

BOARD OF DIRECTORS

Mr. Partho Sarothly Datta
(Chairman)

Mr. Jayanta Roy

Mr. Malay Kumar Ghosh

Mr. Soumendra Mohan Basu

Mr. Harish Engineer
(appointed w.e.f. 05.05.2015)

Mr. Sanjoy Bhattacharyya
(upto 04.05.2015)

KEY MANAGERIAL PERSONNEL

Mr. Rajiv Shastri
Managing Director & CEO
(appointed w.e.f. 01.09.2014)

Mr. S. Swaminathan
Chief Financial Officer

Mr. Manoj Kumar Bajoria
Head- Compliance & Company Secretary

SENIOR MANAGEMENT TEAM

Mr. Rohit Kumar Chawda
Head - Internal Audit & Risk

Mr. Vilas Solanki
Head – Operations & Customer
Service

Mr. Amit Nigam
Head – Equities

Mr. Suresh Ranout
National Head- Strategies,
Head-West Zone & South Zone

Mr. Debjit Guha
Head- Marketing, East Zone

Mr. Hitesh Sharma
Head- North Zone

Ms. Anshumita Sengupta
Head- Human Resources

BANKERS

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

STATUTORY AUDITORS

M/s. L.B. Jha & Co.
Chartered Accountants
GF-1, Gillander House,
8, N.S. Road
Kolkata – 700 001

INTERNAL AUDITORS

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

SECRETARIAL AUDITOR

M/s. Anjan Kumar Roy & Co.
Company Secretaries
DPS Business Centre
9A Sebak Baidya Street
Kolkata – 400 029

REGISTERED OFFICE

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

**CORPORATE
IDENTIFICATION NO.**

U65990WB2009PLC134537

REPORT OF THE DIRECTORS

Dear Shareholders,

Your Directors are pleased to present the Sixth Annual Report and Audited Accounts of Peerless Funds Management Co. Limited for the year ended 31 March 2015.

Financial Results (Standalone)

(in Rupees)

Particulars	2014-15	2013-14
Income	12,12,44,323	18,41,41,240
Profit/(Loss) before Depreciation	(8,24,39,142)	(6,86,15,783)
Depreciation	25,11,853	46,01,846
Net Profit/(Loss) before tax	(8,49,50,995)	(7,32,17,629)
Balance brought forward from previous year	(30,86,33,347)	(23,54,15,718)
Surplus/(Deficit) carried to Balance Sheet	(39,35,84,342)	(30,86,33,347)

Business and Financial Performance

Peerless Funds Management Co. Limited (PFMCL) is a subsidiary of The Peerless General Finance and Investment Company Limited (PGFI) and acts as Investment Manager to Peerless Mutual Fund (PMF). It is the first Asset Management Company (AMC) in Eastern India with its headquarters in Kolkata. It is engaged in asset management and does not have any other activity. During the year under review, PMF completed 5 years of operations.

The year gone by was a year of rebuilding, for your company as well as the Mutual Fund. Key management changes coupled with changes in the regulatory environment had an impact on your company's business operations. During the year, your company focused on making its business model more robust and sustainable and re-aligning its human resource strategy towards effectiveness and efficiency. A concerted effort towards developing robust processes and systems has yielded significant results and your company is poised to leverage on these in the coming years.

During the year under review, the parent company infused an additional Rs. 24 crore as share capital, thereby reinforcing its seriousness and commitment in the MF business. With this infusion, your company was able to comply with the minimum net worth requirements specified by SEBI well in advance of the stipulated deadline.

Your company's main focus has been to serve investors in a manner that is profitable for all stakeholders; investors, distributors and shareholders. As such, its efforts have been directed towards offering investment solutions that promote longevity of assets, thus building a sustainable revenue stream. On the other hand, increased cost consciousness has had a positive impact on your company's finances and proved to be a differentiating factor for your company.

Your company's primary source of revenues is Management Fees earned for managing the assets of Peerless Mutual Fund's schemes. Average assets managed by PMF were Rs. 1,302 crore for the quarter ended March 2015 compared to Rs. 4,046 crore for the quarter ended March 2014. Assets managed in retail oriented schemes has grown to Rs. 150 crore in March 2015 from Rs.122 crore in March 2014. Due to improvements in the asset mix towards higher yielding assets, the % reduction in your company's revenues was lower than the % reduction in the assets it manages.

Further, despite a reduction in revenues, cost control measures initiated during the year including rationalization of commission structures, branch review, vendor cost evaluation etc., helped your company reduce costs. As a result, the increase in the revenue gap was muted, given its operating environment.

During the year under review, your company incurred a loss of Rs. 8,49,50,995 as against a loss of Rs. 7,32,17,629 in FY 2013-14.

As on 31 March 2015, the networth of your company stood at Rs. 59.63 crore as against the networth of Rs. 44.14 crore as on 31 March 2014.

Dividend

In view of the loss, your Directors express their inability to recommend any dividend for the year ended 31 March 2015.

Industry Structure and Developments

The mutual fund industry is amongst the most regulated industries with an informed investor and distributor community. Competitiveness is the only static in this dynamic industry with emphasis on margins, transparency and disclosure requirements.

During the year, SEBI and AMFI have initiated many measures in their continued efforts towards making the operating environment more robust and ethically sound. One of this, which was finalized in the last week of the year and effective in the forthcoming year, is the manner in which distributors are compensated for serving investors. With the new norms, a significant portion of distributor compensation is to be paid in the form of trail commission which has a positive impact on the alignment of distributor interest with that of the investor.

As part of your company's focus on the benefit of all stakeholders, your company had already adopted this practice and moved to a full trail model of distributor compensation in October 2014, becoming one of the first in the industry to do so. This was accepted positively by distributors and resulted in many new distributor relationships being initialized.

In other developments, the year saw Indian Mutual Funds, including your company, registering with the United States Internal Revenue Service under the requirements of the US Foreign Account Tax Compliance Act w.e.f January 1, 2015. This registration casts onerous compliance responsibilities on all registered intermediaries.

The year also saw the launch of the MF Utility service. This facility has been promoted by AMFI to provide enhanced transaction facilities to all investors through the MF Utility platform, providing investors with single window access to schemes of all participating fund houses. This is expected to widen the market reach for all mutual funds, especially small and medium sized participants. Your company is proud to have been associated with this endeavor since its conception.

In addition, the year saw the industry passing through a period of consolidation, with the exit of a few foreign sponsors from this sector. Due to the robust regulatory framework, these exits did not result in any hardship to investors.

Products and Services offered by PFMCL

During the year, your company applied for SEBI's approval to change the fundamental attributes of Peerless MF Child Plan, which permitted investments only in the name of minor children and re-launch it as Peerless 3 in 1 Fund which is open to investments by all permitted categories of investors. In addition, to bolster its product suite in the forthcoming year, your company also applied for approval of two retail oriented schemes; one which invests predominantly in Midcap stocks and the other which is a tax advantaged Equity Linked Savings Scheme.

As on 31st March 2015, your company is present in 26 locations serving over 34,000 customers. Over 70% of the locations are outside the top 15 cities for the mutual fund industry. In many of these locations, your company has played a leading role in investor awareness and education.

Your company's focus has been on deeper penetration into the retail segment. To this effect, plans to launch more retail products are underway, subject to regulatory approval. Your company will leverage the distribution capabilities of the various arms of the Peerless Group, its own network of Independent Financial Advisors, National Distributors, Regional Distributors and Agency Managers. Your company has in place adequate control systems and tools to ensure regulatory compliance and quality service to customers.

Internal Control Systems

The Audit Committee has laid down strict processes for monitoring the control systems including an independent assessment of these at quarterly intervals. Compliance of the laws of the land is accorded utmost importance. The secretarial audit report attached to this Report of the Directors covers this topic and reaffirms the adequacy of internal control systems.

Outlook

As on 31st March 2015, 44 Mutual Funds operate in the country. In the quarter ended 31 March 2015, the Mutual Fund Industry managed Rs. 11.89 Lakh Crores on an average, compared to Rs. 9.05 Lakh Crores for the quarter ended 31 March 2014, representing an increase of 31.38%.

Positive investor sentiment, driven by the government's reforms agenda and improved economic indicators has fuelled growth in the MF industry during 2014-15. The mutual fund industry witnessed an inflow of over Rs. 40,000 crore in equity schemes during the year.

Stable assets are the key to the success of any fund house. Retail asset acquisition will remain a key driver of your company's growth in future, together with its adaptability to tide over economic upheavals. Product differentiation and innovation, penetration beyond existing markets and geographical areas, wider accessibility, good governance etc. would be the other building blocks in establishing a profitable and sustainable business.

Pressure on margins will continue to remain a challenge and would have to be surmounted through effective cost management and innovative revenue/business models. Your company will continue to focus on confidence building measures, fund performance and best service practices as primary means of fulfilling commitments to all stakeholders in the future.

Internal Complaints Committees

Your company has re-constituted Internal Complaints Committees pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to deal with the complaints relating to sexual harassment of women employees of your company.

The Committees comprise of the following members:

Internal Complaints Committee for Kolkata

<i>Name of the Member</i>	<i>Designation</i>
Ms. Anshumita Sengupta	Presiding Officer
Ms. Preeti Lakhmani	Member
Ms. Nazneen Sultana	Member
Mr. Manoj Kumar Bajoria	Member
Ms. Indrani Roy Mohanti	Member from NGO

Internal Complaints Committee for Mumbai

<i>Name of the Member</i>	<i>Designation</i>
Ms. Anshumita Sengupta	Presiding Officer
Ms. Anita Jane Fernandes	Member
Mr. Suresh Ranout	Member
Mr. Vilas Solanki	Member
Ms. Indrani Roy Mohanti	Member from NGO

The Internal Complaints Committees have not received any complaint of sexual harassment from employees during the period under review.

Human Resources

Your company considers human resources as invaluable assets and is constantly engaged in enriching and developing competencies of our people. Your company has a Nomination & Remuneration Policy which aims to lay down criteria and processes to ensure equitable remuneration to all employees and to harmonize their aspirations with the goals of your company. The focus on building organization and people capability continues through robust process around identifying, developing and deploying potential employees in critical positions.

Your company is also committed to create a healthy work environment that enables employees to work without fear of prejudice, gender bias, sexual harassment and all forms of intimidation or exploitation.

The total number of employees in your company as on 31 March 2015 was 85.

Risk Management

The industry is extremely sensitive to regulatory and economic changes and this is the primary risk or source of concern. Your company has a duly constituted Risk Management Committee and a dedicated Risk Manager who is responsible for development and implementation of risk management framework for the organisation.

Your company is in the final stages of developing an enhanced and robust risk management framework, which will help in managing risks in an expeditious and efficient manner.

In addition, your company has adequate checks and balances in place in all its activities, which are independently assessed at regular intervals.

Your Directors are of the view that as on the date of this report, there are no known risks which may threaten the existence of your company.

Board Meetings held during the year

During the year under review, the Board of Directors of your company met 8 times on 28 April 2014, 10 June 2014, 14 July 2014, 14 August 2014, 28 October 2014, 17 November 2014, 20 February 2015 and 23 March 2015.

Board Committees

Your company's Board has constituted the following Committees, as required under the provisions of the Companies Act, 2013 and SEBI (Mutual Funds) Regulations.

Audit Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Soumendra Mohan Basu	Chairman, Independent Director
Mr. Partho Sarothy Datta	Member, Independent Director
Mr. Harish Engineer	Member, Non-Executive Director

Nomination and Remuneration Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Soumendra Mohan Basu	Chairman, Independent Director
Mr. Partho Sarothy Datta	Member, Independent Director
Mr. Jayanta Roy	Member, Non-Executive Director

Risk Management Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Malay Kumar Ghosh	Chairman, Independent Director
Mr. Soumendra Mohan Basu	Member, Independent Director
Mr. Harish Engineer	Member, Non-Executive Director
Mr. Rajiv Shastri	Member, Managing Director & CEO
Mr. Rohit Kumar Chawda	Head- Internal Audit & Risk

Business Plan & Monitoring Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Malay Kumar Ghosh	Chairman, Independent Director
Mr. Partho Sarothy Datta	Member, Independent Director
Mr. Harish Engineer	Member, Non-Executive Director
Mr. Jayanta Roy	Member, Non-Executive Director
Mr. Rajiv Shastri	Member, Managing Director & CEO

The terms of reference of these committees including the number of meetings held during the financial year ended 31 March 2015 are given below:

1. Audit Committee

The terms of reference of the Audit Committee conform to the requirements of Section 177 of the Companies Act, 2013. These include review of financial statements, recommendation for appointment of statutory and internal auditors, review and monitoring of auditors' independence and effectiveness of audit process, approval or modification of transactions with related parties, evaluation of internal financial controls, oversight of company's financial reporting process, compliance with applicable accounting standards and review of adequacy of internal control systems and processes.

The Committee held six meetings during the year.

2. Nomination & Remuneration Committee

The terms of reference of the Nomination & Remuneration Committee conform to the requirements of Section 178 of the Companies Act, 2013. These include formulation of criteria for determining qualifications, positive attributes and independence of a director, identification of persons who are qualified to become Directors, Key Managerial Personnel (KMP) and Senior Management positions in accordance with the criteria laid down in the Nomination & Remuneration Policy, recommendation to the Board on appointment and removal of Director, KMPs and Senior Management personnel, carrying out evaluation of every Director's performance and assisting the Board in ensuring that plans are in place for orderly succession for appointments to the Board, and KMP and Senior Management personnel.

The Committee held three meetings during the year.

3. Risk Management Committee

The purpose of Risk Management Committee is to assist the Board in the effective discharge of its responsibilities for risk management and internal controls and compliance with guidelines and circulars issued by SEBI. The terms of reference of the Risk Management Committee include the adoption and implementation of an appropriate Risk Management Policy and procedures and review of the status and application of various measures laid down by the company with particular reference to fund management, operations, customer service, marketing and distribution and business risks.

The Committee held four meetings during the year.

4. Business Plan & Monitoring Committee

The terms of reference of the Business Plan & Monitoring Committee include review of Business Plan and Strategy of the company, review of actual performance vis-à-vis plan and making appropriate recommendations depending upon prevalent industry and economic scenario.

The Committee held four meetings during the year.

Significant and material orders passed by the regulators

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

Holding and Subsidiaries

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

Your company has no subsidiary as on date.

Statutory Auditors and their Reports

In the last Annual General Meeting (AGM) held on 14 August, 2014 M/s. L.B. Jha & Co., Chartered Accountants had been appointed as Statutory Auditors of your company for a period of 5 (five) years.

Ratification of appointment of Statutory Auditors is being sought from the members at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed with this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Internal Auditors and their Reports

M/s. M.P. Chitale & Co., Chartered Accountants had been appointed as Internal Auditors of your company for the financial year 2014-15 and their reports placed before the Audit Committee and the Board for their consideration.

Share Capital

During the period under review, your company allotted 2,40,00,000 Equity Shares of face value of Rs.10/- each for a total nominal value of Rs. 24,00,00,000/- (Twenty Four Crores) on preferential basis to the holding company. The Peerless General Finance & Investment Co. Ltd. These Equity Shares rank pari passu in all respects with the existing Equity Shares of your company.

As on 31st March, 2015, the issued, subscribed and paid up share capital of your company stood at Rs.99,00,00,000/- (Ninety Nine Crores), comprising 9,90,00,000 Equity shares of Rs.10/- each.

Extract of Annual Return

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

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

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

Your company does not have any activity relating to conservation of energy, technology absorption or foreign exchange earnings and outgo for the year ended 31 March 2015.

Board of Directors and Key Managerial Personnel

(a) Changes in Directors

Mr. Harish Engineer has been appointed as an Additional Director of your company with effect from 5 May 2015. As per the provisions of Section 161(1) of the Companies Act, 2013, the Additional Directors hold office up to the date of the forthcoming Annual General Meeting of your company.

Mr. Amal Chandra Chakrabortti resigned as Director with effect from 13 May 2014 after being with your company since its initial years. The Board had placed on record its sincere appreciation for the contribution made by Mr. Chakrabortti as a member of the Board.

Mr. Sanjoy Bhattacharyya resigned as Director with effect from 4 May 2015 after being with your company since its initial years. The Board had placed on record its sincere appreciation for the contribution made by Mr. Bhattacharyya, as a member of the Board.

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

(b) Changes in Key Managerial Personnel

During the period under review, Mr. Rajiv Shastri, was appointed as an Additional Director of your company and subsequently as Managing Director & CEO with effect from 1 September 2014. The Members had also accorded their approval to the said appointment and the remuneration payable to Mr. Rajiv Shastri at the Extra Ordinary General Meeting held on 24 November 2014.

The Board had re-designated Mr. S. Swaminathan as Chief Financial Officer and Mr. Manoj Kumar Bajoria as Company Secretary of your company with effect from 9 March 2015.

As on 31 March 2015, your company has the following whole time Key Managerial Personnel under the provisions of Section 203 of the Companies Act, 2013:

1. Mr. Rajiv Shastri- Managing Director & CEO
2. Mr. S. Swaminathan- Chief Financial Officer
3. Mr. Manoj Kumar Bajoria- Head- Compliance & Company Secretary

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

Mr. Partho Sarothya Datta, Mr. Malay Kumar Ghosh and Mr. Soumendra Mohan Basu are Independent Directors on the Board of your company. Your company has received statement of declaration of independence from the Independent Directors.

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

(d) Formal Annual Evaluation

As required under section 134(3) of Companies Act 2013 read with Rule 8(4) of Companies (Account) Rules, 2014, a meeting of the Independent Directors has been duly held during the year, where evaluation of Directors has been conducted.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee has formulated a Nomination & Remuneration Policy which includes the criteria for determining qualifications, positive attributes and independence of a director, parameters for remuneration of directors, Key Managerial Personnel and Senior Management and evaluation procedure for directors, Key Managerial Personnel and Senior Management.

The Nomination and Remuneration Policy of your company is annexed to this report as **Annexure 2**.

Particulars of loans, guarantees or investments under section 186

During the year under review, your company has placed inter-corporate deposit (ICD), pursuant to Section 186 of the Companies Act, 2013 details as follows:-

1. Date of Board Resolution: 23 March 2015
2. Date of ICD: 25 March 2015
3. Name of Borrower: Peerless Financial Services Limited
4. Amount: Rs. 15 crore
5. Tenor: 3 months
6. Rate of Interest: 11% per annum
7. Prevailing Yield: 12 months T Bills- 8.30%
8. Date of Maturity: 24 June 2015

Related party transactions

During the year under review, your company has not entered into any contracts or transactions or arrangements with related parties which are not on arms' length basis, nor has your company entered into any material contracts or transactions

or arrangements with related parties at arms' length basis as referred to Section 188(1) of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Boards & its Powers) Rules, 2014.

The required disclosure in Form AOC-2 is enclosed to this report as **Annexure 3**.

Particulars of Employees

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed to this report as **Annexure 4**.

Secretarial Auditors and their reports

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Anjan Kumar Roy & Co., Company Secretary in practice, have been appointed Secretarial Auditors of your company for the financial year 2014-15. The report of the Secretarial Auditors is enclosed as **Annexure 5** to this report. The report is self-explanatory and do not call for any further comments.

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31 March 2015 and of the profit and loss of the company for the period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis; and
- (v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Appreciation

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

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

For and on behalf of the Board

Place : Kolkata
Date : 3 June 2015

Partho Sarothy Datta
Chairman

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015
of
PEERLESS FUNDS MANAGEMENT CO. LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN :U65990WB2009PLC134537
- ii) Registration Date: 9 April 2009
- iii) Name of the company: Peerless Funds Management Co. Limited
- iv) Category/Sub-Category of the company: Public Limited Company
- v) Address of the Registered Office and contact details:
Peerless Mansion, 1, Chowringhee Square,
3rd Floor, Kolkata – 700069, Ph: 033-40185000
Email: secretarial@peerlessmf.co.in
- vi) Whether listed company : No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Carrying on the business of Asset Management services for Peerless Mutual Fund.	N.A.	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Peerless General Finance & Investment Company Limited 3, Esplanade East, Kolkata - 700 069	U66010WB1932 PLC007490	Holding	99.9986	Section 2(46) of Companies Act, 2013

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	Nil	600	600	0.0008	Nil	600	600	0.0006	0.0002
(b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	7,49,98,600	7,49,98,600	99.9981	Nil	9,89,98,600	9,89,98,600	99.9986	0.0005
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):	Nil	7,49,99,200	7,49,99,200	99.9989	Nil	9,89,99,200	9,89,99,200	99.9992	0.0003
(2) Foreign									
(a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	Nil	7,49,99,200	7,49,99,200	99.9989	Nil	9,89,99,200	9,89,99,200	99.9992	0.0003
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

PEERLESS FUNDS MANAGEMENT CO. LTD.

(g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	800	800	0.0011	Nil	800	800	0.0008	0.0003
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Others (specify)									
Sub-total (B)(2):-	Nil	800	800	0.0011	Nil	800	800	0.0008	0.0003
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	800	800	0.0011	Nil	800	800	0.0008	0.0003
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	7,50,00,000	7,50,00,000	100.0000	Nil	9,90,00,000	9,90,00,000	100.0000	32.0000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	The Peerless General Finance & Investment Co. Ltd.	7,49,98,600	99.9981	Nil	9,89,98,600	99.9986	Nil	0.0005
2.	Mr. Sunil Kanti Roy	400	0.0005	Nil	400	0.0004	Nil	0.0001
3.	Mr. Jayanta Roy	200	0.0003	Nil	200	0.0002	Nil	0.0001

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	7,49,98,600	99.9981	7,49,98,600	99.9981
2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	2,40,00,000 (Preferential Allotment dated 15.12.2014)	0.0005 change	2,40,00,000	0.0005 change
3.	At the end of the year	9,89,98,600	99.9986	9,89,98,600	99.9986

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year:				
	Mr. Bhargab Lahiri	200	0.0003	200	0.0003
	Mr. Ashoke Kumar Mukhuty	200	0.0003	200	0.0003
	Mr. Achintya Sankar Phani	200	0.0003	200	0.0003
	Mr. Dilip Samadar	200	0.0003	200	0.0003
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	NA	NA	NA	NA
3	At the end of the year:				
	Mr. Bhargab Lahiri	200	0.0002	200	0.0002
	Mr. Ashoke Kumar Mukhuty	200	0.0002	200	0.0002
	Mr. Achintya Sankar Phani	200	0.0002	200	0.0002
	Mr. Dilip Samadar	200	0.0002	200	0.0002

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year:				
	Mr. Jayanta Roy	200	0.0003	200	0.0003
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
3	At the end of the year:				
	Mr. Jayanta Roy	200	0.0002	200	0.0002

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

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

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

Sl. No.	Particulars of Remuneration	Name of MD & CEO/WTD Manager	Name of MD & CEO/WTD Manager	Total Amount (Rs.)
		Mr. Akshay Gupta (till 30.04.2014)	Mr. Rajiv Shastri (w.e.f. 1.09.2014)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	27,95,018 (cost to company)	67,13,000 (cost to company)	95,08,018
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission - as % of profit	NA	NA	NA
5	Others, please specify			
	Total (A)	27,95,018	67,13,000	95,08,018
	Ceiling as per the Act	As per resolutions passed by Nomination & Remuneration Committee, Board of Directors under section Sections 196-198 of the Companies Act, 2013 and shareholder`s resolution.		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount (Rs.) Per Annum
		Mr. A.C. Chakrabortti	Mr. S.K. Mukerji	Mr. Partho Sarothy Datta	Mr. Sanjoy Bhattacharyya	Mr. Malay Kumar Ghosh	Mr. Soumendra Mohan Basu	
1	Independent Directors							
A	Fee for attending Board Meetings	10,000	10,000	1,10,000	90,000	1,50,000	1,50,000	5,20,000
B	Fee for attending Committee Meetings	10,000	10,000	1,40,000	90,000	70,000	1,50,000	4,70,000
C	Commission	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
D	Others: Independent Directors' Meeting	-	-	10,000	10,000	10,000	10,000	40,000
	Total (1)	20,000	20,000	2,60,000	1,90,000	2,30,000	3,10,000	10,30,000

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.) Per Annum
2	Other Non-Executive Directors	Mr. Jayanta Roy	
A	Fee for attending Board Meetings	1,50,000	1,50,000
B	Fee for attending Committee Meetings	1,00,000	1,00,000
C	Commission	N.A.	N.A.
D	Others	N.A.	N.A.
	Total (2)	2,50,000	2,50,000
Total (B)=(1+2)			12,80,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total (Rs. per annum)
		Manoj Kumar Bajoria	S.Swaminathan	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	11,61,162 (Cost to company)	26,67,841 (Cost to company)	38,29,003
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission - as % of profit - others, specify	NA	NA	NA
5	Others, please specify	NA	NA	NA
	Total	11,61,162	26,67,841	38,29,003

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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

Nomination & Remuneration Policy

Introduction

This policy on nomination & remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors, in terms of the provisions of the Companies Act, 2013.

The Company considers human resources as its invaluable assets and this policy aims to lay down criteria & processes to ensure equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company and to harmonize the aspirations of the human resource in line with the goals of the Company.

Objectives and purpose of the Policy:

- To lay down criteria and terms & conditions with regard to identifying persons qualified to become Directors, KMPs and Senior Management positions.
- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies and industry as a whole.
- To determine criteria for evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them rewards linked directly to their effort, 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 and create competitive advantage.

Effective Date

This policy shall be effective from 27 April 2015.

Constitution of the Nomination and Remuneration Committee

The Board has changed the nomenclature of Remuneration Committee constituted on 29 June, 2010 by renaming it as Nomination and Remuneration Committee w.e.f. 28 April 2014.

The Nomination and Remuneration Committee comprises of the following Directors as on 27 April 2015:

Sl. No.	Name	Position
1	Mr. Soumendra Mohan Basu	Chairman, Independent Director
2	Mr. Jayanta Roy	Member, Non-Executive Director
3	Mr. Partho S. Datta	Member, Independent Director
4	Mr. Sanjoy Bhattacharyya	Member, Independent Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirements.

Applicability

The Policy is applicable to:

- Directors
- Key Managerial Personnel
- Senior Management Personnel

General

This Policy is divided in three parts:

Part- A covers the matters to be dealt with and recommended by the Committee to the Board

Part- B covers the appointment and nomination

Part- C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

PART- A

Matters to be dealt with, perused and recommended to the board by the Nomination & Remuneration Committee

The following matters shall be dealt by the Committee:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- Identification of persons who are qualified to become Directors, Key Managerial Personnel (KMP) and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommendation to the Board on appointment and removal of Director, KMPs and Senior Management personnel.
- Carrying out evaluation of every Director's performance.
- Assisting the Board in ensuring that plans are in place for orderly succession for appointments to the Board and KMP and Senior Management personnel.

PART- B

Policy for appointment and removal of Directors, KMP and Senior Management

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management level and recommend to the Board his / her appointment.
2. The Committee may delegate any of its powers relating to KMP and Senior Management to one or more members of the Committee including the Chairman and any other member.
3. The Committee shall recommend any necessary changes on Directors, KMP and Senior Management to the Board.

The expression "Senior Management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Qualifications for Directors (including Independent Directors)

- Qualifications as per the applicable provisions of Companies Act 2013, and rules made there under.
- Persons of eminence, standing and knowledge with significant achievements in business, profession and/or public service.
- Financial or business literacy/skills and industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidates.

Positive attributes of Directors (including Independent Directors)

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the industry.

- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- Assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under as amended from time to time.

Criteria for appointment of KMP/Senior Management

A person to be appointed as KMP/Senior Management person should possess the following qualifications and attributes:

- Adequate qualification, experience, skills and expertise for the position he/she is considered for appointment including qualification required under any Act, rule or regulation. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position for effective discharge of duties and responsibilities.
- Ability to practice & encourage professionalism and ethical & transparent working environment.
- Ability to build teams and carry the team members along for achieving the goals/objectives of the Company.

A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time.

Term/Tenure:

1. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The other provisions of the Companies Act, 2013 relating to directorships limits, restriction on appointments, etc. shall apply with respect to the Independent Directors.

Evaluation:

1. Criteria for evaluation of performance of Non-Executive & Independent Directors:

Evaluation of performance of Non-Executive Directors will be done as per Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act, which states that the Independent Directors shall at its separate meeting review the performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

2. Criteria for evaluation of performance of KMP and Senior Management Personnel:

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the Company's HR

Policy. A presentation shall be made by the Managing Director & CEO on the evaluation of KMP and Senior Management personnel before the Committee and the same will be reviewed by the Committee, and appropriate recommendations will be made by the Committee to the Board.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or senior management personnel or functional heads, subject to the provisions and compliance of the Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

Policy relating to the remuneration for the Directors, KMP and Senior Management Personnel

General:

1. To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
2. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
3. Remuneration packages should involve a balance between fixed and incentive pay (as far as practical and implementable), reflecting short and long term performance objectives appropriate to the Company's working and goals.
4. The remuneration/compensation/commission etc. to the Directors will be determined by the Committee and recommended to the Board for approval, and shall be subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with provisions of the Companies Act, 2013, and the rules made thereunder.
5. Revisions to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director & CEO.
6. Where any insurance is taken by the Company on behalf of its Managing Director & CEO, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
7. The trend prevalent in the similar industry and nature and size of business will be kept in view and given due weightage to arrive at a competitive quantum of remuneration.
8. To ensure consistent application of remuneration parameters across the organisation.
9. No Director/KMP/other employee will be involved in deciding his/her own remuneration.
10. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

Remuneration to Managing Director & CEO

The Managing Director & CEO shall be eligible for a monthly remuneration as may be approved by the Nomination & Remuneration Committee, Board of Directors and Shareholders in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder for the time being in force and as may be amended from time to time.

The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension, medical expenses, club fees, vehicle related expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders.

Minimum Remuneration to Managing Director & CEO:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director & CEO in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration:

If the Managing Director & CEO draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Annual Performance Bonus

The Managing Director & CEO will also be entitled to an Annual Performance Bonus for each financial year, which shall be approved by the Nomination & Remuneration Committee and the Board of Directors, at the end of every financial year, before disbursement of such amount.

This bonus will be linked to the performance of the Company and the evaluation of the performance of the Managing Director & CEO by the Board of Directors.

Remuneration to KMPs and Senior Management personnel

The remuneration package of KMPs and Senior Management personnel shall be composed of amounts that are fixed and variable and the endeavour of the Committee and the Board shall be to strike a balance between the fixed and variable components and thereby promote sustainable value for the Company.

Fixed Pay

The fixed component of remuneration shall be determined according to trend prevalent in the similar industry, role and responsibilities of the employee, analysis of the complexities of the position, relevant laws and regulations, and scale of business relating to the position. It should be ensured that the structure is tax efficient for the employees.

The fixed component reflects the core performance requirements and expectations of the Company and is a reward for performance of day-to-day activities.

Variable Pay

The variable component will consist of performance based or incentive based payments to the employees. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting performance objectives appropriate to the working of the Company and designed to lay emphasis on direct relationship between performance and remuneration.

The performance based remuneration shall be proportionate to and contingent upon the attainment of specific performance targets by the employees in the Company. There shall be a company scorecard which will comprise of functional goals and organisational profit before tax goals. It shall be determined taking into account factors such as performance of the employee, time and efforts devoted, value addition, conduct of the employee, position and role and responsibilities and shall be calculated as a percentage of the fixed remuneration.

The performance based remuneration impels employees to achieve specific pre-determined goals during a financial year.

Remuneration to Non- Executive/Independent Directors:

1. Remuneration/Commission:

The remuneration/ commission to Non-Executive Directors and Independent Directors may be paid within the monetary

limits approved by the shareholders, subject to the limits as per the provisions of the Companies Act, 2013 and the rules made thereunder for the time being in force and as may be amended from time to time.

2. Sitting Fees:

The Non- Executive/Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committees thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The sitting fees paid to Independent Directors shall not be less than the sitting fees payable to other Directors.

Review

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified to make it consistent with law.

This policy shall be reviewed by the Nomination & Remuneration Committee as and when any changes are to be incorporated in the policy. Any such changes or modifications in the policy as recommended by the Nomination & Remuneration Committee shall be subject to the approval of the Board of Directors.

Annexure 3

Form AOC-2

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

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

Annexure 4**Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation Nature of Duties	Remuneration Received (Rs. per annum)	Qualification	Experience in years	Age in years	Date of commen cement of employment	Last Employment held
1	2	3	4	5	6	7	8	9
1.	Rajiv Shastri (with effect from 01.09.2014)	Managing Director & CEO	67,13,000	Chartered Accountant	17 years	44 years	01.09.2014	Director & Business Head – Portfolio Management Services and Products at Pramerica Mutual Fund
2	Akshay Gupta (till 30.04.2014)	Managing Director & CEO	27,95,018	B.E., M.B.A. (Finance & Marketing)	20 years	39 years	09.04.2009 till 30.04.2014	CEO, Global Portfolio Advisors

Notes:

1. Remuneration includes salary, house rent allowance, medical reimbursement, LTA, company's contribution to provident fund and perquisites. Value of perquisites has been calculated on the basis of Income-Tax Act, 1961.
2. Information about qualification, experience and last employment are based on particulars furnished by the employee concerned.
3. None of the employee or their spouse or dependent children holds any equity shares in the company.
4. Employment in all cases is contractual in nature.
5. The Managerial Personnel are not relatives of any of the Directors of the company.

For and on behalf of the Board

Place : Kolkata
Date : 3 June 2015Partho Sarothy Datta
Chairman

SECRETARIAL AUDIT REPORT

Annexure 5

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. Peerless Funds Management Co. Limited
Peerless Mansion, 3rd Floor,
1, Chowringhee Square,
Kolkata – 700 069

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Peerless Funds Management Co. Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. On the basis of verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minute books, forms and returns filed and other records maintained by the company as shown to us during the said audit and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We further report that compliance with applicable laws is the responsibility of the Company and our Report constitutes an independent opinion. Our report is neither an assurance for future viability of the company nor a confirmation of efficient management by the company.
4. We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by M/s. Peerless Funds Management Co. Limited for the financial year ended on 31st March, 2015 and as shown to us during our audit, according to the provisions of the following laws:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) and the following law specifically applicable to the Company:
 - a) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
5. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
6. To the best of our understanding we are of the view that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
7. We further report that,
 - a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
8. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, such as laws related to Taxation, local laws applicable to the area of operation of business and other laws generally applicable to Company.
9. This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557

Place: Kolkata
Date: 22 April 2015

‘Annexure A’

**(To the Secretarial Audit Report of M/s. Peerless Funds Management Co. Limited
for the Financial Year ended 31/03/2015)**

To,
The Members,
M/s. Peerless Funds Management Co. Limited
Peerless Mansion, 3rd Floor,
1, Chowringhee Square,
Kolkata – 700 069

Our Secretarial Audit Report for the financial year ended 31/03/2015 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557

Place: Kolkata
Date: 22 April 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEERLESS FUNDS MANAGEMENT CO. LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Peerless Funds Management Co. Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **L. B. JHA & Co.**
Chartered Accountants
(Registration No. 301088E)

(K. K. Bhanja)
Partner
Membership No. 14722

Place : Kolkata
Date : 27 April 2015

ANNEXURE TO THE AUDITORS REPORT

[Referred to in paragraph 9 of the Auditor's Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
2. The Company does not have any inventory.
3. The Company has granted an unsecured short term loan to a company covered in the register maintained under Section 189 of the Act. The aforesaid loan is repayable with interest at the end of the tenure of the loan that has not fallen due.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. The Company has not accepted any deposits within the meaning of Sections 73 or 76 of the Act and the rules framed thereunder.
6. The Central Government of India has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
(c) According to the information and explanations given to us and the records of the Company examined by us, no amounts were required to be transferred to Investor Education and Protection Fund during the year in accordance with the provisions of Section 205C of the Companies Act, 1956 and rules made thereunder and there were no dues in this regard outstanding as at 31st March 2015.
8. The accumulated losses of the Company as at 31st March 2015 are not less than fifty per cent of its net worth and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanation given to us, the Company has neither borrowed moneys from any financial institution or bank nor has issued any debentures during the year.
10. According to the information and explanations given to us and the records of the Company examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

11. The Company has not obtained any term loans.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **L. B. JHA & Co.**
Chartered Accountants
(Registration No. 301088E)

(K. K. Bhanja)
Partner
Membership No. 14722

Place : Kolkata
Date : 27 April 2015

BALANCE SHEET**AS AT 31 MARCH, 2015**

(Amount in Rupees)

Particulars	Note No.	As At 31 March 2015		As At 31 March 2014	
1	2	3		4	
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	1	99,00,00,000		75,00,00,000	
(b) Reserves and surplus	2	(39,35,84,342)	59,64,15,658	(30,86,33,347)	44,13,66,653
(2) Non-current liabilities					
(a) Long-term provisions	3		—		19,18,916
(3) Current liabilities					
(a) Trade payables	4	55,56,767		7,19,070	
(b) Other current liabilities	5	20,10,450		15,22,509	
(c) Short-term provisions	6	36,58,113	1,12,25,330	44,89,303	67,30,882
TOTAL			60,76,40,988		45,00,16,451
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	7	43,43,091		37,23,637	
(ii) Intangible assets	7	45,326	43,88,417	1,37,125	38,60,762
(c) Non-current Investments	8		5,00,000		—
(b) Long-term loans and advances	9		41,27,114		12,23,199
(2) Current assets					
(a) Current investments	10	40,94,55,310		38,60,09,840	
(b) Trade receivables	11	78,28,240		1,21,85,212	
(c) Cash and cash equivalents	12	21,01,388		19,16,377	
(d) Short-term loans and advances	13	17,83,53,751		4,48,21,061	
(e) Other current assets	14	8,86,768	59,86,25,457	—	44,49,32,490
TOTAL			60,76,40,988		45,00,16,451
Significant Accounting Policies	19				
Notes to Accounts	20				

The Notes referred to above form an integral part of the Balance Sheet

In terms of on report of even date

For **L.B. Jha & Co.**
Chartered Accountants
Firm's Registration No. 301088E

K.K. Bhanja
Partner
Membership No. 14722

Kolkata
27 April 2015

For and on behalf of the Board

Partho Sarothy Datta
Chairman

Soumendra Mohan Basu
Director

Rajiv Shastri
Managing Director &
Chief Executive Officer

S. Swaminathan
Chief Financial
Officer

Manoj Kumar Bajoria
Company Secretary

Kolkata
27 April 2015

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2015

(Amount in Rupees)

Particulars	Note No.	Year ended 31 March 2015	Yearended 31 March 2014
1	2	3	4
I. Revenue from operations	15	8,27,66,220	13,63,15,668
II. Other income	16	3,84,78,103	4,78,25,572
III. Total Revenue (I + II)		<u>12,12,44,323</u>	<u>18,41,41,240</u>
IV. Expenses:			
Employee benefit expenses	17	7,78,51,901	7,69,90,571
Depreciation and amortization expense	7	25,11,853	46,01,846
Other expenses	18	12,58,31,564	17,57,66,452
Total expenses		<u>20,61,95,318</u>	<u>25,73,58,869</u>
V. Profit before tax (III – IV)		(8,49,50,995)	(7,32,17,629)
VI. Tax expense:			
(1) Current tax		—	—
(2) Deferred tax		—	—
VII. Profit (Loss) for the period (IX – X)		(8,49,50,995)	(7,32,17,629)
VIII. Earnings per equity share:			
(1) Basic		(1.04)	(0.98)
(2) Diluted		(1.04)	(0.98)
Significant Accounting Policies	19		
Notes to Accounts	20		

The Notes referred to above form an integral part of the Statement of Profit and Loss
In terms of on report of even date

For and on behalf of the Board

For **L.B. Jha & Co.**
Chartered Accountants
Firm's Registration No. 301088E

Partho Sarathy Datta
Chairman

Soumendra Mohan Basu
Director

K.K. Bhanja
Partner
Membership No. 14722

Rajiv Shastri
Managing Director &
Chief Executive Officer

S. Swaminathan
Chief Financial
Officer

Manoj Kumar Bajoria
Company Secretary

Kolkata
27 April 2015

Kolkata
27 April 2015

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	2014 - 2015 (Amount in Rupees)	2013 - 2014 (Amount in Rupees)
A. Cash flows from Operating Activities		
Net profit/(loss) before tax for the year	(8,49,50,995)	(7,32,17,629)
<i>Adjustment for:</i>		
Depreciation	25,11,853	46,01,846
Dividend Income	—	(4,53,350)
Gains from Actuarial Valuation	(63,963)	—
Other non-operating income	(47,088)	24,483
Change in carrying cost of investment	—	—
Income from Sale of Investments	(3,61,72,152)	(2,89,78,400)
Interest income	(7,12,945)	(10,39,589)
Operating profit before working capital changes	(11,94,35,290)	(9,90,62,639)
<i>Adjustment for changes in working capital:</i>		
(Increase)/decrease in Trade Receivables	43,56,972	41,60,955
(Increase)/decrease in loans and advances	(15,33,71,805)	(1,86,16,846)
Income Tax Refund	1,69,35,200	1,19,71,950
(Increase)/decrease in other current assets	—	23,14,77,804
Increase/(decrease) in trade payables	48,37,697	(5,31,914)
Increase/(decrease) in current liabilities & provisions	(3,43,249)	14,98,964
Net cash used in operating activities (A)	(24,70,20,475)	13,08,98,274
B. Cash flow from investing activities		
Purchase of fixed assets	(31,53,520)	(13,23,993)
CWIP	—	2,01,080
Current Investments	(2,34,45,470)	(26,26,82,378)
Non-current investments	(5,00,000)	—
Dividend Income	—	4,53,350
Proceeds from sale of Assets	1,61,100	25,575
Income from Sale of Investments	3,61,72,152	2,89,78,400
Interest income	—	48,44,041
Net cash used in investing activities (B)	92,34,262	(22,95,03,925)
C. Cash flow from financing activities		
Contribution to Gratuity Fund	(20,28,776)	—
Proceeds from issue of Share Capital	24,00,00,000	—
Net cash generated from financing activities (C)	23,79,71,224	—
Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	1,85,011	(9,86,05,651)
Cash and cash equivalents at beginning of year	19,16,377	10,05,22,028
Cash and cash equivalents at end of year	21,01,388	19,16,377

Note 1: The above Cash Flow Statement has been prepared under 'Indirect Method' as specified in AS-3: Cash Flow Statements.

Note 2: Previous year's figures have been regrouped/rearranged, wherever necessary.

In terms of on report of even date

For and on behalf of the Board

For **L.B. Jha & Co.**

Chartered Accountants

Firm's Registration No. 301088E

Partho Sarothy Datta
Chairman

Soumendra Mohan Basu
Director

K.K. Bhanja

Partner

Membership No. 14722

Kolkata

27 April 2015

Rajiv Shastri

Managing Director &
Chief Executive Officer

Kolkata

27 April 2015

S. Swaminathan

Chief Financial
Officer

Manoj Kumar Bajoria

Company Secretary

Notes to Balance Sheet as at 31 March 2015

(Amount in Rupees)

	As at 31 March 2015		As at 31 March 2014	
	Number	Rs.	Number	Rs.
1. Share Capital				
(a) <u>Authorised</u>				
Equity Shares of Rs.10 each	10,00,00,000	100,00,00,000	10,00,00,000	100,00,00,000
		<u>100,00,00,000</u>		<u>100,00,00,000</u>
(b) <u>Issued, Subscribed and paid-up</u>				
Equity Shares of Rs.10 each, fully paid up	9,90,00,000	99,00,00,000	7,50,00,000	75,00,00,000
		<u>99,00,00,000</u>		<u>75,00,00,000</u>

(c) Additional Information:

The movement in subscribed and paid-up equity share capital is set out below:

	Number	Rs.	Number	Rs.
– At the beginning of the year	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
– Equity Shares allotted during the year	2,40,00,000	24,00,00,000	—	—
– At the end of the year	<u>9,90,00,000</u>	<u>99,00,00,000</u>	<u>7,50,00,000</u>	<u>75,00,00,000</u>

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

(e) Details of the shareholders holding more than 5% of equity shares of the company
(Including reconciliation , if applicable , of outstanding shares, as in (c) above)

Number of Shareholders		As at 31 March 2015		As at 31 March 2014	
		No. of shares held		No. of shares held	
		(%)	(Number)	(%)	(Number)
1	The Peerless General Finance & Investment Company Limited, the Holding Company	99.9986	9,89,98,600	99.9981	7,49,98,600

	As at 31 March 2015	As at 31 March 2014
2. Reserves & Surplus		
Surplus		
Profit/(Loss) - balance brought forward from last account	(30,86,33,347)	(23,54,15,718)
Add: Profit/(Loss) for the year	(8,49,50,995)	(7,32,17,629)
Profit/(Loss) - balance as at 31.03.2015	<u>(39,35,84,342)</u>	<u>(30,86,33,347)</u>
3. Long Term Provisions		
(a) Provision for Gratuity	—	19,18,916
	—	19,18,916

Notes to Balance Sheet as at 31 March 2015

(Amount in Rupees)

	As at 31 March 2015	As at 31 March 2014
4. Trade Payables		
(a) Dues to other than Micro and Small Enterprise	55,56,767	7,19,070
	55,56,767	7,19,070
5. Other Current Liabilities		
(a) Statutory dues	20,10,450	15,22,509
	20,10,450	15,22,509
6. Short Term Provisions		
(b) Provision for Expenses	36,58,113	44,89,303
	36,58,113	44,89,303

7. Fixed Assets

(Amount in Rupees)

PARTICULARS	COST/BOOK VALUE			DEPRECIATION				WRITTEN DOWN VALUE		
	As on 01.04.2014	Additions	Deletion	As on 31.03.2015	As on 01.04.2014	Additions	Deletion	As on 31.03.2015	As on 31.03.2015	As on 01.04.2014
Tangible Assets										
Leasehold										
Improvement	1,48,09,049	1,20,270	(73,500)	1,48,55,819	1,34,23,424	11,96,021	—	1,46,19,445	2,36,374	13,85,625
Furniture & Fixture	32,98,616	46,500	(4,07,499)	29,37,617	29,15,166	82,742	(3,46,240)	26,51,668	2,85,949	3,83,450
Office Equipment	41,20,592	2,19,880	(1,09,290)	42,31,182	32,88,061	6,01,959	(97,074)	37,92,946	4,38,236	8,32,531
Computers	87,49,505	1,72,170	—	89,21,675	83,92,554	2,71,997	—	86,64,551	2,57,124	3,56,951
Vehicles	11,80,002	26,68,000	(3,18,439)	35,29,563	4,14,922	2,53,135	(2,63,902)	4,04,155	31,25,408	7,65,080
Sub-total	3,21,57,764	32,26,820	(9,08,728)	3,44,75,856	2,84,34,127	24,05,854	(7,07,216)	3,01,32,765	43,43,091	37,23,637
Intangible assets										
Computer software	40,64,816	14,200	—	40,79,016	39,27,691	1,05,999	—	40,33,690	45,326	1,37,125
Sub-total	40,64,816	14,200	—	40,79,016	39,27,691	1,05,999	—	40,33,690	45,326	1,37,125
Total	3,62,22,580	32,41,020	(9,08,728)	3,85,54,872	3,23,61,818	25,11,853	(7,07,216)	3,41,66,455	43,88,417	38,60,762
Previous Year	3,49,55,288	13,23,993	(56,701)	3,62,22,580	2,78,01,805	46,01,846	(41,833)	3,23,61,818	38,60,762	

	As at 31 March 2015	As at 31 March 2014
8. Non-current Investments		
Equity Shares of Companies (Unquoted)		
MF Utilities India Private Limited	5,00,000	—
(500,000 equity shares of Rs. 1 each)	5,00,000	—
9. Long-term loans and advances		
(Unsecured, considered good)		
(a) Security Deposits	37,34,574	12,19,324
(b) Other loans and advances:		
Due from employees	3,78,120	3,875
(c) Capital advance	14,420	—
	41,27,114	12,23,199

Notes to Balance Sheet as at 31 March 2015

10. Current Investments [valued at cost or net realisable value, whichever is lower]	As at 31 March 2015			As at 31 March 2014		
	Number	Face Value of each instruments	Carrying Amount (Rs.)	Number	Face Value of each instruments	Carrying Amount (Rs.)
(a) Mutual Funds (Unquoted)						
Peerless Liquid Fund	35,945.050	—	5,51,28,514	2,63,92,305.888	—	37,10,09,840
Peerless Short Term Fund	3,16,842.726	—	50,00,000	—	—	—
Peerless Fixed Maturity Plan Series 1		—	—	15,00,000.000	—	1,50,00,000
Peerless Equity Fund	26,93,475.059	—	4,30,63,000	—	—	—
Peerless Flexible Income Fund	84,84,283.356	—	10,14,29,707	—	—	—
Peerless Ultra Short Term Fund	95,781.942	—	14,82,01,571	—	—	—
Peerless MF Child Plan	90,581.346	—	13,04,000	—	—	—
Peerless Income Plus Fund	3,29,663.084	—	50,00,000	—	—	—
			<u>35,91,26,792</u>			<u>38,60,09,840</u>
Investments in mutual funds are in the Schemes of Peerless Mutual Fund, for which the Company acts as the Investment Manager						
(b) Corporate Bonds (Unquoted)						
8.27% REC SR-130 06FB25	50	10,00,000	5,03,28,518	—	—	—
Total			<u>40,94,55,310</u>			<u>38,60,09,840</u>

(Amount in Rupees)

	As at 31 March 2015	As at 31 March 2014
11. Trade receivables (Unsecured, Considered good)		
Debts less than six months	78,28,240	1,21,85,212
	78,28,240	1,21,85,212
12. Cash and cash equivalent		
Balances with banks		
– In Current Account	21,01,388	19,16,377
	21,01,388	19,16,377
13. Short term loans and advances (Unsecured, considered good)		
(a) Advance recoverable in cash or in kind	25,17,635	1,22,57,921
(b) Loans and advances to Related Party	15,25,36,390	97,772
(c) Tax deducted at source	2,07,60,696	2,91,71,580
(d) Prepaid Expenses	24,92,927	31,04,119
(e) Service Tax Credit	46,103	1,89,669
	17,83,53,751	4,48,21,061

Notes to Balance Sheet as at 31 March 2015

	As at 31 March 2015	(Amount in Rupees) As at 31 March 2014
14. Other Current Assets		
(a) Asset from Actuarial valuation	1,73,823	—
(b) Accrued interest on Corporate Bonds	3,96,507	—
(c) Accrued interest on Inter Corporate Deposits	3,16,438	—
	<u>8,86,768</u>	<u>—</u>

Notes to Statement of Profit and Loss for the year ended 31 March 2015

	For the year ended 31 March 2015	(Amount in Rupees) For the year ended 31 March 2014
15. Revenue from operations		
(a) Management Fees	8,27,66,220	13,63,15,668
	<u>8,27,66,220</u>	<u>13,63,15,668</u>
16. Other income		
(a) Interest Income from fixed deposits	—	10,39,589
(b) Dividend Income from Mutual Funds	—	4,53,350
(c) Interest on Corporate Bonds	3,96,507	1,63,18,860
(d) Interest on Inter Corporate Deposits	3,16,438	—
(e) Net gain/(loss) on sale of investments	3,61,72,152	2,89,78,400
(f) Actuarial Gains from Gratuity Fund	63,963	—
(g) Other non-operating income (net of attributable expenses)	15,29,043	10,35,373
	<u>3,84,78,103</u>	<u>4,78,25,572</u>
17. Employee Benefit Expenses		
(a) Salaries, wages and bonus	7,33,61,867	7,20,26,329
(b) Contribution to provident and other funds	35,09,333	36,60,693
(c) Gratuity Expense	—	2,04,418
(d) Staff welfare expenses	9,80,701	10,99,131
	<u>7,78,51,901</u>	<u>7,69,90,571</u>

Notes to Statement of Profit and Loss for the year ended 31 March 2015

(Amount in Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
18. Other expenses		
(a) Professional and Consultancy	1,07,05,349	1,35,36,423
(b) SEBI fees & AMFI Fees	7,10,986	19,53,500
(c) Travelling and Conveyance	69,68,832	62,68,881
(d) Recruitment Charges	27,50,202	2,55,792
(e) Fund Accounting Expenses	25,04,806	41,09,546
(f) Scheme Expenses	4,57,36,635	6,24,00,386
(g) Rent	89,50,185	97,74,009
(h) Marketing advertisement and publicity	57,79,607	32,06,423
(i) Motor car expenses	29,75,328	28,94,200
(j) Repairs and maintenance	36,09,802	36,97,905
(k) Communication expenses	48,45,637	51,47,422
(l) Electricity	21,65,922	21,44,533
(m) Printing and stationery	23,20,527	18,94,807
(n) Electronic Subscription	32,14,398	30,93,479
(o) Bank Charges	34,59,949	22,24,277
(p) Director Fees	12,80,000	5,90,000
(q) Insurance	25,02,621	18,61,174
(r) Brokerage & Distribution Support	35,83,873	3,33,86,709
(s) Miscellaneous Expense	15,73,444	20,10,013
(t) Change in carrying cost of investments	7,65,400	—
(u) Audit Fees		
– Statutory Audit	2,50,000	2,50,000
– Tax Audit	50,000	50,000
(v) Service Tax	91,28,061	1,50,16,973
	<u>12,58,31,564</u>	<u>17,57,66,452</u>

Note 19**SIGNIFICANT ACCOUNTING POLICIES****BASIS OF ACCOUNTING**

The financial statements of the Company are prepared under the historical cost convention, on an accrual basis of accounting and in compliance with the applicable accounting standards prescribed by the Companies (Accounts) Rules, 2014 and provisions of rules framed under the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the revised Schedule III to the Companies Act, 2013.

USE OF ESTIMATES

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

FIXED ASSETS

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

DEPRECIATION

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

CLASS OF FIXED ASSET	USEFUL LIFE OF ASSET
Computers, Hardware & Software	3 years
Furniture & Fixture	10 years
Office Equipment	5 years
Vehicles	8 years
Improvement to leasehold or rented premises (including electrical installations)	The primary period of the lease term or 5 Years whichever is less

All assets costing not more than Rs.5,000 are fully depreciated in the year of addition.

Amount brought forward as on 01.04.2014 have been depreciated over the remaining useful life of the respective assets, as prescribed under Schedule II of the Companies Act, 2013.

IMPAIRMENT OF FIXED ASSETS

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

INVESTMENTS

Investments are classified as long term or current based on intention of management at the time of purchase. Long-term investments are stated at cost and provision is made to recognise any diminution in value, other than temporary in nature, determined separately for each investment.

Current investments are stated at the lower of cost and net realizable value which is determined separately for each investment.

RETIREMENT BENEFITS

Provident Fund

Provident fund, being a defined benefit contribution plan, is being maintained with the Regional Provident Fund Commissioner for its employees. The Company's obligations are accounted for on an accrual basis and charged to the Profit and Loss Account.

Gratuity

Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet in respect of the same is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to the Profit and Loss account in the year in which such gains or losses arises.

LEASE

Lease rental payments for operating leases are paid/provided for as per terms of the agreement on an accrual basis.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the rates prevailing at the date of the transaction. Monetary Assets and Liabilities as at the Balance Sheet date are restated at the exchange rate prevailing on the Balance Sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of assets and liabilities are charged to Profit and Loss Account.

REVENUE RECOGNITION

Management and Advisory Fees

Investment management fees are recognised on an accrual basis in accordance with respective terms of contract between the Company and Trustee Company and in conformity with the Securities and Exchange Board of India (SEBI) regulations.

Advisory and Portfolio Management Service fee are recognised on accrual basis in accordance with the respective terms of contract with counterparties.

Other Income

Interest income is accounted for on a time proportionate basis.

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

SCHEME EXPENSES

Expenses incurred (inclusive of advertisement / brokerage expense) with respect to schemes of Peerless Mutual Fund are charged to profit and loss account unless considered recoverable from the schemes of the Fund in accordance with the provision under SEBI (Mutual Fund) Regulations, 1996.

TAXATION

Tax expense comprises current tax, deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period) or any other direct tax levied by the tax authorities of India.

Current tax is recognised as the amount of tax payable in respect of taxable income for the period.

Deferred tax is provided on timing differences between taxable income and accounting income subject to consideration of prudence.

Deferred tax on carry forward losses and unabsorbed depreciation is not recognised unless there is virtual certainty that

there will be sufficient future taxable income available to realize such assets.

EARNINGS PER SHARE

The basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive are included.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

Note 20

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2015

1. Retirement Benefits to Employee

a. Provident Fund

The company makes monthly contributions to provident fund which is under a defined contribution plan. During the period, the company has recognized an amount of Rs. 34,67,729 (FY 2013-14: Rs. 36,60,693) in the profit and loss account as contribution to provident fund maintained with Regional Provident Fund Commissioner, Kolkata.

b. Gratuity

Obligation in respect of employee's gratuity fund managed by Life Insurance Corporation of India 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.

The following disclosure has been set out in accordance with requirement of the Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) prescribed by The Companies (Accounts) Rules, 2014:

Changes in the Present Value of Obligation

Amount in Rupees

Particulars	For the period ending	
	31 March 2015	31 March 2014
	Funded	Unfunded
Present value of Obligation as at the beginning	19,18,916	17,14,498
Interest Cost	1,50,704	1,63,504
Current Service Cost	6,79,602	5,16,006
Actuarial (Gain)/Loss on the Obligation	(9,00,536)	(4,75,092)
Present value of Obligation as at the end	18,48,686	19,18,916

Note 20 (Contd.)**Changes in the Present Value of Assets**

Amount in Rupees

Particulars	For the period ending	
	31 March 2015	31 March 2014
	Funded	Unfunded
Fair Value of Plan Assets as at the beginning	—	—
Expected Return on Plan Assets	81,078	—
Employer's Contributions	20,13,167	—
Actuarial (Gain)/Loss on the Plan Assets	(71,736)	—
Fair Value of Plan Assets as at the end	20,22,509	—

Fair Value of Plan Assets

Amount in Rupees

Particulars	For the period ending	
	31 March 2015	31 March 2014
	Funded	Unfunded
Fair Value of Plan Assets as at the beginning	—	—
Actual Return on Plan Assets	9,342	—
Employer's Contributions	20,13,167	—
Fair Value of Plan Assets as at the end	20,22,509	—

Expenses recognized in the Profit and Loss Account

Amount in Rupees

Particulars	For the period ending	
	31 March 2015	31 March 2014
	Funded	Unfunded
Current Service Cost	6,79,602	5,16,006
Interest Cost	1,50,704	1,63,504
Expected Return on Plan Assets	(81,078)	—
Net Actuarial (Gain)/Loss recognized in the period	(8,28,800)	(4,75,092)
Expenses recognized in statement of Profit and Loss	(79,572)	2,04,418

Note 20 (Contd.)**Amount for the current period**

Amount in Rupees

Particulars	For the period ending	
	31 March 2015	31 March 2014
	Funded	Unfunded
Actuarial (Gain)/Loss for the period – Present Value of Obligation	(9,00,536)	4,75,092
% of Opening Present Value of Obligation	(46.93%)	(27.71%)
Actuarial (Gain)/Loss for the period – Fair Value of Plan Assets	(71,736)	—
% of Opening Fair Value of Plan Assets	0.00%	0.00%
Total Actuarial (Gain)/Loss for the period	(8,28,800)	(4,75,092)
Actuarial (Gain)/Loss recognized in the period	(8,28,800)	(4,75,092)
Experience Adjustment on Present Value of Obligation		
– Loss/(Gain)	64,444	475,092
Experience Adjustment on Fair Value of Plan Assets		
– Loss/(Gain)	(71,736)	—

Movement in the Liability recognized in the Balance Sheet

Amount in Rupees

Particulars	As on	
	31 March 2015	31 March 2014
	Funded	Unfunded
Present value of Obligation as at the beginning	19,18,916	17,14,498
Expenses recognized in statement of Profit and Loss	(79,572)	2,04,418
Actual Return on Plan Assets	9,342	—
Present value of Obligation as at the end	18,48,686	19,18,916
Funds Managed by Insurer	100.00%	0.00%

Asset and Liability (Balance Sheet portion)

Amount in Rupees

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Present value of Defined Benefit Obligation	18,48,686	19,18,916	17,14,498	15,75,559	9,70,783
Fair value of plan assets	20,22,509	—	—	—	—
Net asset/(liability)	1,73,823	(19,18,916)	(17,14,498)	(15,75,559)	(9,70,783)

Note 20 (Contd.)**Experience Adjustments on Present Value of Benefit Obligation and Plan Assets** Amount in Rupees

Asset and Liability (Balance Sheet portion)	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
(Gain)/Loss on Plan Liabilities	64,444	4,75,092	—	—	—
% of Opening Plan Liabilities	3.36%	27.71%	—	—	—
(Gain)/Loss on Plan Assets	(71,736)	—	—	—	—
% of Opening Plan Assets	0.00%	—	—	—	—

Principal assumptions used in the valuation

Amount in Rupees

Particulars	For the period ending	
	31 March 2015	31 March 2014
	Funded	Unfunded
Discount Rate per annum Compound	8.00%	8.25%
Rate of increase of salaries	6.00%	5.00%
Expected rate of return on Plan Assets (per annum)	8.00%	0.00%
Expected average remaining working lives of employees (years)	24.24	24.24
Retirement Age	58 years	58 years

Mortality rates are in accordance with the standard table Indian Assured Lives Mortality (2006-2008) ultimate

2. Segmental Reporting

The Company's operations predominantly relate to providing Asset Management Services to Peerless Mutual Fund in India. Therefore, separate disclosure of segmental reporting is not applicable as required under Accounting Standard on "Segment Reporting" (AS-17) issued by the Companies (Accounts) Rules, 2014.

3. Related Party Information**Holding company**

- i. The Peerless General Finance & Investment Company Limited (PGFI)

Fellow subsidiaries, associates & group enterprise

- ii. Peerless Trust Management Co Ltd. (PTMCL)
- iii. Peerless Financial Products Distribution Ltd. (formerly known as Peerless Developers Ltd.) (PFDDL)
- iv. Peerless Hospitex Hospital & Research Center Ltd
- v. Peerless Securities Ltd.
- vi. Peerless Hotels Ltd (PHL)
- vii. Kaizen Leisure & Holidays Ltd (KLHL)
- viii. Peerless Financial Services Ltd (PFSL)
- ix. Bengal Peerless Housing Development Co Ltd
- x. Kaizen Hotels & Resorts Ltd

Key Managerial Personnel (KMP):

1. Rajiv Shastri – Managing Director & Chief Executive Officer (from 1 September 2014)
2. Akshay Gupta – Managing Director & Chief Executive Officer (till 30 April 2014)
3. S. Swaminathan – Chief Financial Officer
4. Manoj Kumar Bajoria – Company Secretary

Note 20 (Contd.)

Disclosure of transactions between the company and related parties and the status of outstanding balances as on 31 March 2015:

Nature of transaction	Rent	Other Admin Expense	Recovery of Common Expenses	Remuneration to KMP	Inter Corporate Deposits (ICDs)	Receivable /(Payable)
Holding Company	76,57,373 77,17,539	12,64,882 15,03,179	— —	— —	— —	(97,572) (83,550)
KLHL	— —	32,15,874 29,93,581	— —	— —	— —	(1,01,284) (31,475)
PHL	— —	5,10,244 1,14,179	— —	— —	— —	(1,40,302) —
PTMCL	— —	— —	(2,13,462) (1,97,343)	— —	— —	25,36,390 97,772
PFPDL	— —	44,214 1,56,506	— —	— —	— —	(11,833) —
PFSL (3)	— —	— —	— —	— —	15,00,00,000 —	15,00,00,000 —
KMP	— —	— —	— —	1,33,37,021 1,18,38,143	— —	— —
Total	76,57,373 77,17,539	50,35,214 47,67,445	(2,13,462) (1,97,343)	1,33,37,021 1,18,38,143	15,00,00,000 —	15,21,85,399 (17,253)

Note: (1) Figures in the bottom of each cell denotes previous year figures.

(2) The transaction figures in brackets denote Income for the Company.

(3) Interest accrued on ICDs issued by PFSL for the year: Rs. 3,16,438.

4. Earnings Per Share

Basic and Diluted earnings per share as required in accordance with the Accounting Standard on "Earnings Per Share" (AS-20) prescribed by The Companies (Accounts) Rules, 2014:

	Amount in Rupees	
	2014-15	2013-14
Net Profit/(Loss) after tax	(8,49,50,995)	(7,32,17,629)
Weighted average number of equity shares outstanding during the year in Units	8,20,35,616	7,50,00,000
Basic and Diluted earnings per share	(1.04)	(0.98)

5. Deferred Tax

In view of carry forward losses and unabsorbed depreciation, the Company has not recognized any deferred tax asset in the absence of virtual certainty of its recovery.

6. Commitments

Other non-cancellable commitments, made in the normal course of business and to the extent they are considered material and relevant, in the opinion of the management, is Rs. NIL (FY 2013-14: Rs.NIL)

Note 20 (Contd.)

7. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro, Small and Medium Enterprises, to whom the Company owes any dues.

8. Earnings/(Expenditure) in foreign currency

The company did not have any foreign currency transaction during the year.

For and on behalf of the Board

In terms of on report of even date

For **L.B. Jha & Co.**

Chartered Accountants

Firm's Registration No. 301088E

K.K. Bhanja

Partner

Membership No. 14722

Kolkata

27 April 2015

Partho Sarothy Datta

Chairman

Rajiv Shastri

*Managing Director &
Chief Executive Officer*

Kolkata

27 April 2015

Soumendra Mohan Basu

Director

S. Swaminathan

*Chief Financial
Officer*

Manoj Kumar Bajoria

Company Secretary

