           |
| (i) Total outstanding dues of micro enterprises and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 |          | —                         | —                         |
| (ii) Others   |          | 581.76                    | 492.16                    |
| (b) Other Financial Liabilities   | 18       | <u>2,747.18</u>           | <u>—</u>                  |
|   |          | 4,544.79                  | 912.60                    |
| <b>(II) Non Financial Liabilities</b>   |          |                           |                           |
| (a) Provisions  | 19       | 2,981.82                  | 1,466.59                  |
| (b) Other Non Financial Liabilities   | 20       | <u>441.07</u>             | <u>310.11</u>             |
|   |          | 3,422.89                  | 1,776.70                  |
| <b>(III) Equity</b>   |          |                           |                           |
| (a) Equity Share Capital  | 21       | 372,579.08                | 372,579.08                |
| (b) Other Equity  | 22       | <u>167,567.04</u>         | <u>159,021.78</u>         |
|   |          | 540,146.12                | 531,600.86                |
| <b>Total Liabilities and Equity</b>   |          | <b><u>548,113.80</u></b>  | <b><u>534,290.16</u></b>  |

The Notes to Account forms integral part of Financial Statements

1- 46

As per our report of even date

M/s Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

S. M. Chitale

Partner

Membership No. 111383

Place : Mumbai

Dated: 3rd August, 2020

Biswajit Das

Company Secretary

Partha Bose

Chief Financial Officer

On behalf of the Board

Deepak Mukerjee

Chairman

DIN-00046690

Dipankar Chatterji

Director

DIN-00031256

Abhishek Tantia

Managing Director

& CEO

DIN-07651661

Place : Kolkata

Dated: 31st July, 2020

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Amount in Rs. thousand)

| Particulars  | Note No. | For the Year ended 31st March, 2020 | For the Year ended 31st March, 2019 |
|--|----------|-------------------------------------|-------------------------------------|
| <b>Revenue from Operations</b>                                   |          |                                     |                                     |
| (i) Interest Income  | 23       | 14,613.93                           | 14,789.03                           |
| (ii) Dividend Income   | 24       | 0.28                                | 0.28                                |
| (iii) Fees and Commission Income                                 | 25       | 1,976.78                            | 762.90                              |
| (iv) Net gain on fair value changes                              | 26       | 2,013.11                            | 1,308.66                            |
| (v) Other Operating Revenues                                     | 27       | 19,231.59                           | 21,520.93                           |
| <b>(I) Total Revenue from Operations</b>                         |          | <b>37,835.69</b>                    | <b>38,381.80</b>                    |
| (II) Other Income  | 28       | 2,880.28                            | 4,608.86                            |
| <b>(III) Total Income (I + II)</b>                               |          | <b>40,715.97</b>                    | <b>42,990.66</b>                    |
| <b>Expenses</b>  |          |                                     |                                     |
| (i) Finance Cost   | 29       | 290.35                              | —                                   |
| (ii) Employee Benefits Expenses                                  | 30       | 15,887.05                           | 10,755.03                           |
| (iii) Depreciation, amortization and impairment                  | 31       | 2,014.61                            | 875.17                              |
| (iv) Other Expenses  | 32       | 11,051.19                           | 11,029.37                           |
| <b>(IV) Total Expenses</b>                                       |          | <b>29,243.20</b>                    | <b>22,659.57</b>                    |
| <b>(V) Profit / (Loss) before tax (III - IV)</b>                 |          | <b>11,472.77</b>                    | <b>20,331.09</b>                    |
| <b>(VI) Tax Expenses</b>   | 41       |                                     |                                     |
| (i) Current Tax  |          | 4,100.00                            | 6,300.00                            |
| (ii) Deferred Tax  |          | (1,443.61)                          | (785.24)                            |
|  |          | 2,656.39                            | 5,514.76                            |
| <b>(VII) Profit / (Loss) for the period (V - VI)</b>             |          | <b>8,816.38</b>                     | <b>14,816.33</b>                    |
| <b>(VIII) Other Comprehensive Income</b>                         |          |                                     |                                     |
| (i) Items that will not be reclassified to profit or loss        | 42       | (362.21)                            | (140.31)                            |
| (ii) Income Tax relating to above                                | 41.2     | (91.16)                             | (39.03)                             |
| <b>Other Comprehensive Income (i - ii)</b>                       |          | <b>(271.05)</b>                     | <b>(101.28)</b>                     |
| <b>(IX) Total Comprehensive Income for the period (VII+VIII)</b> |          | <b>8,545.33</b>                     | <b>14,715.05</b>                    |
| <b>(X) Earnings per equity share</b>                             |          |                                     |                                     |
| – Basic (Rs.)  | 38       | 0.24                                | 0.40                                |
| – Diluted (Rs.)  |          | 0.24                                | 0.40                                |

The Notes to Account forms integral part of Financial Statements 1- 46

On behalf of the Board

As per our report of even date  
M/s Mukund M. Chitale & Co.  
Chartered Accountants  
Firm Reg. No. 106655W  
S. M. Chitale  
Partner  
Membership No. 111383

Place : Mumbai  
Dated: 3rd August, 2020

Biswajit Das  
Company Secretary

Partha Bose  
Chief Financial Officer

Deepak Mukerjee  
Chairman  
DIN-00046690  
Dipankar Chatterji  
Director  
DIN-00031256  
Abhishek Tantia  
Managing Director  
& CEO  
DIN-07651661  
Place : Kolkata  
Dated: 31st July, 2020

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### (i) Equity Share Capital

| Particulars                         | Amount in Rs. Thousand |
|-------------------------------------|------------------------|
| <b>Balance as at March 31, 2018</b> | <b>372,579.08</b>      |
| Changes during the year             | —                      |
| <b>Balance as at March 31, 2019</b> | <b>372,579.08</b>      |
| Changes during the year             | —                      |
| <b>Balance as at March 31, 2020</b> | <b>372,579.08</b>      |

### (ii) Other Equity

As at March 31, 2020

(Amount in Rs thousand)

| Particulars  | Revenue & Surplus          |                            |   |                    |                   |
|--|----------------------------|----------------------------|---|--------------------|-------------------|
|  | Capital Redemption Reserve | Securities Premium Account | Special Reserve (in terms of Section 451C of Reserve Bank of India Act, 1934) | Retained Earning   | Total             |
| <b>Balance as at March 31, 2019</b>  | <b>8.00</b>                | <b>168,380.85</b>          | <b>15,524.89</b>  | <b>(24,892.03)</b> | <b>159,021.71</b> |
| Profit for the year  | —                          | —                          | —   | 8,816.38           | 8,816.38          |
| Other Comprehensive Income   |                            |                            |   |                    |                   |
| Remeasurement gain/(loss) on defined benefit plan including deferred tax thereon | —                          | —                          | —   | (271.05)           | (271.05)          |
| Transferred from Retained earnings to Special Reserve                            | —                          | —                          | 1,709.07  | (1,709.07)         | —                 |
| <b>Balance as at March 31, 2020</b>  | <b>8.00</b>                | <b>168,380.85</b>          | <b>17,233.96</b>  | <b>(18,055.77)</b> | <b>167,567.04</b> |

As at March 31, 2019

(Amount in Rs thousand)

|  |             |                   |                  |                    |                   |
|--|-------------|-------------------|------------------|--------------------|-------------------|
| <b>Balance as at March 31, 2018</b>  | <b>8.00</b> | <b>168,380.85</b> | <b>12,581.88</b> | <b>(36,664.00)</b> | <b>144,306.73</b> |
| Profit for the year  | —           | —                 | —                | 14,816.33          | 14,816.33         |
| Other Comprehensive Income   |             |                   |                  |                    |                   |
| Remeasurement gain/(loss) on defined benefit plan including deferred tax thereon | —           | —                 | —                | (101.28)           | (101.28)          |
| Transferred from Retained earnings to Special Reserve                            | —           | —                 | 2,943.01         | (2,943.01)         | —                 |
| <b>Balance as at March 31, 2019</b>  | <b>8.00</b> | <b>168,380.85</b> | <b>15,524.89</b> | <b>(24,891.96)</b> | <b>159,021.78</b> |

The Notes to Account forms integral part of Financial Statements 1- 46

As per our report of even date  
M/s Mukund M. Chitale & Co.  
Chartered Accountants  
Firm Reg. No. 106655W  
S. M. Chitale  
Partner  
Membership No. 111383

Place : Mumbai  
Dated: 3rd August, 2020

Biswajit Das  
Company Secretary

Partha Bose  
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee      Abhishek Tantia  
Chairman              Managing Director  
DIN-00046690      & CEO  
DIN-07651661  
Dipankar Chatterji  
Director  
DIN-00031256

Place : Kolkata  
Dated: 31st July, 2020

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020**

(Amount in Rs thousand)

|  | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |                                      |                                      |
| Profit before Tax  | 11,472.77                            | 20,331.09                            |
| Add : Depreciation and amortisation expenses   | 2,014.61                             | 875.17                               |
| Impairment allowances for doubtful loans   | 3,390.81                             | 3,176.92                             |
|  | <b>16,878.19</b>                     | <b>24,383.18</b>                     |
| Less : Interest Income on Fixed Deposit  | 2,227.96                             | 3,876.02                             |
| Dividend Income from Investments   | 0.28                                 | 0.28                                 |
| Net gain/(loss) on sale of Current Investments   | 19,231.59                            | 21,520.93                            |
| Net gain/(loss) on Fair Valuation of current investments   | 2,013.11                             | 1,308.66                             |
| Provisions / Liabilities no longer required written back   | —                                    | 72.85                                |
| <b>Operating Profit before Working Capital changes</b>   | <b>(6,594.75)</b>                    | <b>(2,395.54)</b>                    |
| (Increase)/ Decrease in loans and advances and other assets  | (20,979.69)                          | (74,373.54)                          |
| Increase/ (Decrease) in Trade Payable  | 795.41                               | (28.32)                              |
| Increase/ (Decrease) Liabilities/ Provisions   | 4,120.77                             | 423.02                               |
| <b>Cash generated / (used in ) from Operations</b>   | <b>(22,658.27)</b>                   | <b>(76,374.38)</b>                   |
| Less : Direct Taxes paid (Net)   | 10,268.69                            | 5,363.10                             |
| <b>Net cash flow from Operating activities</b>   | <b>(32,926.95)</b>                   | <b>(81,737.48)</b>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |                                      |                                      |
| Purchase of Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress | (9,437.22)                           | (570.45)                             |
| Purchase of current investments  | (1,262,402.00)                       | (1,047,494.19)                       |
| Sale of current investments  | 1,241,161.02                         | 1,084,597.50                         |
| Profit on Sale of Current Investments  | 19,231.59                            | 21,520.93                            |
| Interest received on Fixed Deposits  | 2,227.96                             | 3,876.02                             |
| Dividend received  | 0.28                                 | 0.28                                 |
| <b>Net Cash flow from Investing activities</b>   | <b>(9,218.48)</b>                    | <b>61,930.08</b>                     |

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs thousand)

|  | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>          |                                      |                                      |
| Proceeds/(Repayments) from short term borrowings (net) | —                                    | —                                    |
| Interest and other borrowing cost paid                 | —                                    | —                                    |
| <b>Net cash flow from Financing activities</b>         | <b>—</b>                             | <b>—</b>                             |
| <b>Cash and Cash equivalents (A+B+C)</b>               | <b>(42,145.43)</b>                   | <b>(19,807.40)</b>                   |
| <b>Cash and Cash equivalents as at 1st April</b>       | <b>52,473.71</b>                     | <b>72,281.11</b>                     |
| <b>Cash and Cash equivalents as at 31st March</b>      | <b>10,328.29</b>                     | <b>52,473.71</b>                     |

The Notes to Account forms integral part of Financial Statements 1- 46

Note :

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows' as notified under Companies Act, 2013.
- Cash and cash equivalents as at the Balance Sheet date consists of:

| Particulars                 | As on<br>31st March,<br>2020 | As on<br>31st March,<br>2019 |
|-----------------------------|------------------------------|------------------------------|
| Cash on hand                | 24.14                        | 5.58                         |
| <b>Balances with banks:</b> |                              |                              |
| In current accounts         | 10,304.15                    | 2,468.12                     |
| In fixed deposits           | —                            | 50,000.00                    |
|                             | <b>10,328.29</b>             | <b>52,473.70</b>             |

- There is no change in Company's liabilities arising from Financing Activities

As per our report of even date  
M/s Mukund M. Chitale & Co.  
Chartered Accountants  
Firm Reg. No. 106655W  
S. M. Chitale  
Partner  
Membership No. 111383

Place : Mumbai  
Dated: 3rd August, 2020

Biswajit Das  
Company Secretary

Partha Bose  
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee  
Chairman  
DIN-00046690

Dipankar Chatterji  
Director  
DIN-00031256

Abhishek Tania  
Managing Director  
& CEO  
DIN-07651661

Place : Kolkata  
Dated: 31st July, 2020

## Notes to the financial statements for the year ended 31st March 2020

### 1 Corporate Information

Peerless Financial Services Limited ('the company') is a public company in India having its corporate office in Kolkata in the State of West Bengal and registered office at Peerless Bhavan 3, Esplanade East, Kolkata - 700069 and is registered with Reserve Bank of India as a Non-Banking Financial Company (NBFC) with Registration No. B.05.05418.

### 2 Statement of Compliance and Recent Pronouncements

#### Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal thousands except otherwise stated.

#### Significant Accounting Policies

#### 3.1 Use of Estimates

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

#### 3.2 Investment Property

Properties held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their expected residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in

## Notes to the financial statements for the year ended 31st March 2020

case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

### 3.3 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, advances etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

#### Depreciation and Amortization

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipments and Office Equipments at all location of the Company.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows:

| Category                                     | Useful life |
|--|-------------|
| <b>Buildings</b>                             |             |
| Non-Factory Building                         | 60 Years    |
| <b>Computer equipment</b>                    |             |
| Data Processing Equipment                    | 3 Years     |
| Furniture and fixtures, Electrical Machinery | 10 Years    |
| Office equipment                             | 5 Years     |
| <b>Vehicles</b>                              |             |
| Motor Car                                    | 8 Years     |

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 3.4 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

### 3.5 Derecognition of Tangible and Intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### 3.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

### 3.7 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

### 3.8 Financial Assets and Financial Liabilities

Financial Assets and Financial Liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial Liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the



## Notes To Financial Statements For The Year Ended 31st March, 2020

acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

### (i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

### (ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and payments paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### (iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

### (v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

### (vi) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

## Notes To Financial Statements For The Year Ended 31st March, 2020

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

### **(vii) Derecognition of financial instruments**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

### **3.9 Equity Share Capital**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### **3.10 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 3.11 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc, are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the Balance Sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income ("OCI") in the period in which they occur.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

### 3.12 Revenue

#### Interest and Dividend

- The Company follows the accrual method of accounting for recognition of Income excepting in cases of uncertainties of collections, which are recognized on receipt basis.
  - Interest Income from financing by way of loan is recognised in terms of the respective agreements with the borrowers using effective interest rate method.
  - Dividend from Investments is accounted for when right to receive the same is established.
- In accordance with the guidelines issued by the Reserve Bank of India (RBI), incomes against non-performing assets are recognised on receipt basis.

### 3.13 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

### 3.14 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax

## Notes To Financial Statements For The Year Ended 31st March, 2020

liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

### 3.15 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

#### 4.1 Depreciation / amortization and impairment on property, plant and equipment / intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's

## Notes To Financial Statements For The Year Ended 31st March, 2020

or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

### 4.2 Arrangements containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

### 4.3 Impairment loss allowances of loans and advances

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

### 4.4 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

### 4.5 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### 4.6 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 5 CASH AND CASH EQUIVALENTS

(Amount in Rs thousand)

| Particulars          | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>31, 2019 |
|----------------------|------------------|-------------------------|-------------------------|
| Cash on hand         |                  | 24.14                   | 5.58                    |
| Balances with banks: |                  |                         |                         |
| In current accounts  |                  | 10,304.15               | 2,468.12                |
| In fixed deposits    |                  | —                       | 50,000.00               |
| <b>TOTAL</b>         |                  | <b>10,328.29</b>        | <b>52,473.70</b>        |

### 6 LOANS

(Amount in Rs thousand)

| Particulars   | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>31, 2019 |
|---|------------------|-------------------------|-------------------------|
| (i) Financing by way of Loans<br>(Unsecured and Considered good unless otherwise stated)<br>Measured at amortised cost: |                  |                         |                         |
| <b>A. Loans and Advances to related parties</b>   |                  |                         |                         |
| Unsecured Business Loan *   |                  | 37,000.00               | 65,000.00               |
|   |                  | 37,000.00               | 65,000.00               |
| Less: Impairment allowances **  | 6.1              | 499.60                  | —                       |
| <b>Sub-total (A)</b>  |                  | <b>36,500.40</b>        | <b>65,000.00</b>        |
| <b>B. Loans and Advances to Other parties</b>   |                  |                         |                         |
| Unsecured Business Loan   |                  | 4,650.49                | 50,000.00               |
| Secured Loan against Mortgage of properties   |                  | 10,772.67               | 11,938.42               |
| Secured Loan against charge of Machines & equipments  |                  | 50,101.38               | 6,787.48                |
| Secured loan against Insurance  |                  | 222.17                  | 276.62                  |
| Secured Loan against Mortgage of Properties & Pledge of shares  |                  | 1,159.22                | —                       |
| Vehicle Loan  |                  | 219.10                  | 271.52                  |
|   |                  | <b>67,125.03</b>        | <b>69,274.04</b>        |
| Less: Impairment allowances   | 6.1              | 5,922.18                | 4,000.00                |
|   |                  | <b>61,202.85</b>        | <b>65,274.04</b>        |
| <b>Unsecured</b>  |                  |                         |                         |
| Loan against Salary   |                  | 17,784.47               | 15,015.98               |
| Loan to Professionals   |                  | 40,647.17               | 7,521.58                |
| Loan against Overdraft Facility   |                  | 7,364.14                | —                       |
|   |                  | <b>65,795.78</b>        | <b>22,537.57</b>        |
| Less: Impairment allowances   | 6.1              | 935.34                  | —                       |
|   |                  | <b>64,860.43</b>        | <b>22,537.57</b>        |
| <b>Sub-total (B)</b>  |                  | <b>126,063.30</b>       | <b>87,811.59</b>        |
| <b>TOTAL ( A+B )</b>  |                  | <b>162,563.70</b>       | <b>152,811.60</b>       |

## Notes To Financial Statements For The Year Ended 31st March, 2020

(Amount in Rs thousand)

| Particulars                 | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>31, 2019 |
|-----------------------------|------------------|-------------------------|-------------------------|
| (ii) A. Loans in India      |                  |                         |                         |
| a) Public Sector            |                  | —                       | —                       |
| b) Others                   |                  | 169,920.81              | 156,811.61              |
| <b>Subtotal (Gross)</b>     |                  | <b>169,920.81</b>       | <b>156,811.60</b>       |
| Less: Impairment Allowances |                  | 7,357.11                | 4,000.00                |
| <b>Subtotal (Net) (A)</b>   |                  | <b>162,563.70</b>       | <b>152,811.60</b>       |
| B. Loans Outside India      |                  |                         |                         |
| a) Public Sector            |                  | —                       | —                       |
| b) Others                   |                  | —                       | —                       |
| <b>Subtotal (Gross)</b>     |                  | —                       | —                       |
| Less: Impairment Allowances |                  | —                       | —                       |
| <b>Subtotal (Net) (B)</b>   |                  | —                       | —                       |
| <b>Total Net (A+B)</b>      |                  | <b>162,563.70</b>       | <b>152,811.60</b>       |

Note: There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

\* Represents outstanding balance of loans given to related party as on March 31, 2020 Rs. 37,000 thousand (as on March 31, 2019: Rs. 65,000 thousand)

\*\* Represents impairment allowance on loans given to related party as on March 31, 2020 Rs. 499.60 thousand (as on March 31, 2019: Nil)

### 6.1 Movement of impairment allowances :

(Amount in Rs thousand)

| Particulars                                    | As at March<br>31, 2020 | As at March<br>31, 2019 |
|--|-------------------------|-------------------------|
| <b>Balance as at the beginning of the year</b> | 4,000.00                | 1,000.00                |
| Recognised during the year                     | 3,390.81                | 3,000.00                |
| Reversal during the year                       | 33.70                   | —                       |
| Balance at the end of the year                 | 7,357.11                | 4,000.00                |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### PEERLESS FINANCIAL SERVICES LIMITED



| 7 INVESTMENT  |                  |                                 |                        |            |                        |            |
|---|------------------|---------------------------------|------------------------|------------|------------------------|------------|
| Particulars   | Refer<br>Note No | Nominal<br>Value/<br>Face Value | As on 31st March, 2020 |            | As on 31st March, 2019 |            |
|   |                  |                                 | Number/Unit            | Amount     | Number/Unit            | Amount     |
| <b>Investments in Mutual Funds - Unquoted</b>                   |                  |                                 |                        |            |                        |            |
| <b>Measured at fair value through profit and loss</b>           |                  |                                 |                        |            |                        |            |
| (a) Franklin India Ultra Short Bond Fund - Direct Plan - Growth |                  | 10                              | 2,847,937.92           | 78,755.45  | 3,796,046.04           | 100,154.12 |
| (b) DHFL Pramerica Ultra Short Term Fund                        |                  | 10                              |                        |            | 2,613,991.89           | 60,371.19  |
| (c) Reliance Ultra Short Duration Fund - Direct Growth          |                  | 1000                            |                        |            | 1,967.63               | 6,013.45   |
| (d) Kotak Savings Fund  |                  | 10                              |                        |            | 656,157.22             | 20,047.31  |
| (e) Aditya Birla Sun Life Savings Fund- direct Growth           |                  | 100                             |                        |            | 162,564.36             | 60,434.60  |
| (f) Canara Robeco Savings Fund - Growth                         |                  | 10                              |                        |            | 1,125,331.21           | 33,252.52  |
| (g) AXIS Treasury advantage Fund                                |                  | 1000                            |                        |            | 4,672.30               | 10,025.49  |
| (h) Axis Short term Fund  |                  | 10                              | 3,012,627.49           | 70,421.37  |                        |            |
| (i) Baroda Pioneer Liquid Fund - Direct G                       |                  | 1000                            | 2,223.52               | 5,090.23   |                        |            |
| (j ) BOI AXA Ultra Short Duration Fund                          |                  | 10                              | 2,082.18               | 5,116.01   |                        |            |
| (k) ICICI Prudential UltraShort Term Fund                       |                  | 10                              | 3,803,818.08           | 81,680.91  |                        |            |
| (l) IDBI Liquid Fund- Direct Growth                             |                  | 1000                            | 2,387.92               | 5,088.58   |                        |            |
| (m) Mahindra Ultra Short Term Yojana                            |                  |                                 | 14,840.30              | 15,325.39  |                        |            |
| (n) Mirae Asset Cash Management Fund                            |                  | 10                              | 2,427.65               | 5,085.01   |                        |            |
| (o) PGIM Ultra Short Term Fund                                  |                  | 10                              | 1,557,978.21           | 40,774.94  |                        |            |
| (p) Sundaram Ultra Short Term Fund                              |                  | 10                              | 587,872.64             | 6,201.59   |                        |            |
|   |                  |                                 |                        | 313,539.48 |                        | 290,298.68 |
| <b>Investments in Equity Shares - Quoted</b>                    |                  |                                 |                        |            |                        |            |
| <b>Measured at fair value through profit and loss</b>           |                  |                                 |                        |            |                        |            |
| Investment in Equity Share - HDFC Asset Management Company Ltd  |                  | 100                             | 23.00                  | 48.59      | 23.00                  | 35.28      |
| Aggregate amount of Investments                                 |                  |                                 |                        | 313,588.07 |                        | 290,333.96 |



## Notes To Financial Statements For The Year Ended 31st March, 2020

### 8 OTHER FINANCIAL ASSETS

(Amount in Rs thousand)

| Particulars               | Refer<br>Note No | As at March<br>31, 2020 | As at March<br>31, 2019 |
|---------------------------|------------------|-------------------------|-------------------------|
| Interest Receivable:      |                  |                         |                         |
| Loan                      |                  |                         |                         |
| Accrued but not Due       | 8.1              | 377.97                  | 736.15                  |
| Accrued and Due           |                  | 1,146.74                | 243.27                  |
| Others                    | 8.2              | 53.38                   | 332.77                  |
| Security Deposits         |                  | 306.65                  | 306.65                  |
| Other Advances            |                  | 8.33                    | 13.90                   |
| Receivable from Borrowers |                  | —                       | 1.34                    |
| <b>TOTAL</b>              |                  | <b>1,893.07</b>         | <b>1,634.08</b>         |

8.1 Includes amount receivable from related party on account of Interest receivable as on March 31, 2020 Rs. 283.58 thousand (as on March 31, 2019: Rs. 515.96 thousand)

8.2 Includes receivable from related party on account of rent as on March 31, 2020 Rs. 51.63 thousand (as on March 31, 2019: Nil)

### 9 CURRENT TAX ASSETS (NET)

(Amount in Rs thousand)

| Particulars  | Refer<br>Note No | As at March<br>31, 2020 | As at March<br>31, 2019 |
|--|------------------|-------------------------|-------------------------|
| Advance Tax including Tax deducted at Source (Net of Provisions) |                  | 17,932.97               | 11,764.28               |
| <b>TOTAL</b>   |                  | <b>17,932.97</b>        | <b>11,764.28</b>        |

### 10 DEFERRED TAX ASSETS (NET)

(Amount in Rs thousand)

| Particulars              | Refer<br>Note No | As at March<br>31, 2020 | As at March<br>31, 2019 |
|--------------------------|------------------|-------------------------|-------------------------|
| Deferred Tax Assets      | 10.1             | 3,033.48                | 1,554.81                |
| Deferred Tax Liabilities | 10.1             | 452.11                  | 508.21                  |
| <b>TOTAL</b>             |                  | <b>2,581.37</b>         | <b>1,046.60</b>         |

## Notes To Financial Statements For The Year Ended 31st March, 2020

10.1 The following is the analysis of Deferred Tax Liabilities /Assets presented in the Balance Sheet:

(Amount in Rs thousand)

| Particulars  | Opening Balance<br>April 1, 2019 | (Charge)/Credit in<br>Profit and Loss | (Charge)/Credit<br>in other<br>Comprehensive<br>Income | Closing Balance<br>March 31, 2020 |
|--|----------------------------------|---------------------------------------|--|-----------------------------------|
| <b>Deferred Tax Liabilities</b>  |                                  |                                       |  |                                   |
| Timing Difference between Written Down Value of Fixed Assets as per books of accounts and Income Tax Act, 1961 | 144.14                           | (198.69)                              | —  | (54.55)                           |
| Difference in carrying value and tax base of investments measured at FVTPL                                     | 364.07                           | 142.59                                | —  | 506.66                            |
| <b>Total Deferred Tax Liabilities</b>  | <b>508.21</b>                    | <b>(56.10)</b>                        | <b>—</b>   | <b>452.11</b>                     |
| <b>Deferred Tax Assets</b>   |                                  |                                       |  |                                   |
| Provision for expense claimed for tax purpose on payment basis   | 305.09                           | 73.22                                 | 91.16  | 469.47                            |
| Allowance for Doubtful Debts   | 1,112.80                         | 645.74                                | —  | 1,758.54                          |
| Provision on Moratorium availed loans  | —                                | 101.43                                | —  | 101.43                            |
| Amortization of lease rent on SLM Basis  | 136.92                           | (124.28)                              | —  | 12.64                             |
| Financial Lease Liability  | —                                | 691.41                                | —  | 691.41                            |
| <b>Total Deferred Tax Assets</b>   | <b>1,554.81</b>                  | <b>1,387.51</b>                       | <b>91.16</b>   | <b>3,033.48</b>                   |
| <b>Deferred Income Tax Asset after set off</b>   | <b>1,046.60</b>                  | <b>1,443.61</b>                       | <b>91.16</b>   | <b>2,581.37</b>                   |

(Amount in Rs thousand)

| Particulars  | Opening Balance<br>April 1, 2018 | (Charge)/Credit in<br>Profit and Loss | (Charge)/Credit<br>in other<br>Comprehensive<br>Income | Closing Balance<br>March 31, 2019 |
|--|----------------------------------|---------------------------------------|--|-----------------------------------|
| <b>Deferred Tax Liabilities</b>  |                                  |                                       |  |                                   |
| Timing Difference between Written Down Value of Fixed Assets as per books of accounts and Income Tax Act, 1961 | 108.40                           | 35.74                                 | —  | 144.14                            |
| Difference in carrying value and tax base of investments measured at FVTPL                                     | 305.90                           | 58.17                                 | —  | 364.07                            |
| <b>Total Deferred Tax Liabilities</b>  | <b>414.30</b>                    | <b>93.91</b>                          | <b>—</b>   | <b>508.21</b>                     |
| <b>Deferred Tax Assets</b>   |                                  |                                       |  |                                   |
| Provision for expense claimed for tax purpose on payment basis   | 223.59                           | 42.47                                 | 39.03  | 305.09                            |
| Difference in carrying value and tax base of Non Financial Assets  | (0.60)                           | 0.60                                  | —  | —                                 |
| Allowance for Doubtful Debts   | 278.20                           | 834.60                                | —  | 1,112.80                          |
| Amortization of lease rent on SLM Basis  | 135.44                           | 1.48                                  | —  | 136.92                            |
| <b>Total Deferred Tax Assets</b>   | <b>636.63</b>                    | <b>879.15</b>                         | <b>39.03</b>   | <b>1,554.81</b>                   |
| <b>Deferred Income Tax Asset after set off</b>   | <b>222.33</b>                    | <b>785.24</b>                         | <b>39.03</b>   | <b>1,046.60</b>                   |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 11 INVESTMENT PROPERTY

(Amount in Rs thousand)

| Particulars                                   | Refer<br>Note No | As at March<br>31, 2020 | As at March<br>31, 2019 |
|---|------------------|-------------------------|-------------------------|
| <b>Building (including Flat)</b>              |                  |                         |                         |
| <b>Gross Block</b>                            |                  |                         |                         |
| Opening balance                               |                  | 9,731.13                | 9,731.13                |
| Additions during the year                     |                  |                         |                         |
| Disposals/ adjustments/ transfer              |                  | —                       | —                       |
| <b>Closing Balance</b>                        |                  | <b>9,731.13</b>         | <b>9,731.13</b>         |
| Less: Accumulated amortisation and impairment |                  |                         |                         |
| Opening balance                               |                  | 325.72                  | 162.86                  |
| Additions during the year                     |                  | 162.86                  | 162.86                  |
| Disposal / adjustment / transfer              |                  | —                       | —                       |
| <b>Closing Balance</b>                        |                  | <b>488.58</b>           | <b>325.72</b>           |
| <b>Net Block</b>                              |                  | <b>9,242.55</b>         | <b>9,405.41</b>         |

Disclosure pursuant to Ind AS 40 "Investment Property":

a. Amount recognised in the Statement of Profit and Loss for investment property: (Amount in Rs thousand)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Rental Income derived from investment property  | 540.00                               | 540.00                               |
| Direct operating expenses arising from investment property that generated rental income | —                                    | —                                    |

b. Fair value of investment property: Rs.16,400 thousand as at March 31, 2020 (Rs. 16,400 thousand as at March 31, 2019)

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 12. PROPERTY, PLANT AND EQUIPMENT

As at 31 March, 2020

| Particulars                           | (Amount in Rs thousand)                  |                                   |                            |               |                      |                        |                  |
|---------------------------------------|--|-----------------------------------|----------------------------|---------------|----------------------|------------------------|------------------|
|                                       | Right of use Assets (leasehold premises) | Improvement to Leasehold Building | Data Processing Equipments | Motor Car     | Electrical Machinery | Furniture and Fixtures | Office Equipment |
| <b>GROSS BLOCK</b>                    |  |                                   |                            |               |                      |                        |                  |
| As at April 1, 2019                   | —  | 433.92                            | 397.89                     | 644.96        | 783.40               | 1,777.11               | 125.92           |
| Addition                              | 3,619.43                                 | —                                 | 358.78                     | —             | 246.18               | 411.63                 | 59.02            |
| Disposal/Adjustments                  | —  | —                                 | —                          | —             | —                    | —                      | —                |
| <b>As at March 31, 2020</b>           | <b>3,619.43</b>                          | <b>433.92</b>                     | <b>756.67</b>              | <b>644.96</b> | <b>1,029.58</b>      | <b>2,188.74</b>        | <b>184.94</b>    |
| <b>ACCUMULATED DEPRECIATION</b>       |  |                                   |                            |               |                      |                        |                  |
| As at April 1, 2019                   | —  | 144.93                            | 150.48                     | 238.99        | 202.53               | 235.83                 | 31.81            |
| Depreciation for the year             | 987.12                                   | 72.49                             | 180.88                     | 136.03        | 120.63               | 278.96                 | 36.36            |
| Disposal                              | —  | —                                 | —                          | —             | —                    | —                      | —                |
| <b>As at March 31, 2020</b>           | <b>987.12</b>                            | <b>217.42</b>                     | <b>331.36</b>              | <b>375.02</b> | <b>323.16</b>        | <b>514.79</b>          | <b>68.17</b>     |
| <b>Net Block as at March 31, 2020</b> | <b>2,632.31</b>                          | <b>216.50</b>                     | <b>425.31</b>              | <b>269.94</b> | <b>706.42</b>        | <b>1,673.95</b>        | <b>116.77</b>    |
|                                       |  |                                   |                            |               |                      |                        |                  |
| <b>Net Block as at March 31, 2020</b> |  |                                   |                            |               |                      |                        |                  |

As at 31 March, 2020

| Particulars                           | (Amount in Rs thousand)                  |                                   |                            |               |                      |                        |                  |
|---------------------------------------|--|-----------------------------------|----------------------------|---------------|----------------------|------------------------|------------------|
|                                       | Right of use Assets (leasehold premises) | Improvement to Leasehold Building | Data Processing Equipments | Motor Car     | Electrical Machinery | Furniture and Fixtures | Office Equipment |
| <b>GROSS BLOCK</b>                    |  |                                   |                            |               |                      |                        |                  |
| As at April 1, 2018                   | —  | 433.92                            | 253.96                     | 644.96        | 780.90               | 1,384.97               | 84.05            |
| Addition                              | —  | —                                 | 143.94                     | —             | 2.51                 | 392.15                 | 41.88            |
| Disposal/Adjustments                  | —  | —                                 | —                          | —             | —                    | —                      | —                |
| <b>As at March 31, 2019</b>           | <b>—</b>                                 | <b>433.92</b>                     | <b>397.89</b>              | <b>644.96</b> | <b>783.40</b>        | <b>1,777.11</b>        | <b>125.92</b>    |
| <b>ACCUMULATED DEPRECIATION</b>       |  |                                   |                            |               |                      |                        |                  |
| As at April 1, 2018                   | —  | 72.45                             | 60.40                      | 110.36        | 90.77                | (5.12)                 | 2.36             |
| Depreciation for the year             | —  | 72.48                             | 90.08                      | 128.63        | 111.76               | 240.95                 | 29.45            |
| Disposal                              | —  | —                                 | —                          | —             | —                    | —                      | —                |
| <b>As at March 31, 2019</b>           | <b>—</b>                                 | <b>144.93</b>                     | <b>150.48</b>              | <b>238.99</b> | <b>202.53</b>        | <b>235.83</b>          | <b>31.81</b>     |
| <b>Net Block as at March 31, 2019</b> | <b>—</b>                                 | <b>288.99</b>                     | <b>247.41</b>              | <b>405.97</b> | <b>580.87</b>        | <b>1,541.28</b>        | <b>94.11</b>     |
|                                       |  |                                   |                            |               |                      |                        |                  |
| <b>Net Block as at March 31, 2019</b> |  |                                   |                            |               |                      |                        |                  |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 13 INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in Rs thousand)

| Particulars                           | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>1, 2019 |
|---------------------------------------|------------------|-------------------------|------------------------|
| Amount Brought forward                |                  | 40.00                   | 50.00                  |
| Addition during the year:             |                  | 4,731.80                | 40.00                  |
| Less: Capitalised during the year     |                  | —                       | —                      |
| Less: Written off During the year     |                  | —                       | 50.00                  |
| <b>Total Capital Work In Progress</b> |                  | <b>4,771.80</b>         | <b>40.00</b>           |

### 14 OTHER INTANGIBLE ASSETS

(Amount in Rs thousand)

| Particulars                                   | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>1, 2019 |
|---|------------------|-------------------------|------------------------|
| <b>Software</b>                               |                  |                         |                        |
| <b>Gross Block</b>                            |                  |                         |                        |
| Opening balance                               |                  | 133.60                  | 133.60                 |
| Additions during the year                     |                  | 10.38                   | —                      |
| Disposals/ adjustments/ transfer              |                  | —                       | —                      |
| <b>Closing Balance</b>                        |                  | <b>143.98</b>           | <b>133.60</b>          |
| Less: Accumulated amortisation and impairment |                  |                         |                        |
| Opening balance                               |                  | 81.13                   | 42.17                  |
| Additions during the year                     |                  | 39.28                   | 38.96                  |
| Depreciation adjustment                       |                  | —                       | —                      |
| Disposal / adjustment / transfer              |                  | —                       | —                      |
| <b>Closing Balance</b>                        |                  | <b>120.41</b>           | <b>81.13</b>           |
| <b>Net Block</b>                              |                  | <b>23.57</b>            | <b>52.47</b>           |

### 15 OTHER NON FINANCIAL ASSETS

(Amount in Rs thousand)

| Particulars  | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>1, 2019 |
|--|------------------|-------------------------|------------------------|
| Advances to related parties                            |                  |                         |                        |
| Capital advance against flat- to Bengal Peerless       |                  |                         |                        |
| Housing Development Company Limited for acquiring flat |                  | 16,670.32               | 10,021.74              |
| Prepaid Expense  |                  | 1,251.94                | 345.43                 |
| Input Tax Credit Receivable                            |                  | 1,224.95                | 1,202.25               |
| <b>TOTAL</b>   |                  | <b>19,147.21</b>        | <b>11,569.42</b>       |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 16 TRADE PAYABLES

(Amount in Rs thousand)

| Particulars                           | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>31, 2019 |
|---------------------------------------|------------------|-------------------------|-------------------------|
| For goods and services                |                  |                         |                         |
| – Dues of Micro and Small Enterprises | 16.1             | —                       | —                       |
| – Others                              |                  | 1,215.85                | 420.44                  |
| <b>TOTAL</b>                          |                  | <b>1,215.85</b>         | <b>420.44</b>           |

16.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act).

Disclosure of sundry creditors is based on the information available with the Company regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” (the Act). Based on the information available with the Company, the suppliers/service providers covered under the Act are NIL. There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

(Amount in Rs thousand)

| Particulars   | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| A)  |           |           |
| i) Principal amount remaining unpaid to supplier under the MSMED Act 2006   | Nil       | Nil       |
| ii) Interest on a) (i) above  | Nil       | Nil       |
| B)  |           |           |
| i) Amount of Principal paid beyond the appointed Date   | Nil       | Nil       |
| ii) Amount of interest paid beyond the appointed date<br>(as per Section 16 of the said Act)  | Nil       | Nil       |
| C)  |           |           |
| Amount of Interest due and payable for the year of delay in making payment,<br>but without adding the interest specified under section 16 of the said Act | Nil       | Nil       |
| D)  |           |           |
| Amount of Interest accrued and due  | Nil       | Nil       |
| E)  |           |           |
| Amount of further interest remaining due and payable Even in succeeding years   | Nil       | Nil       |

### 17 OTHER PAYABLES

(Amount in Rs thousand)

| Particulars                           | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>31, 2019 |
|---------------------------------------|------------------|-------------------------|-------------------------|
| For others:                           |                  |                         |                         |
| – Dues of Micro and Small Enterprises |                  | —                       | —                       |
| – Others                              | 17.1             | 581.76                  | 492.16                  |
| <b>TOTAL</b>                          |                  | <b>581.76</b>           | <b>492.16</b>           |

17.1 Includes amount payable to MD & CEO on account of reimbursement of expenses as on March 31, 2020 Rs. 74.09 thousand (as on March 31, 2019: Rs. 9.88 thousand)

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 18 OTHER FINANCIAL LIABILITIES

(Amount in Rs thousand)

| Particulars               | Ref. Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|---------------|----------------------|----------------------|
| Financial Lease Liability |               | 2,747.18             | —                    |
| <b>TOTAL</b>              |               | <b>2,747.18</b>      | <b>—</b>             |

### 19 PROVISIONS

(Amount in Rs thousand)

| Particulars  | Ref. Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------|----------------------|----------------------|
| Provision for Employee Benefits                              | 39            |                      |                      |
| – On account of Gratuity                                     |               | 624.18               | 239.75               |
| – On account of Leave  |               | 999.43               | 554.25               |
| – On account of Sick leave                                   |               | 551.60               | 302.66               |
| Impairment Allowance provision on Standard Assets*           |               | 403.62               | 369.92               |
| Provision against Moratorium availed Loans -As per RBI Norms |               | 402.99               | —                    |
| <b>TOTAL</b>   |               | <b>2,981.82</b>      | <b>1,466.59</b>      |

\* Includes impairment allowance provision on standard assets relating to related party as on March 31, 2020 Rs. 93.21 thousand (as on March 31, 2019: 162.50 thousand)

### 20 OTHER NON FINANCIAL LIABILITIES

(Amount in Rs thousand)

| Particulars    | Ref. Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------------|---------------|----------------------|----------------------|
| Statutory Dues |               | 408.87               | 277.92               |
| Bonus payable  |               | 32.20                | 32.19                |
| <b>TOTAL</b>   |               | <b>441.07</b>        | <b>310.11</b>        |

### 21 EQUITY SHARE CAPITAL

(Amount in Rs thousand)

| Particulars  | Ref. Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------|----------------------|----------------------|
| <b>Authorised Shares</b>                                   |               |                      |                      |
| Equity Shares of Rs. 10/- each                             |               |                      |                      |
| 10,50,00,000 (March 31, 2019: 10,50,00,000 ) equity shares |               | 1,050,000.00         | 1,050,000.00         |
| 10% Redeemable Preference Shares of Rs.100/- each          |               |                      |                      |
| 5,000 (March 31, 2019: 5,000 ) preference shares           |               | 500.00               | 500.00               |
|  |               | <b>1,050,500.00</b>  | <b>1,050,500.00</b>  |
| <b>Issued, Subscribed &amp; Fully Paid Up Shares</b>       |               |                      |                      |
| Equity Shares of Rs. 10/- each                             |               |                      |                      |
| 3,72,57,908 (March 31, 2019: 3,72,57,908 ) equity shares   |               | 372,579.08           | 372,579.08           |
|  |               | <b>372,579.08</b>    | <b>372,579.08</b>    |

## Notes To Financial Statements For The Year Ended 31st March, 2020

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

### 21.2 Reconciliation of the number of equity shares outstanding: (Amount in Rs thousand)

| Particulars                       | As at March<br>31, 2020 | As at March<br>31, 2019 |
|-----------------------------------|-------------------------|-------------------------|
| Number of shares at the beginning | 37,257,908              | 37,257,908              |
| Add: Additions during the year    | —                       | —                       |
| Number of shares at the end       | 37,257,908              | 37,257,908              |

### 21.3 Details in respect of shares in the company held up by each shareholder holding more than 5% shares:

| Name of the Shareholders                                  | Number of<br>Shares Held | Number of<br>Shares Held |
|---|--------------------------|--------------------------|
| The Peerless General Finance & Investment Company Limited |                          |                          |
| – No. of shares held:                                     | 3,44,89,401              | 3,44,89,401              |
| – Percentage of shares held:                              | 92.57%                   | 92.57%                   |

### 22 OTHER EQUITY (Amount in Rs thousand)

| Particulars   | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>31, 2019 |
|---|------------------|-------------------------|-------------------------|
| Capital Redemption Reserve  | 22.1             | 8.00                    | 8.00                    |
| Securities Premium Account  | 22.2             | 168,380.85              | 168,380.85              |
| Special Reserve (in terms of Section 45IC of Reserve Bank of India Act, 1934) | 22.3             | 17,233.96               | 15,524.89               |
| Retained Earning  | 22.4             | (18,055.77)             | (24,891.96)             |
| <b>TOTAL</b>  |                  | <b>167,567.04</b>       | <b>159,021.78</b>       |

#### 22.1 Capital Redemption Reserve

Capital Redemption Reserve represents the amount created for Redemption of Redeemable Preference shares

#### 22.2 Securities Premium Account

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

#### 22.3 Special Reserve

Special Reserve is created in terms of section 45IC of Reserve Bank of India Act, 1934, which is 20% of profit of the year.

#### 22.4 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.



## Notes To Financial Statements For The Year Ended 31st March, 2020

### 23 INTEREST INCOME

(Amount in Rs thousand)

| Particulars      | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|------------------|-----------------|--------------------------------------|--------------------------------------|
| Interest on:     |                 |                                      |                                      |
| Loans            |                 | 14,613.93                            | 14,786.80                            |
| Security Deposit |                 |                                      | 2.23                                 |
| <b>TOTAL</b>     |                 | <b>14,613.93</b>                     | <b>14,789.03</b>                     |

### 24 DIVIDEND INCOME

(Amount in Rs thousand)

| Particulars           | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|-----------------------|-----------------|--------------------------------------|--------------------------------------|
| On Current Investment |                 | 0.28                                 | 0.28                                 |
| <b>TOTAL</b>          |                 | <b>0.28</b>                          | <b>0.28</b>                          |

### 25 FEES AND COMMISSION INCOME

(Amount in Rs thousand)

| Particulars              | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--------------------------|-----------------|--------------------------------------|--------------------------------------|
| Upfront Fees and charges |                 | 1,899.39                             | 604.80                               |
| Commission Income        |                 | 77.39                                | 158.10                               |
| <b>TOTAL</b>             |                 | <b>1,976.78</b>                      | <b>762.90</b>                        |

### 26 NET GAIN ON FAIR VALUE CHANGES

(Amount in Rs thousand)

| Particulars  | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--|-----------------|--------------------------------------|--------------------------------------|
| Net gain on fair value changes of current investment |                 | 2,013.11                             | 1,308.66                             |
| <b>TOTAL</b>   |                 | <b>2,013.11</b>                      | <b>1,308.66</b>                      |

### 27 OTHER OPERATING REVENUES

(Amount in Rs thousand)

| Particulars                     | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|---------------------------------|-----------------|--------------------------------------|--------------------------------------|
| Net Gain on Sale of Investments |                 | 19,231.59                            | 21,520.93                            |
| <b>TOTAL</b>                    |                 | <b>19,231.59</b>                     | <b>21,520.93</b>                     |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 28 OTHER INCOME

(Amount in Rs thousand)

| Particulars                           | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|---------------------------------------|-----------------|--------------------------------------|--------------------------------------|
| Miscellaneous Income *                |                 | 112.32                               | 119.99                               |
| Interest on FD                        |                 | 2,227.96                             | 3,876.02                             |
| Rental Income **                      |                 | 540.00                               | 540.00                               |
| <b>Provisions no longer required:</b> |                 |                                      |                                      |
| Liability written back                |                 | —                                    | 72.85                                |
| <b>TOTAL</b>                          |                 | <b>2,880.28</b>                      | <b>4,608.86</b>                      |

\* Includes reimbursement of maintainance expenses of Flat rented to related party for the year ending March 31, 2020: Rs. 79.63 thousand (March 31, 2019: Rs. 79.63 thousand)

\*\* Includes rent received from related party for the year ending March 31, 2020: Rs. 540 thousand (March 31, 2019: Rs. 540 thousand)

### 29 FINANCE COST

(Amount in Rs thousand)

| Particulars                | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|----------------------------|-----------------|--------------------------------------|--------------------------------------|
| Finance Cost on Lease Rent |                 | 290.35                               | —                                    |
| <b>TOTAL</b>               |                 | <b>290.35</b>                        | <b>—</b>                             |

### 30 EMPLOYEE BENEFITS EXPENSES

(Amount in Rs thousand)

| Particulars   | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|---|-----------------|--------------------------------------|--------------------------------------|
| Salaries, Wages and Bonus, etc.   | 30.1            | 13,795.76                            | 10,191.48                            |
| Contribution to Provident Fund and<br>Administrative Charges and ESI contribution | 39              | 678.12                               | 494.09                               |
| Staff Welfare expenses  |                 | 1,413.17                             | 69.47                                |
| <b>TOTAL</b>  |                 | <b>15,887.05</b>                     | <b>10,755.03</b>                     |

30.1 Includes Salary to Managing Director Rs. 3933.59 thousand (Previous Year Rs. 3414.03 thousand).

### 31 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(Amount in Rs thousand)

| Particulars                             | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|---|-----------------|--------------------------------------|--------------------------------------|
| Depreciation, Amortisation & Impairment |                 | 2,014.61                             | 875.17                               |
| <b>TOTAL</b>                            |                 | <b>2,014.61</b>                      | <b>875.17</b>                        |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 32 OTHER EXPENSES

(Amount in Rs thousand)

| Particulars  | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--|-----------------|--------------------------------------|--------------------------------------|
| Rent   | 37              | 44.50                                | 1,162.59                             |
| Repairs & maintenance to Machinery                     |                 | 492.75                               | 247.94                               |
| Rates and Taxes  |                 | 605.60                               | 657.62                               |
| Auditors Remuneration                                  |                 |                                      |                                      |
| Audit Fees   |                 | 125.00                               | 125.00                               |
| Tax Audit Fees   |                 | 10.00                                | 10.00                                |
| Certificate  |                 | 52.50                                | 52.50                                |
| Legal and Professional Fees                            |                 | 1,727.68                             | 2,394.85                             |
| Filing Fees  |                 | 4.80                                 | 1.80                                 |
| Travelling Expenses                                    |                 | 187.90                               | 88.55                                |
| Advertisement  |                 | 806.32                               | 647.41                               |
| Directors' Sitting Fees                                |                 | 760.00                               | 780.00                               |
| Loans and Advances written off                         |                 | 243.27                               | —                                    |
| Impairment allowances on Credit impaired asset         |                 | 1,000.00                             | 3,000.00                             |
| Impairment allowance on other assets                   |                 | 2,390.81                             | 176.92                               |
| Provision on Moratorium Aailed Loans -As per RBI norms |                 | 402.99                               | —                                    |
| Miscellaneous Expenditure                              |                 | 2,068.34                             | 1,684.19                             |
| Donation   |                 | 100.00                               | —                                    |
| Insurance Expense                                      |                 | 28.73                                | —                                    |
| <b>TOTAL</b>   |                 | <b>11,051.19</b>                     | <b>11,029.37</b>                     |

### 33 Contingent Liabilities and Commitments:

(to the extent not provided for)

#### (a) Contingent Liabilities:

In respect of Income Tax matters pending in appeal for the assessment year 2008-2009 as on 31st March 2020:Rs. 1,623.94 thousand (as on 31st March, 2019: Rs. 1,623.94 thousand) and for the assessment year 2013-14 as on 31st March 2020:Nil (as on 31st March, 2019: Rs. 948.84 thousand).

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

#### (b) Commitments:

(Amount in Rs thousand)

| Particulars  | Ref.<br>Note No. | As at March<br>31, 2020 | As at March<br>31, 2019 |
|--|------------------|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance made there against) (inclusive of GST). |                  | 18,172.21               | 24,820.79               |

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

(b) In view of the above, the Company operates in a single primary business and secondary geographical segment and hence, disclosure requirements of IND AS 108 on Operating Segments are not applicable to it.

**35** In terms of Para 10 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, a provision of 0.25 percent of the outstanding amount of the standard assets during the year is required to be made. Accordingly, Rs.33.70 thousand/ (previous year Rs.176.92

## Notes To Financial Statements For The Year Ended 31st March, 2020

thousand) charged out to statement of profit and loss (net of provision reversed) has been debited to statement of profit & loss and closing balance thereof is shown as "provision for Standard Assets" in these accounts.

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

### 37 Leases

37.1 The company has adopted IND AS 116, Leases, effective 1 April 2019 using modified retrospective approach of transition without restating the figures for prior periods. Consequently, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application and Right of Use (ROU) asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments in relation to leases which has been previously classified as operating leases under IND AS 17.

37.2 On application of IND AS 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for ROU asset and finance cost for interest accrued on lease liability. IND AS 116 also provides for certain options and exemptions to recognize short-term lease payments and payments for leases of low-value assets which are not included in measurement of the lease liability and ROU asset as expense on a straight line basis over the lease term in statement of profit or loss. Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

(Amount in Rs thousand)

| Particular  | For the Year ended/<br>As at March 31, 2020 |
|---|---|
| i) Depreciation charge for Right-of -Use assets for Leasehold premises<br>(presented under note- 31 'Depreciation, amortization and impairment)   | 987.12                                      |
| ii) Interest expense on lease liabilities (presented under note - 29' Finance cost)   | 290.35                                      |
| iii) Carrying amount of right-of-use assets at the end of the reporting period by<br>class of underlying asset-<br>- Property taken on lease for Office premises (presented under note-12'<br>Property, Plant and Equipments) | 2,632.31                                    |
| iv) Lease liability (presented under note -18 'Other Financial Liability')  | 2,747.18                                    |

37.3 Maturity analysis - Contractual undiscounted Cash flow as at 31 March 2020 (Amount in Rs thousand)

| Particulars   | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|---|-----------------|--------------------------------------|--------------------------------------|
| (Payable within 1 year  |                 | 1162.60                              | 1162.60                              |
| Payable later than 1 year but not later than 5 year                   |                 | 1937.66                              | 3100.26                              |
| <b>Total minimum lease payment</b>                                    |                 | <b>3,100.26</b>                      | <b>4,262.86</b>                      |
| Lease rental recognised in the Statement of Profit and Loss (Note 32) |                 | 44.50                                | 1,162.59                             |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 38 Calculation of Earning Per Share is as follows: (Amount in Rs thousand)

| Particulars  | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--|-----------------|--------------------------------------|--------------------------------------|
| (a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss  |                 | 8,816.38                             | 14,816.33                            |
| <b>Net profit for basic and diluted earnings per share</b>   |                 | <b>8,816.38</b>                      | <b>14,816.33</b>                     |
| (b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)<br>Number of equity shares outstanding as on 31st March |                 | 37,257,908                           | 37,257,908                           |
| <b>Number of equity shares considered in calculating basic and diluted EPS</b>   |                 | <b>37,257,908</b>                    | <b>37,257,908</b>                    |
| c) Earnings per share (EPS) of Equity Share of Rs. 10 each:  |                 |                                      |                                      |
| i) Basic (Rs.)   |                 | 0.24                                 | 0.40                                 |
| ii) Diluted (Rs.)  |                 | 0.24                                 | 0.40                                 |

### 39. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

#### a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under : (Amount in Rs thousand)

| Particulars                               | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund | 636.59                               | 472.38                               |
| Employer's Contribution to ESI            | 41.53                                | 21.71                                |

#### b) Defined Benefit Plans

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. "Based on actuarial valuation report of the actuary, disclosures with respect to gratuity liability ascertained based on actuarial valuation carried out at the end of the year are as follows:

#### Gratuity

|    |  | 2019-20         | 2018-19         |
|----|--|-----------------|-----------------|
| i) | <b>Change in the fair value of the defined benefit obligation:</b> |                 |                 |
|    | Liability at the beginning of the year                             | 1,129.65        | 839.85          |
|    | Interest Cost  | 86.98           | 63.71           |
|    | Current Service Cost   | 247.39          | 172.58          |
|    | Actuarial (gain) / loss on obligations                             | 340.55          | 132.97          |
|    | Benefits paid  | (205.67)        | (79.45)         |
|    | <b>Liability at the end of the year</b>                            | <b>1,598.90</b> | <b>1,129.65</b> |

**Notes To Financial Statements For The Year Ended 31st March, 2020**

(Amount in Rs thousand)

|             |   | <b>2019-20</b> | <b>2018-19</b> |
|-------------|---|----------------|----------------|
| <b>ii)</b>  | <b>Changes in the Fair Value of Plan Asset</b>                          |                |                |
|             | Fair value of Plan Assets at the beginning of the year                  | 889.90         | 663.70         |
|             | Expected Return on Plan Assets  |                |                |
|             | Contributions by the Company  | 236.00         | 255.18         |
|             | Interest on Plan Assets   | 76.15          | 57.80          |
|             | Benefits paid   | (205.67)       | (79.45)        |
|             | Actuarial gain / (loss) on Plan Assets                                  | (21.66)        | (7.34)         |
|             | <b>Fair value of Plan Assets at the end of the year</b>                 | <b>974.72</b>  | <b>889.90</b>  |
| <b>iii)</b> | <b>Actual return on Plan Asset</b>                                      |                |                |
|             | Expected return on Plan assets  | —              | —              |
|             | Actuarial gain / (loss) on Plan Assets                                  | (21.66)        | (7.34)         |
|             | <b>Actual Return on Plan Assets</b>                                     | <b>(21.66)</b> | <b>(7.34)</b>  |
| <b>iv)</b>  | <b>Amount Recognized in Balance Sheet</b>                               |                |                |
|             | Liability at the end of the year  | 1,598.90       | 1,129.65       |
|             | Fair value of Plan Assets at the end of the year                        | 974.72         | 889.90         |
|             |   | <b>624.18</b>  | <b>239.75</b>  |
| <b>v)</b>   | <b>Components of Defined Benefit Cost</b>                               |                |                |
|             | Current Service Cost  | 247.39         | 172.58         |
|             | Interest Cost   | 10.83          | 5.90           |
|             | Expected Return on Plan Assets  | —              | —              |
|             | Net Actuarial (gain) / loss on remeasurement recognised in OCI          | 362.21         | 140.31         |
|             | <b>Total Defined Benefit Cost recognised in Profit and Loss and OCI</b> | <b>620.43</b>  | <b>318.79</b>  |
| <b>vi)</b>  | <b>Balance Sheet Reconciliation</b>                                     |                |                |
|             | Opening Net Liability   | 239.75         | 176.15         |
|             | Expenses as above   | 620.43         | 318.79         |
|             | Employers Contribution  | (236.00)       | (255.18)       |
|             | <b>Amount Recognized in Balance Sheet</b>                               | <b>624.18</b>  | <b>239.75</b>  |

**vii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:**

|                                   | <b>Ref.<br/>Note No.</b> | <b>As at March<br/>31, 2020</b> | <b>As at March<br/>31, 2019</b> |
|-----------------------------------|--------------------------|---------------------------------|---------------------------------|
| <b>Particulars</b>                |                          |                                 |                                 |
| Central Government Securities     |                          | 0%                              | 0%                              |
| State Government Securities       |                          | 0%                              | 0%                              |
| High quality Corporate bonds      |                          | 0%                              | 0%                              |
| Equity Shares of listed companies |                          | 0%                              | 0%                              |
| Property                          |                          | 0%                              | 0%                              |
| Special Deposit Scheme            |                          | 0%                              | 0%                              |
| Policy of Insurance               |                          | 100%                            | 100%                            |
| Bank Balance                      |                          | 0%                              | 0%                              |
| Other Investments                 |                          | 0%                              | 0%                              |
| <b>Total</b>                      |                          | <b>100%</b>                     | <b>100%</b>                     |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2020 is given below:

| Particulars   | (Amount in Rs thousand)              |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
| Privileged Leave  | 999.43                               | 554.25                               |
| Sick Leave  | 551.60                               | 302.66                               |
| <b>Principal Actuarial assumptions as at the Balance Sheet date</b> |                                      |                                      |
| Discount Rate   | 6.85%                                | 7.75%                                |
| Salary Growth Rate  | 9.00%                                | 9.00%                                |

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

### Recognised in Other Comprehensive Income

| Particulars                           | (Amount in Rs thousand) |  |
|---------------------------------------|-------------------------|--|
|                                       | Gratuity                |  |
| Remeasurement - Actuarial loss/(gain) | 362.21                  |  |
| For the year ended March 31, 2020     | 362.21                  |  |
| Remeasurement - Actuarial loss/(gain) | 140.31                  |  |
| For the year ended March 31, 2019     | 140.31                  |  |

### Sensitivity analysis:

| Particulars                                | (Amount in Rs thousand) |                                  |
|--|-------------------------|----------------------------------|
|  | Change in<br>Assumption | Effect in Gratuity<br>Obligation |
| <b>For the year ended 31st March, 2020</b> |                         |                                  |
| Discount Rate                              | +0.50%                  | 1,518.95                         |
|  | -0.50%                  | 1,685.57                         |
| Salary Growth Rate                         | +0.50%                  | 1,683.39                         |
|  | -0.50%                  | 1,520.12                         |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit

## Notes to the financial statements for the year ended 31st March 2020

History of experience adjustments is as follows:

(Amount in Rs thousand)

| Particulars                              | Gratuity |
|--|----------|
| <b>For the year ended March 31, 2019</b> |          |
| Plan Liabilities - (loss)/gain           | 35.30    |
| Plan Assets - (loss)/gain                | (7.34)   |
| <b>For the year ended March 31, 2020</b> |          |
| Plan Liabilities - (loss)/gain           | 201.05   |
| Plan Assets - (loss)/gain                | (21.66)  |

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Amount in Rs thousand)

| Particulars                | Gratuity |
|----------------------------|----------|
| 01 Apr 2020 to 31 Mar 2021 | 18.30    |
| 01 Apr 2021 to 31 Mar 2022 | 31.29    |
| 01 Apr 2022 to 31 Mar 2023 | 30.40    |
| 01 Apr 2023 to 31 Mar 2024 | 658.94   |
| 01 Apr 2024 Onwards        | 3,083.61 |

| Particulars                   | As at March<br>31, 2020 | As at March<br>31, 2019 |
|-------------------------------|-------------------------|-------------------------|
| Average no of people employed | 19                      | 11                      |

### 40. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on Related Party Disclosures are as follows:

#### A) Names of related parties and description of relationship

##### 1) Holding Company

The Peerless General Finance & Investment Company Limited

##### 2) Associates, Group Enterprises and Companies under common control

Peerless Hospitex Hospital & Research Center Limited

Peerless Financial Products Distribution Ltd.

Peerless Securities Limited

Bengal Peerless Housing Development Company Limited

Kaizen Hotels & Resorts Limited

Peerless Hotels Ltd.

Kaizen Leisure & Holidays Ltd.

##### 3) Key Management Personnel (KMP) and their close member

Mr. Abhishek Tantia-Managing Director and Chief Executive Officer

Mr. Partha Bose – Chief Financial Officer

Mr. Biswajit Das – Company Secretary & Chief Compliance Officer



## Notes To Financial Statements For The Year Ended 31st March, 2020

### B) Related Party Transactions

(Amount in Rs thousand)

| Particulars   | Holding  | Associates, Group Enterprises and Companies under common control | KMP and their close member | Total           | Outstanding as on March 31, 2020 | Outstanding as on March 31, 2019 |
|---|----------|--|----------------------------|-----------------|----------------------------------|----------------------------------|
| <b>I. TRANSACTIONS DURING THE YEAR:</b>                                       |          |  |                            |                 |                                  |                                  |
| <b>A. Income</b>  |          |  |                            |                 |                                  |                                  |
| <b>Reimbursement of Expenses</b>  |          |  |                            |                 |                                  |                                  |
| The Peerless General Finance & Investment Company Ltd                         | -        | -  | -                          | -               | -                                | -                                |
| <b>Total</b>  | -        | -  | -                          | -               | -                                | -                                |
| <b>Previous Year</b>  |          |  |                            |                 |                                  |                                  |
| The Peerless General Finance & Investment Company Ltd                         | 10.62    | -  | -                          | 10.62           | -                                | -                                |
| <b>Rental of flat &amp; reimbursement of Maintenance Expenses (incl. GST)</b> |          |  |                            |                 |                                  |                                  |
| Peerless Hotels Ltd.  | -        | 619.63   | -                          | 619.63          | -                                | -                                |
| <b>Total</b>  | -        | <b>619.63</b>  | -                          | <b>619.63</b>   | -                                | -                                |
| <b>Previous Year</b>  |          |  |                            |                 |                                  |                                  |
| Peerless Hotels Ltd.  | -        | 619.63   | -                          | 619.63          | -                                | -                                |
| <b>Interest on Loan</b>   |          |  |                            |                 |                                  |                                  |
| Peerless Financial Product Distribution Company Limited                       | -        | 825.75   | -                          | 825.75          | -                                | -                                |
| Kaizen Hotels & Resorts Ltd   | -        | 4,364.55   | -                          | 4,364.55        | -                                | -                                |
| <b>Total</b>  | -        | <b>5,190.30</b>  | -                          | <b>5,190.30</b> | -                                | -                                |
| <b>Previous Year</b>  |          |  |                            |                 |                                  |                                  |
| Peerless Financial Product Distribution Company Limited                       | 2,498.36 | -  | -                          | -               | -                                | -                                |
| Kaizen Hotels & Resorts Ltd   | -        | 4,134.11   | -                          | 4,134.11        | -                                | -                                |
| <b>Upfront Fees</b>   |          |  |                            |                 |                                  |                                  |
| Peerless Financial Product Distribution Company Limited                       | -        | -  | -                          | -               | -                                | -                                |
| <b>Total</b>  | -        | -  | -                          | -               | -                                | -                                |
| <b>Previous Year</b>  |          |  |                            |                 |                                  |                                  |
| Peerless Financial Product Distribution Company Limited                       | -        | 171.10   | -                          | 171.10          | -                                | -                                |
| <b>B. Expenses</b>  |          |  |                            |                 |                                  |                                  |
| <b>Demat Charges</b>  |          |  |                            |                 |                                  |                                  |
| Peerless Securities Limited   | -        | 4.72   | -                          | 4.72            | -                                | -                                |
| <b>Total</b>  | -        | <b>4.72</b>  | -                          | <b>4.72</b>     | -                                | -                                |
| <b>Previous Year</b>  |          |  |                            |                 |                                  |                                  |



**Notes To Financial Statements For The Year Ended 31st March, 2020**

**B) Related Party Transactions**

**(Amount in Rs thousand)**

| Particulars  | Holding | Associates, Group Enterprises and Companies under common control | KMP and their close member | Total            | Outstanding as on March 31, 2020 | Outstanding as on March 31, 2019 |
|--|---------|--|----------------------------|------------------|----------------------------------|----------------------------------|
| <b>C. Loans</b>  |         |  |                            |                  |                                  |                                  |
| <b>Amount disbursed for Business Loan</b>                        |         |  |                            |                  |                                  |                                  |
| Peerless Financial Product Distribution Company Limited          | -       | -  | -                          | -                | -                                | -                                |
| Kaizen Hotels & Resorts Ltd                                      | -       | -  | -                          | -                | -                                | -                                |
| <b>Total</b>   | -       | -  | -                          | -                | -                                | -                                |
| <b>Previous Year</b>   |         |  |                            |                  |                                  |                                  |
| Peerless Financial Product Distribution Company Limited          | -       | 29,000.00  |                            | 29,000.00        | -                                | -                                |
| Kaizen Hotels & Resorts Ltd                                      | -       | 23,000.00  |                            | 23,000.00        | -                                | -                                |
| <b>Amount received as repayment</b>                              |         |  |                            |                  |                                  |                                  |
| Peerless Financial Product Distribution Company Limited          | -       | 20,000.00  | -                          | 20,000.00        | -                                | -                                |
| Kaizen Hotels & Resorts Limited                                  |         | 8,000.00   |                            | 8,000.00         | -                                | -                                |
| <b>Total</b>   | -       | <b>28,000.00</b>   | -                          | <b>28,000.00</b> | -                                | -                                |
| <b>Previous Year</b>   |         |  |                            |                  |                                  |                                  |
| Peerless Financial Product Distribution Company Limited          | -       | 9,000.00   | -                          | 9,000.00         | -                                | -                                |
| Kaizen Hotels & Resorts Limited                                  | -       | -  | -                          | -                | -                                | -                                |
| <b>Provision on Standard Assets</b>                              |         |  |                            |                  |                                  |                                  |
| Kaizen Hotels & Resorts Limited                                  | -       | 93.21  | -                          | 93.21            |                                  |                                  |
| <b>Previous Year</b>   |         |  |                            |                  |                                  |                                  |
| Peerless Financial Product Distribution Company Limited          | -       | 50.00  | -                          | 50.00            |                                  |                                  |
| Kaizen Hotels & Resorts Limited                                  | -       | 112.50   | -                          | 112.50           |                                  |                                  |
|  |         | 162.50   |                            | 162.50           |                                  |                                  |
| <b>Impairment Allowance (ECL) on loan given to related party</b> |         |  |                            |                  |                                  |                                  |
| Kaizen Hotels & Resorts Limited                                  | -       |  | -                          |                  |                                  |                                  |
| <b>Total</b>   | -       |  | -                          |                  |                                  |                                  |
| <b>Previous Year</b>   |         |  |                            |                  |                                  |                                  |
| Kaizen Hotels & Resorts Limited                                  | -       |  | -                          |                  |                                  |                                  |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### PEERLESS FINANCIAL SERVICES LIMITED

#### B) Related Party Transactions (Amount in Rs thousand)

| Particulars   | Holding | Associates, Group Enterprises and Companies under common control | KMP and their close member | Total           | Outstanding as on March 31, 2020 | Outstanding as on March 31, 2019 |
|---|---------|--|----------------------------|-----------------|----------------------------------|----------------------------------|
| <b>D. Advances given for acquiring flat</b>             |         |  |                            |                 |                                  |                                  |
| Bengal Peerless Housing Development Company Limited     | -       | 6,648.58   | -                          | 6,648.58        | -                                | -                                |
| <b>Total</b>  | -       | <b>6,648.58</b>  | -                          | <b>6,648.58</b> | -                                | -                                |
| <b>Previous Year</b>                                    |         |  |                            |                 |                                  |                                  |
| Bengal Peerless Housing Development Company Limited     | -       | 3,340.58   | -                          | 3,340.58        | -                                | -                                |
| <b>II. OUTSTANDING BALANCES:</b>                        |         |  |                            |                 |                                  |                                  |
| <b>A. Loan Given</b>                                    |         |  |                            |                 |                                  |                                  |
| Peerless Financial Product Distribution Company Limited | -       | -  | -                          | -               | -                                | -                                |
| Kaizen Hotels & Resorts Limited                         | -       | -  | -                          | -               | 37,000.00                        | -                                |
| <b>Total</b>  | -       | -  | -                          | -               | <b>37,000.00</b>                 | -                                |
| <b>Previous Year</b>                                    |         |  |                            |                 |                                  |                                  |
| Kaizen Hotels & Resorts Limited                         | -       | -  | -                          | -               | -                                | 45,000.00                        |
| Peerless Hospitex Hospital & Research Center Limited    | -       | -  | -                          | -               | -                                | 20,000.00                        |
|   |         |  |                            |                 | -                                | 65,000.00                        |
| <b>B. Advance for acquiring flat</b>                    |         |  |                            |                 |                                  |                                  |
| Bengal Peerless Housing Development Company Limited     | -       | -  | -                          | -               | 16,670.32                        | -                                |
| <b>Total</b>  | -       | -  | -                          | -               | <b>16,670.32</b>                 | -                                |
| <b>Previous Year</b>                                    |         |  |                            |                 |                                  |                                  |
| Bengal Peerless Housing Development Company Limited     | -       | -  | -                          | -               | -                                | 10,021.74                        |
|   |         |  |                            |                 | -                                | 10,021.74                        |
| <b>C. Interest on loan</b>                              |         |  |                            |                 |                                  |                                  |
| Peerless Financial Product Distribution Company Limited | -       | -  | -                          | -               | -                                | -                                |
| Kaizen Hotels & Resorts Limited                         | -       | -  | -                          | -               | 283.58                           | -                                |
| <b>Total</b>  | -       | -  | -                          | -               | <b>283.58</b>                    | -                                |
| <b>Previous Year</b>                                    |         |  |                            |                 |                                  |                                  |
| Peerless Financial Product Distribution Company Limited |         |  |                            |                 | -                                | 168.16                           |
| Kaizen Hotels & Resorts Limited                         | -       | -  | -                          | -               | -                                | 347.80                           |
|   |         |  |                            |                 | -                                | 515.96                           |

## Notes To Financial Statements For The Year Ended 31st March, 2020

**B) Related Party Transactions**
**(Amount in Rs thousand)**

| Particulars  | Holding | Associates, Group Enterprises and Companies under common control | KMP and their close member | Total | Outstanding as on March 31, 2020 | Outstanding as on March 31, 2019 |
|--|---------|--|----------------------------|-------|----------------------------------|----------------------------------|
| <b>D. Receivable of Rent and maintenance Expenses ( incl. Service tax)</b> |         |  |                            |       |                                  |                                  |
| Peerless Hotels Ltd.   | -       | -  | -                          | -     | 51.63                            | -                                |
| <b>Total</b>   | -       | -  | -                          | -     | <b>51.63</b>                     | -                                |
| <b>Previous Year</b>   |         |  |                            |       |                                  |                                  |
| Peerless Hotels Ltd.   | -       | -  | -                          | -     | -                                | -                                |
| <b>E. Payable of Expenses</b>  |         |  |                            |       |                                  |                                  |
| Mr. Abhishek Tantiia-Managing Director and Chief Executive Officer         | -       | -  | -                          | -     | 74.09                            |                                  |
| <b>Total</b>   | -       | -  | -                          | -     | <b>74.09</b>                     |                                  |
| <b>Previous Year</b>   |         |  |                            |       |                                  |                                  |
| Mr. Abhishek Tantiia-Managing Director and Chief Executive Officer         | -       | -  | -                          | -     | -                                | 9.88                             |
| <b>F. Provision on Standard Assets</b>                                     |         |  |                            |       |                                  |                                  |
| Kaizen Hotels & Resorts Limited  |         |  |                            |       | 93.21                            |                                  |
| <b>Total</b>   |         |  |                            |       | <b>93.21</b>                     |                                  |
| <b>Previous Year</b>   |         |  |                            |       |                                  |                                  |
| Peerless Financial Product Distribution Company Limited                    |         |  |                            |       |                                  | 50.00                            |
| Kaizen Hotels & Resorts Limited  |         |  |                            |       |                                  | 112.50                           |
|  |         |  |                            |       |                                  | 162.50                           |
| <b>G. Impairment Allowance (ECL) on loan given to related party</b>        |         |  |                            |       |                                  |                                  |
| Kaizen Hotels & Resorts Limited  |         |  |                            | -     |                                  |                                  |
| <b>Total</b>   |         |  | -                          |       |                                  |                                  |
| <b>Previous Year</b>   |         |  |                            |       |                                  |                                  |
| Kaizen Hotels & Resorts Limited  |         |  |                            |       | -                                |                                  |
|  |         |  |                            |       |                                  | -                                |

**Note:**

- a. Remuneration to the Key Management Personnel does not include the provisions made for Gratuity Benefits, as they are determined on an Actuarial basis for the Company as a whole.
- b. The above related party information is as identified by the management and relied upon by the auditor.

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 41 Tax Expenses- Current Tax

(Amount in Rs thousand)

| Particulars               | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|---------------------------|-----------------|--------------------------------------|--------------------------------------|
| Provision for Current Tax |                 | 4,100.00                             | 6,300.00                             |
|                           |                 | <b>4,100.00</b>                      | <b>6,300.00</b>                      |

### 41.1 Components of Tax Expense:

(Amount in Rs thousand)

| Particulars  | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--|-----------------|--------------------------------------|--------------------------------------|
| Current tax<br>In respect of the current year                        |                 | 4,100.00                             | 6,300.00                             |
| <b>Total Current tax expense recognised<br/>in the current year</b>  |                 | <b>4,100.00</b>                      | <b>6,300.00</b>                      |
| Deferred tax<br>In respect of the current year                       |                 | (1,443.61)                           | (785.24)                             |
| <b>Total Deferred tax expense recognised<br/>in the current year</b> |                 | <b>(1,443.61)</b>                    | <b>(785.24)</b>                      |
| <b>Total Tax expense recognised in the<br/>current year</b>          |                 | <b>2,656.39</b>                      | <b>5,514.76</b>                      |

### 41.2 Income tax recognised in other comprehensive income

#### Deferred tax

Arising on income and expenses recognised  
in other comprehensive income:

Remeasurement of defined benefit obligation (91.16) (39.03)

**Total income tax recognised in other  
comprehensive income (91.16) (39.03)**

Bifurcation of the income tax recognised in  
other comprehensive income into:-

Items that will not be reclassified to profit or loss (91.16) (39.03)

Items that may be reclassified to profit or loss — —

### 42 Components of Other Comprehensive Income

(Amount in Rs thousand)

| Particulars  | Ref<br>Note No. | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|--|-----------------|--------------------------------------|--------------------------------------|
| Items that will not be reclassified to<br>Statement of Profit and Loss |                 |                                      |                                      |
| Remeasurement of defined benefit plans                                 | 39              | (362.21)                             | (140.31)                             |
|  |                 | <b>(362.21)</b>                      | <b>(140.31)</b>                      |

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 42. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

| Particulars  | As on 31st March, 2020 |            | As on 31st March, 2019 |            |
|--|------------------------|------------|------------------------|------------|
|  | Carrying Amount        | Fair Value | Carrying Amount        | Fair Value |
| <b>Financial Assets</b>  |                        |            |                        |            |
| <b>Financial Assets measured at Amortised Cost</b>                             |                        |            |                        |            |
| Cash and cash equivalents  | 10,328.29              | 10,328.29  | 52,473.70              | 52,473.70  |
| Loans  | 162,563.70             | 162,563.70 | 152,811.60             | 152,811.60 |
| Other Financial Assets   | 1,893.07               | 1,893.07   | 1,634.08               | 1,634.08   |
| <b>Financial Assets measured at Fair Value through Profit and Loss Account</b> |                        |            |                        |            |
| Investment in Mutual Funds   | 313,588.07             | 313,588.07 | 290,333.96             | 290,333.96 |
| <b>Financial Liabilities</b>   |                        |            |                        |            |
| <b>Financial Liabilities measured at Amortised Cost</b>                        |                        |            |                        |            |
| Trade Payables   | 1,215.85               | 1,215.85   | 420.44                 | 420.44     |
| Other Payables   | 581.76                 | 581.76     | 492.16                 | 492.16     |
| Other Financial Liabilities  | 2,747.18               | 2,747.18   | —                      | —          |

### Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, loans, current trade payables, current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

Investments traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower. Unquoted investments in mutual funds have been valued based on the historical net asset value as per the latest audited financial statements.

### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

- i) **Level 1 :-** Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.
- ii) **Level 2 :-** Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## Notes To Financial Statements For The Year Ended 31st March, 2020

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

(Amount in Rs thousand)

| Particulars                                  | As at<br>March 31          | Fair value measurements at reporting date using |                            |         |
|--|----------------------------|---|----------------------------|---------|
|  |                            | Level 1   | Level 2                    | Level 3 |
| <b>Financial Assets</b>                      |                            |   |                            |         |
| Security Deposits                            | 306.65<br>(306.65)         | —<br>—  | 306.65<br>(306.65)         | —<br>—  |
| Investment in Mutual Funds/ Equity (Current) | 313,588.07<br>(290,333.96) | 35.28<br>—                                      | 313,552.79<br>(290,333.96) | —<br>—  |

(\*) Figures in round brackets ( ) indicate figures as at March 31, 2019

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the Effective Interest Rate.

Fair valuation of Mutual Funds is based on the net present value at current yield to maturity from rates available from FIMMDA.

### FINANCIAL RISK FACTORS

The Company's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### MARKET RISK

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes investments and trade and other payables.

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company doesn't have exposure to the risk of changes in foreign exchange rates and hence is not subjected to such risk.

#### Interest rate risk

The company doesn't have exposure in market risk relating to change in interest rate as it doesn't have any borrowed funds whether in fixed rate or floating rate.

#### Other price risk

The company's current investments which are fair valued through profit and loss are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

#### CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily loans or interest accrued balances). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.



## Notes To Financial Statements For The Year Ended 31st March, 2020

The Company periodically assesses the financial reliability of its borrowers, taking into account the financial condition and current economic trends.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of doubtful loans and advances. Receivables from its borrowers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

### Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

### LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The company's assets represented by financial instruments comprising of receivables are largely by borrowed funds funded against borrowed funds. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

### Maturity Analysis of Financial Liabilities

#### As at March 31, 2020

| Particulars              | (Amount in Rs thousand) |           |                    |                |          |          |
|--------------------------|-------------------------|-----------|--------------------|----------------|----------|----------|
|                          | Carrying Amount         | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total    |
| Other Liabilities        | 2,747.18                | 2,747.18  | —                  | —              | —        | 2,747.18 |
| Trade and other payables | 1,797.62                | 1,797.62  | —                  | —              | —        | 1,797.62 |

#### As at March 31, 2019

| Particulars              | (Amount in Rs thousand) |           |                    |                |          |        |
|--------------------------|-------------------------|-----------|--------------------|----------------|----------|--------|
|                          | Carrying Amount         | On Demand | Less than 6 months | 6 to 12 months | > 1 year | Total  |
| Other Liabilities        | —                       | —         | —                  | —              | —        | —      |
| Trade and other payables | 912.60                  | 912.60    | —                  | —              | —        | 912.60 |

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The company relies on operating cash flows to meet its need for funds.

### CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

Since at present there is no borrowings obtained by the company so Capital Gearing Ratio is not disclosed hereunder.

## Notes To Financial Statements For The Year Ended 31st March, 2020

### 44. Uncertainties relating to the Global Health Pandemic from COVID-19

#### 44.1 RBI COVID -19 Regulatory package

In accordance with the Reserve Bank of India (RBI) notification no. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27th March, 2020 and RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020 relating to 'COVID-19 - Regulatory Package', the Company, as per its board approved policy, has granted moratorium upto three months on the payment of installments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. and in respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, for the purpose of staging of those accounts and for determination of impairment loss allowance as at 31 March 2020, the days past due status as on 29 February 2020 has been considered

#### 44.2 Impact of COVID-19

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the period ended March 2020, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance and has recognized the same in the statement of profit and loss.

### 45. Disclosure as required under RBI Notification no. RBI/2019-20/220/DOR.NO.BP.BC.63/21.04.048/2019-20 Dated 17 April 2020 on COVID-19 Regulatory package- Asset Classification and Provisioning

(Amount in Rs thousand)

| Particulars   | Amount   |
|---|----------|
| i) Respective amounts in SMA/Overdue categories, where the moratorium/ deferment was extended                 | —        |
| ii) Respective amount where asset classification benefit is extended  | 8,059.87 |
| iii) Provision made during F.Y.2019-20  | 402.99   |
| iv) Provision adjusted during the respective accounting periods against slippages and the residual provisions | —        |

46. Figures relating to previous years have been regrouped / rearranged, wherever necessary.

Singature to Notes to Accounts 1 to 46

M/s Mukund M. Chitale & Co.  
Chartered Accountants  
Firm Reg. No. 106655W  
S. M. Chitale  
Partner  
Membership No. 111383

Place : Mumbai  
Dated: 3rd August, 2020

Biswajit Das  
Company Secretary

Partha Bose  
Chief Financial Officer

On behalf of the Board

Deepak Mukerjee      Abhishek Tantia  
Chairman                Managing Director  
DIN-00046690        & CEO  
DIN-07651661  
Dipankar Chatterji  
Director  
DIN-00031256

Place : Kolkata  
Dated: 31st July, 2020

## Annex 1

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

(Rs. in Lakhs)

|            |   |                           |                       |
|------------|---|---------------------------|-----------------------|
|            | <b>Particulars</b>  |                           |                       |
|            | <b>Liabilities side :</b>   |                           |                       |
| <b>(1)</b> | <b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b><br>(a) Debenture : Secured —<br>: Unsecured —<br>(other than falling due within the meaning of public deposits*)<br>(b) Deferred Credits —<br>(c) Term Loans —<br>(d) Inter-corporate loans and borrowing —<br>(e) Commercial Paper —<br>(f) Other Loans (Specific nature) —<br>* Please see Note 1 below | <b>Amount outstanding</b> | <b>Amount overdue</b> |
| <b>(2)</b> | <b>Break-up of (1) (f) above / outstanding public deposit inclusive of interest accrued thereon but not paid:</b>   |                           |                       |
| (a)        | In the form of unsecured debentures   | —                         | —                     |
| (b)        | In the form of partly secured debentures i,e debentures where there is shortfall in the value of security   | —                         | —                     |
| (c)        | Other public deposits   | —                         | —                     |
|            | * please see Note 1 below   |                           |                       |
|            | <b>Assets side :</b>  | <b>Amount outstanding</b> |                       |
| <b>(3)</b> | <b>Break-up of Loans and Advances including bills receivable [other than those included in (4) below]:</b><br>(a) Secured 567.89<br>(b) Unsecured 1,057.75  |                           |                       |

75

|            |   |                          |                  |
|------------|---|--------------------------|------------------|
| <b>(6)</b> | <b>Borrower group-wise classification of assets financed as in (2) and (3) above :</b><br>Please see note 2 below |                          |                  |
|            | Category  | Amount net of provisions |                  |
|            |   | <b>Secured</b>           | <b>Unsecured</b> |
|            | <b>1. Related Parties**</b>   |                          |                  |
|            | (a) Subsidiaries  | —                        | —                |
|            | (b) Companies in the same group   | —                        | 365.00           |
|            | (c) Others related parties  | —                        | —                |
|            | <b>2. Other than related parties</b>  | 567.89                   | 692.74           |
|            | <b>Total</b>  | <b>567.89</b>            | <b>1,057.75</b>  |

|            |   |   |                                    |
|------------|---|---|------------------------------------|
| <b>(7)</b> | <b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b><br>Please see note 3 below |   |                                    |
|            | Category  | Amount net of provisions                          |                                    |
|            |   | Market value/<br>Break up or Fair<br>Value or NAV | Book value<br>Net of<br>Provisions |
|            | <b>1. Related Parties**</b>   |   |                                    |
|            | (a) Subsidiaries  | —   | —                                  |
|            | (b) Companies in the same group   | —   | —                                  |
|            | (c) Other related parties   | —   | —                                  |
|            | <b>2. Other than related parties</b>  | 3,135.88  | 3,135.88                           |
|            | <b>Total</b>  | <b>3,135.88</b>                                   | <b>3,135.88</b>                    |

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

#### **(8) Other Information**

|       |  |        |
|-------|--|--------|
|       | Particulars                                    | Amount |
|       | <b>Gross Non-Performing Assets</b>             | —      |
| (i)   | (a) Related Parties                            | —      |
|       | (b) Other than related parties                 | 100.00 |
|       | <b>Net Non-Performing Assets</b>               | —      |
| (ii)  | (a) Related Parties                            | —      |
|       | (b) Other than related parties                 | 50.00  |
| (iii) | <b>Assets acquired in satisfaction of debt</b> | —      |

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