

BOARD OF DIRECTORS

Mr. Partho Sarothy Datta
(Chairman w.e.f. 10.06.2014)

Mr. Jayanta Roy

Mr. Sanjoy Bhattacharyya

Mr. Malay Kumar Ghosh
(appointed w.e.f. 25.03.2014)

Mr. Soumendra Mohan Basu
(appointed on 28.04.2014)

Mr. Amal Chandra Chakrabortti
(Erstwhile Chairman upto 13.05.2014)

Mr. Santosh Kumar Mukerji
(upto 28.04.2014)

Mr. Akshay Gupta
(Managing Director upto 30.04.2014)

MANAGEMENT COMMITTEE

Mr. S. Grace Rexelin Rabi
Head – Risk Management
& Credit Quality

Mr. Gautam Ghosh
Head – Institutional Sales

Mr. Anirudha Roy
Head – HR, IT & Telecom

KEY MANAGERIAL PERSON

Mr. S. Swaminathan
Financial Controller &
Company Secretary

SENIOR MANAGEMENT TEAM

Mr. Vilas Solanki
Head – Operations & Customer
Service

Mr. Malay Shah
Head – Fixed Income

Mr. Vishal Jain
Fund Manager – Equity

Mr. Manoj Kumar Bajoria
Head – Compliance

BANKERS

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

STATUTORY AUDITORS

M/s. Ray & Ray
Chartered Accountants
6, Church Lane
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

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 have pleasure in presenting the Fifth Annual Report and Audited Accounts of Peerless Funds Management Co. Limited for the period ended 31 March 2014.

Financial Results

(in Rupees)

Particulars	2013-14	2012-13
Income	18,41,41,240	17,94,09,191
Profit/(Loss) before Depreciation	(6,86,15,783)	(1,10,79,707)
Depreciation	46,01,846	68,79,955
Net Profit/(Loss)	(7,32,17,629)	(1,79,59,662)
Balance brought forward from previous year	(23,54,15,718)	(21,74,56,056)
Surplus/(Deficit) carried to Balance Sheet	(30,86,33,347)	(23,54,15,718)

Business Performance

Peerless Funds Management Co. Limited (PFMCL) is a subsidiary of Peerless General Finance and Investment Company Limited (PGFI) and acts as Investment Manager to Peerless Mutual Fund (PMF). PFMCL is the only Asset Management Company (AMC) in Eastern India with its headquarters in Kolkata.

While the Company achieved break-even in the first quarter, economic & monetary policy changes during the 2nd quarter of 2013-14 impacted the mutual fund industry and Peerless Mutual Fund was no exception. While the industry witnessed substantial outflows due to these policy changes, PMF's AUM came down by over 50% between mid July & end July 2013. Retail business also suffered during this period, though PMF was able to recover some lost ground by the end of the financial year. PMF suffered a huge drop in its AUM which resulted in a double adverse effect to PFMCL's top-line as well as its bottom-line.

During the year under review, PMF completed 4 years of operations. The average AUM of PMF was Rs. 4,046 crore for the quarter ended March 2014 compared with Rs. 4,875 crore for the quarter ended March 2013. The retail business has grown marginally to Rs. 439 crore in March 2014 from Rs. 425 crore in March 2013.

PFMCL added to the product range by launching the following schemes, namely, Peerless Fixed Maturity Plan - Series 3, Peerless Fixed Maturity Plan - Series 5 and Peerless Fixed Maturity Plan - Series 6 during the period under review. Further additions to PMF product line will be made during the forthcoming year to meet customer needs.

As at 31 March 2014, your Company has its presence in 37 locations serving over 32,000 customers, of which over 70% of the locations are located outside the top 15 cities. During the year, PFMCL initiated various measures like 'automatic encashment plan', 'bonus options' in its schemes etc., which are expected to yield benefits to the investors in the form of 'ease in transactions'. PFMCL has also confirmed its participation in the MF Utility programme launched by AMFI to provide online transacting facility to all investors through the MF Utility platform. This is expected to provide the investors with a single window access to schemes of all participating fund houses for the purpose of their investments. MF Utility will widen the market reach for all mutual funds and especially the small & medium level mutual funds. Setting up own online transacting facility entails huge capital expenditure.

PFMCL's focus has been and will continue to be on deeper penetration into the retail segment. To this effect, plans to launch more retail products are underway, on receipt of approval. PFMCL will leverage the distribution capabilities of the various arms of the Peerless Group, its own network of Independent Financial Advisors and Agency Managers. PFMCL has and will continue to guide & provide support & training to penetrate wider geographical area. PFMCL has in place adequate control systems and tools to ensure regulatory compliance and quality service to customers.

During the period under review, your Company incurred a loss of Rs. 7,32,17,629, as against a loss of Rs.1,79,59,662 in FY 2012-13.

As at 31 March 2014, the Net Worth of your Company stood at Rs. 44.14 crores.

Dividend

In view of the loss, your Directors express their inability to recommend any dividend for the year ended 31 March 2014.

Outlook

At present, 47 Mutual Funds are operating in the country. During the quarter ended 31 March 2014, the Mutual Fund Industry with an average AUM of Rs. 9.05 Lakh Crores, compared with Rs. 8.17 Lakh Crores for the quarter ended 31 March 2013, registered an increase in growth of 10.77% over the previous year.

The entire mutual fund industry was adversely affected by the policy changes in July & August 2013 which resulted in huge outflows from the industry. The maximum effect was felt by the small and medium level players. The MF industry's assets under management decreased by around 10% during this volatile period. But the inherent resilience of the industry and proactive measures by the Reserve Bank of India restored confidence, to some extent, in the financial markets. By the end of the year, the industry recovered by posting a 11% growth in AUM over the previous year.

Stable assets are the key to the success of any fund house. In these times of volatility and uncertainty, retail asset acquisition will drive the Company's growth in future together with its adaptability to tide over economic upheavals. Product differentiation & innovation, penetration beyond existing markets & geographical areas, wider accessibility, good governance etc. would be the other prime parameters for sustenance of the business.

Pressure on margins will continue to remain a challenge and would have to be surmounted with economic cost structures and innovative revenue/business models. Confidence building measures, fund performance and best service practices and ability to deliver on commitments to all stakeholders are the tenets, based on which investment decisions will be taken by potential investors.

Internal Complaints Committees

Your Company has 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 the Company.

The Internal Complaints Committees have been constituted at Kolkata and Mumbai. The Internal Complaints Committee constituted for Kolkata and Mumbai will respectively look into the grievances and complaints for employees located in the Eastern & Northern regions and for employees located in the Western & Southern regions.

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
Mr. Anirudha Roy	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. Pratima Talwad	Presiding Officer
Ms. Nazneen Sultana	Member
Mr. Vilas Solanki	Member
Mr. S. Grace Rexelin Rabi	Member
Ms. Indrani Roy Mohanti	Member from NGO

Board Meetings held during the year

During the year under review, seven meetings of the Board of Directors of the Company were held on 26 April 2013, 12 July 2013, 15 July 2013, 23 September 2013, 25 October 2013, 7 January 2014 and 19 March 2014.

Board Committees

Your Company's Board has constituted the following Committees, as required under the provisions of the Companies Act, 1956 and SEBI (Mutual Funds) Regulations and as on 28 April 2014, their constitution is as under:

Audit Committee

<i>Name of the Director</i>	<i>Designation</i>
Mr. Partho Sarothy Datta	Chairman, Independent Director
Mr. Santosh Kumar Mukerji	Member, Independent Director
Mr. Sanjoy Bhattacharyya	Member, Independent Director
Mr. Akshay Gupta	Member, Managing Director & CEO

Nominations and Remuneration Committee

<i>Name of the Director</i>	<i>Designation</i>
Mr. Soumendra Mohan Basu	Chairman, Independent Director (w.e.f. 28 April 2014)
Mr. Partho Sarothy Datta	Member, Independent Director
Mr. Sanjoy Bhattacharyya	Member, Independent Director
Mr. Jayanta Roy	Member, Non-executive Director

Investment Committee

<i>Name of the Director</i>	<i>Designation</i>
Mr. Amal Chandra Chakrabortti	Chairman, Non-Executive Director
Mr. Partho Sarothy Datta	Member, Independent Director
Mr. Jayanta Roy	Member, Non-Executive Director
Mr. Akshay Gupta	Member, Managing Director & CEO

Risk Management Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Sanjoy Bhattacharyya	Chairman, Independent Director
Mr. Partho Sarothy Datta	Member, Independent Director
Mr. Akshay Gupta	Member, Managing Director & CEO
Mr. S. Grace Rexelin Rabi	Head – Risk Management

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed by your Company;
- (ii) having 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 2014 and of the profit of the Company for the period under review;
- (iii) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any, have been taken;
- (iv) that the annual accounts have been prepared on a going concern basis.

Directors

During the period under review, Mr. Malay Kumar Ghosh, was appointed as an Additional Director of the Company with effect from 25th March 2014 on the Board of the Company. As per the provisions of Section 260 of the Companies Act, 1956 / Section 161(1) of the Companies Act, 2013, the Additional Directors hold office up to the date of the forthcoming Annual General Meeting of the Company.

Mr. Soumendra Mohan Basu was appointed as an Additional Director of the Company with effect from 28 April 2014 on the Board of the Company. As per the provisions of Section 260 of the Companies Act, 1956/ Section 161(1) of the Companies Act, 2013, the Additional Directors hold office up to the date of the forthcoming Annual General Meeting of the Company.

At the meeting held on 28 April 2014, the Board noted the resignation of Mr. Akshay Gupta, as Director as well as Managing Director & CEO and released him from the services of the Company w.e.f. 30 April 2014. Mr. Gupta has been instrumental in setting up Peerless Mutual Fund and has been a key force in building up the key management team, processes and systems and bringing it to the current asset levels. The Board placed on record its sincere appreciation for the contribution made by Mr. Gupta, as a member of the Board.

Mr. S.K.Mukerji resigned as Director with effect from 28 April 2014 after being with the Company since its initial years. The Board placed on record its sincere appreciation for the contribution made by Mr. Mukerji, 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.

Auditors

M/s. Ray & Ray, Chartered Accountants, Kolkata, the Statutory Auditors of the Company will retire at the conclusion of the 5th Annual General Meeting and have expressed their willingness to be re-appointed. They have confirmed that their re-appointment, if made, would be covered within the ceiling specified under Section 224(1B) of the Companies Act, 1956/Section 139 of the Companies Act, 2013.

Conservation of Energy and Technology Absorption

No disclosure is required to be made under section 217(1)(e) of the Companies Act, 1956. Your Company does not have any activity relating to conservation of energy or technology absorption.

Particulars of Employees

Particulars of employees as required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are set out separately as part of this report.

Foreign Exchange Earnings & Outgo

Particulars with respect to foreign exchange earnings and outgo during the year under review have not been disclosed, since your Company does not have any foreign exchange earnings and outgo for the year ended 31 March 2014.

Appreciation

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

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

For and on behalf of the Board

Place : Kolkata
Date : 28 April 2014

A. C. Chakrabortti
Chairman

ADDENDUM TO REPORT OF THE DIRECTORS

Auditors

M/s Ray & Ray, Chartered Accountants, Kolkata, Statutory Auditors of the Company had earlier given their consent to be re-appointed as Statutory Auditors of the Company at the forthcoming Annual General Meeting.

Subsequently, they have expressed their unwillingness to be re-appointed as Statutory Auditors at the forthcoming Annual General Meeting vide their letter dated 12 July 2014.

As recommended by the Audit Committee, the Board of Directors of the Company at their meeting held on 14 July 2014, has proposed the appointment of M/s L.B. Jha & Co., Chartered Accountants, as Statutory Auditors. The appointment of the auditors is proposed to the members in the Notice of the forthcoming Annual General Meeting vide item no 3 for a period of five consecutive years commencing from the forthcoming Annual General Meeting till the conclusion of the 10th Annual General Meeting subject to ratification by the Members every year.

For and on behalf of the Board

Place : Kolkata
Date : 14 July 2014

Partho Sarothy Datta
Chairman

ANNEXURE I

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) and forming part of Directors' Report for the year ended on 31 March 2014

A. Employed throughout the year

Sl. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Age	Last Employment, Designation Employer
1.	Akshay Gupta	Managing Director & CEO	1,18,38,143	B.E., MBA (Finance & Marketing)	20	09.04.2009	39	CEO, Global Portfolio Advisors

B. Employed for part of the year - NIL

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. Mr. Akshay Gupta is not a relative of any of the Directors of the Company.

For and on behalf of the Board

Place : Kolkata
Date : 28 April 2014

A. C. Chakrabortti
Chairman

AUDITORS' REPORT

To the Members of PEERLESS FUNDS MANAGEMENT CO. LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PEERLESS FUNDS MANAGEMENT CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that :

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **RAY & RAY**
Chartered Accountants
Firm's Registration No. 301072E

(Abhijit Neogi)
Partner
Membership No. 61380

Place : Kolkata
Date : 28 April 2014

ANNEXURE TO THE AUDITORS REPORT

(Referred to in Paragraph 1 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
- (b) According to the information and explanations given to us, most of the fixed assets have been physically verified by the management during the year in a phased program and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The Company has not disposed off a substantial part of its fixed assets during the year, which affect the going concern status of the Company.
- (ii) The Company does not have any inventory and therefore provisions of Clause 4 (ii)(a), (b) and (c) of the order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the company has neither granted nor taken any loans to and from the companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii)(b) to (g) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are reasonable internal control procedures commensurate with the size and the nature of its business for purchase of Fixed Assets and sale of service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) The particulars of contracts or arrangements referred to in section 301 of the Act have been so entered in the register required to be maintained under section 301 of the 'Act' and transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to the prevailing market price.
- (vi) The Company has not accepted any deposits under section 58A, 58AA or any other relevant provisions of the Act from the public during the year.
- (vii) In our opinion, the internal audit system of the Company is commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed for the maintenance of any cost records under section 209(1)(d) of the Act.
- (ix) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other statutory dues applicable to it.

On the basis of the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and according to the information and explanations given to us by the management, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (x) The Company has incurred cash loss during the financial year and in the immediately preceding previous year.
- (xi) As per records of the Company, there are no dues to Financial Institutions or Banks.

- (xii) Based on our examination of documents and records and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares.
- (xiii) The Company is not a chit fund or nidhi/mutual benefit fund/society. Therefore, the provisions of the clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not dealt or traded in shares, securities, debentures and other investments during the year.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loan outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, the Company has not raised funds on short-term basis and therefore, provisions of Clause 4(xvii) of the order are not applicable to the Company.
- (xviii) During the year, the Company has not made any allotment of share.
- (xix) According to the information and explanations given to us and the records examined by us, no debentures have been issued during the year. Accordingly, provisions of clause 4(xix) of the order are not applicable to the Company.
- (xx) Based on the records examined by us, the Company has not raised monies by public issue during the year.
- (xxi) During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.

For **RAY & RAY**
Chartered Accountants
Firm's Registration No. 301072E

(Abhijit Neogi)
Partner
Membership No. 61380

Place : Kolkata
Date : 28 April 2014

BALANCE SHEET

AS AT 31 MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	As At 31 March 2014	As At 31 March 2013
1	2	3	4
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	75,00,00,000	75,00,00,000
(b) Reserves and surplus	2	(30,86,33,347)	44,13,66,653
			(23,54,15,718)
			51,45,84,282
(2) Non-current liabilities			
(a) Long-term provisions	3	19,18,916	17,14,498
(3) Current liabilities			
(a) Trade payables	4	7,19,070	12,50,984
(b) Other current liabilities	5	15,22,509	15,07,132
(c) Short-term provisions	6	44,89,303	67,30,882
			32,10,134
			59,68,250
		TOTAL	45,00,16,451
			52,22,67,030
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	3,723,637	68,32,438
(ii) Intangible assets	7	137,125	3,21,045
(iii) Capital work-in-progress		—	38,60,762
			2,06,080
			73,59,563
(b) Long-term loans and advances	8	12,23,199	8,18,782
(2) Current assets			
(a) Current investments	9	38,60,09,840	12,33,27,462
(b) Trade receivables	10	1,21,85,212	1,63,46,167
(c) Cash and cash equivalents	11	19,16,377	10,05,22,028
(d) Short-term loans and advances	12	4,48,21,061	3,86,10,772
(e) Other current assets	13	—	44,49,32,490
			23,52,82,256
		TOTAL	45,00,16,451
			52,22,67,030
Significant Accounting Policies	18		
Notes to Accounts	19		

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

For and on behalf of the Board

For **Ray & Ray**
Chartered Accountants
Firm's Registration No. 301072E

Abhijit Neogi
Partner
Membership No. 61380

Kolkata
28 April 2014

A. C. Chakrabortti
Chairman

Akshay Gupta
Managing Director &
Chief Executive Officer

Kolkata
28 April 2014

Partho Sarothy Datta
Director

S. Swaminathan
Financial Controller
& Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2014

(Amount in Rupees)

Particulars	Note No.	Year ended 31 March 2014	Yearended 31 March 2013
1	2	3	4
I. Revenue from operations	14	13,63,15,668	15,21,36,124
II. Other income	15	4,78,25,572	2,72,73,067
III. Total Revenue (I + II)		18,41,41,240	17,94,09,191
IV. Expenses:			
Employee benefits expense	16	7,69,90,571	7,32,13,417
Depreciation and amortization expense	7	46,01,846	68,79,955
Other expenses	17	17,57,66,452	11,72,75,481
Total expenses		25,73,58,869	19,73,68,853
V. Profit before exceptional and extraordinary items and tax (III – IV)		(7,32,17,629)	(1,79,59,662)
VI. Exceptional items		—	—
VII. Profit before extraordinary items and tax (V – VI)		(7,32,17,629)	(1,79,59,662)
VIII. Extraordinary Items		—	—
IX. Profit before tax (VII – VIII)		(7,32,17,629)	(1,79,59,662)
X. Tax expense:			
(1) Current tax		—	—
(2) Deferred tax		—	—
XI. Profit (Loss) for the period (IX – X)		(7,32,17,629)	(1,79,59,662)
XII. Earnings per equity share:			
(1) Basic		(0.98)	(0.34)
(2) Diluted		(0.98)	(0.34)

Significant Accounting Policies 18

Notes to Accounts 19

The Notes referred to above form an integral part of the Statement of Profit and Loss

For and on behalf of the Board

For **Ray & Ray**
Chartered Accountants
Firm's Registration No. 301072E

Abhijit Neogi
Partner
Membership No. 61380

Kolkata
28 April 2014

A. C. Chakrabortti
Chairman

Akshay Gupta
Managing Director &
Chief Executive Officer

Kolkata
28 April 2014

Partho Sarothy Datta
Director

S. Swaminathan
Financial Controller
& Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	2013 - 2014	2012 - 2013
	(Amount in Rupees)	(Amount in Rupees)
A. Cash flows from Operating Activities		
Net profit/(loss) before tax for the year	(7,32,17,629)	(1,79,59,662)
<i>Adjustment for:</i>		
Depreciation	46,01,846	68,79,955
Dividend Income	(4,53,350)	(69,90,159)
Assets written off	24,483	27,520
Income from Sale of Investments	(2,89,78,400)	(58,56,077)
Interest income	(10,39,589)	(59,21,247)
Operating profit before working capital changes	(9,90,62,639)	(2,98,19,670)
<i>Adjustment for changes in working capital:</i>		
(Increase)/decrease in Trade Receivables	41,60,955	(1,58,94,537)
(Increase)/decrease in loans and advances	(1,86,16,846)	(2,26,68,528)
Income Tax Refund	1,19,71,950	59,86,119
(Increase)/decrease in other current assets	23,14,77,804	(23,14,77,804)
Increase/(decrease) in trade payables	(5,31,914)	(7,55,716)
Increase/(decrease) in current liabilities & provisions	14,98,964	(63,65,958)
Net cash used in operating activities (A)	13,08,98,274	(30,09,96,094)
B. Cash flow from investing activities		
Purchase of fixed assets	(13,23,993)	(19,83,631)
CWIP	2,01,080	1,13,173
Investments	(26,26,82,378)	4,39,07,518
Dividend Income	4,53,350	69,90,159
Income from Sale of Assets	25,575	15,700
Income from Sale of Investments	2,89,78,400	58,56,077
Interest income	48,44,041	1,27,56,173
Net cash used in investing activities (B)	(22,95,03,925)	6,76,55,169
C. Cash flow from financing activities		
Proceeds from issue of Share Capital	—	25,00,00,000
Net cash generated from financing activities (C)	—	25,00,00,000
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	(9,86,05,651)	1,66,59,075
Cash and cash equivalents at beginning of year	10,05,22,028	8,38,62,953
Cash and cash equivalents at end of year	19,16,377	10,05,22,028

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.

For and on behalf of the Board

For **Ray & Ray**
Chartered Accountants
Firm's Registration No. 301072E

Abhijit Neogi
Partner
Membership No. 61380

Kolkata
28 April 2014

A. C. Chakrabortti
Chairman

Akshay Gupta
Managing Director &
Chief Executive Officer

Kolkata
28 April 2014

Partho Sarothy Datta
Director

S. Swaminathan
Financial Controller
& Company Secretary

Notes to Balance Sheet as at 31 March 2014

(Amount in Rupees)

	As at 31 March 2014		As at 31 March 2013	
	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	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
		<u>75,00,00,000</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	5,00,00,000	50,00,00,000
- Equity Shares allotted during the year	—	—	2,50,00,000	25,00,00,000
- At the end of the year	<u>7,50,00,000</u>	<u>75,00,00,000</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)

Number of Shareholders		As at 31 March 2014		As at 31 March 2013	
		No. of shares held		No. of shares held	
		(%)	(Number)	(%)	(Number)
1	The Peerless General Finance & Investment Company Limited, the Holding Company	99.998	7,49,98,600	99.998	7,49,98,600

	As at 31 March 2014	As at 31 March 2013
2. Reserves & Surplus		
Surplus		
Profit/(Loss) - balance brought forward from last account	(23,54,15,718)	(21,74,56,056)
Add: Profit/(Loss) for the year	(7,32,17,629)	(1,79,59,662)
Profit/(Loss) - balance as at 31.03.2014	<u>(30,86,33,347)</u>	<u>(23,54,15,718)</u>
3. Long Term Provisions		
(a) Provision for Gratuity	19,18,916	17,14,498
	<u>19,18,916</u>	<u>17,14,498</u>

Notes to Balance Sheet as at 31 March 2014

(Amount in Rupees)

	As at 31 March 2014	As at 31 March 2013
4. Trade Payables		
(a) Dues to other than Micro and Small Enterprise	7,19,070	12,50,984
	7,19,070	12,50,984
5. Other Current Liabilities		
(a) Statutory dues	15,22,509	15,07,132
	15,22,509	15,07,132
6. Short Term Provisions		
(b) Provision for Expenses	44,89,303	32,10,134
	44,89,303	32,10,134

7. Fixed Assets

(Amount in Rupees)

PARTICULARS	COST/BOOK VALUE				DEPRECIATION				WRITTEN DOWN VALUE	
	As on 01.04.2013	Additions	Deletion	As on 31.03.2014	As on 01.04.2013	Additions	Deletion	As on 31.03.2014	As on 31.03.2014	As on 01.04.2013
Tangible Assets										
Leasehold										
Improvement	1,48,09,049	—	—	1,48,09,049	1,10,56,328	23,67,096	—	1,34,23,424	13,85,625	37,52,721
Furniture & Fixture	32,96,217	37,600	(35,201)	32,98,616	24,27,302	5,14,794	(26,930)	29,15,166	3,83,450	8,68,915
Office Equipment	40,43,674	98,418	(21,500)	41,20,592	25,59,972	7,42,992	(14,903)	32,88,061	8,32,531	14,83,702
Computers	84,67,193	2,82,312	—	87,49,505	78,72,776	5,19,778	—	83,92,554	3,56,951	5,94,417
Vehicles	3,18,439	8,61,563	—	11,80,002	1,85,756	2,29,166	—	4,14,922	7,65,080	1,32,683
Sub-total	3,09,34,572	12,79,893	(56,701)	3,21,57,764	2,41,02,134	43,73,826	(41,833)	2,84,34,127	37,23,637	68,32,438
Intangible assets										
Computer software	40,20,716	44,100	—	40,64,816	36,99,671	2,28,020	—	39,27,691	1,37,125	3,21,045
Sub-total	40,20,716	44,100	—	40,64,816	36,99,671	2,28,020	—	39,27,691	1,37,125	3,21,045
Total	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	71,53,483
Previous Year	3,30,72,100	19,83,631	(1,00,443)	3,49,55,288	2,09,79,073	68,79,955	(57,223)	2,78,01,805	71,53,483	

	As at 31 March 2014	As at 31 March 2013
8. Long-term loans and advances		
(Unsecured, considered good)		
(a) Security Deposits	12,19,324	6,14,611
(b) Other loans and advances:		
Due from employees	3,875	56,125
(c) Tax deducted at source	—	1,28,046
(d) Capital advance	—	20,000
	12,23,199	8,18,782

Notes to Balance Sheet as at 31 March 2014

9. Current Investments [valued at cost or net realisable value, whichever is lower]	As at 31 March 2014			As at 31 March 2013		
	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	2,63,92,305.888	—	37,10,09,840	4,81,813.848	—	48,18,861
Peerless Short Term Fund	—	—	—	6,43,323.262	—	69,53,681
Peerless Fixed Maturity Plan Series 1	15,00,000.000	—	1,50,00,000	52,50,000.000	—	5,25,00,000
Peerless Ultra Short Term Fund	—	—	—	58,66,479.867	—	5,90,54,920
Total			38,60,09,840			12,33,27,462
						(Amount in Rupees)
			As at 31 March 2014			As at 31 March 2013
10. Trade receivables (Unsecured, Considered good)						
Debts less than six months			1,21,85,212			1,63,46,167
			1,21,85,212			1,63,46,167
11. Cash and cash equivalent						
Balances with banks						
– In Current Account			19,16,377			5,22,028
Other Bank balances (Fixed Deposits with less than 12 months maturity)			—			10,00,00,000
			19,16,377			10,05,22,028
12. Short term loans and advances (Unsecured, considered good)						
(a) Advance recoverable in cash or in kind			1,22,57,921			86,01,004
(b) Loans and advances to Related Party			97,772			7,55,560
(c) Tax deducted at source			2,91,71,580			2,61,37,877
(d) Prepaid Expenses			31,04,119			29,38,331
(e) Service Tax Credit			1,89,669			1,78,000
			4,48,21,061			3,86,10,772

Notes to Balance Sheet as at 31 March 2014

	As at 31 March 2014	(Amount in Rupees) As at 31 March 2013
13. Other Current Assets		
(a) Receivable against sale of investments	—	23,14,77,804
(b) Accrued interest on Fixed Deposit, CD and Debentures	—	38,04,452
	<u>—</u>	<u>23,52,82,256</u>

Notes to Statement of Profit and Loss for the year ended 31 March 2014

	For the year ended 31 March 2014	(Amount in Rupees) For the year ended 31 March 2013
14. Revenue from operations		
(a) Management Fees	13,63,15,668	15,21,36,124
	<u>13,63,15,668</u>	<u>15,21,36,124</u>
15. Other income		
(a) Interest Income from fixed deposits	10,39,589	58,56,749
(b) Interest Income from Certificate of Deposits	—	64,498
(c) Dividend Income from Mutual Funds	4,53,350	69,90,159
(d) Interest on Corporate Bonds	1,63,18,860	77,18,490
(e) Net gain/(loss) on sale of investments	2,89,78,400	58,56,077
(f) Other non-operating income (net of attributable expenses)	10,35,373	7,87,094
	<u>4,78,25,572</u>	<u>2,72,73,067</u>
16. Employee Benefit Expenses		
(a) Salaries and wages	7,20,26,329	6,89,61,274
(b) Contribution to provident and other funds	36,60,693	33,86,302
(c) Gratuity Expense	2,04,418	1,38,939
(d) Staff welfare expenses	10,99,131	7,26,902
	<u>7,69,90,571</u>	<u>7,32,13,417</u>

Notes to Statement of Profit and Loss for the year ended 31 March 2014

(Amount in Rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
17. Other expenses		
(a) Professional and Consultancy	1,32,98,707	92,22,702
(b) SEBI fees & AMFI Fees	19,53,500	10,58,000
(c) Travelling and Conveyance	62,68,881	72,73,033
(d) Recruitment Charges	2,55,792	5,39,130
(e) Fund Accounting Expenses	41,09,546	44,92,007
(f) Scheme Expenses	6,24,00,386	1,68,71,824
(g) Rent	97,74,009	74,83,171
(h) Marketing advertisement and publicity	32,06,423	53,17,390
(i) Motor car expenses	28,94,200	20,02,269
(j) Repairs and maintenance	36,97,905	35,36,357
(k) Communication expenses	51,47,422	48,10,394
(l) Electricity	21,44,533	19,34,860
(m) Printing and stationery	18,94,807	15,69,295
(n) Books, periodicals and subscriptions	63,127	70,823
(o) Electronic Subscription	30,93,479	27,48,565
(p) Bank Charges	22,24,277	2,39,131
(q) Assets written off	2,25,563	1,40,693
(r) Director Fees	5,90,000	5,81,236
(s) Insurance	18,61,174	16,52,866
(t) Rates and taxes	5,53,273	27,82,886
(u) Brokerage & Distribution Support	3,33,86,709	2,44,29,565
(v) Housekeeping Charges	5,44,085	5,07,652
(w) Security Guard Charges	2,37,716	4,80,999
(x) Miscellaneous Expense	6,23,965	5,39,506
(y) Audit Fees		
– Statutory Audit	2,50,000	2,00,000
– Tax Audit	50,000	25,000
(z) Service Tax	1,50,16,973	1,67,66,127
	<u>17,57,66,452</u>	<u>11,72,75,481</u>

Note 18**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 (Accounting Standards) Rules, 2006 and relevant provisions of and rules framed under the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the revised Schedule VI to the Companies Act, 1956.

USE OF ESTIMATES

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

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 straight line method at the rates not less than and in the manner as prescribed by Schedule XIV of the Companies Act, 1956 except for certain assets as given below, where based on the Management estimates of the useful lives of the assets, depreciation has been provided at rates higher than the rates prescribed in Schedule XIV:

CLASS OF FIXED ASSET	RATE OF DEPRECIATION % (Straight line Method)
Computers, Hardware & Software	33.33%
Furniture & Fixture	20.00%
Office Equipment	20.00%
Vehicles	20.00%
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.

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 and Leave Encashment

Gratuity and Leave Encashment are post employment defined benefit plans. 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 19**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2014****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 year the company has recognized an amount of Rs. 36,60,693 (FY 2012-13: Rs. 33,86,302) in the profit and loss account as contribution to provident fund maintained with Regional Provident Fund Commissioner, Kolkata.

b. Gratuity

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 (Accounting Standards) Rules, 2006:

AMOUNT RECOGNISED IN BALANCE SHEET					
	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Funded Status	Amount in Rupees				
Present value of Defined Benefit Obligation	19,18,916	17,14,498	15,75,559	9,70,783	2,48,852
Fair value of plan assets	—	—	—	—	—
Funded Status [Surplus/(deficit)]	(19,18,916)	(17,14,498)	(15,75,559)	(9,70,783)	(2,48,852)
Net asset/(liability) recognised in balance sheet	(19,18,916)	(17,14,498)	(15,75,559)	(9,70,783)	(2,48,852)

EXPENSES RECOGNISED IN PROFIT & LOSS ACCOUNT

Components of Employer Expenses	Amount in Rupees				
	2013-14	2012-13	2011-12	2010-11	2009-10
Current Service Cost	5,16,006	5,56,214	7,11,571	6,69,653	2,48,852
Interest Cost	1,63,504	1,48,053	1,01,854	48,785	9,954
Actuarial Losses/(Gains) on defined benefit obligation	(4,75,092)	(5,65,328)	(2,08,649)	3,493	(9,954)
Total Expenses recognised in the Statement of Profit & Loss	2,04,418	1,38,939	6,04,776	7,21,931	2,48,852

Note 19 (Contd.)

Change in Defined Benefit Obligation (DBO)	Amount in Rupees				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of DBO at beginning of period	17,14,498	15,75,559	9,70,783	2,48,852	—
Current Service Cost	5,16,006	5,56,214	7,11,571	6,69,653	2,48,852
Interest Cost	1,63,504	1,48,053	1,01,854	48,785	9,954
Actual (gains)/Losses	(4,75,092)	(5,65,328)	(2,08,649)	3,493	(9,954)
Benefits Paid	—	—	—	—	—
Present value of DBO at the end of period	19,18,916	17,14,498	15,75,559	9,70,783	2,48,852

ACTUARIAL ASSUMPTIONS	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Discount Rate per annum Compound	8.25%	8.25%	8.00%	8.00%	8.00%
Rate of increase of salaries	5.00%	5.00%	5.00%	5.00%	5.00%
Expected average remaining working lives of employees (years)	24.24	25.12	26.99	26.99	26.40
Withdrawal Rates	Varying between 8% per annum to 1% per annum depending on duration and age of the employees				
Retirement Age	58 years	58 years	58 years	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 (Accounting Standards) Rules, 2006.

3. Related Party Information**Holding company**

- i. The Peerless General Finance & Investment Company Limited

Fellow subsidiaries, associates & group enterprise

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

Key Managerial Personnel :

Akshay Gupta – Managing Director & Chief Executive Officer

Note 19 (Contd.)

Disclosure of transactions between the company and related parties and the status of outstanding balances as on 31st March, 2014:

(Amount in Rupees)

Nature of Transaction	Holding Company	Fellow Subsidiaries				Key Management Personnel	Total
		Kaizen Leisure & Holidays Ltd	Peerless Hotels Ltd	Peerless Trust Management Co Ltd	Peerless Financial Products Distribution Ltd		
Rent Expense	77,17,539	—	—	—	—	—	77,17,539
Previous Year	76,17,152	—	—	—	—	—	76,17,152
Other Administrative Expense	15,03,179	29,93,581	1,14,179	—	1,56,506	—	47,67,445
Previous Year	12,65,783	53,90,953	87,784	—	—	—	67,44,520
Recovery of Common Expenses	—	—	—	(1,97,343)	—	—	(1,97,343)
Previous Year	—	—	—	(2,78,273)	—	—	(2,78,273)
Remuneration to Key Management Personnel	—	—	—	—	—	1,18,38,143	1,18,38,143
Previous Year	—	—	—	—	—	1,04,24,392	1,04,24,392
Receivable/(Payable)	(83,550)	(31,475)	—	97,772	—	—	(17,253)
Previous Year	(93,523)	(1,906)	(15,131)	7,55,560	—	—	6,45,000

Note: The transaction figures in brackets denote Income for the Company.

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 (Accounting Standards) Rules, 2006:

	Amount in Rupees	
	2013-14	2012-13
Net Profit/(Loss) after tax	(7,32,17,629)	(1,79,59,662)
Weighted average number of equity shares outstanding during the year in Units	7,50,00,000	5,22,60,274
Basic and Diluted earnings per share	(0.98)	(0.34)

Note 19 (Contd.)

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 2012-13: Rs. NIL)

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

For **Ray & Ray**
Chartered Accountants
Firm's Registration No. 301072E

Abhijit Neogi
Partner
Membership No. 61380

Kolkata
28 April 2014

A. C. Chakrabortti
Chairman

Akshay Gupta
*Managing Director &
Chief Executive Officer*

Kolkata
28 April 2014

Partho Sarothy Datta
Director

S. Swaminathan
*Financial Controller
& Company Secretary*

COMPOSITION OF BOARD COMMITTEES AS ON 14 JULY 2014Audit Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Soumendra Mohan Basu	Chairman
Mr. Sanjoy Bhattacharyya	Member
Mr. Partho Sarothy Datta	Member

Investment Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Sanjoy Bhattacharyya	Chairman
Mr. Partho Sarothy Datta	Member
Mr. Jayanta Roy	Member

Risk Management Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Malay Kumar Ghosh	Chairman
Mr. Soumendra Mohan Basu	Member
Mr. S. Grace Rexelin Rabi	Member
Mr. Partho Sarothy Datta	Invitee
Mr. Sanjoy Bhattacharyya	Invitee

Nomination & Remuneration Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Soumendra Mohan Basu	Chairman
Mr. Partho Sarothy Datta	Member
Mr. Sanjoy Bhattacharyya	Member
Mr. Jayanta Roy	Member

Business Plan Monitoring Committee

<i>Name of the Member</i>	<i>Designation</i>
Mr. Malay Kumar Ghosh	Chairman
Mr. Partho Sarothy Datta	Member
Mr. Soumendra Mohan Basu	Member
Mr. Jayanta Roy	Member