

Peerless Hospitex Hospital and Research Center Limited
Annual Report & Accounts
2015-16

BOARD OF DIRECTORS

Mr. Sunil Kanti Roy, *Chairman*
Mr. Deepak Mukerjee, *Director*
Mr. Dhruva Narayan Ghosh, *Director*
Mr. Rajiv Gujral, *Director*
Dr. Gautam Sen, *Director*
Dr. Vinayak Balkrishna Jog, *Director*
Mr. Patit Paban Ray, *Director*
Dr. Sujit Karpurkayastha, *Medical & Jt. Managing Director*
Mr. Dilip Samadar, *Managing Director*

CHIEF FINANCIAL OFFICER

Mr. Sivasis Sarkar

COMPANY SECRETARY

Mr. Balaram Bose

AUDITORS

M/s. Lodha & Co. *Chartered Accountants*

BANKERS

United Bank of India
Axis Bank Ltd.
Allahabad Bank

AUDIT COMMITTEE

Mr. Deepak Mukerjee, *Chairman*
Mr. Sunil Kanti Roy, *Member*
Dr. Gautam Sen, *Member*
Mr. Rajiv Gujral, *Member*
Mr. Dilip Samadar, *Member*

Registered Office & Hospital Complex

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E-mail : hospitex@vsnl.com
Website : www.peerlesshospital.com
CIN - U85110WB1989PLC046938

City Diagnostic Centre

Peerless Hospital City Diagnostic Centre
223, Chittaranjan Avenue, Kolkata-700 006
Ph. : (033) 2530-5676/2555-8171
Fax : 91-33-2555-5958
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Swastha Bitan

Sonartari Housing Complex
Phase II, Annexe, Prantik
Santiniketan - 731 235

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the 27th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2016.

There has been a welcome improvement in the operating performance of the Company during the year, thanks to sustained increase in business growth.

FINANCIAL HIGHLIGHTS

Summary of the financial results for the year 2015-16, as compared to the previous year, is given below:

	(Rs. in Lac)	
	2015-2016	2014-2015
Gross Income	15094	13275
Total Expenditure before Interest & Depreciation	13524	12286
Profit/(Loss) before Interest, Depreciation & Tax	1570	990
Interest	224	354
Depreciation	603	572
Profit/Loss before Taxation	743	64
Tax for earlier year/ current year	—	(3)
Deferred Tax for the year	52	(29)
Profit/(Loss) after tax	691	32
Surplus/(Deficit) B/F from previous year	(2607)	(2581)
Adjustment on account of Depreciation as per Schedule –II of the Companies Act, 2013	NIL	(58)
Surplus/(Deficit) Carried to Balance Sheet	(1917)	(2607)

PERFORMANCE HIGHLIGHTS

Highlights of the Company's performance during the year are given below:

A.

- (i) Total income at Rs. 15094 lac recorded a growth of 13.70%;
- (ii) The number of Outdoor patients increased by 12.91% over the previous year and Indoor by 2.25%. Day Care cases registered a welcome rise of 59.56%;
- (iii) Gynecology and Orthopedic Surgeries in particular showed a rise of 2.3% and 6.27% respectively over the period;
- (iv) Diagnostic Income from Pathology and Imaging continued their uptrend being 12% higher than FY 15;
- (v) Costs were controlled better, with significant reduction achieved in medical consumables area.

B. We have made provision for additional employee costs to give effect to the terms of the long term Wage Agreement signed with the Staff Union on 6th October, 2015. We have also accounted for the additional impact arising from Amendment to the Payment of Bonus Act announced on January 1, 2016;

C. Profit Before Tax at Rs. 743 lac during FY 16 was significantly higher than last year's PBT of Rs. 64 lac, after accounting for the Provisions mentioned above.

D. Rise in Profits led to improvement in several key performance ratios:

Return on Capital employed (10.44% from 0.47%), Return on Net Worth (12.97% from 1.07%), Return on Income (4.57% from 0.24%) and Debt: Equity lowered to 0.24 from last year's 1.30.

CLINICAL SERVICES

Emergency department of the hospital has continued to grow steadily. It has not only enhanced our image to the public at large but also contributed well to the growth of admissions to the Hospital.

The department has launched a “RESCUE” programme for persons residing within 10 km of the Hospital who may need urgent medical attention. Under the programme, a team of our emergency doctors and paramedics respond instantly to calls any time during the day or night.

Advanced laparoscopic surgeries are now being carried out in increasing numbers. These include surgery for rectal and bowel cancer. Newer endoscopic techniques have been introduced by our consultants which include endoscopic ultrasound (EUS) and complex therapeutic procedures like endoscopic necrosectomy in critically ill patients.

EXCEPTIONAL PATIENT CARE

Our clinical departments have treated many complicated patients throughout last year, such as cases of young patients in their 30's with massive heart attack and cardiogenic shock. The most remarkable result was achieved in a patient in his early thirties with severe necrotizing acute pancreatitis. This patient required necrosectomy, a specialised surgical procedure to remove the dead material from the pancreatic bed, but he was considered unfit to undergo such a major operation. A newer innovative procedure called endoscopic necrosectomy was carried out by one of our highly experienced endoscopists and the patient received intensive treatment for four months in our hospital. With concerted efforts from doctors, nurses, physiotherapists, dietitians it was possible to discharge him fully ambulated after four and half months.

LABORATORY AND IMAGING SERVICES

Biochemistry laboratory has acquired a new analyser machine which runs on dry platform and is capable of processing large number of samples and many more varieties of tests. This has resulted in considerable reduction in usage of vacutainers and also in saving of blood required from patients for doing tests.

In the imaging department, MRI and CT Scan are being done in increasing numbers. Our interventional radiology has also developed considerably. New procedures like coeliac and stellate ganglion block for intractable pain are being carried out. Our experienced radiologists are doing venoplasty for complex and poorly functioning AV fistula in patients with chronic kidney disease.

CLINICAL AUDITS

As per NABH guidelines, regular audits are carried out. These are required to monitor performance in clinical and non-clinical areas. In addition, twenty clinical audits in the departments of Medicine, Gastroenterology, Orthopaedics, Microbiology, Paediatrics, Nephrology and Emergency Medicine were carried out during the year.

ACADEMICS

Master in Emergency Medicine (MEM) course has now entered its sixth year. A total of 36 doctors, recruited from all over the country, are in various stages of training. The first two batches of trainees have passed final examination with 100% pass rate. All of them have been recruited from the campus to work in various hospitals across the country and overseas. We have applied for DNB course in emergency medicine. Other DNB courses are running with a high pass rate in each discipline.

Our emergency department continues to be the international training centre for Advanced Cardiac Life Support (ACLS), Basic Life Support (BLS) and Paediatrics Advanced Life Support (PALS) courses, recognized by the American Heart Association.

One of our students in DMLT has secured first position in the final examination in West Bengal University. Nursing, physiotherapy and paramedical courses are running successfully. This year we have started Bachelor in Business Management (BBM) course under Moulana Abul Kalam Azad University of Technology, West Bengal.

Royal College of Physician of Edinburgh has partnered with Peerless Hospital and has been regularly web streaming live conferences attended by doctors of our Hospital and also from other hospitals. Five such conferences took place last year on Respiratory, Haematology, Diabetes, Geriatric and Renal diseases. Our hospital has participated in two international conferences held in October 2015 and March 2016 respectively on medical ethics which was jointly initiated by us along with the Institute of health and family welfare, West Bengal, and the British Deputy High Commission.

Our consultant in Biochemistry department was invited to speak at the Annual Meeting of American Association of Clinical Chemistry in 2015. One Research Paper titled “Barrier to Exercise in Type- II Diabetes Mellitus in an Indian Urban Setting” from department of Diabetes and Endocrinology of our hospital was accepted for poster presentation in a highly prestigious conference of International Diabetes Federation, Vancouver Canada in November, 2015.

RESEARCH & PUBLICATION

Emergency department has started publishing a national peer reviewed journal since January, 2015, named “Indian Journal of Emergency Medicine”. As many as eleven publications from the hospital have featured in national and international journals during the last year. Brucella Research Laboratory has completed full 4 years of a project on “epidemiology of brucellosis in India”. The project was awarded by the Department of Biotechnology, Ministry of Science and Technology, Government of India, to Peerless Hospital - the only private hospital in the entire country to participate in this project. After completion of the first phase of the project, our hospital has been given provisional permission to carry out research for another two years. From this department two papers were presented in international conferences held in Berlin, Germany.

NABH ACCREDITATION

The Hospital had received accreditation in September 2014 from the National Accreditation Board for Hospitals & Healthcare Providers, in short NABH. A customary Surveillance Audit was conducted by an Audit team has been successfully completed.

INITIATIVES TAKEN

During the year steps were taken to revamp our Eye Department and expand its scope. With that end in view, the Company has entered into a business arrangement with the reputed Chennai based Dr. Agarwal’s Eye Hospital Limited (DAHL) who have as many as 69 Centres across India and abroad. The new centre is styled as “Peerless Dr. Agarwal Eye Hospital”.

DAHL possesses expertise in wide fields of specialized and critical surgeries in-house which this arrangement will enable our clientele to access. DAHL will conduct the operation under their own licences. With Peerless’s name and goodwill, the outlook of the business appears quite promising.

We are happy to say that our Company-owned outreach Centre “Swastha Bitan” at Santiniketan, has been reorganized and its activities restructured and given a boost during the year. Outdoor Clinics are now regular and patients are being admitted indoor for treatment. General surgeries and large number of Eye surgeries including those under RSBY Scheme, are being performed in the Centre. Apart from locally stationed Doctors, Consultants from our Hospital visit the Centre every month.

The Company has a referral centre at Berhampur, West Bengal. We have tied-up with a promising Diagnostic clinic there which operates from the same premises with a Revenue sharing arrangement between ourselves.

FUTURE OUTLOOK

Your hospital has, through sustained efforts in recent years, been able to generate higher levels of trust and transparency among its users and the public in general. These two factors have been mainly responsible for retaining our clients and in attracting new ones. Number of patients has grown steadily and, with it, our turnover. Many improvements have been effected in our infrastructure and in the range and quality of the services we offer. Some of these we have described in this report in detail.

While this is a welcome change, our Profitability needs to grow in line with the rise in turnover. The Management, under close supervision of the Board, has been focusing on containing costs. These efforts have, happily, produced some results which are reflected in the improving trend of our cost ratios, and in the visible improvement in our bottom line.

Efforts to improve our cost ratios further and to sustain our rate of growth in turnover will remain key priorities of the Management.

In an intensely competitive market, it is essential to plan future developments as newer technologies keep emerging all the time. Our liquidity constraints have not allowed us to be as bold in this respect as we needed to be. However, there are some areas where we are presently losing opportunities because of our inability to offer the whole range of services needed by certain classes of patients. Cancer treatment is one of those areas. Transplant of liver /kidney is

another area where we have considerable opportunities of leveraging our immensely successful Dialysis unit by extending our capabilities forward.

Healthcare is a highly competitive industry. The pace of change in technology is such that no player can afford to stand still. While we are aware of our constraints, we would be focusing on selected new initiatives by leveraging our existing strengths to enter new fields that will ensure that we continue to grow profitably.

CONVERSION OF OPTIONALLY CONVERTIBLE DEBENTURES

The Company had issued fully paid-up 7% 17,62,000 Optionally Convertible Debenture of Rs. 100/- each to The Peerless General Finance & Investment Company Limited (PGFI), pursuant to an order of the Hon'ble High Court at Calcutta dated 2nd August, 2006, under a Scheme of Arrangement. Being unable to redeem the Debentures, the Company had submitted an application to the Hon'ble High Court at Calcutta, who by its order dated 20th March, 2014, had directed that conversion of the said Debentures must be made by September 2015. It was directed by the Hon'ble Court vide its order dated 2nd August, 2006 that such conversion to Equity must be made at a price to be determined by an Independent Valuer at the time of conversion or at Rs. 30, whichever is higher.

An Independent Valuer, so appointed, reported the price of Equity share of the Company to be lower than Rs. 30/- per share. Thereupon, the said Debentures were converted on 28th August, 2015 by issue of 58,73,333 Equity Shares of Rs. 10/- each at a Premium of Rs. 20/- per share.

An Equitable Mortgage on the Company's Land and Buildings was executed by deposit of title deeds and First charge was created in favour of United Bank of India, Merchant Banking Division, who was appointed as Trustee to the Debentures. A Second charge was ceded on the same property to Allahabad Bank against Term Loan and other credit facilities sanctioned by them. On conversion of the said Debentures, the First Charge in favour of United Bank of India got vacated and Allahabad Bank's security will get upgraded as First Charge.

Interest of Rs. 45,31,477/- due on the Debentures till the date of conversion, was paid to the Debenture-holder (PGFI) in full and final settlement.

FINANCE

The Company continued to face liquidity strain during the year. Large refunds due from the Income Tax Authorities against TDS and from Appellate orders in our favour are pending receipt for a long time, despite intensive pursuit. Delays in receipt of these overdues posed tough challenges to our funds management and came in the way of making much needed investments.

We are thankful to Allahabad Bank for sanctioning additional credit facilities of Rs.500 lakh to help us tide over our liquidity problems.

DIVIDEND

In view of accumulated losses and inadequate profits in FY'16, your Directors do not recommend to declare any Dividend on Equity Shares. No Dividend on Preference Shares is recommended to be paid for the same reason.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not given any loan or provided any security in connection with a loan to any other body corporate or person or made any investments as provided in Section 186(2) of the Companies Act, 2013. Hence, the particulars as required under section 134(3)(g) are not provided.

INDUSTRIAL RELATIONS

A long term Tripartite Wage Agreement was signed by the Company with Peerless Hospital Staff Union in the presence of the Minister In-Charge (Labour) and Jt. Labour Commissioner, Government of West Bengal, on 6th October, 2015 on expiry of the earlier Agreement. Barring minor issues raised on one occasion by the workers of Contractors, industrial relations generally remained peaceful.

AUDITORS' OBSERVATION

The Auditors' observation on the Order/Show-cause notice in respect of service tax has been dealt with and explained in Note 29 of our Audited Accounts. The Appeal will be filed by the due date.

There are no other observations in the Auditors' Report which need to be dealt with or responded to.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitment affecting the financial position of the Company which have occurred between 31st March, 2016 and 26th May, 2016, the date of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm having :

- i) followed applicable Accounting Standards in the preparation of Annual Accounts;
- ii) selected such accounting policies with the approval of the Statutory Auditors 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 your Company as at the end of the financial year on 31st March, 2016 and of the profit of your Company for the year ended on that date;
- iii) have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv) prepared annual accounts on a 'going concern' basis; and
- v) have devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

DIRECTORS

In accordance with the provisions of Section 152(6)(c) of the Companies Act, 2013 read with Article 133 of the Articles of Association of the Company, Mr. Rajiv Gujral and Mr. Dhruva Narayan Ghosh retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

As on the date of this report, the Board comprises of nine Directors, of which seven are Non-Executive including two Independent Directors.

During the year, the Board met five times on 5th June, 2015, 28th August, 2015, 21st November, 2015, 22nd December, 2015 and 24th February, 2016.

Details of attendance of the Directors in Board Meetings for 2015-16 are as under:

Name of the Directors	Category	Status	No. of Meetings	
			Held	Attended
Mr. Sunil Kanti Roy	Promoter & Non-executive	Chairman	5	5
Mr. Deepak Mukerjee	Non-Executive Independent	Director	5	5
Mr. Dhruva Narayan Ghosh	Non-Executive	Director	5	5
Mr. Rajiv Gujral	Non-Executive	Director	5	5
Dr. Gautam Sen	Non-Executive Independent	Director	5	5
Dr. Vinayak Balkrishna Jog	Non-Executive	Director	5	3
Mr. Patit Paban Ray	Non-Executive	Director	5	3
Dr. Sujit Karpurkayastha	Whole-time Director	Medical & Joint Managing Director	5	4
Mr. Dilip Samadar	Managing Director	Managing Director	5	4

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Deepak Mukerjee and Dr. Gautam Sen, Independent Directors, have submitted their disclosures to the Board pursuant to the provisions of section 149(7) of the Companies Act, 2013 that they fulfill all the requirements as provided in sub-section (6) of section 149 of the said Act. The Board confirms that the said Independent Directors meet the criteria laid down in the Act.

MEETING OF INDEPENDENT DIRECTORS

Pursuant to Clause VII of Schedule IV to the Companies Act, a separate meeting of Independent Directors was held on 24th February, 2016. All the Independent Directors attended the meeting and:

- (i) Reviewed the performance of non-independent Directors and the Board as a whole;
- (ii) Reviewed the performance of the Chairman of the company;
- (iii) Assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

AUDIT COMMITTEE

The Audit Committee has four Non-executive Directors namely, Mr. Deepak Mukerjee as Chairman, Mr. Sunil Kanti Roy, Mr. Rajiv Gujral and Dr. Gautam Sen as well as Mr. Dilip Samadar, Managing Director. The Committee also invites Senior Executives to be present at the meetings of the Committee, whenever it is considered necessary.

The Audit Committee assists the Board, inter-alia, in detailed review of audited and un-audited accounts for their consideration, its financial reporting systems, adequacy of internal control system, compliance with the legal and regulatory requirements, recommending appointment/ re-appointment of Statutory Auditors, Internal Auditors, Tax Auditors and Cost Auditors. During the year, the Committee met three times on 4th June, 2015, 20th November, 2015 and 23rd February, 2016.

Details of attendance of Members in the meetings of Audit Committee for FY 2015-16 are as under:

Name of the Directors	Category	Status	No. of Meetings	
			Held	Attended
Mr. Deepak Mukerjee	Non-executive Independent	Chairman	3	3
Mr. Sunil Kanti Roy	Non-executive	Member	3	3
Mr. Rajiv Gujral	Non-executive	Member	3	3
Dr. Gautam Sen	Non-executive Independent	Member	3	2
Mr. Dilip Samadar	Managing Director	Member	3	3

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board consists of three Non-executive Directors, two of them being independent. During the year under review, the Committee met two times on 5th June, 2015 and 21st December, 2015. The details of attendance of Members in the meetings of Nomination and Remuneration Committee are as under:

Name of the Directors	Category	Status	No. of Meetings	
			Held	Attended
Dr. Gautam Sen	Non-executive Independent	Chairman	2	2
Mr. Deepak Mukerjee	Non-executive Independent	Member	2	1
Mr. Sunil Kanti Roy	Non-executive	Member	2	2

Terms of Reference of the Nomination & Remuneration Committee:

The terms of reference of the Committee include the following:

- (i) Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (ii) Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Remuneration Policy:

(a) Remuneration of Non-executive Directors:

Non-executive Directors shall be entitled to receive remuneration by way of sitting fees for each meeting of the Board or Committee of Board attended by them of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013, rules made thereunder and reimbursement of expenses for participation in the Board / Committee meetings.

(b) Remuneration of Managing Director, Whole-time-Director and Joint Managing Director:

- (i) Appointment or re-appointment of Managing Director, Whole-time Director and Joint Managing Director shall be recommended by the Remuneration Committee and subsequently approved by the Board of Directors. Managing Director, Whole-time Director and Joint Managing Director shall be paid such remuneration as may be mutually agreed between the Company and the Managing Director, Whole-time Director and Joint Managing Director, within the overall limit prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of the Company in general Meeting.
- (iii) The remuneration shall broadly consist of fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retirement benefits as and when applicable. The variable components shall comprise of reimbursement of expenses incurred for official purpose and commission as may be applicable.
- (iv) Any variation of the remuneration shall be subject to the approval of the Nomination and Remuneration Committee, Board and Members of the Company.

(c) Remuneration of Senior Management Employees:

In determining the remuneration of the Senior Management employees, the Committee considers the following:

- (i) Wide experience on the relevant function with leadership skills and ability to think 'out of the box'.
- (ii) Capability to handle inter-functional issues.
- (iii) Managing the team to perform more efficiently, both in terms of time & quality.
- (iv) Ability to look after multiple functions and handle Inter-process issues.
- (v) Actively participate and contribute in Business Strategy Formulation & achieving company goals.
- (vi) Wide knowledge of Business & Financial Issues. Professional standing in the Corporate World well recognized.

Details of Remuneration paid to the Non-executive Directors

The Non-executive Directors are paid sittings fees of Rs. 10,000/- per meeting for attending Board meeting, Rs.3,000/- per meeting for attending Audit and other Committee meetings. The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Directors during the year ended on 31st March, 2016 are given below:-

Sl.	Name of the Directors	Remuneration	Sitting Fees	Commission	No. of Share Held
1.	Mr. Sunil Kanti Roy	NIL	65,000	NIL	140
2.	Dr. Gautam Sen	NIL	62,000	NIL	NIL
3.	Mr. Rajiv Gujral	NIL	59,000	NIL	NIL
4.	Mr. Deepak Mukerjee	NIL	62,000	NIL	NIL
5.	Mr. Dhruva Narayan Ghosh	NIL	50,000	NIL	NIL
6.	Dr. Vinayak Balkrishna Jog	NIL	30,000	NIL	NIL
7.	Mr. Patit Paban Ray	NIL	30,000	NIL	200

SHARE TRANSFER AND ALLOTMENT COMMITTEE

The objective of the Share Transfer and Allotment Committee is to expedite the allotment, transfer and disposal of matters

relating to shares, both Equity and Preference. The Committee meets as and when required. Presently the Committee has four Directors, two of whom are non-executives Directors. The composition of the Committee is as under:

Name of the Directors	Category	Status
Mr. Deepak Mukerjee	Non-executive	Chairman
Mr. Patit Paban Ray	Non-executive	Member
Mr. Dilip Samadar	Managing Director	Member
Dr. Sujit Karpurkayastha	Medical & Joint Managing Director	Member

There was no occasion for the Committee to meet during the year 2015-16.

COMMITTEE OF DIRECTORS

During the year under review, the Committee of Directors met 20 times to review various aspects of operating performance of the Hospital, monitoring progress of projects and capital expenditure, status of Finance, Marketing, regulatory compliance etc. The composition and details of attendance of each member of the Committee is as under:

Name of the Directors	Status	No. of Meetings	
		Held	Attended
Mr. Sunil Kanti Roy	Chairman	20	20
Mr. Dhruva Narayan Ghosh	Member	20	20
Mr. Dilip Samadar	Member	20	20
Dr. Sujit Karpurkayastha	Member	20	20

RISK MANAGEMENT

Risk Management has assumed a critical role in the business of Healthcare Providers as it can have serious implications on the viability of a business. It has to negotiate a web of Laws and Regulations, meet compelling demands and challenges of new age, to remain in business.

The Board has formed a Risk Committee of senior executives which is chaired by the CFO. The Committee has identified risks which typically arise in Hospital business viz., Competition, Technology, Regulatory, Financial etc. The Committee assesses such risks, when faced, and takes mitigation measures on an on-going basis. A Risk Register is maintained. The Committee met five times on 4th August, 2015, 16th October, 2015, 31st October, 2015, 6th November, 2015 and 24th March, 2016 during the year to monitor risks.

INTERNAL FINANCIAL CONTROL

Your Directors have laid down Internal Financial Control System (IFC) to be followed by the Company, keeping in view the nature of business, its size and complexity of operations. The system ensures that such controls are 'adequate' and work 'effectively'. It is designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting;
- Adherence to Accounting Standards and Policies;
- Compliance with applicable statutes, management policies and procedures;
- Effective use of resources and safeguarding properties/assets.

Well documented policies, guidelines, authorization and approval procedures have been prepared as reference points to ensure that actual work-flows are made accordingly and lends to ease and meaningful review or monitoring.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Transactions with Related Parties are entered into either pursuant to the contracts entered into with such parties before the commencement of Companies Act, 2013 which are still valid or are made as per normal tariff of the Hospital which are outside the purview of Section 188 of the Companies Act, 2013 vide MCA Notification No. 30/2014 dated 17th July, 2014. A statement containing these transactions supported by a certificate from the Chief Financial Officer and duly audited by

the Internal Auditors, was placed before the Audit Committee. A detail list of transactions with Related Parties is provided in Form AOC-2 forming part of this Report.

AUDITORS

Pursuant to section 139(1) read with Rule 3(7) of The Companies (Audit and Auditors) Rule, 2014, M/s. Lodha & Co., Chartered Accountants, was appointed as the Statutory Auditors of the Company for a period of five years at the 25th Annual General Meeting held on 11th August, 2014, which is subject to ratification by the members at each subsequent Annual General Meetings.

Your Directors request that the appointment of M/s. Lodha & Co., Chartered Accountants as Statutory Auditors be ratified by the members at the 27th Annual General Meeting. The Company has received a certificate from the Auditors to the effect that their ratification, if made, would be in accordance with the provisions of section 141 of the Companies Act, 2013.

COST AUDITORS

The Audit Committee of the Board at its meeting held on 25th May, 2016 had recommended the appointment of M/s. A.J.S. & Associates, Cost Accountants, as Cost Auditors of the Company, pursuant to section 148(3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014, to conduct the audit of Cost Records maintained by the Company for the financial year 2016-17. At a meeting held on 26th May, 2016, the Board of Directors agreed to the same and recommended for seeking approval of the shareholders at the 27th Annual General Meeting. The Company has received a certificate from the Cost Auditors to the effect that their appointment, if made, would be in accordance with the provisions of section 148(5) of the Companies Act, 2013.

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

Evaluation of the individual Directors and the Chairman of the Board, excluding Independent Directors, is made by the Independent Directors and was duly minuted. Moreover, the Nomination and Remuneration Committee of the Company has also evaluated the performance of the individual Directors. Also evaluation is made by the Board of its own performance as well as of the statutory committees and individual directors.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company's operations do not involve substantial consumption of energy in comparison to the cost of providing services. Hence the information required under the provisions of section 134(1)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is not provided.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints, if received, regarding sexual harassment. All employees, permanent, contractual, temporary, trainees are covered under this policy.

There were no cases reported during the year under the said policy.

FOREIGN EXCHANGE EARNING AND OUTGO

The Company had earned Rs.4,42,704/- in foreign exchange during the year. The total outgo of foreign exchange was equivalent to Rs. 59,46,873/-.

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report.

OTHER DISCLOSURE:

Your Director further state the following in respect of the year under review :

- (i) The Company does not have any deposits covered under Chapter V of the Act.

- (ii) The Company did not issue equity shares with differential rights as to dividend, voting or otherwise.
- (iii) The Company did not issue any shares (including sweat equity shares) to employees of the Company under any scheme.
- (iv) No significant or material order was passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company's operations in future.
- (v) No case of fraud has been reported by the Auditors under sub-section (12) of section 143 of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation for the whole-hearted support given by shareholders, State Government, Local Administration, Bankers, Patient patrons, Vendors and the public at large. Your Directors also place on record their sincere thanks to the Holding Company, The Peerless General Finance & Investment Co. Ltd. and its Group Companies, for their continued support. The Directors gratefully acknowledge the support and sincere cooperation of the Consultants/Doctors, Nursing staff and employees at all levels, which have contributed to the efficient operations and management of the Company.

For an on behalf of the Board

Dated : 26th May, 2016

Place : Kolkata

(S. K. Roy)
Chairman

DISCLOSURE UNDER RULE 5(VII) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 – VARIATION IN NET WORTH

Particulars	As at 31st March, 2016	As at 31st March, 2015
Paid-up Share Capital	41,57,03,130	35,69,69,800
Reserves	11,38,62,795	(7,27,56,153)
Net worth	52,95,65,925	28,42,13,647

Networth has increased by Rs.24,53,52,278/- at close of financial year ended 31st March, 2016 compared to previous financial year ended 31st March, 2015 due to the following reasons:

- (i) Equity Share Capital has increased by Rs.5,87,33,330/- by way of issue of 58,73,333 Equity Shares of Rs.10/- each on conversion of 7% 17,62,000 Optionally Convertible Debentures of Rs.100/- (OCDs) each which were issued to Peerless General Finance & Investment Company Limited (PGFI), the Holding Company, as per the direction of the Hon'ble High Court at Calcutta vide its order dated 2nd August, 2006 and subsequent order dated 20th March, 2014.
- (ii) Consequent to issue of Equity Shares as stated in point (i) above, Rs.11,74,66,660/-, being the difference between the issue price of Rs.30/- per share and the face value of Equity Shares of Rs.10/- each, have been transferred to Security Premium Account which remains included under Reserves and Surplus.
- (iii) Increase of Rs.1,96,639/- in Fund granted by Scientist 'C' GML, Department of Biotechnology, Ministry of Science and Technology, Government of India for 'DBT Network project on Brucellosis: sero-epidemiology (BE-8)
- (iv) Booking of Net Profit after tax of Rs.6,89,55,649/- during the FY16.

Annexure to the Directors' Report

Information as per Sub-Rule (2) of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the Financial year ended 31st March, 2016.

Employed throughout the financial year and in receipt of remuneration for that year in aggregate not less than Rs. 60,00,000/- per annum:

Sl.	Name	Designation of the employee	Remuneration received	Nature of employment	Other terms and conditions	Qualifications and experience	Date of commencement of employment	Age (Years)	Last employment held & designation
1.	Mr. Dilip Samadar	Managing Director	1,04,33,833/-	Whole-time employment	As per Service Rules of the Company	Graduate in Economics from Calcutta University Fellow member of the Institute of Chartered Accountants of India 50 years experience	1st August, 2009	79	President-Finance in The Peerless General Finance & Investment Company Limited, the Holding Company

Mr. Dilip Samadar was re-appointed as Managing Director with effect from 1st August, 2015.

- Notes:**
1. Gross remuneration comprises salary and allowances and monetary value of perquisites.
 2. Appointment is subject to the rules and regulations of the Company for the time being in force.
 3. Mr. Dilip Samadar is not a relative of any Director of the Company.

Sl.	Name	Designation of the employee	Remuneration received	Nature of employment	Other terms and conditions	Qualifications and experience	Date of commencement of employment	Age (Years)	Last employment held & designation
1.	Dr. Sujit Karpurkayastha	Medical & Joint Managing Director	75,39,359/-	Whole-time employment	As per Service Rules of the Company	M.B.B.S. and D.C.H. from Dibrugarh University M.D. (General Medicine) from Calcutta University, M.R.C.P. (General Medicine) from U.K.	19th July, 2010	66	Consultant Physician, General Medicine at Bassetlaw District General Hospital, Workshop, Notts.

Dr. Sujit Kar Purkayastha was re-appointed as Medical and Joint Managing Director with effect from 31st August, 2013.

- Notes:**
1. Gross remuneration comprises salary and allowances and monetary value of perquisites.
 2. Appointment is subject to the rules and regulations of the Company for the time being in force.
 3. Dr. Sujit Kar Purkayastha is not a relative of any Director of the Company.

Form No. AOC – 2

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

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

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

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

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

Names of the Related Parties & nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangement / transactions	Salient terms of the contracts/ arrangement/ transactions, including value if any	Date of approval by the Board	Amount paid as advance, if any.
Peerless Securities Limited – Fellow Subsidiary	Healthcare Services provided to the employee of Peerless Securities Limited	NA	Services were extended as per the rules applicable to General Public. Rs.47,811/-.	NA	—
Peerless General Finance & Investment Company Ltd. (PGFI) – Holding Company	Availing Service Charges provided by PGFI at the Building at Behrampur, West Bengal, taken under the Leave and Licence Agreement entered into by the Company with PGFI on 01/10/2012.	01.10.2015 to 30.09.2018	Amount paid as service charges for availing amenities and facilities provided by PGFI. Rs.1,46,960/-.	25.08.12	—

PEERLESS HOSPITEX HOSPITAL AND RESEARCH CENTER LIMITED

PGFI- Holding Company	Rent for Building at Behrampoor, West Bengal, taken under the Leave and Licence Agreement entered into by the Company with PGFI on 01/10/2012.	01.10.2015 to 30.09.2018	Rent of Rs.1,32,266/- paid under Leave and Licence Agreement entered into by the Company with PGFI on 01/10/2012	25.08.12	—
PGFI- Holding Company	Electricity charges for Building at Behrampoor, West Bengal, taken under the Leave and Licence Agreement entered into by the Company with PGFI on 01/10/2012.	01.12.2015 to 30.09.2018	Electricity charges of Rs.220/- paid	25.08.12	—
PGFI- Holding Company	Rent for using TATA Hospital Management System (ERP software).	NA	Rs.68,336/- p.a.	28.01.2009	—
PGFI- Holding Company	Payment of Interest on 7% 17,62,000 Optionally Convertible Debentures of Rs.100/- each issued to PGFI.	28.08.2006 to 27.08.2015	Interest @7% p.a. are paid as per the Order dated 2nd August, 2006 passed by the Hon'ble High Court at Calcutta, approving the Scheme of Arrangement under the provisions of Section 391 and 394 of the Companies Act, 1956. Rs. 50,34,975/- p.a.	28.08.2006	—

PEERLESS HOSPITEX HOSPITAL AND RESEARCH CENTER LIMITED

PGFI- Holding Company	Payment of Interest on 8% 10,00,000 Unsecured Optionally Fully Convertible Debentures of Rs.100/- each issued to PGFI on 17.08.2013.	The Debentures will be converted / redeemed at the option of PGFI in four installments @20% of the nominal value each at the end of 5th and 6th year and 30% of the nominal value each at the end of 7th and 8th year from the date of issue i.e. 17.08.2013.	The Debentures will be converted /redeemed at the option of PGFI in four installments @20% of the nominal value each at the end of 5th and 6th year and 30% of the nominal value each at the end of 7th and 8th year from the date of issue i.e. 17.08.2013. Rs.80,00,000/- p.a.	17.08.2013	—
PGFI- Holding Company	Service Charges for using Generator Set under the Tenancy Agreement entered into by the Company with PGFI on 21.07.2006 for City Diagnostic Centre, a unit of the Company situated at 223, Chittaranjan Avenue, Kolkata – 700 006.	01.01.1999 to 31.12.2019	A sum of Rs.68,550/- p.a. are paid to PGFI for using Generator Set under the Tenancy Agreement entered into by the Company with PGFI on 21.07.2006 for City Diagnostic Centre, a unit of the Company situated at 223, Chittaranjan Avenue, Kolkata – 700 006.	17.09.1998	—
PGFI- Holding Company	Electricity Charges for City Diagnostic Centre at 223, Chittaranjan Avenue, Kolkata – 700 006, incurred under the Tenancy	01.01.1999 to 31.12.2019	Payment of Rs.97,510/- to PGFI during the year in connection with electricity charges for City Diagnostic Centre at 223,	17.09.1998	—

PEERLESS HOSPITEX HOSPITAL AND RESEARCH CENTER LIMITED

	Agreement entered into by the Company with PGFI on 21.07.2006.		Chittaranjan Avenue, Kolkata – 700 006, paid under the Tenancy Agreement entered into by the Company with PGFI on 21.07.2006.		
PGFI- Holding Company	Rent for City Diagnostic Centre at 223, Chittaranjan Avenue, Kolkata – 700 006, paid under the Tenancy Agreement entered into by the Company with PGFI on 21.07.2006.	01.01.1999 to 31.12.2019	Payment of Rs.13,66,720/- to PGFI during the year as Rent for City Diagnostic Centre at 223, Chittaranjan Avenue, Kolkata – 700 006, are paid under the Tenancy Agreement entered into by the Company with PGFI on 21.07.2006.	17.09.1998	—
PGFI- Holding Company	Refund of Security Deposit in respect of Electricity charges at City Diagnostic Centre	01.01.1999 to 31.12.2019	Refund of Security Deposit in respect of Electricity charges at City Diagnostic Centre. Rs.31,673/-	17.09.1998	—
Peerless Hotels Ltd. – Fellow Subsidiary	Arrangement of Accommodation etc. for Directors and others.	NA	Services were received as per the tariff applicable to general public Rs.39,388/-.	24.02.2016	—
Peerless Hotels Ltd. – Fellow Subsidiary	Revenue from healthcare services provided to the employees of Peerless Hotels Ltd.	NA	Services were extended as per the tariff applicable to General Public. Rs.1,38,000/-.	24.02.2016	—

PEERLESS HOSPITEX HOSPITAL AND RESEARCH CENTER LIMITED

Peerless Financial Service Ltd. - Fellow Subsidiary	Payment of Principal and interest of Term Loan of Rs.80 lakh.	The entire Principal amount of Term Loan will be repaid in 60 equated monthly installments.	Rs.15,99,996/- has been paid during the financial year towards repayment of Term Loan. The entire Principal amount of Term Loan will be repaid in 60 equated monthly installments. Interest paid Rs.2,80,307/-	29.09.2010	—
Kaizen Leisure & Holidays Ltd.	Payment made towards booking of Air tickets.	NA	Rs.9,46,420/-	24.02.2016	—
Mr. Dilip Samadar – Managing Director (KMP)	Payment of remuneration for the Financial Year 2015-16	1st August, 2015 to 31st July, 2016	Rs.1,04,33,833/- p.a.	05.06.2015	—
Dr. Sujit Karpurkayastha – Medical & Joint Managing Director (KMP)	Payment of remuneration for the Financial Year 2015-16	19th July, 2013 to 18th July, 2016	Rs.75,39,359/- p.a.	05.06.2015	—
Mr. T. K. Roy	Payment of retainership fee & reimbursement of expenses	1st April 2012 to 31st March, 2017	Rs. 6,00,000/- p.a.	12.06.2012	—

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2016

[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	U85110WB1989PLC046938
ii)	Registration Date	25th May 1989
iii)	Name of the Company	Peerless Hospitex Hospital And Research Center Limited
iv)	Category/Sub-category of the Company	Public Company Limited by Shares
v)	Whether listed Company (Yes/No)	No
vi)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NIL

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.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company.
1.	Hospital Activities	86100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associates of the Company	% of Share held	Applicable Section
1	The Peerless General Finance & Investment Company Limited	U66010WB1932 PLC007490	Holding Company	93.64	2(46)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	Total % of Total Shares	Demat	Physical	Total	Total % of Total Shares	
A. Promoters									
Indian									
a. Individual/HUF	-	140	140	0.0008	-	140	140	0.0006	0.0002
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	16198000	16198000	91.5297	-	22071333	22071333	93.6400	2.1103
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total- A-(1)	-	16198140	16198140	91.5305	-	22071473	22071473	93.6406	2.1105
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub Total- A (2)	-	-	-	-	-	-	-	-	-
Total Share Holder of Promoters (1+2)	-	16198140	16198140	91.5305	-	22071473	22071473	93.6406	2.1105
B. Public Shareholding									
1. Institution	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/ FI	-	-	-	-	-	-	-	-	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-

(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.	16198000	91.5297	—	22071333	93.6400	—	2.1103
2.	Sunil Kanti Roy	140	0.0008	—	140	0.0006	—	0.0002

iii. Change in Promoters' Shareholding (please specify, if there is change)

Pursuant to the order of the Hon'ble High Court at Calcutta dated 2nd August, 2006 and subsequent order dated 20th March, 2014 and 27th January, 2015, the Board of Directors at its meeting held on 28th August, 2015 issued and allotted 5,87,333 Equity Shares of Rs.10/- each with a premium of Rs.20/- each to the Holding Company, The Peerless General Finance & Investment Company Limited, in full conversion of 17,62,000 7% Optionally Convertible Debentures of Rs.100/- each issued to them.

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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1st April, 2015		Shareholding at the end of the year - 31st March, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bichitra Holdings Private Limited	1008840	5.7006	1008840	4.2801
2.	Shikha Holdings Private Limited	405800	2.2930	405800	1.7217
3.	Peerless Hotels Limited	70000	0.3955	70000	0.2970
4.	T.T. Investments Private Limited	4000	0.0226	4000	0.0170
5.	Arghya Kusum Chatterjee	2000	0.0113	2000	0.0085
6.	Virendra Singh	1400	0.0079	1400	0.0059
7.	Anand Chopra	800	0.0045	800	0.0040
8.	Nandita Saha	700	0.0040	700	0.0030
9.	Asit Baran Saha	700	0.0040	700	0.0030
10.	Nirmal Kumar Sarwagi	400	0.0023	400	0.0017

PEERLESS HOSPITEX HOSPITAL AND RESEARCH CENTER LIMITED

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 1st April 2015		Shareholding at the end of the year – 31st March, 2016	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sunil Kanti Roy (Director)	140	0.0008	140	0.0006
2.	Patit Paban Ray (Director)	200	0.0011	200	0.0008

V. INDEBTEDNES

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 01.04.2015				
1) Principal Amount	23,66,16,621	10,00,00,000	—	33,66,16,621
2) Interest due but not paid	6,01,113	—	—	6,01,113
3) Interest accrued but not due	12,427	—	—	12,427
Total (1+2+3)	23,72,30,161	10,00,00,000	—	33,72,30,161
Change in Indebtedness during the financial year				
+ Addition	—	—	—	—
– Reduction	20,74,01,109	—	—	20,74,01,109
Net Change	20,74,01,109	—	—	20,74,01,109
Indebtedness at the end of the financial year – 31.03.2016				
1) Principal Amount	2,94,76,390	10,00,00,000	—	12,94,76,390
2) Interest due but not paid	3,45,206	—	—	3,45,206
3) Interest accrued but not due	7,456	—	—	7,456
Total (1+2+3)	2,98,29,052	10,00,00,000	—	12,98,29,052

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs. In Lac)
		Dilip Samadar	Sujit Karpurkayastha	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	91,80,000	71,77,874	1,63,57,874
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	8,15,329	2,08,665	10,23,994
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify Provident Fund & other Funds	-	-	-
6	Performance Bonus	-	-	-
	Total (A)	99,95,329	73,86,539	1,73,81,868
	Ceiling as per the Act	NA	NA	NA

B. Remuneration of other directors:

I. Independent Directors :-

Particulars of Remuneration	Name of Directors		Total Amount (Rs. In Lac)
	Mr. Deepak Mukerjee	Dr. Gautam Sen	
Fee for attending board & committee meetings	62,000	62,000	1,24,,000
Commission	-	-	-
Others	-	-	-
Total (I)	62,000	62,000	1,24,,000

PEERLESS HOSPITEX HOSPITAL AND RESEARCH CENTER LIMITED

II. Other Non-Executive Directors :-

Particulars of Remuneration	Name of Directors					Total Amount (Rs. In Lac)
	Mr. Sunil Kanti Roy	Mr. Dhruba Narayan Ghosh	Mr. Rajiv Gujral	Dr. Vinay Balkrishna Jog	Mr. Patit Paban Ray	
Fee for attending board & committee meetings	65,000	50,000	59,000	30,000	30,000	2,34,000
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (II)	65,000	50,000	59,000	30,000	30,000	2,34,000

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

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount (Rs. In Lac)
		Mr. Sivavsis Sarkar	Mr. Balaram Bose	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	15,67,708	6,85,680	22,53,388
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	61,250	15,450	76,700
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	16,28,958	7,01,130	23,30,088
	Ceiling as per the Act	NA	NA	

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): NIL

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEERLESS HOSPITEX HOSPITAL AND RESEARCH CENTER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Peerless Hospitex Hospital And Research Center Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information and explanations

given to us and also on the basis of such checks as we considered appropriate, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further to our comments in the Annexure referred to in the Paragraph 1 above, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As represented by the management, the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 29 of the financial statements).
 - ii. The Company does not have any long-term contracts for which there were any material foreseeable losses and as explained, the Company has not entered into any derivative contract.
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

R. P. Singh
(Partner)

Membership No.: 052438

Place : Kolkata
Dated : 26th May 2016

'ANNEXURE-A' REFERRED TO IN OUR REPORT OF EVEN DATE

- i) According to the information and as explained to us:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) The Fixed assets of the Company have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its asset. Pursuant to such programme, a portion of the fixed assets has been physically verified by the management during the year and the reconciliation between physical and book records are under process at reasonable intervals.
 - (c) According to the information, explanations and representations provided to us and based on documents produced to us for our verification, in our opinion, title deeds of immovable properties are held in the name of the Company. For the above purpose, lease deed has been taken as the basis for verification in respect of leasehold land as well as self constructed building thereupon.
- ii) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.
- iii) The Company has not granted any loan to any companies, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security in connection with any loan taken by persons specified under Section 185 of the Act. As explained, the Company has complied with the provisions of Section 186 of the Act so far these relate to investments made by the Company.
- v) The Company has not accepted any deposits and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether these are accurate or complete.
- vii) (a) According to the information and explanations given to us and as per the records verified by us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of above dues were outstanding as at 31.03.2016 for a period of more than six months from the date they became payable.

- (b) There are no dues with respect to sales tax, income tax, duty of customs, service tax, duty of excise, value added tax or cess which have not been deposited on account of any dispute, except the dues as given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs.)
The Central Excise Act, 1944	Custom Duty on import of machinery	Calcutta High Court	2001-02	11,54,00,533
Finance Act 1994 and Service Tax Rules 1994	Service tax	Refer Note 29(I)(iv) of the financial statements pending filing of appeal before Custom Excise & Service Tax Appellate Tribunal	From Oct., 2008 to March, 2013, Oct., 2013 to March, 2014, April, 2014 to Sept., 2014	1,82,33,477
Income Tax Act, 1961	Commissioner of Income Tax (Appeals)		Assessment Year 2009-10	43,27,070
Income Tax Act, 1961			Assessment Year 2011-12	9,35,730

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- ix) The Company has not raised monies by way of initial public offer or further public offer (Including debt instruments) and term loans during the year.
- x) During the course of our examination of the books and records of the Company carried out in accordance with 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 by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, in respect of managerial personnel appointed in accordance with the provisions of the Companies Act, 1956 read with Schedule XIII of the said Act, provisions of Section 197 of the Act are not applicable. In respect of appointment of the Managing Director effective 1st August, 2015, the remuneration have been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V and Rule 7(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.

- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and therefore provisions of Section 192 of the Act are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

R. P. Singh
(Partner)

Place : Kolkata
Dated : 26th May 2016

Membership No.: 052438

‘ANNEXURE-B’ REFERRED TO IN OUR REPORT OF EVEN DATE

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

We have audited the internal financial controls over financial reporting of Peerless Hospitex Hospital And Research Center Limited (“the Company”) as at March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place : Kolkata
Dated : 26th May 2016

R.P. Singh
(Partner)
Membership No.: 052438

BALANCE SHEET
AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31st March 2016 Rs.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.	As at 31st March 2015 Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2		41,57,03,130		35,69,69,800
(b) Reserves and Surplus	3		11,40,34,119		(7,27,56,153)
(2) Non-Current Liabilities					
(a) Long-term borrowings	4		10,08,00,018		30,54,03,085
(b) Deferred Tax Liabilities (Net)	5		52,09,090		—
(c) Long term provisions	6		3,04,04,585		2,06,55,816
(3) Current Liabilities					
(a) Short-term borrowings	7		98,54,055		4,79,90,757
(b) Trade payables	8				
Outstanding dues of creditors (micro enterprises and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006)		—		—	
Outstanding dues of creditors (other than micro enterprises and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006)		15,65,66,507		19,32,10,773	
(c) Other current liabilities	9		5,32,13,193		5,66,52,844
(d) Short-term provisions	10		44,95,574		38,12,413
Total			89,02,80,271		91,19,39,335
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed assets	11				
(i) Tangible assets			53,74,74,510		56,85,75,892
(ii) Intangible assets			38,68,198		53,00,534
(iii) Capital work-in-progress			9,12,997		12,84,530
(b) Non-current investments	12		3,110		3,110
(c) Long term loans and advances	13		15,48,53,194		14,61,33,666
(d) Other non-current assets	14		7,53,946		10,85,521
(2) Current Assets					
(a) Inventories	15		2,84,16,949		2,87,33,414
(b) Trade receivables	16		10,86,81,830		10,88,57,301
(c) Cash and Bank Balances	17		2,59,49,118		2,06,34,227
(d) Short-term loans and advances	18		1,04,56,183		95,00,546
(e) Other current assets	19		1,89,10,236		2,18,30,594
Total			89,02,80,271		91,19,39,335

Significant Accounting Policies (Refer Note No. 1) and other Notes form an integral part of the Financial Statements.

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

For and on behalf of

LODHA & CO

Chartered Accountants

R. P. Singh

Partner

Place : Kolkata

Dated : 26th May, 2016

For and on behalf of the Board

Balam Bose
Company Secretary

D. Mukerjee
Director

Sivasis Sarkar
Chief Financial Officer

D. Samadar
Managing Director

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year	For the year	For the year	For the year
		ended 31st	ended 31st	ended 31st	ended 31st
		March 2016	March 2016	March 2015	March 2015
		Rs.	Rs.	Rs.	Rs.
I. Revenue from operations	20		148,81,12,488		131,36,29,381
II. Other Income	21		2,13,35,109		1,38,96,464
III. Total Revenue (I+II)			150,94,47,597		132,75,25,845
IV. Expenses:					
Cost of medical and other consumables	22		17,16,13,029		16,17,90,441
Purchases of Medicines	23		20,37,74,336		20,05,55,961
Changes in Inventories - Medicines	24		7,97,054		(33,07,354)
Employee benefits expense	25		33,72,06,601		28,79,48,878
Consultants and Doctors expenses			33,13,55,004		29,29,70,848
Power and Fuel	30		4,74,35,366		4,83,24,270
Finance costs	26		2,23,80,194		3,54,07,534
Depreciation and amortisation expense	27		6,02,82,405		5,71,60,168
Other expenses	28		26,02,67,545		24,02,76,697
Total Expenses			143,51,11,534		132,11,27,443
V. Profit/(Loss) before tax			7,43,36,063		63,98,402
VI. Tax Expense:					
Current Tax					
– For the year			34,74,295		—
Less:-MAT credit entitlement			(34,74,295)		—
– Relating to previous year			—		3,46,246
Deferred tax	5				
– For the year			52,09,090		28,51,913
VII. Profit/(Loss) for the year			6,91,26,973		32,00,243
VIII. Earnings per equity share of					
Face Value of Rs.10 each	39				
Basic and Diluted			3.27		0.18

Significant Accounting Policies (Refer Note No-1) and other Notes form an integral part of the Financial Statements.

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

For and on behalf of

LODHA & CO
Chartered Accountants

R. P. Singh
Partner

Place : Kolkata
Dated : 26th May, 2016

For and on behalf of the Board

Balaram Bose
Company Secretary

D. Mukerjee
Director

Sivasis Sarkar
Chief Financial Officer

D. Samadar
Managing Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year ended 31st March 2016 Rs.	For the Year ended 31st March 2015 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,43,36,063	63,98,402
Adjustments for:		
Depreciation and amortisation expenses	6,02,82,405	5,71,60,168
Finance Cost	2,23,80,194	3,54,07,534
Interest Income	(93,19,945)	(31,06,519)
Dividend Income	(730)	(972)
Liabilities no longer required Written back	(32,59,870)	(17,98,240)
Income from National Neurosciences Centre	—	(19,89,175)
Provision for doubtful debts written back	(32,46,426)	(40,31,349)
Loss on disposal of fixed assets	4,01,113	30,401
Debts and Other Balances written off	1,96,73,327	59,44,355
Provision for doubtful debts	22,59,603	25,47,877
Govt. Grant Transferred to Other Income	(16,89,726)	(11,16,354)
Operating Profit before Working Capital Changes	<u>16,18,16,008</u>	<u>9,54,46,128</u>
Adjustments for:		
(Increase)/ Decrease in Trade & Other Receivables	(1,71,88,217)	(2,61,30,007)
(Increase)/ Decrease in Inventories	3,16,465	(18,53,100)
(Increase)/ Decrease in Other Current Assets	(3,91,633)	—
(Increase)/ Decrease in Loans and Advances	1,72,09,431	(3,54,63,322)
Increase/ (Decrease) in Trade Payables and other Current Liabilities & Provisions	(2,42,05,117)	2,56,58,337
Cash Generated from Operations	<u>13,75,56,937</u>	<u>5,76,58,036</u>
Receipts from National Neurosciences Centre	19,89,175	23,34,000
Net Cash from Operating activities	<u><u>13,95,46,112</u></u>	<u><u>5,99,92,036</u></u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments against Fixed Assets and Capital Work-in-Progress	(2,91,02,706)	(2,66,61,935)
Capital Advance	(2,46,77,550)	(13,90,779)
Proceeds on sale of Fixed Assets	60,000	—
Interest Income	93,19,945	31,06,519
Dividend Income	730	972
Deposits with Bank	(8,34,791)	2,86,59,290
Net Cash used in Investing Activities	<u><u>(4,52,34,372)</u></u>	<u><u>37,14,067</u></u>

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

	For the Year ended 31st March 2015 Rs.	For the Year ended 31st March 2014 Rs.
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	—	16,96,097
Repayment of Borrowings	(6,93,37,811)	(3,31,45,181)
Interest Paid	(2,23,80,194)	(3,54,07,534)
Government Grant Received	18,42,361	18,48,542
Interest Received on Govt. Grant	44,004	38,173
Net Cash used in Financing Activities	<u>(8,98,31,640)</u>	<u>(6,49,69,903)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	<u>44,80,100</u>	<u>(12,63,800)</u>
Cash and Cash Equivalents at beginning of the year	<u>58,93,625</u>	<u>71,57,425</u>
Cash and Cash Equivalents at the end of the year (Refer Note 17 of the financial statements)	<u><u>1,03,73,725</u></u>	<u><u>58,93,625</u></u>

- Notes:**
1. The above Cash Flow Statement has been prepared under indirect method as set out in the Accounting Standard-3, on "Cash Flow Statement".
 2. Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's presentation.

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

For and on behalf of

LODHA & CO
Chartered Accountants

R. P. Singh
Partner

Place : Kolkata
Dated : 26th May, 2016

For and on behalf of the Board

Balaram Bose
Company Secretary

D. Mukerjee
Director

Sivasis Sarkar
Chief Financial Officer

D. Samadar
Managing Director

NOTE 1

Significant Accounting Policies:

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India and as per the relevant provisions of the Companies Act, 2013.

(b) Use of estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Differences between the actual results and estimates are recognised in the year in which the results are known / materialised.

(c) Fixed Assets and Depreciation

Tangible Assets

- (i) Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses, direct and indirect, specifically attributable to acquisition and bringing it to working conditions for its intended use.
- (ii) Depreciation on fixed assets is provided on Straight Line Method over the useful life, specified in Schedule II to the Companies Act, 2013.
- (iii) Leasehold Land has been taken on lease for 99 years. The cost incurred against the leasehold land is being amortized over the period of the lease.

Intangible Assets

- (i) Intangible assets including computer software are capitalised and stated at the cost of acquisition less accumulated amortization there-against.
- (ii) Computer software has been amortised over a period of five years on straight line method.

(d) Government grants

Revenue:

Government grants related to revenue is credited to the Statement of Profit and Loss to the extent of expenditure incurred there against the year and shown separately under Other Income.

(e) Impairment of Assets

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets are determined. An impairment loss is recognised, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets' net selling price or its value in use. In assessing its value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a pro-rata basis.

(f) Borrowing Costs

Borrowing costs incurred in relation to the acquisition, construction of qualifying assets are capitalised as the part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which these are incurred.

(g) Investments

Long Term Investments are stated at cost after deducting provision, if any, made for decline, other than temporary, in the values. Current investments are stated at lower of cost or fair value.

(h) Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost of inventories determined on FIFO basis comprises of the respective purchase costs including non-reimbursable duties and taxes.

(i) Foreign currency transaction

Transactions in foreign currencies are accounted for at the exchange rate prevailing as on the date of transaction. Foreign currency monetary assets and liabilities at the year end are translated using closing rates. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as income or expenses in the Statement of Profit and Loss.

(j) Revenue Recognition

- (i) Revenue is recognised on accrual basis on rendering of services and sale of Pharmaceutical Products.
- (ii) Interest income is recognised on a time proportion basis depending upon amount outstanding and the rate applicable.
- (iii) Dividend on equity shares is recognised as income when the right to receive the dividend is established.
- (iv) Income from Academic Courses are recognised when there is no significant uncertainty as to the measurability or collectability thereof.

(k) Employee Benefits

- (i) Employee benefits are accrued in the year services are rendered by the employees.
- (ii) Contributions to the defined contribution schemes viz. Provident and Pension Funds are recognised as and when incurred.
- (iii) Long term employee benefits under defined benefit schemes viz. Contribution to Gratuity Fund and leave are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year in which they arise.

(l) Leases

Lease rentals incurred/earned in respect of operating leases are recognised as expense/income in the Statement of Profit and Loss as per the terms and conditions of the respective agreements.

(m) Taxation

Provision for current income tax is made on taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods, is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset will be realised in case of carried forward unabsorbed depreciation and tax losses. Deferred tax assets are recognised only if there is a virtual certainty that such deferred tax assets can be realised against future taxable profits.

(n) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are 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 and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognised nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

NOTES FORMING PART OF THE BALANCE SHEET

	As at 31st March 2016	As at 31st March 2015
NOTE 2		
SHARE CAPITAL		
2.1 Authorised Capital :		
4,00,00,000 (Previous Year- 4,00,00,000) Equity Shares of Rs. 10/- each	40,00,00,000	40,00,00,000
20,00,000 (Previous Year 20,00,000) Redeemable Non Cumulative Preference Shares of Rs. 100/- each	20,00,00,000	20,00,00,000
Total	<u>60,00,00,000</u>	<u>60,00,00,000</u>
2.2 Issued, Subscribed and Paid-up:		
2.2.1 Equity Shares		
2,35,70,313 (Previous Year- 1,76,96,980) Equity Shares of Rs. 10/- each fully paid-up	235,703,130	176,969,800
Of the above		
2,20,71,333 (Previous Year- 16,198,000) Equity Shares of Rs. 10/- each are held by the Holding company, The Peerless General Finance & Investment Company Limited and 70,000 (Previous Year 70,000) Equity Shares of Rs.10/- each are held by Peerless Hotels Ltd., a subsidiary of the Holding Company.		
2.2.2 Preference Shares		
18,00,000 (Previous Year 18,00,000), 7% Redeemable Non-Cumulative Preference Shares, Series-A of Rs.100/- each fully paid-up redeemable within 5 years ending on 05 .09.2016.	180,000,000	180,000,000
Total :	<u>415,703,130</u>	<u>356,969,800</u>

2.3.1 Details of Shareholders having more than 5% of the Paid up Equity Share Capital :-

Name of Shareholder	No. of Shares	
	As at 31st March 2016	As at 31st March 2015
The Peerless General Finance & Investment Company Limited	22071333	16198000
Bichitra Holdings Pvt Ltd	1008840 (*)	1008840

* Though shareholding is less than 5% of the paid up Equity Share Capital, have been shown for comparative purposes.

2.3.2 The entire 7% Redeemable Non-Cumulative Preference Shares, Series-A of Rs. 100 each fully paid up, are held by the Holding Company, The Peerless General Finance & Investment Company Limited.

NOTES FORMING PART OF THE BALANCE SHEET

2.4. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

2.4.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period:

Description	Numbers	
	As at 31st March 2016	As at 31st March 2015
Outstanding at the beginning of period	17,696,980	17,696,980
Add: - Issued on conversion of 7% 1762000 Optionally Convertible Debentures during the year	5,873,333	—
Outstanding at the close of the period	23,570,313	17,696,980

2.4.2 There is no movement in 7% Redeemable Non-Cumulative Preference Shares, Series-A in respect of outstanding at the beginning and at the end of the year.

2.5 Rights and Restrictions to Equity Shares / Preference Shares

Equity Shares - The company has one class of equity shares of having par value of Rs. 10 per share. Each shareholder of equity is entitled to one vote per share. The dividend, if proposed by the Board of Directors of the Company, will be subject to the approval of the Shareholders in the subsequent Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

Preference Shares - These shares carry right of fixed rate of dividend. In the event of liquidation of the Company, the holders of these shares have priority over equity shares in the payment of dividend and repayment of capital.

	Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs
NOTE 3			
RESERVES AND SURPLUS			
(i) General Reserve			
At the beginning and at the end of the year		18,69,57,957	18,69,57,957
(ii) Government Grant			
(In respect of DBT Network Project on Brucellosis)	31		
At the beginning of the year		947,496	177,135
Add : Received during the year		1,842,361	1,848,542
		<u>2,789,857</u>	<u>2,025,677</u>
Add : Interest Received		44,004	38,173
		<u>2,833,861</u>	<u>2,063,850</u>
Less : Transfer to Other Income (including interest)	21	<u>1,689,726</u>	<u>1,116,354</u>
At the end of the year		1,144,135	947,496

NOTES FORMING PART OF THE BALANCE SHEET

	Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
(iii) Securities Premium Reserve in respect of premium on issue of Equity shares to the Holding Company			
	4		
At the beginning of the year		—	—
Add : Premium on issue of Equity Shares		11,74,66,660	—
At the end of the year		11,74,66,660	—
(iv) Surplus			
Accumulated balance of loss			
At the beginning of the year		(26,06,61,606)	(25,80,88,070)
Adjustment on account of depreciation as per Schedule II of the Companies Act 2013 (net of deferred tax amounting to Rs. 28,51,913).		—	(57,73,779)
Add/(Less) : Profit/(Loss) for the year as per Statement of Profit And Loss		6,91,26,973	32,00,243
At the end of the year		(19,15,34,634)	(26,06,61,606)
		<u>11,40,34,119</u>	<u>(7,27,56,153)</u>

NOTE 4

LONG TERM BORROWINGS

UNSECURED

Debentures:-

38

8% 10,00,000 Unsecured Optionally Fully Convertible Debentures of Rs. 100 each fully paid up.

10,00,00,000

10,00,00,000

The Company pursuant to special resolution passed at the extraordinary general meeting held on 31st August, 2013, had issued on 19th September, 2013 8% 10,00,000 Unsecured Optionally Fully Convertible Debentures of Rs. 100 each to The Peerless General Finance & Investment Company Ltd. on the following terms:

Conversion/Redemption :-

The Debentures will be redeemed at par in four instalments @ 20% of the nominal value each commencing from the end of 5th & 6th year from the date of allotment and 30% of the nominal value each commencing from the end of 7th & 8th year from the date of allotment or converted into equity shares at the option of the holder.

NOTES FORMING PART OF THE BALANCE SHEET

	Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Interest :-			
The Debentures carry interest @ 8% per annum on the face value of Debentures.			
<u>Debenture Redemption Reserve:-</u>			
The Company is required to create Debenture Redemption Reserve of Rs. 2,50,00,000 (Previous Year Rs. 2,50,00,000) out of the profits available for dividend. In view in-adequate Profit no such reserve has yet been created.			
SECURED			
Debentures:-			
7% 1762000 Optionally Convertible Debentures of Rs 100/- each fully paid up	38	—	17,62,00,000
The Company pursuant to the Order dated 2nd August 2006 of the Hon'ble High Court at Calcutta had issued fully paid up 7% 17,62,000 Optionally Convertible Debentures of Rs.100 each to The Peerless General Finance & Investment Company Limited on the following terms:			
1. Conversion - The Debentures were due for conversion on 28.08.2013, which, vide order dated 20th March, 2014 of Hon'ble High Court at Calcutta, was extended for a period of two years from September, 2013 or the date on which the debentures were liable for conversion to equity shares.			
These were required to be converted at a price to be determined on the basis of independent valuation at the time of conversion, or Rs. 30 whichever is higher. In terms of above, during the year the said debentures have been converted into 58,73,333 number of equity shares of Rs.30 each. Accordingly, Rs 11,74,66,660 being excess of the conversion amount as aforesaid over face value of Equity Shares of Rs. 5,87,33,330 have been transferred to Securities Premium Reserve.			
2. Interest - The Debentures were carrying interest @ 7% per annum payable annually. The installment of interest were falling due on March each year. However, the final interest on Debenture due upto the date of conversion has been duly paid on 18.09.15			

NOTES FORMING PART OF THE BALANCE SHEET

Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
<p>3. Security - The Debentures together with interest and costs were secured by equitable mortgage by way of deposit of title deeds to cover all the present and future leasehold land and buildings at 360, Panchasayar, Kolkata-700094.</p> <p>4. Ranking - The above charges were ranking pari-passu with the existing charges as well as future charges to be created in favour of any other lender / institution.</p> <p>Term Loans:-</p> <p>(a) From Allahabad Bank</p> <p>Security:</p> <p>First Charge : Hypothecation of all tangible movable plant & machinery, equipments purchased out of term loan taken which shall be brought into or be stored or be in or upon or about the Company's premises & godowns or wherever else the same may be or be held by any party to the order or disposition of the Company relating to or pertaining to the Company's premises at 360, Panchasayar, Kolkata-700094 and at 223, Chittaranjan Avenue, Kolkata-700006.</p> <p>Second Charge : Equitable mortgage of all that piece and parcel of leasehold land at 360, Panchasayar, Kolkata-700094.</p> <p>Terms of Repayment:</p> <p>In 20 quarterly installments of Rs 72.50 lakh each commencing from April 2012 and last installment falling due on March 2017. Interest is being charged at Allahabad Bank's base rate + 2.25% which is 12.20 % as at 31st March, 2016.</p>	—	2,68,03,071
<p>(b) From Related Party :- Peerless Financial Services Ltd</p>	38	24,00,014
<p>Security:</p> <p>Hypothecation of 1010 KVA Diesel Generator Set purchased out of the above term loan.</p> <p>Terms of repayment:</p> <p>Interest is payable quarterly @ 9% p.a. on Reducing Balance of Principal amount which will be repaid in 60 equated monthly instalments after moratorium period of 18 months from the date of disbursement of loan.</p> <p>Note: Current maturity of Long Term Loan to the extent these are not convertible to equity, has been disclosed under the head "Other Current Liabilities"</p>	8,00,018	30,54,03,085
	<u>10,08,00,018</u>	<u>30,54,03,085</u>

NOTES FORMING PART OF THE BALANCE SHEET

	Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
NOTE 5			
DEFERRED TAX LIABILITIES (NET)			
In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the Company has accounted for deferred tax. The Company has significant amount of carry forward business losses and unabsorbed depreciation as per Income Tax Act' 1961. Deferred tax assets on the said unabsorbed depreciation has been recognised only to the extent there is deferred tax liability. The components of deferred tax assets and deferred tax liability as at 31st March, 2016 are as follows:-			
Particulars		Opening as at 1st April 2015	(Charge)/ Credit during the year
		<u> </u>	<u> </u>
Deferred Tax Assets			
Provision for Employee Benefits		80,89,931	34,48,062
Provision for Doubtful Debts		10,73,366	(3,26,341)
Unabsorbed Depreciation under Income Tax Act,1961		8,55,34,030	(1,30,00,896)
Sub-Total		<u>9,46,97,327</u>	<u>(98,79,175)</u>
Deferred Tax Liabilities			
Depreciation Difference		(9,46,97,327)	46,70,085
Sub-Total		<u>(9,46,97,327)</u>	<u>46,70,085</u>
Net Deferred Tax Assets/(Liabilities)		<u> —</u>	<u>(52,09,090)</u>
NOTE 6			
LONG TERM PROVISIONS			
Provision for employee benefits	36	3,04,04,585	2,06,55,816
		<u>3,04,04,585</u>	<u>2,06,55,816</u>
NOTE 7			
SHORT TERM BORROWINGS			
SECURED			
Loans Repayable on Demand from Allahabad Bank (Secured by way of hypothecation of inventories, book debts, outstanding monies, receivables, claims, bills, contracts engagement and securities etc. of the Company)		98,54,055	4,79,90,757
		<u>98,54,055</u>	<u>4,79,90,757</u>

NOTES FORMING PART OF THE BALANCE SHEET

	Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
NOTE 8			
TRADE PAYABLES	40	<u>15,65,66,507</u>	<u>19,32,10,773</u>
<p>Note 8.1 : Based on the information available with the Company, there being no suppliers as defined under The Micro, Small and Medium Enterprise Development Act, 2006 who has dealt with the Company during the year, related disclosures as required in terms of the said Act and Schedule III of the Companies Act, 2013, are not applicable to the Company.</p> <p>Note 8.2 : Trade Payables as at 31st March 2016 include Rs. 1,15,41,787 towards doctors expenses provided on estimated basis pending confirmations of amount payable in terms of understanding with the doctors.</p>			
NOTE 9			
OTHER CURRENT LIABILITIES			
Current maturities of Long Term Debts			
Term Loan :	38		
From Allahabad Bank		2,68,03,071	2,90,00,000
From Related Party - Peerless Financial Services Ltd		<u>15,99,996</u>	<u>15,99,996</u>
		2,84,03,067	3,05,99,996
Interest accrued but not due on borrowings		7,456	12,427
Interest accrued and due on borrowings		3,45,206	6,01,113
Other Payables	40		
Security Deposits		91,88,239	73,54,575
Advance Fees from academic courses		79,61,600	69,50,013
Advance received from Patients		3,02,486	7,01,138
Capital Expenditure		14,87,529	30,17,473
Statutory Dues (Includes Tax Deducted at Source, Provident Fund, etc.)		<u>55,17,610</u>	<u>74,16,109</u>
		2,44,57,464	2,54,39,308
		<u>5,32,13,193</u>	<u>5,66,52,844</u>
<p>9.1 Non Current maturities of long term debts, including those convertible into equity, have been disclosed under the head "Long Term Borrowings".</p>			
NOTE 10			
SHORT TERM PROVISIONS			
Provision for Employee Benefits	36	44,95,574	38,12,413
		<u>44,95,574</u>	<u>38,12,413</u>

NOTES FORMING PART OF THE BALANCE SHEET

NOTE 11

Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION AND AMORTIZATION			NET BLOCK				
	As at 31st March, 2015	Additions during the year	Disposal/ Adjustments during the year	As at 31st March, 2016	Up to 31st March, 2016	For the year	Ajusted against Retained Earnings at the beginning of the year	Disposal/ Adjustments during the year	As at 31st March, 2016	As at 31st March, 2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(i) TANGIBLE ASSETS											
Land-Leasehold	48,21,194	—	—	48,21,194	2,41,060	60,265	—	—	3,01,325	45,19,869	45,80,134
Building	29,59,13,121	80,96,289	—	30,40,09,410	8,56,68,213	51,20,602	—	—	9,07,88,815	21,32,20,595	21,02,44,908
Plant and Machinery	11,04,49,699	35,51,503	—	11,40,01,202	5,23,61,673	54,95,401	—	—	5,78,57,074	5,61,44,128	5,80,88,026
Electrical Installation and Equipment	4,30,61,395	17,77,811	—	4,48,39,206	3,32,70,651	20,64,614	—	—	3,53,35,265	95,03,941	97,90,744
Medical Equipment	41,52,31,724	1,38,54,161	54,90,692	42,35,95,193	16,89,68,317	3,63,66,064	—	23,74,362	20,29,60,019	22,06,35,174	24,62,63,407
Furniture and Fittings	4,74,96,705	20,04,471	—	4,95,01,176	2,05,41,358	49,30,203	—	—	2,54,71,561	2,40,29,615	2,69,55,347
Vehicles	63,68,534	7,28,693	1,50,652	69,46,575	32,53,463	6,60,187	—	1,50,651	37,62,999	31,83,576	31,15,071
Office Equipment	69,89,753	1,60,074	—	71,49,827	51,28,374	9,52,492	—	—	60,80,866	10,68,961	18,61,379
Roads	36,82,493	—	—	36,82,493	7,38,335	7,39,667	—	—	14,78,002	22,04,491	29,44,158
Computer and Data Processing Units	1,46,03,574	3,71,508	—	1,49,75,082	98,70,856	21,40,066	—	—	1,20,10,922	29,64,160	47,32,718
Total	94,86,18,192	3,05,44,510	56,41,344	97,35,21,358	38,00,42,300	5,85,29,561	—	25,25,013	43,60,46,848	53,74,74,510	56,85,75,892
Previous year ended 31st March, 2015	92,34,85,727	2,52,03,675	71,210	94,86,18,192	31,59,79,665	5,54,67,153	86,25,692	30,210	38,00,42,300	56,85,75,892	—
Capital Work-in-Progress	—	—	—	—	—	—	—	—	—	9,12,997	12,84,530
Previous year ended 31st March, 2015	—	—	—	—	—	—	—	—	—	12,84,530	—
(ii) INTANGIBLE ASSETS											
Computer Software	86,67,154	3,20,508	—	89,87,662	33,66,620	17,52,844	—	—	51,19,464	38,68,198	53,00,534
Previous year ended 31st March, 2015	84,74,614	1,92,540	—	86,67,154	16,73,605	16,93,015	—	—	33,66,620	53,00,534	—

(iii) Ministry of Corporate Affairs, vide notification dated August 29, 2014, has amended Schedule II to the Companies Act, 2013 requiring mandatory componentization of assets for financial statements in respect of financial year commencing on and after 1st April 2015. During the year, the Company has followed the component approach for depreciation of Fixed Assets in terms of Sch-II of the Companies Act, 2013. Consequent to above, the depreciation for the year is higher by Rs. 1,82,835 and Profit before tax for the year is lower to that extent.

NOTES FORMING PART OF THE BALANCE SHEET

	Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
NOTE 12			
NON CURRENT INVESTMENTS			
(At cost and fully paid up unless stated otherwise)			
Long Term, Other than Trade Investments			
In Equity Instruments			
<i>Quoted</i>			
Shristi Infrastructure Development Corporation Ltd. (40 Equity Shares of Rs.10/- each fully paid)		710	710
<i>Unquoted</i>			
Peerless Hotels Limited (240 Equity Shares of Rs.10/- each fully paid)		2,400	2,400
		<u>3,110</u>	<u>3,110</u>
Aggregate amount of Quoted Investments		710	710
Aggregate amount of Unquoted Investments		2,400	2,400
		<u>3,110</u>	<u>3,110</u>
Aggregate amount of Market Value of Quoted Investment		4,360	4,560
		<u>4,360</u>	<u>4,560</u>
NOTE 13			
LONG TERM LOANS AND ADVANCES			
Unsecured, Considered Good			
Capital Advances		2,46,77,550	13,90,779
Security Deposits		1,33,79,485	1,28,56,012
Others			
Mat Credit Entitlement	34,74,295		—
Advance Income Tax (Net of provisions)	14,49,046	82,99,571	
Tax Deducted at Source (Net of provisions)	11,18,50,854	12,35,65,340	
Service Tax	21,964	21,964	
		<u>11,67,96,159</u>	<u>13,18,86,875</u>
		<u>15,48,53,194</u>	<u>14,61,33,666</u>
NOTE 14			
OTHER NON CURRENT ASSETS:			
(Unsecured) Considered doubtful			
Long Term Trade Receivables		22,59,605	32,46,426
Less:- Provision for Doubtful Receivables		<u>(22,59,605)</u>	<u>(32,46,426)</u>
		—	—
Considered good			
TDS Refundable		—	3,35,521
Fixed Deposits having remaining maturity of more than one year Against Margin money (Lodged with Bank)		7,53,946	5,00,000
Others		—	2,50,000
		<u>7,53,946</u>	<u>10,85,521</u>

NOTES FORMING PART OF THE BALANCE SHEET

	Note	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
NOTE 15			
INVENTORIES (At cost or net realisable value, whichever is lower)			
Stock-in-Trade (Medicine)		1,32,54,014	1,40,51,068
Stores, Spares and Consumables		1,51,62,935	1,46,82,346
		<u>2,84,16,949</u>	<u>2,87,33,414</u>
NOTE 16			
TRADE RECEIVABLES			
	30 & 40		
(Unsecured, considered good)			
Outstanding for a period exceeding six months from the date they are due for payment		4,57,02,071	1,65,14,048
Others		6,29,79,759	9,23,43,253
		<u>10,86,81,830</u>	<u>10,88,57,301</u>
NOTE 17			
CASH AND BANK BALANCES			
CASH AND CASH EQUIVALENTS			
In Current Account with Banks		91,97,950	49,24,793
Cash Balance in Hand		11,75,775	9,68,832
		<u>1,03,73,725</u>	<u>58,93,625</u>
OTHER BALANCES WITH BANKS			
Fixed Deposits (having remaining maturity between three and twelve months from the reporting date)			
Against Margin money (Lodged with Bank)		—	2,16,522
Others		1,55,75,393	1,45,24,080
		<u>1,55,75,393</u>	<u>1,47,40,602</u>
		<u>2,59,49,118</u>	<u>2,06,34,227</u>

17.1 Balance in Current Account with Bank includes Rs. 1,116,354 (As at 31st March 2015 - Rs. 614,186/-) being money received in respect of DBT Network Project on Brucellosis lying unspent at the year end (Net of advances of Rs. Nil, As at 31st March 2015 - Rs. 333,310).

NOTES FORMING PART OF THE BALANCE SHEET

	Note	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
NOTE 18			
SHORT TERM LOANS AND ADVANCES			
(Unsecured, Considered Good)			
Advances to Suppliers	40	27,60,867	16,94,774
Receivable (Other than for trade)		20,28,436	15,97,950
Staff Advance		1,91,228	1,19,718
Prepaid Expenses		54,75,652	60,88,104
		<u>1,04,56,183</u>	<u>95,00,546</u>
NOTE 19			
OTHER CURRENT ASSETS			
Interest Accrued on Fixed deposits with Banks		6,96,249	3,56,906
Interest Receivable on Security deposits with CESC Ltd.		5,59,863	5,07,573
Unbilled receivables		1,76,54,124	2,09,66,115
		<u>1,89,10,236</u>	<u>2,18,30,594</u>

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

	Note	For the year ended 31st March 2016 Rs.	For the year ended 31st March 2015 Rs.
NOTE 20			
REVENUE FROM OPERATIONS			
i) Revenue from Operations			
a) Hospital Services	30	1,39,47,22,712	1,22,96,36,373
(includes Pharmacy sales billed to in-patients Rs. 29,20,78,787, for the year ended 31st March, 2015 Rs. 26,76,29,229)			
b) Sale of Medicine from Pharmacy - Other than inpatients		3,67,79,272	3,46,48,688
c) Income from Diagnostic Centre		2,09,60,335	1,77,27,187
d) Income from National Neurosciences Centre	30	—	19,89,175
		<u>1,45,24,62,319</u>	<u>1,28,40,01,423</u>
ii) Other Operating Revenue	34		
Income from Academic Courses		35,650,169	2,96,27,958
		<u>1,48,81,12,488</u>	<u>1,31,36,29,381</u>
NOTE 21			
OTHER INCOME			
Dividend from Investments- Long Term		730	972
Interest on Fixed Deposits		18,66,611	31,06,519
Interest on Refund from Income Tax		74,53,334	—
Rent	28.2	17,67,448	16,52,533
Provision for Doubtful Debts no longer required written back		32,46,426	40,31,349
Liabilities no longer required written back		32,59,870	17,98,240
Government Grant	3	16,89,726	11,16,354
Miscellaneous		20,50,964	21,90,497
		<u>2,13,35,109</u>	<u>1,38,96,464</u>
NOTE 22			
COST OF MEDICAL AND OTHER CONSUMABLES			
Opening Inventories	30 & 35	1,31,84,975	1,47,44,594
Add: Purchases		17,22,25,397	16,02,30,822
		<u>18,54,10,372</u>	<u>17,49,75,416</u>
Less: Closing Inventories		1,37,97,343	1,31,84,975
		<u>17,16,13,029</u>	<u>16,17,90,441</u>
NOTE 23			
PURCHASES OF STOCK IN TRADE			
Medicines		20,37,74,336	20,05,55,961
		<u>20,37,74,336</u>	<u>20,05,55,961</u>

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

	Note	For the year ended 31st March 2016 Rs.	For the year ended 31st March 2015 Rs.
NOTE 24			
CHANGES IN INVENTORIES OF STOCK IN TRADE - MEDICINES			
Opening Inventory		1,40,51,068	1,07,43,714
Less: Closing Inventory		1,32,54,014	1,40,51,068
		<u>7,97,054</u>	<u>(33,07,354)</u>
NOTE 25			
EMPLOYEE BENEFITS EXPENSE	30 & 36		
Salaries,Wages,Bonus etc.		29,34,46,406	25,49,30,687
Contribution to Provident and Other Funds		2,85,30,778	1,95,41,735
Staff Welfare		1,52,29,417	1,34,76,456
		<u>33,72,06,601</u>	<u>28,79,48,878</u>
NOTE 26			
FINANCE COSTS			
Interest Expense			
Debentures	38	1,30,34,975	2,03,34,000
Term Loan	38	51,74,484	90,94,313
Cash Credit		41,70,735	59,79,221
		<u>2,23,80,194</u>	<u>3,54,07,534</u>
NOTE 27			
DEPRECIATION AND AMORTISATION EXPENSE			
Depreciation and Amortisation		6,02,82,405	5,71,60,168
		<u>6,02,82,405</u>	<u>5,71,60,168</u>
NOTE 28			
OTHER EXPENSES			
Rent	28.2	72,49,573	80,46,457
Lease Rent		27,000	27,000
Repairs			
Building		17,29,766	28,37,971
Machinery		4,89,389	7,67,351
Medical Equipment		2,49,388	3,59,102
Others		39,90,640	39,61,578
Consumption of stores and spares	35	1,51,42,463	1,71,86,652
Maintenance Charges		2,02,52,767	2,03,95,978
Rates and Taxes		31,86,461	43,78,869
Insurance		23,58,503	22,55,815
Catering Charges		4,74,15,898	4,24,87,735
Cleaning Charges		2,66,79,180	2,62,46,346
Security Expenses		1,62,92,570	1,59,39,351
Advertisement and other Business Promotion Expenses		1,20,29,499	1,34,38,438
Debts and other balances written off		1,96,73,327	59,44,355
Provision for Doubtful Debts		22,59,603	25,47,877
Miscellaneous Expenses	28.1 & 33	8,12,41,518	7,34,55,822
		<u>26,02,67,545</u>	<u>24,02,76,697</u>

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

Note	For the year ended 31st March 2016 Rs.	For the year ended 31st March 2015 Rs.
28.1 Miscellaneous Expenses include Auditor's Remuneration (including service tax), details of which are as follows :		
Auditor's Remuneration	2015-16	2014-15
Statutory Audit Fees	4,41,332	4,26,968
Interim Audit Fees	2,29,000	2,24,720
Other services	3,57,142	—
Reimbursement of expenses	54,005	—

28.2 The Company has certain cancellable operating lease arrangement for premises taken/given on lease with a lease period in certain cases upto 2 years, further extendable with mutual consent and agreement. The lease agreement can be terminated after giving notice as per terms of the Lease by either of the parties. Terms of certain lease arrangements include clauses relating to deposit/refund of security deposit etc. Lease income/expense are recognised in the Statement of Profit And Loss.

NOTE 29

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
(I) Contingent Liabilities		
Claims against the company not acknowledged as debt		
Certain show cause notices and demands relating to Duty of Customs, income tax, service tax and other matters pending with various authorities, to the extent ascertainable from the records and details available are as follows:-		
(i) Duty of Customs – Sub-judice in Calcutta High Court (regarding Customs Duty exemption certificate for import of machinery.)	11,54,00,533	11,54,00,533
(ii) Compensation claimed by customers/other parties, which are sub-judice.	3,27,75,000	2,56,36,026
(iii) Income Tax matters pending in appeal	52,62,800	53,26,026
(iv) Service Tax matters (excluding interest and penalty) Against order/show-cause notice issued by office of the commissioner of service tax, the company is in the process of filling appeal to the central excise & service tax Appellate Tribunal (CESTAT)	1,82,33,477	1,62,15,273
(v) ESI Contribution	3,61,611	3,61,611

In the opinion of the management, the above claims/demands are not tenable and the future cash outflows in respect of the same are determinable on final decisions of the matters.

(II) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	60,23,550	45,64,387

NOTE 30

The Company, in terms of agreement dated November 27, 2013 (the agreement), with Neurosciences Foundation, Bengal, jointly controls the operations of National Neurosciences Centre, Calcutta (NNC), a joint project and non-profit making organisation formed and registered under the West Bengal Societies Act, XXVI of 1961.

In terms of the agreement, NNC has agreed to provide Neurological/Neurosurgical services under administrative control of the company. Reimbursements and recoveries against the costs are adjusted against respective heads of accounts.

Accordingly, Rs. 5,41,96,487 (previous year Rs. 4,93,04,683) and Rs. NIL (previous year Rs. 19,89,175) have been included under "Revenue from Hospital Services" and "Income from National Neurosciences Centre" respectively. Reimbursements of various expenses amounting to Rs. 2,35,91,815 (previous year Rs.2,21,96,543) have been adjusted against respective heads of accounts. None of the company's assets has been transferred to the joint venture and there is no liability incurred in this respect.

NOTE 31

Reserves and Surplus includes Other Reserve which represents unutilized portions of Government Grant amounting to Rs.11,44,135/- (previous year Rs. 9,47,496/-) pending incurrence of expenditure there-against.

NOTE 32

C.I.F. value of Imports –

	2015-2016 (Rs.)	2014-2015 (Rs.)
Capital Goods	7,42,473	5,69,792

NOTE 33

Expenditure in Foreign Currency –

	2015-2016 (Rs.)	2014-2015 (Rs.)
Collaboration for Master of Emergency Medicine course	52,04,400	48,62,000
Quality assessment and other expenses	NIL	17,723

NOTE 34**Earning in Foreign Currency –**

	2015-2016 (Rs.)	2014-2015 (Rs.)
Fees received from Medical Specialities at the Post Graduate Level	4,42,704	NIL

NOTE 35**Value of Medical & Other Consumables and Stores & Spares Consumed –**

	%	2015-2016 (Rs.)	2014-2015 (Rs.)
Medical & Other Consumables:			
– Indigenous	100	17,16,13,029	16,17,90,441
Stores and Spares:			
– Indigenous	100	1,51,42,463	1,71,86,652

NOTE 36

The disclosures required under Accounting Standard 15 “Employee Benefits” are given below:-

Defined Contribution Scheme

Contribution to Defined Contribution Scheme, recognised for the years are as under:

Particulars	For the year ended	
	31st March 2016	31st March 2015
Employer's Contribution to Provident Fund	61,97,969	67,77,850
Employer's Contribution to Pension Fund	91,83,383	70,98,512

Defined Benefit Scheme

Obligation in respect of employee’s gratuity fund scheme 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 obligation for Leave entitlement is recognised in the same manner and provision for leave obligation is unfunded.

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Disclosures for gratuity liability (funded) based on actuarial reports as on 31st March, 2016 are as follows:.

Particulars	2015-16 (Rs.)	2014-15 (Rs.)	2013-14 (Rs.)	2012-13 (Rs.)	2011-12 (Rs.)
A. Change in Defined Benefit Obligations:					
Present Value of Defined Benefit Obligations at the beginning of the year	5,25,43,660	4,63,80,438	4,42,51,557	3,69,71,782	3,10,99,010
Current Service Cost	38,16,506	33,88,369	33,05,444	26,96,357	23,58,297
Interest Cost	42,91,356	43,95,138	36,23,683	32,52,987	25,71,021
Actuarial Losses/(Gain)	71,33,298	1,39,509	(39,38,110)	30,00,886	17,98,505
Benefits Paid	(11,42,721)	(17,59,794)	(8,62,136)	(16,70,455)	(8,55,051)
Present Value of Defined Benefit Obligations at the end of the year	6,66,42,099	5,25,43,660	4,63,80,438	4,42,51,557	3,69,71,782
B. Change in the Fair Value of Assets:					
Present Value of Plan Assets at the beginning of the year	5,14,48,047	46,612,053	4,05,55,759	3,29,65,424	2,74,69,167
Expected Return on Plan Assets	40,85,376	37,08,660	32,46,374	26,09,817	21,96,001
Actuarial Gain/(Losses)	3,58,702	9,66,569	1,04,232	9,74,159	3,43,220
Contribution by Employer	39,56,382	19,20,559	35,67,824	56,76,814	38,12,087
Benefits Paid	(11,42,721)	(17,59,794)	(8,62,136)	(16,70,455)	(8,55,051)
Present Value of Plan Assets at the close of the year	5,87,05,786	5,14,48,047	4,66,12,053	4,05,55,759	3,29,65,424
C. Reconciliation of Present Value of Defined Obligation and the Fair Value of Assets:					
Present Value of Defined Benefit Obligations at the end of the year	6,66,42,099	5,25,43,660	4,63,80,438	4,42,51,557	3,69,71,782
Present Value of Plan Assets at the close of the year	(5,87,05,786)	(5,14,48,047)	(4,66,12,053)	(4,05,55,759)	(3,29,65,424)
Liability/ (Asset) recognised in the Balance Sheet	79,36,313	10,95,613	(2,31,615)	36,95,798	40,06,358
D. Expense recognised in the Statement of Profit and Loss					
Particulars	31st March 2016 (Rs.)	31st March 2015 (Rs.)	31st March 2014 (Rs.)	31st March 2013 (Rs.)	31st March 2012 (Rs.)
Current Service Cost	38,16,506	33,88,369	33,05,444	26,96,357	23,58,297
Interest on Defined Benefit Obligation	42,91,356	43,95,138	36,23,683	32,52,987	25,71,021
Expected Return on Plan Asset	(40,85,376)	(37,08,660)	(32,46,374)	(26,09,817)	(21,96,001)
Net Actuarial Losses/(Gains) Recognised in the year	67,74,596	(8,27,060)	(40,42,342)	20,26,727	14,55,285
Unrecognised Transitional Liability	—	—	—	—	9,80,870
Total Expenses recognised in Statement of Profit and Loss	1,07,97,082	32,47,787	(3,59,589)	53,66,254	51,69,472
E. Experience Adjustments					
Experience adjustments on plan liabilities (Loss/ (Gain)).	61,58,736	(10,64,677)	12,85,524	5,92,652	36,26,443
Experience adjustments on plan assets (Loss/ (Gain))	3,58,702	9,66,569	1,04,232	9,74,159	3,43,220

Principle Actuarial Assumptions used:

	2015-16 (Rs.)	2014-15 (Rs.)
Discount Rate (p.a.) Compounded	7.75%	7.95%
Expected Rate of Return on Plan Asset (p.a.)	8.00%	8.00%
Salary Escalation Rate	6.00%	6.00%
Retirement Age	58 years	58 years
Mortality Rate	ULT (2006-08) mortality tables	ULT (2006-08) mortality tables

The obligation for leave entitlement is determined in the same manner as Gratuity and Rs. 1,27,35,908 (Previous Year Rs. 79,56,206) provided for the year in this respect has been shown under "Salaries and Wages".

Notes:

- i) Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, promotion and other relevant factors applicable to the period over which the obligation is expected to be settled.
- ii) In respect of gratuity, the funds are managed by the insurers and therefore the percentage and amount that each major category constitutes the fair value of total plan assets and effect thereof on overall expected rate of return on asset is not ascertainable.
- iii) This is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

NOTE 37

The Company's business is to provide medical and other related facilities and services. The operations of the Company being comprised of a single business segment and not comprising of other operations in the economic environments with significantly differing risks and returns, in the opinion of the management, disclosure requirements as per AS-17 on 'Segment Reporting' are not applicable to the Company.

NOTE 38

Related Party Disclosures

- a) Holding Company: The Peerless General Finance & Investment Company Limited
- b) Fellow Subsidiaries:
(having transactions with the Company)
 - Peerless Hotels Limited
 - Peerless Securities Limited
 - Peerless Financial Services Limited
- Others:
 - Kaizen Leisure & Holidays Ltd.
 - Mr. Tushar Kanti Roy – Relative of Director
- c) Key Management Personnel:
 - Mr. D. Samadar — Managing Director
 - Dr. Sujit Karpurkayastha — Medical and Joint Managing Director

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d) Details of transactions are as follows:-

Particulars	Holding Company (Rs.)	Fellow Subsidiaries (Rs.)					KMP (Rs.)
		Peerless Hotels Ltd.	Peerless Securities Ltd.	Peerless Financial Services Limited	Kaizen Leisure & Holidays Ltd.	Mr Tushar Kanti Roy	
Revenue from operations							
a) Hospital Services	3,27,069 (—)	1,38,000 (—)	47,811 (101,643)	— (—)	— (—)	— (—)	— (—)
Expenses/Reimbursements							
a) Miscellaneous Expenses (Service Charges)	1,46,961 (1,34,832)	39,388 (60,870)	— (—)	— (—)	9,46,420 (—)	— (—)	— (—)
b) Interest Expense	1,30,34,975 (2,03,34,000)	— (—)	— (—)	2,80,307 (4,19,080)	— (—)	— (—)	— (—)
c) Rent	15,67,321 (15,37,080)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
d) Remuneration	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	1,76,56,192 (1,45,43,791)
e) Electricity charges	31,894 (75,095)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
f) Retainership Fees & reimbursement of expenses	— (—)	— (—)	— (—)	— (—)	— (—)	6,00,000 (6,00,000)	— (—)

e) Outstanding Balance as at 31st March, 2016

Particulars	Holding Company (Rs.)	Fellow Subsidiaries (Rs.)
i) Term Loan	— (—)	24,00,014 (40,00,010)
ii) Interest Due	— (—)	9,206 (12,427)
iii) 7% 17,62,000 Optionally Fully Convertible Debentures of Rs.100/- each	— (17,62,00,000)	— (—)
iv) 8% 10,00,000 Optionally Fully Convertible Debenture of Rs.100/- each	10,00,00,000 (10,00,00,000)	— (—)
iv) Receivable for expenses	3,984 (4,500)	— (—)

Note :- (i) Figures in parentheses represent previous year's figures

(ii) No amount in respect of related parties has been written off / written back during the year.

NOTE 39

Earnings per Share

	2015-16 (Rs.)	2014-15 (Rs.)
(a) Profit/(Loss) after tax attributable to equity shareholders	6,91,26,972	32,00,243
(b) Numbers of Equity shares of Rs.10 each	2,11,63,209	1,76,96,980
(c) Basic and Diluted Earnings Per Share	3.27	0.18

NOTE 40

Certain debit and credit balances including trade receivables, trade and other payables and advances etc. are subject to confirmation/ reconciliation and consequential impact thereof.

NOTE 41

Figures of the previous year have been regrouped / rearranged where ever necessary to conform to the figures of the current year.

Signatures to Notes 1 to 41

For and on behalf of

LODHA & CO

Chartered Accountants

R. P. Singh
Partner

Place : Kolkata

Dated : 26th May, 2016

For and on behalf of the Board

Balaram Bose
Company Secretary

Sivasis Sarkar
Chief Financial Officer

D. Mukerjee
Director

D. Samadar
Managing Director