



PEERLESS FINANCIAL SERVICES LIMITED

CIN : U65993WB1988PLC044077

Registered Office : Peerless Bhavan, 3, Esplanade East, Kolkata 700069

Tel : +91-33-40622525, Fax : +91-33-22625664, E-mail : pfs@peerlessfinance.in , Website: www.peerlessfinance.in

NOTICE OF 33RD ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the members of PEERLESS FINANCIAL SERVICES LIMITED will be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) on Wednesday, September 8, 2021 at 12.30 P.M. (IST) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Kanti Roy, Director (DIN: 00043966) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for reappointment.

Kolkata,
Dated : 29 June, 2021

Registered Office:
Peerless Bhavan,
3, Esplanade East,
Kolkata 700069

By Order of the Board
For **Peerless Financial Services Limited**

Biswajit Das
Company Secretary
Membership No. A23043

NOTES :

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs ("MCA") followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. **PURSUANT TO THE CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, THE FACILITY TO APPOINT PROXY TO ATTEND AND CAST VOTE FOR THE MEMBERS IS NOT AVAILABLE FOR THIS AGM. HOWEVER, THE BODY CORPORATES ARE ENTITLED TO APPOINT AUTHORISED REPRESENTATIVES TO ATTEND THE AGM THROUGH VC/OAVM AND PARTICIPATE THERE AT AND CAST THEIR VOTES THROUGH E-VOTING. PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**
3. The deemed venue for the 33rd AGM will be the Registered Office of the Company at Peerless Bhavan, 3, Esplanade East, Kolkata 700069.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The helpline number of the Company regarding any query / assistance for participation in the AGM through VC/OAVM is 8336922525.
7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars the Notice of AGM along with Annual Report 2020-21 will be being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Member may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.peerlessfinance.in.
8. Any change of address of the members of the Company may be intimated to the Registered Office of the Company or to the Registrar and Share Transfer Agent of the Company, M/s. C.B. Management Services (P) Limited, P- 22, Bondel Road, Kolkata 700 019, Phone : +91-33-40116700/40116716, Fax : +91-33-40116739, Email : rta@cbmst.com quoting their Folio Number (s) with a self-attested copy of address proof, i.e. Voter Identity Card, Electric/ Telephone (BSNL) Bill or Driving License or Passport on or before 1st day of September, 2021. In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
9. Members are requested to register/update their email ID by following the steps mentioned below to receive Notice, Annual Report and other related documents, if any, through email.
Process for those members whose email ids are not registered:
 - (i) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to the Company at corporate.connect@peerlessfinance.in and /or to the Registrar & Share Transfer Agent (RTA) at rta@cbmsl.com.
 - (ii) Members holding shares in Demat mode can get their e-mail id registered by contacting their respective Depository Participant.

Further, the Notice of this 33rd Annual General Meeting along with requisite documents and the Annual Report for the financial year 2020-21 shall also be available on the Company's website www.peerlessfinance.in.
10. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
11. Members seeking any information with regard to accounts are requested to write to the Company / email at corporate.connect@peerlessfinance.in at least 7 days before the meeting so as to enable the management to keep the information ready.
12. In terms of Section 72 of the Act, nomination facility is available to individual Members holding shares in the physical mode. The Members who are desirous of availing this facility, may kindly write to Company's RTA for nomination form by quoting their folio number.
13. Relevant documents referred to in the accompanying notice and the scanned copies of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode.
14. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 2nd day of September, 2021 to Wednesday, the 8th day of September, 2021 (both days inclusive), for the purpose of the Annual General Meeting.
15. Voting rights of the members shall be in proportion to their respective shareholding as on the cut-off date i.e. 1st September, 2021 and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

16. Members are requested to contact the Company's Registrar & Share Transfer Agents, M/s. C.B. Management Services (P) Limited, P 22, Bondel Road, Kolkata – 700 019, for reply to their queries/redressal of complaints, if any, or contact Mr. Biswajit Das, Company Secretary at the Registered Office of the Company.
17. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company www.peerlessfinance.in as soon as possible after the meeting is over.
18. Additional information, as required under the provisions of Secretarial Standard-2 issued by The Institute of Company Secretaries of India, in respect of the directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent/ declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

19. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and other applicable provisions (including any statutory modification or re-enactment for the time being in force), the Company is pleased to provide the members the facility to exercise their vote through remote e-voting in respect of the resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) by using the electronic voting facility provided by the NSDL.

During the remote e-voting period, the members of the Company, holding shares either in physical form or dematerialized form, as on the 'cut-off' date i.e. 1st September, 2021 may cast their vote electronically.

Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

Voting rights of the member shall be in proportion to their respective shareholding as on the cut-off date i.e. 1st September, 2021.

The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their votes again.

Any person who acquires the shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. 1st September, 2021 may obtain the login ID and password by sending a request at rta@cbmsl.com and should follow the instructions for e-voting as mentioned below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Share Transfer Agent.

The Company has appointed Mr. Mohan Ram Goenka, Practising Company Secretary to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting at the AGM, in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of e-voting at the Annual General meeting, unblock and count the total votes cast by the members and within a period not exceeding three days from the conclusion of the Annual General Meeting make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing who shall countersign the same and declare the result of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.peerlessfinance.in and on the website of NSDL.

20. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

21. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins Saturday, the 4th September, 2021 at 10:00 A.M. and ends on Tuesday, the 7th September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 1st September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 1st September, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” from ‘App Store’ or ‘Google Play Store’.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website of NSDL.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. 1st September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 1st September, 2021 may follow steps mentioned in the Notice of the AGM under Step 1 : “Access to NSDL e-Voting system”(Above).

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the RTA at rta@cbmsl.com and/or to the Company at corporate.connect@peerlessfinance.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to the RTA at rta@cbmsl.com and/or to the Company at corporate.connect@peerlessfinance.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against

company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number to the Company at corporate.connect@peerlessfinance.in atleast 7 days before AGM, that is, latest by 5 p.m. (IST) on Wednesday, 1st day of September, 2021.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at atleast 7 days before AGM, that is, latest by 5 p.m. (IST) on Wednesday, 1st day of September, 2021. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

DISCLOSURES RELATING TO DIRECTORS PURSUANT TO SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2):

Particulars	Mr. Sunil Kanti Roy, Director (DIN: 00043966)
Date of Birth and Age	January 8, 1944 77 years
Date of appointment on Board	05.04.1988
Qualifications	B.Com.
Experience	51 years
No. of Meetings of the Board attended during FY 2020-21	1 out of 4
Other Directorships	Managing Director of The Peerless General Finance & Investment Company Limited. ("PGFI") Chairman of - Peerless Hospitex Hospital & Research Center Ltd. ("PHHRCL") Peerless Hotels Ltd. ("PHL") Shikha Holdings Pvt. Ltd. ("SHPL") Bichitra Holdings Pvt. Ltd. ("BHPL") Kaizen Hotels & Resorts Ltd. ("KHRL") Director of - Bengal Peerless Housing Development Co. Ltd. ("BPHDCL") Peerless Securities Ltd. ("PSL") Peerless Financial Products Distribution Ltd. ("PFPDL")
Memberships / Chairmanships of committees across other companies	Member of – <ul style="list-style-type: none"> Audit Committee, Nomination & Remuneration Committee ("NRC") of PHHRCL, Corporate Social Responsibility ("CSR") Committee, Stakeholders Relationship Committee of PGFI, NRC of PHL, NRC, CSR Committee of BPHDCL, Chairman of – <ul style="list-style-type: none"> NRC of SHPL, NRC of BHPL
Shareholding in the Company	33126 equity shares
Relationship with other directors, manager or key managerial personnel, if any	None

Last drawn Remuneration	Directors Sitting fees of Rs.20 Thousand
Remuneration sought to be paid	Directors Sitting fees

Kolkata,
Dated : 29 June, 2021

Registered Office:
Peerless Bhavan,
3, Esplanade East,
Kolkata 700069

By Order of the Board
For **Peerless Financial Services Limited**
Biswajit Das
Company Secretary
Membership No. A23043

ANNUAL REPORT & ACCOUNTS 2020-21

Peerless Financial Services Limited

Step up to a bright future





GET CLOSER TO YOUR DREAMS

**BOUQUET OF LOAN PRODUCTS
CUSTOMISED TO YOUR NEEDS
AND DISBURSED TIMELY**



**Small Business
Loans**



**Equipment
Finance**



**Loan to
Professionals**



**Loan against
Salary**



**Loan against
Marketable Securities**

☎ 033 4062 2525 / ☎ WhatsApp 833 692 2525

Peerless Financial Services Ltd.

‘Peerless Bhavan’, 3, Esplanade East, Kolkata - 700 069

F: +91-33-22625664 | E: pfs@peerlessfinance.in

CIN: U65993WB1988PLC044077

Connect with us on



(A Unit of The Peerless General Finance & Investment Company 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 & CEO

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
Phone : + 91-33- 40116700/40116716
Fax : +91-33-40116739, Email : rta@cbmst.com

REGISTERED & CORPORATE OFFICE

Peerless Bhavan,
3, Esplanade East,
Kolkata-700 069
Phone : +91-33-83369 22525/4062 2525
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E-Mail: pfs@peerlessfinance.in
Website: www.peerlessfinance.in
CIN: U65993WB1988PLC044077

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BOARD'S REPORT

To the Members,

The Directors take pleasure in presenting the Thirty-third Annual Report of Peerless Financial Services Limited ('the Company' or 'Peerless Finance') along with the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2021.

Background

Your Company, "Peerless Finance", is a subsidiary company of The Peerless General Finance & Investment Company Limited ("PGFI"). It is a Non-Deposit taking Non-Systemically Important Non-Banking Financial Company ("NBFC-ND-NSI"), registered with the Reserve Bank of India ("RBI") and categorised as an Investment and Credit Company ("ICC"). The Company has its Registered and Corporate Office in Kolkata.

Financial Highlights

The Company has made the Financial Statements for the FY 2020-21 in compliance with the Indian Accounting Standards ("Ind AS"), as applicable.

A summary of financial results for the FY 2020-21 vis-à-vis the financial results of the previous FY of your Company is given below:-

(Rupees in Thousand)

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from Operations	28,762.71	18,604.10
Other Income	22,175.83	22,111.87
Gross Revenue	50,938.54	40,715.97
Profit/loss before Depreciation, Exceptional items and Tax Expense	23,815.39	13,487.38
Depreciation/ Amortisation/ Impairment	(2,324.44)	(2014.61)
Profit/loss before Tax	21,490.95	11,472.77
Tax Expense (Current & Deferred)	(4,731.34)	(2,656.39)
Profit /loss for the year (1)	16,759.61	8,816.38
Other Comprehensive Income (2)	287.23	(271.05)
Total Comprehensive Income (1+2)	17,046.84	8,545.33
Balance of profit /loss for earlier years	(18,055.77)	(24,892.03)
Transfer to Special Reserves	(3,500.00)	(1,709.07)
Balance carried forward	(4,508.93)	(18,055.77)

The state of Company's Affairs

The Company offers Term Loans and other lines of Credit, both secured and unsecured, to individuals and other business entities under its various product categories, such as, Loan against Salary, Loan to Professionals, Tour Loan, Loan to Educational Institutions, Business Loan, Equipment Finance, Loan against Marketable Securities, Loan against Insurance Policy etc.

During the FY 2020-21, the Company disbursed total loans of Rs.2,18,455.73 Thousand. Gross revenue earned by the Company during the FY 2020-21 was Rs.50,938.54 Thousand, an increase of 25.11% over Rs.40,715.97 Thousand

in 2019-20. The rise in gross revenue by Rs.10,222.57 Thousand in FY 2020-21 was due to higher Interest income earned and other charges related to disbursement of loans.

The Company earned a Profit before Tax of Rs.21,490.95 Thousand and Profit after Tax of Rs.17,046.84 Thousand during the FY 2020-21, compared to Rs.11,472.77 Thousand and Rs.8,545.33 Thousand respectively, during the previous financial year.

The Covid-19 Pandemic

The financial year 2020-21 started with the outbreak of the COVID19 pandemic which led to a nationwide lockdown. The lockdown was withdrawn in a phased manner as the severity and magnitude of the spread of the pandemic abated over time. The Government permitted NBFCs and e-commerce delivery to begin operating from the third week of April 2020, albeit with a limited capacity. From June onwards, the Government announced a phased reopening and from July 2020 onwards, lockdown measures were enforced only in containment zones. Incidence of Corona infections started declining after reaching peak levels in September 2020 and the severity of its impact on economic activity was contained, helped by a strong recovery rate of 96 percent by December 2020.

And then came the second wave of COVID-19 in February 2021, affecting the people of Maharashtra, Kerala, Punjab, Madhya Pradesh, Chhattisgarh to start with and thereafter, Delhi. It then spread rapidly to other states, leading to the re-imposition of restrictions on free movement of people by some state governments. The Central Government rolled out the vaccine, initially for medical personnel and other frontline COVID warriors, followed by extension of the facility to senior citizens and citizens above 45 years of age. Later, vaccination for people of the age group 18 to 45 was announced.

In order to carry out business operations seamlessly in the prevailing restrictions and disruptions, the Company took prompt remedial steps in terms of its business continuity strategy. To protect the safety of its employees, customers and other stakeholders, your Company issued a series of advisories followed by adoption of a 'Work from home Policy'. However, from the third week of April, 2020 the Company resumed working from office with limited staff. The impact of the Covid-19 pandemic made it abundantly clear to most businesses that there was no option but to shift completely to digital systems from erstwhile traditional systems in order to contend with the radically changed business reality. Official Emails were shifted to subscribed web-based platforms. All Employees (except sales executives) were provided with laptops and the entire data lying at the respective desktops had to be shifted to laptops to enable staff to work remotely from their homes. The data on laptops was synchronized with subscribed version of Cloud to protect data security from loss and theft. Frontline Sales Executives were provided with Tablet computers to deal with sales data and for sending emails, making calls and for generating leads. Digital platforms such as, Zoom, MS-Teams etc. were made available for Business meetings. Online and digital transformation of the transactions, both collection and payments, were made. The Accounting system was shifted to Cloud to enable all accounts personnel to access the system from their remote locations. Focus was given on utilization of digital marketing automation, chatbots, social media marketing, and email marketing rather than the traditional modes, in order to expand our reach and stimulate demand for our products and services in the new business paradigm. Efforts were made to generate leads through online modes after ensuring that access to the systems by employees, support staff or by third-party personnel was secure so that critical services to customers could operate seamlessly without compromising security of sensitive data.

The Company started working from its office premises with full staff strength from September 2020. However, the advent of the second wave of the pandemic across the country from February 2021 forced the Company to disperse its work force to different premises and operate with 50% employees at a time in the office. To achieve this, the Company raised its reliance on remote working modes backed up by continual guidance to employees via issuing necessary advisories periodically.

In compliance with the Central Government's instructions followed by RBI Directions to mitigate the burden of debt servicing faced by borrowers on account of COVID-19 pandemic, and to ensure continuity of viable businesses, the Company granted a moratorium of six months on payments of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. The Company also granted deferment of interest payments on outstandings as on March 1, 2020 on working capital facilities of eligible borrowers who were facing difficulties on account of the economic fallout of the pandemic. Further, the Company adopted Resolution Framework 1.0 in October 2020 and Resolution Framework 2.0 in May 2021 for restructuring of loans of eligible borrowers.

Material Changes Affecting the Financial Position of the Company

Other than the 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

The Directors of the Company do not recommend any dividend for the FY 2020-21 on account of the cumulative loss which stands in the books of the Company.

Amounts Transferred to Reserves

The Board has decided to transfer an amount of Rs. 3500 Thousand to Special Reserve in terms of Section 45IC of the RBI Act, 1934.

Acceptance of Public Deposit

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

Variation in Net Worth

The Company's Net Worth as at the close of the financial year ended March 31, 2021 recorded a rise to Rs.5,57,193 Thousand, compared to the net worth of Rs. 540,146 Thousand as at the close of the previous financial year ended March 31, 2020.

Annual Return

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at <https://peerlessfinance.in/assets/uploads/Annual-Return-2020-2021.pdf>

Particulars of Loans, Guarantees and Investments under Section 186

Since your Company is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India and categorized as an Investment and Credit Company (NBFC-ICC), 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

The Company, during the year under review, has not entered into any material contract/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, for good governance practice, the 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

Your Company, as a provider of financial services, 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 one of the core day-to-day business management activities of the Company. The Board approved Risk Management Policy to govern the functions of Risk Management by identification of risks that the Company is exposed to, and assessment and monitoring of such Risks is an ongoing process.

Risk Management covers 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 Core Committee of the Management and the Audit Committee of the Board perform 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 include Internal Controls Management, Internal Audit and Special Audit conducted by the Management on periodic basis.

Credit Risk is basically monitored by the credit department of the Company as per separate credit policies and procedures for various products besides the lending policy of the Company. The risk policies define prudential limits, portfolio criteria, exceptional approval matrix, etc. Risk is managed by analysing counter-party, industry sector, geographical region, single borrower and borrower category. Further, while approving lending proposals, the Credit & Investment Committee evaluates credit proposals and credit exposure in line with the delegation of power and authority assigned by the Board of Directors. The Credit & Investment Committee also focuses on post sanction monitoring of loans. Periodic review of the credit portfolio is conducted by the Board. The underwriting and monitoring is carried out by the Credit Department under the superintendence of MD & CEO.

Operational Risks are mitigated through ongoing monitoring by Senior Management Team and corrective actions are implemented as and when required. The Core Committee of the Management meets periodically to review the operational risk profile of the organisation.

Risks associated with frauds are mitigated through continuous internal monitoring and maker-checker system of approval matrix and payment protocols. Representatives of the Senior Management review matters relating to fraud risk, including corrective and remedial actions involving people and processes.

Internal Control

The Company has an adequate internal control system in place. The internal control system is supported by proper assessment by the Core Committee and internal audit of the adequacy and efficacy of the Company's internal controls, including its systems processes and compliance with regulations and procedures. The Core Committee discusses various aspects of Internal Control from time to time. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

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 Reporting

The Company has, in material respect, an adequate internal financial control over financial reporting. The Company's Internal auditor performs regular reviews of business processes to assess the effectiveness of internal financial controls. The system of internal financial control over financial reporting 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. 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 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, Internal Financial Control over financial reporting of the Company is adequate and is operating effectively.

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

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

Independent Directors :

Pursuant to 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.

In the opinion of the Board, 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 each 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, 2021.

There was no change (appointment/resignation) of the Directors and the Key Managerial Personnel namely, Managing Director, the Chief Financial officer and the Company Secretary of the Company during the financial year under review.

Evaluation of the Board, its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, an annual evaluation has been carried out evaluating the performance of the Board as a whole, Committees of the Board, Individual Directors and the Chairman. 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 Management. The criteria for evaluation of Individual Directors covered parameters such as knowledge and competency, fulfilment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company, the Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

The evaluation was conducted by the Board by taking assistance of Nomination and Remuneration Committee, on the basis of a structured questionnaire which comprises performance criteria, such as, performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc. The Board has expressed their satisfaction with the evaluation process.

Nomination and Remuneration Policy of the Company

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors have adopted a Nomination and Remuneration Policy on Board Diversity, Director Attributes and Remuneration Policy.

Nomination & Remuneration Policy 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 in Section 178 of the Act.

The salient features of 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 4 (four) meetings on 31/07/2020, 16/10/2020, 24/11/2020 and 16/03/2021 during the Financial Year 2020-21.

Committees of the Board

The Board committees have been constituted by the Board with specific terms of reference to focus effectively on various

issues and to ensure resolution of matters in an efficient and expedient 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.

The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by Resolutions passed through Circulation which are noted by the Board / respective Committees of the Board at their next meetings. The Minutes of meetings of all Committees of the Board are circulated to the Board of Directors for noting.

1. Audit Committee

The Audit Committee of the Board has been constituted in compliance with the requirements of the Companies Act, 2013. The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and / or audit experience.

The terms of reference of the 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 reporting and risk management system. The Audit Committee makes recommendation for appointment of statutory and internal auditors.

Composition:

The Audit Committee comprises 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.

The Audit Committee held two meetings during the financial year 2020-21 on 31/07/2020 and 16/03/2021.

All the recommendations made by the Audit Committee during the FY 2020-21 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, Mr. Deepak Mukerjee, Independent Director, and Mr. Asoke Kumar Mukhuty, Non-Executive Director, as Members.

The Committee held one meeting on 16/10/2020 during the FY 2020-21.

The Chairman of the Committee was present at the last Annual General Meeting held on December 2, 2020.

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 Share transfer & 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.

There was no occasion to hold any meeting during the FY 2020-21.

The Chairman of the Committee was present at the last Annual General Meeting held on December 2, 2020.

4. Credit & Investment Committee

The Credit & Investment Committee sanctions credit facilities to 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 as on 31/03/2021:

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 2020-21 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 'B' to the Board's Report.

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

In compliance with the provisions of 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. An Internal Complaints Committee has also been set up by the Board to redress complaints, if any.

However, no complaint on sexual harassment has been made during 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 Company has prepared the Financial Statements in accordance with Indian Accounting Standards (Ind-AS) 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 2020-21.

Directors' Responsibility Statement

Your Directors have devised Proper systems and procedures for the business and affairs of the Company 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.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and belief and according to the information and explanations obtained, confirm that -

- a) in the preparation of the annual accounts for the financial year ended March 31, 2021, 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 2020-21 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

No significant material order 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

The Company has formulated a Whistleblower Policy with a view to provide a mechanism for all the stakeholders to approach the Chairman of the Audit Committee, as and when a misconduct is found in relation to the Company. This policy has been made 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 any Code, policies or law, that is not reflective of the values and principles of the Organization. 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 2020-21:

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.
9. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
10. There was no instance of one-time settlement with any Bank or Financial Institution.

Acknowledgment

Your Directors 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 convey their appreciation to The Peerless General Finance & Investment Company Ltd., 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 of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

The Directors deeply regret the loss of lives suffered widely in the COVID-19 pandemic. They would like to take the opportunity to express their heartfelt gratitude and appreciation of the remarkably dedicated services rendered by the entire medical profession viz., doctors, nurses, medical staff and other frontline warriors of the COVID-19 pandemic such as cleaners, the police service, suppliers of emergency goods and services, and many voluntary and other organisations, who have, often at great risks to their lives, worked tirelessly to fight the pandemic.

Kolkata

Date : 29 June, 2021

Registered office :

"PEERLESS BHAVAN"

3, Esplanade East

Kolkata - 700 069

For and on behalf of the Board

Deepak Mukerjee

Chairman

(DIN : 00046690)

ANNEXURE “A ”

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	01.04.2020 to 31.03.2021
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Payment of Rent Rs. 17,09,013/-. (incl. GST)
(e)	Date(s) of approval by the Board/Audit Committee, if any	31/07/2020, 16/10/2020, 24/11/2020, 16/03/2021, 29/06/2021
(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	01.04.2020 to 31.03.2021
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Payment of Demat Maintenance Charges Rs.4,220/-. (incl.GST) and outstanding as on 31.03.2021 is Rs.502/- (incl.GST)
(e)	Date(s) of approval by the Board/Audit Committee, if any	16/03/2021
(f)	Amount paid as advances, if any:	NIL

(iii)

(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	01.04.2020 to 31.03.2021
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Payment of Advisory fees / referral charges Rs.14,160/- (incl.GST-2160/-)
(e)	Date(s) of approval by the Board/Audit Committee, if any	29/06/2021
(f)	Amount paid as advances, if any:	NIL

(iv)

(a)	Name(s) of the related party and nature of relationship	Mrs. Gunjan Mukhuty and Mr. Arnab Mukhuty (relative of Mr Asoke Kumar Mukhuty, Director)
(b)	Nature of contracts/ arrangements/transactions	Service received
(c)	Duration of the contracts / arrangements/ transactions	01.04.2020 to 31.03.2021
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Disbursement of term loan Rs.2,50,000/-.
(e)	Date(s) of approval by the Board, if any	31/07/2020
(f)	Amount paid as advances, if any:	NIL

(v)

(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 rendered
(c)	Duration of the contracts / arrangements/ transactions	01.04.2020 to 31.03.2021
(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.5,16,360/- (including outstanding of Rs.1,03,272/- as on 31.03.2021)
(e)	Date(s) of approval by the Board, if any	16/10/2020, 16/03/2021, 29/06/2021
(f)	Amount paid as advances, if any:	NIL

(vi)

(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	Purchase of flat (at arm's length price)
(c)	Duration of the contracts / arrangements/ transactions	01.04.2020 to 31.03.2021
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Instalments paid for acquiring two flats at AVIDIPTA II Housing Complex of Rs. 66,48,580/- including GST.
(e)	Date(s) of approval by the Board, if any	16/10/2020, 16/03/2021
(f)	Amount paid as advances, if any:	NIL

Kolkata
Date : 29 June, 2021

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

For and on behalf of the Board

Deepak Mukerjee
(DIN : 00046690)
Chairman

ANNEXURE “B”

ANNEXURE TO THE DIRECTORS’ REPORT

Particulars of Employees pursuant to the provisions of Section 134 of the Companies Act, 2013 read with sub-rule (2) of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors’ Report for the year ended 31st March, 2021.

	Name	Age (Years)	Designation	Gross Remune- ration (Rs.)	Nature of Employ- ment	Qualification	Experience (Years)	Date of Commence ment of Employment	Last Employment /Post held
	1	2	3	4	5	6	7	8	9
A Top ten Employees in terms of remuneration									
1	Abhishek Tantia	39	MD & CEO	45,07,868/-	Contractual	ACA, MBA	14	02/01/2017	Peerless Securities Ltd. / Chief Financial Officer
2	Biswajit Das	52	Company Secretary & Chief Compliance Officer	12,82,800/-	Non-contractual	B.Com (Hons), ACS.	26	18/06/2015	The Peerless General Finance & Investment Co. Ltd./ Manager
3	Partha Bose	55	Chief Financial Officer	6,60,000/-	Non-contractual	B.Sc, ICWA	27	29/09/1994	NIL
4	Brijesh Goyal	34	Chief Manager- Credit	12,20,040/-	Non-contractual	B.Com (Hons), ACA, ICWA,CAIIB	10	07/05/2018	Allahabad Bank / Sr. Manager
5	Arnab Mukhuty	40	Chief Manager- Marketing	14,04,000/-	Non-contractual	B.Com(Hons), MBA(Finance & Marketing), M.SC. (Marketing)	15	25/06/2018	YES Bank Ltd/ Sr. Manager
6	Saptarshi Roy Bardhan	55	Chief Manager- Legal & Risk	10,20,000/-	Non-contractual	B.Com. (Hons) , MBA (Finance)	28	20/12/2017	BMA Wealth Creators Ltd./ VP
7	Atanu Basak	31	Manager – Loan to Professionals (East)	9,90,000/-	Non-contractual	B. Com (Hons)	9	12/06/2019	Bajaj Finserv / Area Manager – Professional Loan, Direct
8	Somraj Saha	31	Manager – Equipment Finance	7,35,000/-	Non-contractual	B.Com, MBA	6	01/07/2019	SREI Equipment Finance Ltd. / Assistant Manager - Healthcare
9	Rubun Mondal	37	Manager – Business Loan	11,01,185/-	Non-contractual	B.Sc., PGPM	6	20/01/2020	Branch Sales Manager – S&D - Microfinance
10	Siddhartha Gupta (part of the year)	40	Manager - IT	3,51,855/-	Non-contractual	B.Com. (Hons), MCA	17	27/07/2020	AUM Capital Market Pvt. Ltd/ IT- Senior Manager

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, 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

Deepak Mukerjee
Chairman

(DIN : 00046690)

Kolkata
Date : 29 June, 2021
Registered office :
"PEERLESS BHAVAN"
3, Esplanade East
Kolkata - 700 069

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, 2021, 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, 2021, 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 Ind AS 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, Board of Directors 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.

The 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 45.2 to the Ind AS 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii) As stated in Note 37 of the accompanying Ind AS financial statements, the Company is not systemically 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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 34 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 Registration No.: 106655W

(V.A. Chougule)
Partner

Date : June 29th, 2021
Place : Mumbai

M. No: 132680
UDIN: 21132680AAAAAL5823

Annexure A to the Independent Auditor's Report of even date on the Ind AS 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 2021 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:

Name of Statute	Nature of the Dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3.97	A.Y. 2016-17	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	137.35	A.Y. 2017-18	Commissioner (Appeals)

- (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 Registration No.: 106655W

(V.A. Chougale)
Partner

Date : June 29th, 2021
Place : Mumbai

M. No: 132680
UDIN: 21132680AAAAAL5823

Annexure B to the Independent Auditor's Report of even date on the Ind AS 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, 2021 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 Ind AS 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, 2021, 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 Registration No.: 106655W

(V.A. Chougule)
Partner

Date : June 29th, 2021
Place : Mumbai

M. No: 132680
UDIN: 21132680AAAAAL5823

BALANCE SHEET AS ON 31ST MARCH, 2021

(Amount in Rs. thousand)

Particulars	Note No.	As on 31st March, 2021	As on 31st March, 2020
ASSETS			
(I) Financial Assets			
(a) Cash and Cash Equivalent	5	19,837.33	10,328.29
(b) Loans	6	309,384.20	162,563.70
(c) Investments	7	164,410.85	313,588.07
(d) Other Financial assets	8	3,692.12	1,893.07
		<u>497,324.50</u>	<u>488,373.13</u>
(II) Non Financial Assets			
(a) Current Tax Assets (Net)	9	18,670.76	17,932.97
(b) Deferred Tax Assets (Net)	10	2,853.44	2,581.37
(c) Investment Property	11	—	9,242.55
(e) Property, Plant and Equipment	13	4,724.21	6,041.20
(f) Intangible Assets under development	15	7,032.80	4,771.80
(g) Other Intangible Assets	14	434.35	23.57
(h) Other Non Financial Assets	16	25,527.14	19,147.21
(i) Asset Held for Sale	12	9,093.52	—
		<u>68,336.22</u>	<u>59,740.66</u>
Total Assets		<u>565,660.72</u>	<u>548,113.79</u>
LIABILITIES AND EQUITY			
LIABILITIES			
(I) Financial Liabilities			
(a) Payables			
(I) Trade Payables	17		
(i) Total outstanding dues of micro enterprises and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006)		—	—
(ii) Other Dues		1,069.75	1,215.85
(II) Other Payables	18		
(i) Total outstanding dues of micro enterprises and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006)		—	—
(ii) Others		1,890.95	581.76
(b) Other Financial Liabilities	20	1,793.11	2,747.18
(c) Liability against Asset Held for Sale	19	363.31	—
		<u>5,117.12</u>	<u>4,544.79</u>
(II) Non Financial Liabilities			
(a) Provisions	21	2,910.48	2,981.82
(b) Other Non Financial Liabilities	22	440.16	441.07
		<u>3,350.64</u>	<u>3,422.89</u>
(III) Equity			
(a) Equity Share Capital	23	372,579.08	372,579.08
(b) Other Equity	24	184,613.88	167,567.04
		<u>557,192.96</u>	<u>540,146.12</u>
Total Liabilities and Equity		<u>565,660.72</u>	<u>548,113.80</u>

The Notes to Account forms integral part of Financial Statements 1- 48

As per our report of even date

M/s Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Vaibhav Chougule

Partner

Membership No. 132680

Place : Mumbai

Dated: 29th June, 2021

Biswajit Das

Company Secretary

Place: Kolkata

Partha Bose

Chief Financial Officer

Place: Kolkata

On behalf of the Board

Deepak Mukerjee

Chairman

DIN-00046690

Place: Kolkata

Dipankar Chatterji

Director

DIN-00031256

Place: Kolkata

Abhishek Tantia

Managing Director

& CEO

DIN-07651661

Place: Kolkata

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rs. thousand)

Particulars	Note No.	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Revenue from Operations			
(i) Interest Income	25	24,505.82	14,613.93
(ii) Dividend Income	26	9.85	0.28
(iii) Fees and Commission Income	27	4,087.01	1,976.78
(iv) Net gain on fair value changes	28	160.03	2,013.11
(I) Total Revenue from Operations		28,762.71	18,604.10
(II) Other Income	29	22,175.83	22,111.88
(III) Total Income (I + II)		50,938.54	40,715.97
Expenses			
(i) Finance Cost	30	208.53	290.35
(ii) Employee Benefits Expenses	31	19,443.41	15,887.05
(iii) Depreciation, amortization and impairment	32	2,324.45	2,014.61
(iv) Other Expenses	33	7,471.21	11,051.19
(IV) Total Expenses		29,447.60	29,243.20
(V) Profit/(Loss) before tax (III - IV)		21,490.94	11,472.77
(VI) Tax Expenses	42		
(i) Current Tax		5,100.00	4,100.00
(ii) Deferred Tax - Charge/(Credit)		(368.67)	(1,443.61)
		4,731.33	2,656.39
(VII) Profit / (Loss) for the period (V - VI)		16,759.61	8,816.38
(VIII) Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	43	383.83	(362.21)
(ii) Income Tax relating to above - Charge/(Credit)	42.2	96.60	(91.16)
Other Comprehensive Income (i - ii)		287.23	(271.05)
(IX) Total Comprehensive Income for the period (VII+VIII)		17,046.84	8,545.33
(X) Earnings per equity share			
– Basic (Rs.)	39	0.45	0.24
– Diluted (Rs.)		0.45	0.24

The Notes to Account forms integral part of Financial Statements 1- 48

As per our report of even date

M/s Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Vaibhav Chougule

Partner

Membership No. 132680

Place : Mumbai

Dated: 29th June, 2021

Biswajit Das

Company Secretary

Place: Kolkata

Partha Bose

Chief Financial Officer

Place: Kolkata

On behalf of the Board

Deepak Mukerjee

Chairman

DIN-00046690

Place: Kolkata

Dipankar Chatterji

Director

DIN-00031256

Place: Kolkata

Abhishek Tantia

Managing Director

& CEO

DIN-07651661

Place: Kolkata

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**(i) Equity Share Capital**

Particulars	Amount in Rs. Thousand
Balance as at March 31, 2019	372,579.08
Changes during the year	—
Balance as at March 31, 2020	372,579.08
Changes during the year	—
Balance as at March 31, 2021	372,579.08

(ii) Other Equity**As at March 31, 2021****(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
Balance as at March 31, 2020	8.00	168,380.85	17,233.96	(18,055.77)	167,567.04
Profit for the year	—	—	—	16,759.61	16,759.61
Other Comprehensive Income					
Remeasurement gain/(loss) on defined benefit plan including deferred tax thereon	—	—	—	287.23	287.23
Transferred from Retained earnings to Special Reserve	—	—	3,500.00	(3,500.00)	—
Balance as at March 31, 2021	8.00	168,380.85	20,733.96	(4,508.93)	184,613.88

(Amount in Rs thousand)**As at March 31, 2020**

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
Balance as at March 31, 2019	8.00	168,380.85	15,524.89	(24,892.03)	159,021.71
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)	—
Balance as at March 31, 2020	8.00	168,380.85	17,233.96	(18,055.77)	167,567.04

The Notes to Account forms integral part of Financial Statements 1- 48

As per our report of even date

M/s Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Vaibhav Chougule

Partner

Membership No. 132680

Place : Mumbai

Dated: 29th June, 2021

Biswajit Das

Company Secretary

Place: Kolkata

Partha Bose

Chief Financial Officer

Place: Kolkata

On behalf of the Board

Deepak Mukerjee

Chairman

DIN-00046690

Place: Kolkata

Dipankar Chatterji

Director

DIN-00031256

Place: Kolkata

Abhishek Tantia

Managing Director

& CEO

DIN-07651661

Place: Kolkata

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2021

	(Amount in Rs thousand)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	21,490.94	11,472.77
Add : Depreciation and amortisation expenses	2,324.45	2,014.61
Impairment allowances for doubtful loans	2,152.43	3,357.11
	<u>25,967.82</u>	<u>16,844.49</u>
Less : Interest Income on Fixed Deposit	—	2,227.96
Dividend Income from Investments	9.85	0.28
Net gain/(loss) on sale of Current Investments	19,849.35	19,231.59
Net gain/(loss) on Fair Valuation of current investments	160.03	2,013.11
Provisions / Liabilities no longer required written back	1,653.52	—
	<u>4,295.07</u>	<u>(6,628.45)</u>
Operating Profit before Working Capital changes	4,295.07	(6,628.45)
(Increase)/ Decrease in loans and advances and other assets	(157,151.91)	(20,979.69)
Increase/ (Decrease) in Trade Payable	(146.09)	795.41
Increase/ (Decrease) Liabilities/ Provisions	2,683.53	4,120.77
	<u>(150,319.40)</u>	<u>(22,691.97)</u>
Cash generated / (used in) from Operations	(150,319.40)	(22,691.97)
Less : Direct Taxes paid (Net)	5,837.79	10,268.69
Net cash flow from Operating activities	(156,157.19)	(32,960.65)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(3,530.22)	(9,437.22)
Purchase of current investments	(562,317.18)	(1,262,402.00)
Sale of current investments	711,654.43	1,241,161.02
Profit on Sale of Current Investments	19,849.35	19,231.59
Interest received on Fixed Deposits	—	2,227.96
Dividend received	9.85	0.28
Net Cash flow from Investing activities	165,666.23	(9,218.48)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2021**(Amount in Rs thousand)**

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayments) from short term borrowings (net)	—	—
Interest and other borrowing cost paid	—	—
Net cash flow from Financing activities	—	—
Cash and Cash equivalents (A+B+C)	9,509.04	(42,179.13)
Cash and Cash equivalents as at 1st April	10,294.59	52,473.71
Cash and Cash equivalents as at 31st March	19,803.63	10,294.59

The Notes to Account forms integral part of Financial Statements 1- 48

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 31st March, 2021	As on 31st March, 2020
Cash on hand	39.78	24.14
Balances with banks:		
In current accounts	19,797.55	10,304.15
In fixed deposits	—	—
	19,837.33	10,328.29

- 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

Vaibhav Chougule

Partner

Membership No. 132680

Place : Mumbai

Dated: 29th June, 2021

Biswajit Das
Company Secretary
Place: Kolkata

Partha Bose
Chief Financial Officer
Place: Kolkata

On behalf of the Board

Deepak Mukerjee

Chairman

DIN-00046690

Place: Kolkata

Dipankar Chatterji

Director

DIN-00031256

Place: Kolkata

Abhishek Tantia

Managing Director

& CEO

DIN-07651661

Place: Kolkata

Notes to the financial statements for the year ended 31st March 2021

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 2021

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, construction and erection materials, 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
Buildings Non-Factory Building	60 Years
Computer equipment Data Processing Equipment	3 Years
Furniture and fixtures, Electrical Machinery	10 Years
Office equipment	5 Years
Vehicles 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

5 CASH AND CASH EQUIVALENTS

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Cash on hand		39.78	24.14
Balances with banks:			
In current accounts		19,797.55	10,304.15
In fixed deposits		—	—
TOTAL		19,837.33	10,328.29

6 LOANS

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
(i) Financing by way of Loans (Unsecured and Considered good unless otherwise stated) Measured at amortised cost:			
A. Loans and Advances to related parties			
Unsecured Business Loan *		29,000.00	37,000.00
		29,000.00	37,000.00
Less: Impairment allowances **	6.1	892.36	499.60
Sub-total (A)		28,107.64	36,500.40
B. Loans and Advances to Other parties			
Unsecured Business Loan		27,542.47	4,650.49
Secured Loan against Mortgage of properties		10,047.84	10,772.67
Secured Loan against charge of Machines & equipments		111,413.14	50,101.38
Secured loan against Insurance		287.44	222.17
Secured Loan against Marketable Securities & Pledge of Shares		59.87	1,159.22
Vehicle Loan		161.77	219.10
		149,512.53	67,125.03
Less: Impairment allowances	6.1	6,401.38	5,922.18
		143,111.15	61,202.85
Unsecured			
Loan against Salary ***		17,366.44	17,784.47
Loan to Professionals		77,998.97	40,647.17
Loan against Overdraft Facility		44,621.20	7,364.14
		139,986.61	65,795.78
Less: Impairment allowances	6.1	1,821.20	935.33
		138,165.41	64,860.45
Sub-total (B)		281,276.56	126,063.31
TOTAL (A+B)		309,384.20	162,563.7

Notes To Financial Statements For The Year Ended 31st March, 2021

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
(ii) A. Loans in India			
a) Public Sector		—	—
b) Others		318,499.14	169,920.81
Subtotal (Gross)		318,499.14	169,920.81
Less: Impairment Allowances		9,114.93	7,357.11
Subtotal (Net) (A)		309,384.21	162,563.71
B. Loans Outside India			
a) Public Sector		—	—
b) Others		—	—
Subtotal (Gross)		—	—
Less: Impairment Allowances		—	—
Subtotal (Net) (B)		—	—
Total Net (A+B)		309,384.21	162,563.71

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, 2021 Rs. 29,000 thousand (as on March 31, 2020:Rs.37,000 thousand)

** Includes impairment allowance on loans given to related party as on March 31, 2021 Rs.872.28 thousand (as on March 31, 2020:Rs.499.60 thousand)

*** Represents outstanding balance of loans given to related party as on March 31, 2021 Rs.68.17 thousand (as on March 31, 2020:Nil)

**** Represents impairment allowance on loans given to related party as on March 31, 2021 Rs.0.47 thousand (as on March 31, 2020:Nil)

6.1 Movement of impairment allowances :

(Amount in Rs thousand)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	7,357.11	4,000.00
Recognised during the year	2,152.43	3,390.81
Reversal during the year	757.39	33.70
Balance at the end of the year	8,752.15	7,357.11

Notes To Financial Statements For The Year Ended 31st March, 2021

7 INVESTMENT (Amount in Rs thousand)

Particulars	Refer Note No	Nominal Value/Face Value	Ason 31st March, 2021		Ason 31st March, 2020	
			Number/Unit	Amount	Number/Unit	Amount
Investments in Mutual Funds - Unquoted						
Measured at fair value through profit and loss						
(a) Franklin India Ultra Short Bond Fund - Direct Plan - Growth		10	14,37,433.70	42,993.50	28,47,937.92	78,755.45
(b) Mahindra Ultra Short Term - Direct Growth		10	4,723.61	5,136.78		
(c) Mahindra Manulife Short Term Fund - Direct Growth		1000	12,99,935.00	13,080.21		
(d) ICICI ULTRA SHORT FUND - Direct Plan Growth		10	13,16,850.10	30,125.97		
(e) Aditya Birla Sun Life Savings Fund- direct Growth		100	35,338.31	15,083.67		
(f) IDBI Ultra short fund- Direct Growth		10	13,297.14	30,148.13		
(g) AXIS Treasury advantage Fund		1000				
(h) Axis Short term Fund		10			30,12,627.49	70,421.37
(i) Baroda Pioneer Liquid Fund - Direct G		1000			2,223.52	5,090.23
(j) BOIAXA Ultra Short Duration Fund		10			2,082.18	5,116.01
(k) ICICI Prudential UltraShort Term Fund		10			38,03,818.08	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	10,07,364.29	27,775.45	15,57,978.21	40,774.94
(p) Sundaram Ultra Short Term Fund		10			5,87,872.64	6,201.59
				1,64,343.71		3,13,539.48
Investments in Equity Shares - Quoted						
Measured at fair value through profit and loss						
Investment in Equity Share- HDFC Asset Management Company Ltd		100	23.00	67.14	23.00	48.59
Aggregate amount of Investments				1,64,410.85		3,13,588.07

Notes To Financial Statements For The Year Ended 31st March, 2021

8 OTHER FINANCIAL ASSETS

(Amount in Rs thousand)

Particulars	Refer Note No	As at March 31, 2021	As at March 31, 2020
Interest Receivable:			
Loan			
Accrued but not Due	8.1	418.99	377.97
Accrued and Due		2,696.02	1,146.74
Others	8.2	270.42	53.38
Security Deposits		306.65	306.65
Other Advances		0.04	8.33
TOTAL		3,692.12	1,893.07

8.1 Includes amount receivable from related party on account of Interest receivable as on March 31,2021 Rs. 251.90 thousand (as on March 31, 2020:Rs.283.58 thousand)

8.2 Includes receivable from related party on account of rent as on March 31,2021 Rs. 103.27 thousand (as on March 31,2020:Rs. 51.63 thousand)

9 CURRENT TAX ASSETS (NET)

(Amount in Rs thousand)

Particulars	Refer Note No	As at March 31, 2021	As at March 31, 2020
Advance Tax including Tax deducted at Source (Net of Provisions)		18,670.76	17,932.97
TOTAL		18,670.76	17,932.97

10 DEFERRED TAX ASSETS (NET)

(Amount in Rs thousand)

Particulars	Refer Note No	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets	10.1	2,662.97	3,033.48
Deferred Tax Liabilities	10.1	(190.47)	452.11
TOTAL		2,853.44	2,581.37

Notes To Financial Statements For The Year Ended 31st March, 2021

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

(Amount in Rs thousand)

Particulars	Opening Balance April 1, 2020	(Charge) /Credit in Profit and Loss	(Charge)/ Credit in other Comprehensive Income	Closing Balance March 31, 2021
Deferred Tax Liabilities				
Timing Difference between Written Down Value of Fixed Assets as per books of accounts and Income Tax Act, 1961	(54.55)	(135.92)	—	(190.47)
Difference in carrying value and tax base of investments measured at FVTPL	506.66	(506.66)	—	—
Total Deferred Tax Liabilities	452.11	(642.58)	—	(190.47)
Deferred Tax Assets				
Provision for expense claimed for tax purpose on payment basis	469.47	(779.00)	(96.60)	(406.13)
Allowance for Doubtful Debts	1,758.54	726.13		2,484.67
Provision on Moratorium availed loans	101.43	(101.43)		—
Amortization of lease rent on SLM Basis	12.64	29.07		41.71
Financial Lease Liability	691.41	(240.12)		451.29
Liability against Asset Held for Sale	—	91.44		91.44
Total Deferred Tax Assets	3,033.49	(273.92)	(96.60)	2,662.97
Deferred Income Tax Asset after set off	2,581.37	368.67	(96.60)	2,853.44

(Amount in Rs thousand)

Particulars	Opening Balance April 1, 2019	(Charge)/ Credit in Profit and Loss	(Charge)/ Credit in other Comprehensive Income	Closing Balance March 31, 2020
Deferred Tax Liabilities				
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
Total Deferred Tax Liabilities	508.21	(56.10)	—	452.11
Deferred Tax Assets				
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
Total Deferred Tax Assets	1,554.81	1,387.51	91.16	3,033.48
Deferred Income Tax Asset after set off	1,046.60	1,443.61	91.16	2,581.37

Notes To Financial Statements For The Year Ended 31st March, 2021

11 INVESTMENT PROPERTY

(Amount in Rs thousand)

Particulars	Refer Note No	As at March 31, 2021	As at March 31, 2020
Building (including Flat)			
Gross Block			
Opening balance		9,731.13	9,731.13
Additions during the year		—	—
Disposals/ adjustments / transfer		9,731.13	—
Closing Balance		—	9,731.13
Less: Accumulated amortisation and impairment			
Opening balance		488.58	325.72
Additions during the year		149.03	162.86
Disposal / adjustment / transfer		637.61	—
Closing Balance		—	488.58
Net Block		—	9,242.55

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 March 31, 2021	For the year ended March 31, 2020
Rental Income derived from investment property (Note no. 29)	495.00	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, 2021 (Rs. 16,400 thousand as at March 31, 2020)

12 ASSET HELD FOR SALE

During the year the company has initiated the process for sale of its investment property and estimate to complete the sale of this property within next 12 months. Accordingly the Company has reclassified its investment property as Asset Held for Sale. As the Recoverable amount i.e. Fair Value less estimated cost of Sale Rs. 15,582 thousands is more than its carrying value Rs. 9093.53 thousands, Hence the Asset held for Sale is recognised at lower of Carrying value or Recoverable value at Rs. 9093.53 thousands. As the Company initiated the process of Sale in the month of March. Depreciation for 11 months on Investment property provided for and the depreciation charge ceased from March 2021.

(Amount in Rs thousand)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Asset Held for Sale	9,093.52	—

Notes To Financial Statements For The Year Ended 31st March, 2021

14 OTHER INTANGIBLE ASSETS

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Software			
Gross Block			
Opening balance		143.98	133.60
Additions during the year		563.95	10.38
Disposals/ adjustments/ transfer			
Closing Balance		707.93	143.98
Less: Accumulated amortisation and impairment			
Opening balance		120.41	81.13
Additions during the year		153.17	39.28
Depreciation adjustment			
Disposal / adjustment / transfer			
Closing Balance		273.58	120.41
Net Block		434.35	23.57

15 INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Amount Brought forward		4,771.80	40.00
Addition during the year:		2,301.00	4,731.80
Less: Capitalised during the year		—	—
Less: Written off During the year		40.00	—
Total Capital Work In Progress		7,032.80	4,771.80

16 OTHER NON FINANCIAL ASSETS

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Advances to related parties			
Capital advance against flat- to Bengal Peerless			
Housing Development Company Limited for acquiring flat		23,318.90	16,670.32
Prepaid Expense		1,096.37	1,251.94
Input Tax Credit Receivable		976.09	1,224.95
Gratuity Fund (Note no.40)		135.78	-
TOTAL		25,527.14	19,147.20

Notes To Financial Statements For The Year Ended 31st March, 2021

17 TRADE PAYABLES

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
For goods and services			
– Dues of Micro and Small Enterprises	17.1	—	—
– Others		1,069.75	1,215.85
TOTAL		1,069.75	1,215.85

17.1 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-21	31-Mar-20
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 (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, 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

18 OTHER PAYABLES

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
For others:			
– Dues of Micro and Small Enterprises		—	—
– Others	18.1	1,890.95	581.76
TOTAL		1,890.95	581.76

18.1 Includes amount payable to MD& CEO on account of reimbursement of expenses and expenses payable to related parties as on March 31, 2021 Rs. 476.09 thousand (as on March 31, 2020:Rs.74.09 thousand)

Notes To Financial Statements For The Year Ended 31st March, 2021

19 LIABILITY AGAINST ASSET HELD FOR SALE

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Liability against Asset Held for Sale		363.31	—
TOTAL		363.31	—

During the year the company has initiated the process for sale of its investment property and estimate to complete the sale of this property within next 12 months. Accordingly the Company has reclassified its investment property as Asset Held for Sale. Liability for Commission payable on Sale of Flat is shown separately in this note.

20 OTHER FINANCIAL LIABILITIES

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Financial Lease Liability		1,793.11	2,747.18
TOTAL		1,793.11	2,747.18

21 PROVISIONS

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	40		
– On account of Gratuity (Note 40)		—	624.18
-On account of Leave		1,052.71	999.43
-On account of Sick leave		696.77	551.60
Impairment Allowance provision on Standard Assets*		766.40	403.62
Provision against Moratorium availed Loans -As per RBI Norms		—	402.99
Provision on Restructured Loans- As per RBI Norms		394.60	—
TOTAL		2,910.48	2,981.82

* Includes impairment allowance provision on standard assets relating to related party as on March 31, 2021 Rs. 73.13 thousand (as on March 31, 2020: 93.21 thousand)

22 OTHER NON FINANCIAL LIABILITIES

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Statutory Dues		407.96	408.87
Bonus payable		32.20	32.20
TOTAL		440.16	441.07

Notes To Financial Statements For The Year Ended 31st March, 2021

23 EQUITY SHARE CAPITAL

(Amount in Rs thousand)

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

23.1 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.

23.2 Reconciliation of the number of equity shares outstanding:

(Amount in Rs thousand)

Particulars	As at March 31, 2021	As at March 31, 2020
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

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

Name of the Shareholders	Number of Shares Held	Number of 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%

Notes To Financial Statements For The Year Ended 31st March, 2021

24 OTHER EQUITY

(Amount in Rs thousand)

Particulars	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve	24.1	8.00	8.00
Securities Premium Account	24.2	1,68,380.85	1,68,380.85
Special Reserve (in terms of Section 45IC of Reserve Bank of India Act, 1934)	24.3	20,733.96	17,233.96
Retained Earning	24.4	(4,508.93)	(18,055.77)
TOTAL		1,84,613.88	1,67,567.04

24.1 Capital Redemption Reserve

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

24.2 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.

24.3 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.

24.4 Retained Earnings

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

25 INTEREST INCOME

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest on:			
Loans		24,505.82	14,613.93
Security Deposit		—	—
TOTAL		24,505.82	14,613.93

26 DIVIDEND INCOME

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
On Current Investment		9.85	0.28
TOTAL		9.85	0.28

Notes To Financial Statements For The Year Ended 31st March, 2021

27 FEES AND COMMISSION INCOME

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Upfront Fees and charges		3,984.32	1,899.39
Commission Income		102.68	77.39
TOTAL		4,087.01	1,976.78

28 NET GAIN ON FAIR VALUE CHANGES

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net gain on fair value changes of investment		160.03	2,013.11
TOTAL		160.03	2,013.11

29 OTHER INCOME

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Miscellaneous Income *		177.96	112.33
Interest on FD			2,227.96
Rental Income **		495.00	540.00
Net Gain on Sale of Investments		19,849.35	19,231.59
Provisions no longer required:			
Liability written back		1,653.52	—
TOTAL		22,175.83	22,111.88

* Includes reimbursement of maintainance expenses of Flat rented to related party for the year ending March 31,2021: Rs. 72.99 thousand (March 31,2020: Rs. 79.63 thousand)

** Includes rent received from related party for the year ending March 31,2021: Rs. 495 thousand (March 31,2020: Rs. 540 thousand)

30 FINANCE COST

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Finance Cost on Lease Rent		208.53	290.35
TOTAL		208.53	290.35

Notes To Financial Statements For The Year Ended 31st March, 2021

31 EMPLOYEE BENEFITS EXPENSES

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, Wages and Bonus, etc.	31.1	16,817.62	13,795.76
Contribution to Provident Fund and			
Administrative Charges and ESI contribution	40	987.35	678.12
Staff Welfare expenses		1,638.45	1,413.17
TOTAL		19,443.41	15,887.05

31.1 Includes Salary to Managing Director Rs. 4507.87 thousand (Previous Year Rs. 3933.59 thousand).

32 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Depreciation, Amortisation & Impairment			
Depreciation of Investment Property	11	149.03	162.86
Depreciation of Property, Plant and Equipment	13	2,022.25	1,812.47
Ammortisation of Intangible Asset	14	153.17	39.28
TOTAL		2,324.45	2,014.61

33 OTHER EXPENSES

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Rent	38	131.99	44.50
Repairs & maintenance to Machinery		573.84	492.75
Rates and Taxes		328.07	605.60
Auditors Remuneration			
Audit Fees		125.00	125.00
Tax Audit Fees		10.00	10.00
Certificate		45.00	52.50
Legal and Professional Fees		774.43	1,727.68
Filing Fees		7.20	4.80
Travelling Expenses		131.01	187.90
Advertisement		368.34	806.32
Directors' Sitting Fees		510.00	760.00
Loss on Sale of Asset		10.54	—
Loans and Advances written off		—	243.27
Impairment allowances on Credit impaired asset		186.22	1,000.00
Impairment allowance on other assets		1,571.61	2,357.11
Provision on Standard Assets- As per RBI Norms (Note no. 36)		362.78	33.70
Provision on Moratorium Aailed Loans -As per RBI norms		—	402.99
Provision on Restructured Loans - As per RBI Norms		394.60	—
Miscellaneous Expenditure		1,909.76	2,068.34
Donation		—	100.00
Insurance Expense		30.80	28.73
TOTAL		7,471.21	11,051.19

Notes To Financial Statements For The Year Ended 31st March, 2021

34 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 2021:Rs. 1,623.94 thousand (as on 31st March, 2020: Rs. 1,623.94 thousand) , for the assessment year 2016-17 as on 31st March 2021:Rs. 397.30 thousand(as on 31st March 2020: Rs.Nil), and for Assessment year 2017-18 as on 31st March 2021: Rs. 14,133.18 thousand (as on 31 st March 2020: Rs.Nil)

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. Note No.	As at March 31, 2021	As at March 31, 2020
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

35 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.

36 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.362.78 thousand/ (previous year Rs.33.70 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.

37 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.

38 Leases

38.1 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 .

38.2 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.

Notes To Financial Statements For The Year Ended 31st March, 2021

(Amount in Rs thousand)

Particular	For the Year ended/ As at March 31, 2021
i) Depreciation charge for Right-of -Use assets for Leasehold premises (presented under note- 32 'Depreciation, amortization and impairment)	987.12
ii) Interest expense on lease liabilities (presented under note - 30 Finance cost)	208.53
iii) Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset- - Property taken on lease for Office premises (presented under note-13 Property, Plant and Equipments)	1,645.19
iv) Lease liability (presented under note - 20 'Other Financial Liability')	1,793.11

38.3 Maturity analysis - Contractual undiscounted Cash flow as at 31 March 2021 (Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(Payable within 1 year		1162.60	1162.60
Payable later than 1 year but not later than 5 year		1937.66	1937.66
Total minimum lease payment		3,100.26	3,100.26
Lease rental recognised in the Statement of Profit and Loss (Note 32)		131.99	44.50

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

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss		16,759.61	8,816.38
Net profit for basic and diluted earnings per share		16,759.61	8,816.38
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share) Number of equity shares outstanding as on 31st March		3,72,57,908	3,72,57,908
Number of equity shares considered in calculating basic and diluted EPS		3,72,57,908	3,72,57,908
c) Earnings per share (EPS) of Equity Share of Rs. 10 each:			
i) Basic (Rs.)		0.45	0.24
ii) Diluted (Rs.)		0.45	0.24

Notes To Financial Statements For The Year Ended 31st March, 2021

40. 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 March 31, 2021	For the Year ended March 31, 2020
Employer's Contribution to Provident Fund	570.57	636.59
Employer's Contribution to ESI	57.19	41.53

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:

(Amount in Rs thousand) **Gratuity**

		2020-21	2019-20
i)	Change in the fair value of the defined benefit obligation:		
	Liability at the beginning of the year	1,598.90	1,129.65
	Interest Cost	108.90	86.98
	Current Service Cost	370.16	247.39
	Actuarial (gain) / loss on obligations	(372.07)	340.55
	Benefits paid	—	(205.67)
	Liability at the end of the year	1,705.89	1,598.90
ii)	Changes in the Fair Value of Plan Asset		
	Fair value of Plan Assets at the beginning of the year	974.72	889.90
	Expected Return on Plan Assets	—	—
	Contributions by the Company	782.21	236.00
	Interest on Plan Assets	72.99	76.15
	Benefits paid	—	(205.67)
	Actuarial gain / (loss) on Plan Assets	11.75	(21.66)
	Fair value of Plan Assets at the end of the year	1,841.67	974.72
iii)	Actual return on Plan Asset		
	Expected return on Plan assets	—	—
	Actuarial gain / (loss) on Plan Assets	11.75	(21.66)
	Actual Return on Plan Assets	11.75	(21.66)

Notes To Financial Statements For The Year Ended 31st March, 2021

(Amount in Rs thousand)

iv)	Amount Recognized in Balance Sheet	2020-21	2019-20
		1,705.89	1,598.90
	Liability at the end of the year	1,841.67	974.72
	Fair value of Plan Assets at the end of the year	(135.78)	624.18
v)	Components of Defined Benefit Cost	2020-21	2019-20
		370.16	247.39
	Current Service Cost	35.91	10.83
	Interest Cost	—	—
	Expected Return on Plan Asset	(383.82)	362.21
	Net Actuarial (gain) / loss on remeasurement recognised in OCI	22.25	620.43
	Total Defined Benefit Cost recognised in Profit and Loss and OCI		
vi)	Balance Sheet Reconciliation	2020-21	2019-20
		624.18	239.75
	Opening Net Liability	22.25	620.43
	Expenses as above	(782.21)	(236.00)
	Employers Contribution	(135.78)	624.18
	Amount Recognized in Balance Sheet		

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

	Ref. Note No.	As at March 31, 2021	As at March 31, 2020
Particulars			
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%
Total		100%	100%

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, 2021 is given below:

(Amount in Rs thousand)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Privileged Leave	1,052.71	999.43
Sick Leave	696.77	551.60
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	6.90%	6.85%
Salary Growth Rate	7.00%	9.00%

Notes To Financial Statements For The Year Ended 31st March, 2021

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

(Amount in Rs thousand)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	(383.83)
For the year ended March 31, 2021	(383.83)
Remeasurement - Actuarial loss/(gain)	362.21
For the year ended March 31, 2020	362.21

Sensitivity analysis:

(Amount in Rs thousand)

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2021		
Discount Rate	+0.50%	1,627.65
	-0.50%	1,790.48
Salary Growth Rate	+0.50%	1,789.99
	-0.50%	1,627.37

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

History of experience adjustments is as follows:

(Amount in Rs thousand)

Particulars	Gratuity
For the year ended March 31, 2020	
Plan Liabilities - (loss)/gain	201.05
Plan Assets - (loss)/gain	(21.66)
For the year ended March 31, 2021	
Plan Liabilities - (loss)/gain	(19.66)
Plan Assets - (loss)/gain	11.75

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

(Amount in Rs thousand)

Particulars	Gratuity
01 Apr 2021 to 31 Mar 2022	35.91
01 Apr 2022 to 31 Mar 2023	33.68
01 Apr 2023 to 31 Mar 2024	640.05
01 Apr 2024 to 31 Mar 2025	32.27
01 Apr 2025 Onwards	3,108.64

Notes to the financial statements for the year ended 31st March 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Average no of people employed	30	19

41. 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

Peerless Commodities 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, 2021

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, 2021	Outstanding as on March 31, 2020
I. TRANSACTIONS DURING THE YEAR:						
Rental of flat & reimbursement of Maintenance Expenses (incl. GST)						
A. Income						
Peerless Hotels Ltd.	-	568.00	-	568.00	-	-
Total	-	568.00	-	568.00	-	-
Previous Year						
Peerless Hotels Ltd.	-	619.63	-	619.63	-	-
Interest on Loan						
Peerless Financial Product Distribution Company Limited	-	-	-	-	-	-
Kaizen Hotels & Resorts Ltd	-	3,576.03	-	3,576.03	-	-
Gunjan Mukhuty & Anab Mukhuty (relative of Mr. A.K.Mukhuty -PFSL Director)		15.35		15.35		
Total	-	3,591.38	-	3,591.38	-	-
Previous Year						
Peerless Financial Product Distribution Company Limited	-	825.75	-	-	-	-
Kaizen Hotels & Resorts Ltd	-	4,364.55	-	4,364.55	-	-
Gunjan Mukhuty & Anab Mukhuty (relative of Mr. A.K.Mukhuty -PFSL Director)	-	-	-	-	-	-
B. Expenses						
Demat Charges						
Peerless Securities Limited	-	4.72	-	4.72	-	-
Total	-	4.72	-	4.72	-	-
Previous Year						
Peerless Securities Limited	-	4.72	-	4.72	-	-
Advisory Fees						
Peerless Securities Limited	-	14.16	-	14.16	-	-
Total	-	14.16	-	14.16	-	-
Previous Year						
Peerless Securities Limited	-	-	-	-	-	-

Notes To Financial Statements For The Year Ended 31st March, 2021

(Amount in Rs thousand)						
B) Related Party Transactions	Particulars	Holding	Associates, Group Enterprises and Companies under common control	KMP and their close member	Total	Outstanding as on March 31, 2021
						Outstanding as on March 31, 2020
Commission/Brokerage						
Peerless Commodities Ltd		-	375.24	-	375.24	-
Total		-	375.24	-	375.24	-
Previous Year						
Peerless Commodities Ltd						
Purchase of stationery						
Kaizen Leisure & Holidays Ltd.		-	1.39	-	1.39	-
Total		-	1.39	-	1.39	-
Previous Year						
Kaizen Leisure & Holidays Ltd.		-	-	-	-	-
Cost of Air ticket (incl. Service tax)						
Kaizen Leisure & Holidays Ltd.		-	-	-	-	-
Total		-	-	-	-	-
Previous Year						
Kaizen Leisure & Holidays Ltd.		-	70.60	-	70.60	-
Rent (excluding Service Tax/ GST)						
The Peerless General Finance & Investment Company Limited		1,448.32	-	-	1,448.32	-
Total		1,448.32	-	-	1,448.32	-
Previous Year						
The Peerless General Finance & Investment Company Limited		1,252.81	-	-	1,252.81	-
Cost of Food Packets/ Room booking for meeting etc.						
Peerless Hotels Ltd.		-	-	-	-	-
Total		-	-	-	-	-
Previous Year						
Peerless Hotels Ltd.		-	119.59	-	119.59	-

Notes To Financial Statements For The Year Ended 31st March, 2021

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, 2021	Outstanding as on March 31, 2020
Remuneration						
Mr. Abhishek Tantia-Managing Director and Chief Executive Officer	-	-	4,507.87	4,507.87	-	-
Mr. Partha Bose – Chief Financial Officer	-	-	660.00	660.00	-	-
Mr. Biswajit Das – Company Secretary & Chief Compliance Officer	-	-	1,282.80	1,282.80	-	-
Total	-	-	6,450.67	6,450.67	-	-
Previous Year						
Mr. Abhishek Tantia-Managing Director and Chief Executive Officer	-	-	3,933.59	3,933.59	-	-
Mr. Partha Bose – Chief Financial Officer	-	-	621.73	621.73	-	-
Mr. Biswajit Das – Company Secretary & Chief Compliance Officer	-	-	1,210.13	1,210.13	-	-
C. Loans						
Amount disbursed for Loan against Salary						
Gunjan Mukhuty & Arnab Mukhuty (relative of Mr. A.K.Mukhuty - Director)	-	-	250.00	250.00	-	-
Total	-	-	250.00	250.00	-	-
Previous Year						
Gunjan Mukhuty & Arnab Mukhuty (relative of Mr. A.K.Mukhuty - Director)	-	-	-	-	-	-
Amount received as repayment						
Peerless Financial Product Distribution Company Limited	-	-	-	-	-	-
Kaizen Hotels & Resorts Limited	-	8,000.00	-	8,000.00	-	-
Total	-	8,000.00	-	8,000.00	-	-
Previous Year						
Peerless Financial Product Distribution Company Limited	-	20,000.00	-	20,000.00	-	-
Kaizen Hotels & Resorts Limited	-	8,000.00	-	8,000.00	-	-
Provision on Standard Assets						
Kaizen Hotels & Resorts Limited	-	73.13	-	73.13	-	-
Previous Year						
Kaizen Hotels & Resorts Limited	-	93.21	-	93.21	-	-

Notes To Financial Statements For The Year Ended 31st March, 2021

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, 2021	Outstanding as on March 31, 2020
Impairment Allowance (ECL) on loan given to related party						
Kaizen Hotels & Resorts Limited		892.36		892.36		
Total		892.36		892.36		
Previous Year						
Kaizen Hotels & Resorts Limited		499.60		499.60		
D. Advances given for acquiring flat						
Bengal Peerless Housing Development Company Limited	-	6,648.58	-	6,648.58	-	-
Total	-	6,648.58	-	6,648.58	-	-
Previous Year						
Bengal Peerless Housing Development Company Limited	-	6,648.58	-	6,648.58	-	-
II. OUTSTANDING BALANCES:						
A. Loan Given						
Gunjan Mukhuty & Amab Mukhuty (relative of Mr. A.K.Mukhuty - Director)	-	-	-	-	68.17	-
Kaizen Hotels & Resorts Limited	-	-	-	-	29,000.00	-
Total	-	-	-	-	29,068.17	-
Previous Year						
Gunjan Mukhuty & Amab Mukhuty (relative of Mr. A.K.Mukhuty - Director)	-	-	-	-	-	-
Kaizen Hotels & Resorts Limited	-	-	-	-	-	37,000.00
B. Advance for acquiring flat						
Bengal Peerless Housing Development Company Limited	-	-	-	-	23,318.90	
Total	-	-	-	-	23,318.90	
Previous Year						
Bengal Peerless Housing Development Company Limited	-	-	-	-	-	16,670.32
C. Interest on loan (Net of TDS)						
Gunjan Mukhuty & Amab Mukhuty (relative of Mr. A.K.Mukhuty - Director)	-	-	-	-	0.51	-
Kaizen Hotels & Resorts Limited	-	-	-	-	251.39	
Total	-	-	-	-	251.90	
Previous Year						
Gunjan Mukhuty & Amab Mukhuty (relative of Mr. A.K.Mukhuty - Director)				-	-	
Kaizen Hotels & Resorts Limited	-	-	-	-	-	283.58

Notes To Financial Statements For The Year Ended 31st March, 2021

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, 2021	Outstanding as on March 31, 2020
D. Receivable of Rent and maintenance Expenses (incl. Service tax)						
Peerless Hotels Ltd.	-	-	-	-	103.27	-
Total	-	-	-	-	103.27	-
Previous Year						
Peerless Hotels Ltd.	-	-	-	-	-	51.63
E. Payable of Expenses						
Mr. Abhishek Tanti-Managing Director and Chief Executive Officer	-	-	-	-	112.77	-
Peerless Commodities Ltd (net of TDS)					363.32	-
Peerless Securities Limited					0.50	-
Total	-	-	-	-	476.09	-
Previous Year						
Mr. Abhishek Tanti-Managing Director and Chief Executive Officer	-	-	-	-	-	74.09
Peerless Commodities Ltd (net of TDS)					-	-
Peerless Securities Limited					-	-
F. Provision on Standard Assets						
Kaizen Hotels & Resorts Limited	-	-	-	-	73.13	-
Total	-	-	-	-	73.13	-
Previous Year						
Kaizen Hotels & Resorts Limited	-	-	-	-	-	93.21
G. Impairment Allowance (ECL) on loan given to related party						
Kaizen Hotels & Resorts Limited	-	-	-	-	892.36	-
Total	-	-	-	-	892.36	-
Previous Year						
Kaizen Hotels & Resorts Limited	-	-	-	-	-	499.60

Note:

- 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.
- 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, 2021

42 Tax Expenses- Current Tax

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Provision for Current Tax		5,100.00	4,100.00
		5,100.00	5,100.00

42.1 Components of Tax Expense:

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Current tax In respect of the current year		5,100.00	4,100.00
Total Current tax expense recognised in the current year		5,100.00	4,100.00
Deferred tax In respect of the current year		(368.67)	(1,443.61)
Total Deferred tax expense recognised in the current year		(368.67)	(1,443.61)
Total Tax expense recognised in the current year		4,731.33	2,656.39

42.2 Income tax recognised in other comprehensive income

Deferred tax

Arising on income and expenses recognised
in other comprehensive income:

Remeasurement of defined benefit obligation 96.60 (91.16)

**Total income tax recognised in other
comprehensive income 96.60 (91.16)**

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

Items that will not be reclassified to profit or loss 96.60 (91.16)

Items that may be reclassified to profit or loss — —

43 Components of Other Comprehensive Income

(Amount in Rs thousand)

Particulars	Ref Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	40	383.83	(362.21))
		383.83	(362.21)

Notes To Financial Statements For The Year Ended 31st March, 2021

44. 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, 2021		As on 31st March, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Financial Assets measured at Amortised Cost				
Cash and cash equivalents	19,837.33	19,837.33	10,328.29	10,328.29
Loans	3,09,384.20	3,09,384.20	1,62,563.70	1,62,563.70
Other Financial Assets	3,692.12	3,692.12	1,893.07	1,893.07
Financial Assets measured at Fair Value through Profit and Loss Account				
Investment in Mutual Funds	1,64,410.85	1,64,410.85	3,13,588.07	3,13,588.07
Financial Liabilities				
Financial Liabilities measured at Amortised Cost				
Trade Payables	1,069.75	1,069.75	1,215.85	1,215.85
Other Payables	1,890.95	1,890.95	581.76	581.76
Other Financial Liabilities	1,793.11	1,793.11	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, 2021

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 March 31	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Security Deposits	306.65 (306.65)	— —	306.65 (306.65)	— —
Investment in Mutual Funds/ Equity (Current)	1,64,410.85 (3,13,588.07)	— —	1,64,410.85 (3,13,588.07)	— —

(*) Figures in round brackets () indicate figures as at March 31, 2020

During the year ended March 31, 2021 and March 31, 2020, 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, 2021

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, 2021

(Amount in Rs thousand)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Other Liabilities	1,793.11	1,793.11	—	—	—	1,793.11
Trade and other payables	2,960.70	2,960.70	—	—	—	2,960.70

As at March 31, 2020

(Amount in Rs thousand)

Particulars	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

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, 2021

45. Uncertainties relating to the Global Health Pandemic from ("COVID-19")

45.1 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. However as on March 31, 2021 there are no borrowers who has opted for moratorium on loans.

45.2 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 2021, 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.

46. Disclosure as required under RBI Notification no. RBI/2020-21/16/DOR.NO.BP.BC.3/21.04.048/2020-21 Dated 6 August 2020 on Resolution Framework for Covid-19 - related Stress (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	3,946.00
iii) Provision made during F.Y.2021-22	394.60
iv) Provision adjusted during the respective accounting periods against slippages and the residual provisions	—

Disclosure requirement as per Format A - Given in Notification no. RBI/2020-21/16/DOR.NO.BP.BC.3/21.04.048/2020-21 Dated 6 August 2020 on Resolution Framework for Covid-19 - related Stress

Type of Borrower	(A)	(B)	(C)	(D)	(E)
	Number of Accounts where resolution plan has been implemented under this window (Rs. In thousands)	Exposure to accounts mentioned at (A) before implementation of the plan (Rs. In thousands)	Of (B), Aggregate amount of debt that was converted into other securities (Rs. In thousands)	Additional funding sanctioned, if any, including between invocation of the plan and implementation (Rs. In thousands)	Increase in Provisions on account of the implementation of the resolution plan (Rs. In thousands)
Personal Loans	16	3,946.00	—	—	394.60
Corporate Persons*	0	—	—	—	—
of Which MSME's	0	—	—	—	—
Others	0	—	—	—	—
Total	16	3,946.00	—	—	394.60

Notes To Financial Statements For The Year Ended 31st March, 2021

47. A comparison between provisions required under IRACP and impairment allowances made under Ind As 109

(Amount in Rs thousand)

Asset Classification as per RBI Norms	Asset Classification as per IND AS Norms 109	Gross Carrying amount as per IND AS	Loss Allowances (Provisions) As required under IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND AS 109 Provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets- Loans						
Standard	Stage 1	30,22,72,777.75	42,70,842.61	29,80,01,935.14	7,55,681.94	35,15,160.67
	Stage 2	42,52,135.00	17,274.31	42,34,860.69	10,630.34	6,643.97
	Stage 3	38,137.00	3,383.50	34,753.50	95.34	3,288.15
		30,65,63,049.75	42,91,500.42	30,22,71,549.33	7,66,407.62	35,25,092.79
	Restructured Loans	39,45,999.00	3,94,599.90	35,51,399.10	3,94,599.90	—
Subtotal		31,05,09,048.75	46,86,100.32	30,58,22,948.43	11,61,007.52	35,25,092.79
Non performing Assets (NPA)						
Substandard	Stage 4	11,05,093.00	1,86,222.60	10,55,254.40	1,24,147.70	62,074.90
Subtotal of Substandard Asset		11,05,093.00	1,86,222.60	10,55,254.40	1,24,147.70	62,074.90
Doubtful upto 1 year	Stage 4	—	—	—	—	—
1-3 years	Stage 4	1,00,00,003.00	50,00,001.95	50,00,001.05	50,00,001.50	0.45
More than 3 years	Stage 4	—	—	—	—	—
Subtotal for Doubtful		1,00,00,003.00	50,00,001.95	50,00,001.05	50,00,001.50	0.45
Loss	Stage 5	—	—	—	—	—
Subtotal of Loss Asset		—	—	—	—	—
Total		32,16,14,144.75	98,72,324.87	31,18,78,792.88	59,00,423.29	39,71,901.57

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

Singature to Notes to Accounts

1 to 48

M/s Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W
Vaibhav Chougule
Partner
Membership No. 132680
Place : Mumbai
Dated: 29th June, 2021

Biswajit Das
Company Secretary
Place: Kolkata

Partha Bose
Chief Financial Officer
Place: Kolkata

On behalf of the Board

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

Annex 1**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company**

(Rs. in Lakhs)

	Particulars		
	Liabilities side :		
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
	(a) Debenture: Secured	—	—
	: Unsecured	—	—
	(other than falling due within the meaning of public deposits*)		
	(b) Deferred Credits	—	—
	(c) Term Loans	—	—
	(d) Inter-corporate loans and borrowing	—	—
	(e) Commercial Paper	—	—
	(f) Other Loans (Specific nature)	—	—
	* Please see Note 1 below		
(2)	Break-up of (1) (f) above / outstanding public deposit inclusive of interest accrued thereon but not paid:		
(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		
	Assets side :	Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivable [other than those included in (4) below]:		
	(a) Secured		1,157.66
	(b) Unsecured		1,936.18

(4)	Break-up of Leased Assets and stock on hire and other Assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease	— 16.45
	(ii) Stock on hire including the hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets	 — —
	(iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	 — —
(5)	Break-up of Investments	
	Current Investments	
	1. Quoted :	
	(i) Shares : (a) Equity (b) Preference	0.67 —
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	2. Unquoted :	
	(i) Shares : (a) Equity (b) Preference	 — —
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	1,643.44
	(iv) Government Securities	—
	(v) Others (please specify)	—
	Long Term Investments	
	1. Quoted :	
	(i) Shares : (a) Equity (b) Preference	 — —
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
	2. Unquoted :	
	(i) Shares : (a) Equity (b) Preference	 — —
	(ii) Debentures and Bonds	—
	(iii) Units of Mutual Funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—

(6)	Borrower group-wise classification of assets financed as in (2) and (3) above : Please see note 2 below		
	Category	Amount net of provisions	
		Secured	Unsecured
	1. Related Parties**		
	(a) Subsidiaries	—	—
	(b) Companies in the same group	—	281.08
	(c) Others related parties	—	—
	2. Other than related parties	1,157.66	1,655.11
	Total	1,157.66	1,936.18

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below		
	Category	Amount net of provisions	
		Market value/ Break up or Fair Value or NAV	Book value Net of Provisions
	1. Related Parties**		
	(a) Subsidiaries	—	—
	(b) Companies in the same group	—	—
	(c) Other related parties	—	—
	2. Other than related parties	1,644.11	1,644.11
	Total	1,644.11	1,644.11

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

(8) Other Information

	Particulars	Amount
	Gross Non-Performing Assets	—
(i)	(a) Related Parties	—
	(b) Other than related parties	111.05
	Net Non-Performing Assets	—
(ii)	(a) Related Parties	—
	(b) Other than related parties	60.55
(iii)	Assets acquired in satisfaction of debt	—

- Notes:**
- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
 - Provisioning norms shall be applicable as prescribed in Non- Systemically important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or 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.



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