

Peerless Hotels Limited
Annual Report & Accounts
2016 - 17

PEERLESS HOTELS LIMITED

27th ANNUAL REPORT 2016-2017

BOARD OF DIRECTORS

Mr. S. K. Roy
Mr. S. Balasubramanian (*Independent Director*)
Mr. B. Lahiri
Mr. R. Gujral
Mr. J. Roy
Mr. N. Saha (*Independent Director*)
Mr. P. P. Ray
Mr. S. Bhattacharyya
Mr. K. Sen

CHAIRMAN

Mr. Sunil Kanti Roy

EXECUTIVE DIRECTOR

Mr. Kunal Sen

COMPANY SECRETARY

Mr. Surajit Sen

AUDITORS

M/s. Lodha & Co.
Chartered Accountants

BANKERS

Standard Chartered Bank
Union Bank of India
HDFC Bank
State Bank of India
Allahabad Bank
Syndicate Bank
Axis Bank

CORPORATE & REGISTERED OFFICE

12, J. L. Nehru Road
Kolkata 700 013
Tel : +91-33-44003900
Fax : +91-33-22288853
E-mail : cs@peerlesshotels.com
Website : www.peerlesshotels.co.in

Corporate Identity No. :
U55101WB1990PLC049988

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2017.

FINANCIAL RESULTS

A summary of the financial results for the year 2016-17 and the comparative figures of the previous year, are given below:

	31.03.2017 (Rs. in crores)	31.03.2016 (Rs. in crores)
Sales & Other Income	43.54	37.61
Profit before Depreciation and Tax	7.65	6.01
Less: Depreciation for the year	4.35	3.46
Profit before Tax	3.30	2.55
Current Tax	0.65	0.05
Deferred Tax	0.41	0.59
Income Tax for earlier years	0.03	—
Profit after Tax	2.21	1.90
Appropriation:		
Proposed Dividend*	—	0.82
Provision for Tax on Dividend*	—	0.16
General Reserve	0.80	0.80
Profit after Appropriation	1.41	0.12
Balance Carried Forward to Balance Sheet	12.27	10.86

* The Company has not accounted for Proposed Dividend and Dividend Distribution Tax as a liability as at March 31, 2017 as per revised Accounting Standard (AS) 4.

FINANCIAL PERFORMANCE

The Total Revenue of the Company increased by 15.77% over the previous year inspite of constraint market situations. The Room Revenue at The Peerless Inn Kolkata & Peerless Sarovar Portico, Port Blair increased by more than 16.97% during the year. The Profit Before Tax for the year ended 31.03.2017 increased by Rs. 74.65 Lacs as compared to that of previous year. A sum of Rs. 80 Lacs has been transferred to General Reserve and the accumulated balance in the said account as of March 31, 2017 would stand Rs. 3000.84 Lacs.

PERFORMANCE OF FOOD OUTLETS

Our food outlets AAHELI, the Authentic Signature Bengali Restaurant has won innumerable awards nationally as well as internationally and often frequented by celebrities across the country. We have re-launched our Aaheli menu. In 2017, Aaheli turns 24. Aaheli travelled to Mumbai in the food exhibition at The Leela Hotel, Mumbai and received overwhelming response.

Our OCEANIC, the Multi-cuisine Restaurant has also been a favourite spot for the foodies. We have re-launched the menu of Oceanic too. We hold food festivals of different States which has been appreciated a lot by the guests & media.

The Retro Bar-EGO is gaining momentum with music and mouth-watering food.

FUTURE OUTLOOK & INDUSTRY DEVELOPMENTS

The Indian Tourism & Hospitality Industry has emerged as one of the key drivers of growth among the services sector in India. The Tourism & Hospitality sector is among the top 10 sectors in India to attract the highest FDI. In the Union Budget 2017-18, the Government of India announced initiatives to give boost to the Tourism & Hospitality sector by worldwide launch of Incredible India campaign. India is a large market for Travel & Tourism which helps the Hospitality

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Industry. It offers a diverse portfolio of niche tourism products – Cruises, Adventure, Medical, Wellness, Sports, MICE, Eco Tourism, Film, Rural & Religious tourism. India has been recognized as a destination for spiritual tourism for Domestic & International Tourists. The Indian Tourism and Hospitality Industry contribute to 6.23% to the national GDP and 8.78% of the total employment of the country.

The year of unpredictability came through in pretty much a predictable manner – well almost, till the demonetization decision. Demand slightly slowed thereafter but partially pulled back on the growth trajectory. Kolkata has bounced back with 8.7% REVPAR growth mainly based on Occupancy. Over 70% Occupancy is the highest among all key markets and the best for this city in several past years. However, the trend also shows that Kolkata ARR has been largely stagnant and there is concern about lack of energy among key demand drivers.

DIVIDEND

Your Directors are pleased to recommend Dividend of 20% (Rs. 2.00 per Equity Share of Rs. 10 each) subject to the approval of the Shareholders at the ensuing Annual General Meeting. The Total Outflow on account of Dividend including Tax on Dividend would be Rs. 1.09 Crores.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 (“the Act”) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return in format MGT- 9 for the Financial Year 2016-17 is annexed to this report as **Annexure 1**.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties have been entered into an arms’ length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Act. No material contracts or transactions with the related parties were entered into during the year under review. Accordingly, the disclosures of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC2 is not applicable.

Details of the transactions with related parties are provided in the accompanying financial statements.

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 2017 and the date of this report.

RISK MANAGEMENT POLICY

The Company has laid out a Risk Management Policy for identifying Risks as High, Medium and Low for its assessment and mitigation, also developed a Risk Register to managing risk in an expeditious and efficient manner. A Risk Management Committee has been constituted comprising members of the senior management, with the responsibility to periodically review this risk management framework and address emerging challenges.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the designs or operations were observed. The Auditors also checked and found the said controls in order.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and

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thereby strengthen controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Management.

BOARD OF DIRECTORS

As on 31st March 2017, the Company's Board consists of nine (9) Directors having considerable professional experience in their respective fields.

The Composition of the Board of Directors as per the provision of Companies Act, 2013.

Sl. No.	Category	Name of Directors	DIN No.
1.	Non- Executive Director	Mr. Sunil Kanti Roy, Chairman	00043966
2.		Mr. Bhargab Lahiri	00043772
3.		Mr. Rajiv Gujral	00409916
4.		Mr. Jayanta Roy	00022191
5.		Mr. Patit Paban Ray	00022211
6.		Mr. Samar Bhattacharyya	00044294
7.	Independent Director	Mr. Niranjan Saha	00397354
8.		Mr. Sundaram Balasubramanian	02849971
9.	Executive Director	Mr. Kunal Sen	00207274

Mr. Sundaram Balasubramanian (DIN: 02849971) and Mr. Niranjan Saha (DIN: 00397354) were appointed as Independent Directors at the 25th Annual General Meeting held on 15th July 2015 for a period of five years each. Mr. Sundaram Balasubramanian and Mr. Niranjan Saha, both Independent Directors have submitted declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Mr. Kunal Sen (DIN: 00207274) has been re-appointed as the Executive Director of the Company with effect from 25th February 2017 for a period of six months.

In terms of Section 152 of the Companies Act, 2013 read with Article 138 of the Company's Articles of Association, Mr. Sunil Kanti Roy (DIN: 00043966) and Mr. Patit Paban Ray (DIN: 00022211), Directors will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

In compliance of the provision of Section 173 of the Companies Act, 2013, the Board of Directors of your Company met five (5) times during the Financial Year 2016-17 i.e. on 16th May, 2016; 14th July, 2016; 29th September, 2016; 16th December, 2016 and 16th March, 2017.

Details of attendance of the Directors in the Board Meetings for Financial Year 2016-17 are as under:

Sl. No.	Name	Status	No. of Meetings	
			Held	Attended
1.	Mr. Sunil Kanti Roy	Chairman	5	3
2.	Mr. Sundaram Balasubramanian	Director	5	2
3.	Mr. Bhargab Lahiri	Director	5	5
4.	Mr. Rajiv Gujral	Director	5	5
5.	Mr. Jayanta Roy	Director	5	3
6.	Mr. Niranjan Saha	Director	5	5
7.	Mr. Patit Paban Ray	Director	5	5
8.	Mr. Samar Bhattacharyya	Director	5	5
9.	Mr. Kunal Sen	Director	5	5

COMMITTEES OF THE BOARD

To ensure better, systematic and more focussed attention on the business and affairs of the Company, the Board delegates different aspects of business to the designated Committees of the Board. The Terms of Reference of the Board Committees are determined by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. Signed Minutes of the Committee meetings are placed before the Board for noting.

At present, there are four Committees of the Board as under:

- Audit Committee
- Tender Committee
- Nomination and Remuneration Committee
- CSR Committee

The Terms of Reference and composition of these Committees including the number of meetings held during the financial year ended 31st March 2017 are given below:

1. AUDIT COMMITTEE

The Terms of Reference of Audit Committee includes review of draft accounts prior to consideration by the Board of Directors, approval of annual internal audit plan, review of financial reporting systems, the Scope of Work of Internal Auditors and recommendations for appointment of Statutory and Internal Auditors.

Composition:

Audit Committee comprises of six Directors including three Non-executive Directors, two Independent Directors and one Executive Director. Mr. Niranjana Saha (Independent Director) is the Chairman and Mr. Bhargab Lahiri, Mr. Sundaram Balasubramanian (Independent Director), Mr. Rajiv Gujral, Mr. Samar Bhattacharyya and Mr. Kunal Sen are the Members of this Committee. Senior Officials of Finance & Accounts Department, Corporate Development, the Representative of Operators and the Internal Auditors are called upon in the meetings as and when required by the Chairman.

The Committee held four Meetings during the Financial Year 2016-17 on 14th May 2016, 29th August 2016, 15th December 2016 and 15th March 2017.

Details of attendance of Members in the Meetings of the Audit Committee for the Financial Year 2016-17 are as under:

Sl. No.	Name	Status	No. of Meetings	
			Held	Attended
1.	Mr. Niranjana Saha	Chairman	4	4
2.	Mr. Sundaram Balasubramanian	Member	4	2
3.	Mr. Bhargab Lahiri	Member	4	3
4.	Mr. Rajiv Gujral	Member	4	4
5.	Mr. Samar Bhattacharyya	Member	4	4
6.	Mr. Kunal Sen	Member	4	4

2. TENDER COMMITTEE

Your Company being in expansion drive, the necessity was felt to constitute a Tender Committee. The Terms of Reference of the Committee includes reviewing the quotations submitted by different Contractors, ensuring that the total expenses to be incurred towards the projects are within the financial limit sanctioned by the Board.

Composition:

Tender Committee comprises of one Independent Director, two Non-Executive Directors and one Executive Director. Mr. Niranjana Saha (Independent Director) is the Chairman and Mr. Patit Paban Ray, Mr. Samar Bhattacharyya as Non-Executive Directors and Mr. Kunal Sen, Executive Director are the Members of the Committee. Other Senior Officials of the Finance & Accounts Department and the Representative of the Operators are called upon in the meeting as and when required by the Chairman.

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The Committee held two Meetings during the Financial Year 2016-17 on 29th July 2016 and 23rd September 2016. Details of attendance of Members in the Meetings of the Tender Committee for the Financial Year 2016-17 are as under:

Sl. No.	Name	Status	No. of Meetings	
			Held	Attended
1.	Mr. Niranjana Saha	Chairman	2	2
2.	Mr. Patit Paban Ray	Member	2	1
3.	Mr. Samar Bhattacharyya	Member	2	2
4.	Mr. Kunal Sen	Member	2	2

3. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted as a Good Corporate Governance measure. The Terms of Reference of the Nomination and Remuneration Committee include formulation of policies of remuneration packages, deciding on pay scales and assessing performance of Executive Director and one level below the Board.

Composition:

Nomination and Remuneration Committee comprises of two Non-Executive Directors namely, Mr. Sunil Kanti Roy and Mr. Rajiv Gujral and one Independent Director namely Mr. Niranjana Saha. Mr. Rajiv Gujral acts as a Chairman of the Committee.

The Committee held two Meetings during the Financial Year 2016-17 on 14th May 2016 and 2nd February 2017.

Details of attendance of Members in the Meetings of the Nomination and Remuneration Committee for the Financial Year 2016-17 are as under:

Sl. No.	Name	Status	No. of Meetings	
			Held	Attended
1.	Mr. Rajiv Gujral	Chairman	2	2
2.	Mr. Sunil Kanti Roy	Member	2	2
3.	Mr. Niranjana Saha	Member	2	2

4. CSR COMMITTEE

In accordance with Section 135 of the Companies Act, 2013, a CSR Committee was formed. The Terms of Reference of CSR Committee include formulating and recommending to the Board the CSR Policy, amount of expenditure to be incurred and monitors the adherence of the policy.

Composition:

The Committee consists of three Non-Executive Directors and one Independent Director. Mr. Rajiv Gujral is the Chairman of the Committee and Mr. Bhargab Lahiri, Mr. Jayanta Roy and Mr. Niranjana Saha (Independent Director), are the Members of the Committee. Mr. Kunal Sen, Executive Director and Ms. Debasree Roy, Sr. VP are the permanent Special Invitees.

The Committee held three Meetings during the Financial Year 2016-17 on 14th May 2016, 16th December 2016 and 16th March 2017.

Details of attendance of Members in the Meetings of the CSR Committee for the Financial Year 2016-17 are as under:

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The Committee has held three Meetings during the Financial Year 2016-17.

Sl. No.	Name	Status	No. of Meetings	
			Held	Attended
1.	Mr. Rajiv Gujral	Chairman	3	3
2.	Mr. Bhargab Lahiri	Director	3	2
3.	Mr. Jayanta Roy	Director	3	1
4.	Mr. Niranjana Saha	Director	3	3

The Committee and the Board had approved the CSR Policy. The CSR Policy is uploaded on Company’s website at www.peerlesshotels.co.in. Further, the Report on CSR activities/initiatives is as follows:

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES/INITIATIVES
[Pursuant to Section 135 of the Act & Rules made there under]

Sl. No.	Particulars	Remarks
1.	A brief outline of the Company’s CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes	Please see our website: www.peerlesshotels.co.in
2.	The composition of the CSR Committee	The Committee consists of four Directors namely i Mr. Rajiv Gujral (Chairman) ii Mr. Bhargab Lahiri iii Mr. Jayanta Roy iv Mr. Niranjana Saha
3.	Average Net Profit of the Company for last 3 financial years	Rs. 549.67 Lacs
4.	Prescribed CSR expenditure (2% of amount)	Rs. 10.99 Lacs
5.	Details of CSR activities/projects undertaken during the year	
	a. Total amount spent during the financial year	Rs. 8.41 Lacs
	b. Amount unspent	Rs. 2.58 Lacs
	c. Manner in which the amount spent during the financial year is detailed below:	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/Programmes 1. Local area/others- 2. Specify the state /district (Name of the District/s, State/s where project/ programme was undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on project/ programme, 2.Overheads:	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency*
1.	Financial assistance for	Health and Nutritional Development	53, Prince Anwar Shah Road, Kolkata- 700033. West Bengal.	Rs.2,20,000/-	Direct Expenditure	Rs.2,20,000/-	Joyjeet Das Memorial School, A

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	supporting educational and nutritional development for under privileged section of the society.	for Children, Schedule, under health care.					unit of Schools of the World.
2.	Financial assistance for supporting educational development and health care awareness among girl child and women in weaker section of the society.	Promoting education, Schedule, VII (ii).	West Bengal, Sundarban.	Rs. 3,60,000/-	Direct Expenditure	Rs. 3,60,000/-	Bharat Seva Ashram Sangha, Kolkata.
3.	Financial assistance for supporting educational development and health care awareness among girl child weaker section of the society.	Promoting education, Schedule, VII (ii).	West Bengal, Gangarampur	Rs. 2,61,000/-	Direct Expenditure	Rs. 2,61,000/-	Ramakrishna Sarada Mission, Gangarampur.

* Give details of implementing Agency.

6. In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Directors' Report:- A few CSR Projects were reviewed but those did not meet the Company's parameters.
7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. **Annexure 2**

Sd/-
Executive Director

Sd/-
Chairman of CSR Committee

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INTERNAL AUDITORS

M/s. Ray & Ray, Chartered Accountants, the Internal Auditor of The Peerless Inn, Kolkata, M/s. Satya Sudhindran & Co., Chartered Accountants, the Internal Auditor of Peerless Sarovar Portico, Port Blair and M/s. NGK & Associates, Chartered Accountants, the Internal Auditor of The Peerless Inn, Hyderabad are conducting periodic Audit of the operations of the respective units of the Company & the Audit Committee reviewed their findings on regular basis.

STATUTORY AUDITORS

M/s. Lodha & Co., Chartered Accountants, (FRN 301051E) were appointed as the Statutory Auditor of the Company for a period of five consecutive years in the 24th Annual General Meeting held on 15th July 2014 subject to ratification of such appointment by Members at every Annual General Meeting of the Company. They have furnished the requisite certificate of their eligibility for re-appointment.

AUDITORS' OBSERVATIONS

There was no observation in the Auditors' Report and therefore do not call for any further comments.

HOLDING & SUBSIDIARIES

The Peerless General Finance & Investment Company Limited is the Holding Company of Peerless Hotels Limited and there is no Subsidiary Company of Peerless Hotels Limited.

FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public within the purview of Section 73 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your Directors confirm that:

- (a) In the preparation of the annual accounts for the financial year ended 31st March 2017, all applicable accounting standards had been followed and there are no material departures for the same.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year ended on 31-03-2017;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the Annual Accounts on a going concern basis;
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of energy

(i)	The steps taken or impact on conservation of energy	<p><i>The Peerless Inn, Kolkata</i></p> <ul style="list-style-type: none"> • VFD for TFA, Hydro-pneumatic system, Supply exhaust fan and AHU • Installation of new thermostat in guest rooms and interlinking with key card • Activation/replacement of 2-way valves for the AHU • Installation of new energy efficient TFAs in main building. • Replacement of incandescent lamps/CFL to LED <p><i>The Peerless Inn, Hyderabad</i></p> <ul style="list-style-type: none"> • Solar Hot Water System
(ii)	The steps taken by the Company for utilizing alternate sources of energy	<p><i>The Peerless Inn, Kolkata</i></p> <ul style="list-style-type: none"> • Using the PIK Tower signage power from Solar energy • Using of recycled water from STP <p><i>The Peerless Inn, Hyderabad</i></p> <ul style="list-style-type: none"> • Instead of Diesel hot water generator we are using Solar Hot Water System
(iii)	The capital investment on energy conservation equipments	Rs. 12.18 Lakhs

(b) Technology absorption

(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported;	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed;	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings and outgo

During the year, the total foreign exchange used was Rs. Nil and the total foreign exchange earned was Rs. 181.31 Lakhs.

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 Director, is made by the

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Independent Directors. Moreover, the Nomination and Remuneration Committee of the Company also evaluates the performance of individual Directors based on certain specific parameters. In addition to the above, evaluation is made by the Board of its own performance as well as of the statutory Committees and individual directors. The Board has adopted a questionnaire for evaluation purpose. The individual directors participate in the evaluation process and give their feedback so that a considered view is taken.

PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in the statement attached to this Report. **Annexure - 3**

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

The Company has set up an Internal Control Committee to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy. The Composition of the Committee of the Peerless Inn, Kolkata is as follows:

SI No.	Name of the Member (s)	Designation
1.	Ms. Sayantani Bose	Presiding Officer
2.	Mr. Sanjay Punj	Member
3.	Ms. Suzzane Bearder	Member
4.	Ms. Sulagna Bhattacharjee	Member
5.	Ms. Indrani Roy Mohanti	Member (NGO)

The Composition of the Internal Control Committee of the Peerless Sarovar Portico is as follows:

SI No.	Name of the Member (s)	Designation
1.	Mr. Rajesh Venkatraman	General Manager
2.	Mrs. Dhanalakshmi	Member
3.	Ms. V. Karpagam	Member

The Composition of the Internal Control Committee of The Peerless Inn, Hyderabad is as follows:

SI No.	Name of the Member(s)	Designation
1.	Mr. Jayanta Payra	Member
2.	Ms. Arsavilli Shanthi	Member
3.	Ms. Simhadri Damayanthi	Member
4.	Ms. Kondamma	Member
5.	Ms. Asma Begum	Member
6.	Ms. Melasangam Manemma	Member

There has been no complaint received on sexual harassment during the year 2016-17.

INDUSTRIAL RELATIONS

Industrial Relations remained generally cordial; Management has taken appropriate action as a matter of course, to maintain smooth functioning of the Hotel.

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OTHER DISCLOSURES

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

- i.) The Company did not issue equity shares with differential rights as to dividend, voting or otherwise.
- ii.) The Company did not issue any shares (including sweat equity shares) to employees of the Company under any scheme.
- iii.) No significance 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.
- iv.) 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 express their grateful appreciation for the assistance & co-operation received from Customers, Banks, Suppliers, Shareholders, Central & State Governments & other Statutory Authorities & others associated with the Company. Your Directors acknowledge and thanks The Peerless General Finance and Investment Company Limited for their continuous support and co-operation as Holding Company and to all concerned who have developed business relations with the Company with their continuous support. Your Directors also wish to place on record their deep sense of appreciation for the contribution by all Employees at all levels & Sarovar Hotels Pvt. Ltd., the Operators for running the operations of the Hotels and look forward for their continued support to ensure company's smooth operations, future business and growth plan.

Place : Kolkata
Dated : 10th May, 2017

Registered Office :
12, J. L. Nehru Road
Kolkata-700013.

On behalf of the Board

Sunil Kanti Roy
Chairman

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended 31.03.2017

[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 : U55101WB1990PLC049988
ii) Registration Date : 09-10-1990
iii) Name of the Company : PEERLESS HOTELS LIMITED
iv) Category/Sub-Category of the Company : Public Limited Company
v) Address of the Registered Office and contact details : 12, J. L. Nehru Road
Kolkata – 700013
Ph: (033) – 4400-3900/2228-0301
Fax: +91-33-2228-8853
Email: cs@peerlesshotels.com
Website: www.peerlesshotels.co.in
vi) Whether listed company : Yes/ No
vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : No. We have in-house Share Register and Transfer System.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hospitality Business	55101	100

III. PARTICULARS OF HOLDING COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Peerless General Finance & Investment Co. Ltd., 3, Esplanade East, Kolkata - 700069	U66010WB1932PLC007490	Holding	99.95	Section 2(46) of Companies Act, 2013

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	NIL	4577716	4577716	99.95	NIL	4577716	4577716	99.95	NIL
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	NIL	4577716	4577716	99.95	NIL	4577716	4577716	99.95	NIL
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	4577716	4577716	99.95	NIL	4577716	4577716	99.95	NIL
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	NIL	1509	1509	0.03	NIL	1509	1509	0.03	NIL
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	NIL	775	775	0.02	NIL	775	775	0.02	NIL
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(c) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	NIL	2284	2284	0.05	NIL	2284	2284	0.05	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	2284	2284	0.05	NIL	2284	2284	0.05	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	4580000	4580000	100.00	NIL	4580000	4580000	100.00	NIL

PEERLESS HOTELS LIMITED

(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.	4577716	99.95	Nil	4577716	99.95	Nil	Nil

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

During the Financial Year 2016-17 there is no change in Promoter's Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	4577716	99.95	4577716	99.95
	Date wise Increase/Decrease in Promoters Share holding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	4577716	99.95	4577716	99.95

PEERLESS HOTELS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): There is no change in Shareholding Pattern of Top Ten Shareholders during the Financial Year 2016-17

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year					
1.	Bichitra Holdings Private Limited	675	0.01	675	0.01
2.	Shikha Holdings Private Limited	354	0.01	354	0.01
3.	Peerless Hospitex Hospital and Research Center Limited	240	0.01	240	0.01
4.	Peerless Financial Products Distribution Limited	240	0.01	240	0.01
5.	Ms. Debasree Roy	137	0.00	137	0.00
6.	Ms. Kajal Chatterjee	45	0.00	45	0.00
7.	Mr. N. H. Thanawala	45	0.00	45	0.00
Date wise Increase/Decrease in Promoters Share holding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):		Nil	Nil	Nil	Nil
At the End of the year (or on the date of separation, if separated during the year)					
1.	Bichitra Holdings Private Limited	675	0.01	675	0.01
2.	Shikha Holdings Private Limited	354	0.01	354	0.01
3.	Peerless Hospitex Hospital and Research Center Limited	240	0.01	240	0.01
4.	Peerless Financial Products Distribution Limited	240	0.01	240	0.01
5.	Ms. Debasree Roy	137	0.00	137	0.00
6.	Ms. Kajal Chatterjee	45	0.00	45	0.00
7.	Mr. N. H. Thanawala	45	0.00	45	0.00

PEERLESS HOTELS 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		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1.	Mr. S. K. Roy	229	0.01	229	0.01
2.	Mr. J. Roy	229	0.01	229	0.01
3.	Mr. B. Lahiri	45	0.00	45	0.00
4.	Mr. P. P. Ray	45	0.00	45	0.00
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year				
1.	Mr. S. K. Roy	229	0.01	229	0.01
2.	Mr. J. Roy	229	0.01	229	0.01
3.	Mr. B. Lahiri	45	0.00	45	0.00
4.	Mr. P. P. Ray	45	0.00	45	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment Rs. in Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	960.00	—	—	960.00
ii) Interest due but not paid	9.47	—	—	9.47
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	969.47	Nil	Nil	969.47
Change in Indebtedness during the financial year				
• Addition	—	—	—	—
• Reduction	438.36	—	—	438.36
Net Change	438.36	Nil	Nil	438.36
Indebtedness at the end of the financial year				
i) Principal Amount	525.00	—	—	525.00
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	6.11	—	—	6.11
Total (i+ii+iii)	531.11	Nil	Nil	531.11

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.)
		Mr. Kunal Sen, ED	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55,26,600	55,26,600
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	3,88,864	3,88,864
	(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 (Fees for attending Board/Committee Meetings)	1,35,000	1,35,000
	Total (A)	60,50,464	60,50,464

Note : Remuneration pursuant to section 197 of the Companies Act, 2013 is Rs. 62,04,360.

PEERLESS HOTELS LIMITED

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount (Rs.)
		N. Saha	S. Balasubramanian	S. K. Roy	B. Lahiri	R. Gujral	J. Roy	P. P. Ray	S. Bhattacharyya	
1.	Independent Directors									
	• Fee for attending board /committee meetings	185000	50000	—	—	—	—	—	—	235000
	• Commission	37500	37500	—	—	—	—	—	—	75000
	• Others, please specify	—	—	—	—	—	—	—	—	—
	Total (1)	222500	87500	—	—	—	—	—	—	310000
2.	Other Non-Executive Directors									
	• Fee for attending board /committee meetings	—	—	65000	125000	165000	55000	85000	135000	630000
	• Commission	—	—	37500	37500	37500	37500	37500	37500	225000
	• Others, please specify	—	—	—	—	—	—	—	—	—
	Total (2)	—	—	102500	162500	202500	92500	122500	172500	855000
	Total (B)=(1+2)	222500	87500	102500	162500	202500	92500	122500	172500	1165000

PEERLESS HOTELS LIMITED

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD – Not Applicable, since Section 203 of the Companies Act, 2013 is not applicable to the Company

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission – as % of profit – others, specify...	NA NA	NA NA	NA NA
5	Others, please specify	NA	NA	NA
	Total	NA	NA	NA

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Place: Kolkata
Dated: 10.05.2017
Registered Office:
12, J. L. Nehru Road
Kolkata700013

For and on behalf of the Board

Sunil Kanti Roy
Chairman

To
The Members
Peerless Hotels Ltd.
12, J. L. Nehru Road
Kolkata - 700013

We hereby declare that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

For & On Behalf of CSR Committee

Sd/-
Mr. K. Sen
Executive Director

Sd/-
Mr. R. Gujral
Chairman of the Committee

Place: Kolkata
Date: 10-05-2017

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, 2017.

Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date of commencement of employment	Last employment Post Held
A.Top ten (10) Employees in terms of Remuneration drawn:							
Mr. Kunal Sen*	61	Executive Director	62,04,360/-	B.Com (Hons), LLB, FCA, MBA (Cambridge-UK)	36	Nov. 2007	VP- Finance & Company Secretary (R.S.Software India Ltd. Kolkata)
Mr. Tarun Kumar Maity	52	Chief Operating Officer	52,03,400/-	B.Sc, Diploma in Hotel Management	31	Sept. 2013	Regional Director (Sarovar Hotels Private Limited)
Ms. Debasree Roy	33	Senior Vice President	18,59,800/-	B.A. (English), Diploma in PR, M.A. (Mass Communication), MBA (Hospitality Management) Switzerland	07	Aug. 2010	None
Mr. Kunal Kumar Chatterjee	55	Chief Financial Officer	18,23,200/-	B.Sc., FCA	31	Jan. 2015	VP Finance
Mr. Rajesh Venkatraman	48	General Manager, PSP, Port Blair	12,57,400/-	Diploma in Hotel Management & Catering Technology, Chennai	29	Apr. 2014	GM (Sinclair Hotel, Port Blair)
Mr. Jayanta Ray	45	Sr. Project Manager	10,68,370/-	B.E. (Civil)	23	March 2011	RPG Retail (Spencer's Ltd.)
Mr. Subhomoy De	50	General Manager, Peerless Inn Kolkata	10,44,160/- (Left on 15.10.2016)	Diploma in Hotel Management, IHM Kolkata	28	March 2011	GM (Royal Sarovar) Siliguri
Mr. Manoj Charles Abraham	53	GM, Peerless Inn Hyderabad	8,46,000/-	Hotel Management	28	Sept. 2015	Sarovar Rurkee
Mr. Kallol Chowdhury	48	Chief Engineer	7,61,520/-	Graduate (Marine Engineering)	24	Apr. 2015	Novotel Hotel
Mr. Sanjay Punj	51	General Manager, Peerless Inn Kolkata	7,50,000/- (Joined on 05.01.2017)	B.A., IHM Bhubaneswar	28	Jan. 2017	GM (ITC Fortune, Jaipur)

B. Employed throughout the Financial Year and in receipt of Remuneration aggregating Rs. 1.02 Crore per annum- None

C. Employed for a part of the Financial Year and in receipt of Remuneration aggregating Rs. 8.50 Lacs per month- None

PEERLESS HOTELS LIMITED

- Notes:**
1. Gross Remuneration comprises salary and allowances, monetary value of perquisites and sitting fees.
 2. The appointment is contractual and subject to the rules and regulations of the Company for the time being in force.
 3. Mr. Kunal Sen is not a relative of any Director or Manager of the Company.

Place : Kolkata
Dated : 10th May, 2017

Registered Office :
12, J. L. Nehru Road
Kolkata 700 013

By Order of the Board

Sunil Kanti Roy
Chairman

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEERLESS HOTELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Peerless Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, significant accounting policies and other notes for the year ended on that date.

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 the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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, 2017, and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India

PEERLESS HOTELS LIMITED

in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph 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 purposes of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- 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 and with the returns received from the branches not visited by us;
- d) In our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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. Pending litigations (Other than those already recognised in the accounts) having material impact on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013;
 - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees existing on November 08, 2016) (SBN's) during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosure are in accordance with books of account maintained by the Company and as produced to us by the management. However, as stated in note 2.37 to the financial statements and also as represented to us by the Management, Rs. 1.50 lakhs have been utilized and Rs. 11.05 lakhs have been received from transactions which were not permitted.

For **LODHA & CO.**
Chartered Accountants
Firm's ICAI Registration No. 301051E

Place : Kolkata
Dated : 10th May, 2017

R. P. Singh
Partner
Membership No. 52438

ANNEXURE “A” to the Independent Auditors’ Report:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b. We are informed that the fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three to five years which in our opinion is reasonable having regard to the size of the Company and nature of its assets and accordingly certain fixed assets have been verified during the year. As informed, no material discrepancies were noticed on such verifications.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) a. As informed, physical verification has been conducted by the management at reasonable intervals in respect of inventory of food, beverages and supplies;
- b. The Company is maintaining proper records of inventory and according to the information and explanation given to us, the discrepancies noticed on physical verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of accounts.
- iii) a. According to the information and explanations given to us, the Company had granted in earlier year interest free advance in the nature of loan to Kaizen Leisure and Holidays Limited, which is covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amounts involved during the year was Rs 13,08,805 and the year-end balance in respect of such loan granted was Rs 11,08,805;
- b. In respect of the above interest free loan, as explained, the terms and conditions of repayment which were rescheduled in earlier year, prima facie, are not prejudicial to the interest of the Company;
- c. In terms of the settlement arrived at, Rs 2,00,000 has been repaid regularly towards principal amount of such loan;
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
- vii) a. According to the information and explanations given to us, during the year, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees’ State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and Cess, if any, as at 31st March, 2017, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	13,56,001	AY 2012-13	Commissioner of Income Tax (Appeals)
Employees’ State Insurance Act, 1948	ESI	939,795*	2001-2002	Employees’ Insurance Court West Bengal, Kolkata

*Excluding Rs. 2.34 lacs deposited for filing case in the forum.

PEERLESS HOTELS LIMITED

- viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to 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.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) 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
Membership No. 52438

Place : Kolkata

Dated : 10th May, 2017

ANNEXURE “B” to the Independent Auditors’ Report:

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Hotels Limited (“the Company”) as of March 31, 2017 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

PEERLESS HOTELS LIMITED

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**
Chartered Accountants
Firm's ICAI Registration No. 301051E

R. P. Singh
Partner
Membership No. 52438

Place : Kolkata
Dated : 10th May, 2017

PEERLESS HOTELS LIMITED

**BALANCE SHEET
AS AT 31ST MARCH, 2017**

	Note No.	As at 31st March, 2017		(Rs. in Lakhs) As at 31st March, 2016	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	458.00		458.00	
Reserves And Surplus	2.2	<u>7,968.15</u>	8,426.15	<u>7,747.45</u>	8,205.45
Non-Current Liabilities					
Long-Term Borrowings	2.3	215.00		620.00	
Deferred Tax Liabilities (Net)	2.29	65.54		24.15	
Other Long-Term Liabilities	2.4	1.62		1.42	
Long-Term Provisions	2.5	<u>121.83</u>	403.99	<u>80.27</u>	725.84
Current Liabilities					
Trade Payables	2.6				
Total outstanding dues of Micro and Small Enterprises		—		—	
Total outstanding dues other than Micro and Small Enterprises		322.31		293.13	
Other Current Liabilities	2.7	459.55		515.53	
Short-Term Provisions	2.8	<u>195.28</u>	977.14	<u>284.91</u>	<u>1,093.57</u>
			<u>9,807.28</u>		<u>10,024.86</u>
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	2.9	8,093.29		8,384.59	
Intangible Assets	2.9	14.47		38.26	
Non-Current Investments	2.10	7.00		7.00	
Long-Term Loans And Advances	2.11	<u>388.68</u>	8,503.44	<u>340.14</u>	8,769.99
Current Assets					
Current Investments	2.12	315.95		204.84	
Inventories	2.13	23.96		23.19	
Trade Receivables	2.14	281.12		280.48	
Cash And Bank Balances	2.15	605.54		667.50	
Short-Term Loans And Advances	2.16	70.74		64.70	
Other Current Assets	2.17	<u>6.53</u>	1,303.84	<u>14.16</u>	1,254.87
TOTAL			<u>9,807.28</u>		<u>10,024.86</u>

Summary of Significant Accounting Policies **1**

Notes on Financial Statements **2.1 to 2.38**

The Notes are an integral part of the Financial Statements

As per our Report of even date

For LODHA & CO.

Chartered Accountants

R. P. Singh

Partner

Date : 10th May, 2017

Place : Kolkata

For and on behalf of the Board

N. Saha – Director

K. Sen – Executive Director

K. K. Chatterjee – Chief Financial Officer

S. Sen – Company Secretary

PEERLESS HOTELS LIMITED

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. in Lakhs)

	Note No.	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Revenue:			
Revenue From Operations	2.18	4,306.43	3,644.64
Other Income	2.19	48.04	116.46
Total Revenue		<u>4,354.47</u>	<u>3,761.10</u>
Expenses :			
Consumption Of Provisions, Stores And Wines	2.20	477.39	416.58
Employee Benefit Expenses	2.21	1,197.67	1,029.14
Depreciation And Amortization Expenses	2.9	435.17	346.39
Finance Costs	2.22	86.41	127.19
Other Expenses	2.23	1,828.26	1,586.88
Total Expenses		<u>4,024.90</u>	<u>3,506.18</u>
Profit Before Tax		<u>329.57</u>	254.92
Tax Expense :			
(1) Current Tax	2.24	65.10	5.08
(2) Deferred Tax	2.29	41.39	59.39
(3) Income Tax for earlier year		2.38	—
Total Tax Expenses		<u>108.87</u>	<u>64.47</u>
Profit For The Year		<u>220.70</u>	<u>190.45</u>
Earnings Per Equity Share:			
Equity share of par value of ₹ 10 each			
(1) Basic	2.34	4.82	4.16
(2) Diluted	2.34	4.82	4.16
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2.1 to 2.38		

The Notes are an integral part of the Financial Statements

As per our Report of even date
For LODHA & CO.
Chartered Accountants
R. P. Singh
Partner
Date : 10th May, 2017
Place : Kolkata

For and on behalf of the Board

N. Saha – Director
K. Sen – Executive Director
K. K. Chatterjee – Chief Financial Officer
S. Sen – Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash Flow From Operating Activities :		
Net Profit before Taxation	329.57	254.92
Add:		
Depreciation/Amortisation	435.17	346.39
Loss/(profit) on sale/discard of Fixed Assets	1.03	(0.48)
Interest Income	(20.74)	(28.94)
Finance costs	86.41	127.19
Loss/(profit) on Sale of Investments	(0.02)	7.53
Provision for Claims and Contingencies	14.57	13.49
Liabilities No Longer Required written back	(7.24)	(0.21)
Provision No Longer Required written back	(2.00)	(2.00)
Provision for Diminution in Investment no longer required written back	(2.53)	(6.22)
Dividend from Investment	(9.63)	(65.86)
	495.02	390.89
Operating Profit before Working Capital changes	824.59	645.81
Less:		
Increase/(decrease) in Trade Payables, Liabilities and Provisions	57.18	130.77
Decrease/(increase) in trade receivables	(0.64)	(122.84)
Decrease/(increase) in inventories	(0.77)	(5.50)
Decrease/(increase) in Loans & Advances and other assets	(28.95)	(37.84)
	26.82	(35.41)
Cash generated from/(used in) operations	851.41	610.40
Less: Direct Taxes Paid (net of refunds)	(85.33)	(97.94)
Net Cash From/(used in) Operating Activities (A)	766.08	512.46
Cash Flow From Investing Activities:		
Purchase of Fixed Assets/movement in Capital Work in Progress	(125.43)	(3,070.48)
Proceeds from Sale of Fixed Assets	(1.03)	3.61
Purchase of current Investment	(160.00)	—
Proceeds from Sale/maturity of Current investments	51.44	3,045.86
Interest Received	20.59	26.20
Dividend received	9.63	65.86
Other bank balance: Deposits within 3 to 12 months maturity	(1.97)	244.56
Net Cash From/(used in) Investing Activities (B)	(206.77)	315.61

PEERLESS HOTELS LIMITED

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash Flow From Financing Activities:		
Repayment of Long Term Borrowings	(435.00)	(209.91)
Interest paid	(89.77)	(130.45)
Dividend Paid including dividend distribution tax	(98.47)	(165.37)
Net Cash From/(used in) Financing Activities (C)	(623.24)	(505.73)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(63.93)	322.34
Cash And Cash Equivalents at the beginning of the year	606.55	284.21
Cash And Cash Equivalents at the end of the year (Refer note 2.15)	542.62	606.55

Note:

- 1.. Cash and Cash Equivalents represents cash in hand and deposits/ balances with Banks.
2. The cash flow statement has been prepared under indirect method as per Accounting Standard 3 on Cash Flow Statement

As per our Report of even date
For LODHA & CO.
Chartered Accountants
R. P. Singh
Partner
Date : 10th May, 2017
Place : Kolkata

For and on behalf of the Board

N. Saha – Director
K. Sen – Executive Director
K. K. Chatterjee – Chief Financial Officer
S. Sen – Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies:

- (a) **Basis of Accounting:** The Financial statements have been prepared on historical cost basis and on the principle of a going concern. The company follows mercantile system of accounting unless stated otherwise. The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and accounting standards as prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.
- (b) **Use of Estimates:** The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates and these are recognized in the year in which results become known/materialise.
- (c) **Revenue:** Revenue comprises of sale of Room, Food & Beverages and related allied services. Discount allowed on sale of room has been deducted from gross proceeds.
- (d) **Fixed Assets:**
 - (i) Tangible Fixed Assets are stated at cost of acquisition, construction and subsequent improvements thereto. Cost includes taxes, duties (net of cenvat availed), inward freight, installation expenses and adjustments for exchange difference wherever applicable.
 - (ii) Intangible Fixed Assets like Software, etc. are capitalised at the cost of acquisition less accumulated amortised amount.
 - (iii) Pending completion/installation of the Fixed Assets, interest and other costs incurred on/or related to direct borrowings to finance fixed assets during construction period, pre-operative expenses, cost of plant, machineries and equipments to be installed, construction and erection material, and other cost thereof are capitalized and shown under Capital Work in Progress.
- (e) **Depreciation and Amortisation:**
 - (i) Depreciation has been charged on straight-line method as per Schedule-II of the Companies Act, 2013.
 - (ii) Intangible Assets are amortised over a period of five years or in a lesser period if useful life is lower than five years on straight-line basis.
 - (iii) Assets whose original cost does not exceed Rs. 5,000 are depreciated fully in the year of acquisition.
 - (iv) Linen, Carpet and other furnishing items in case of new project are capitalized as furniture and fixture and depreciated over 3 years. Subsequent expenditure in this respect are charged to statement of Profit and Loss.
- (f) **Investments:** Non-current investments are stated at cost less diminution in the values thereof, other than temporary. Current Investments are stated at Cost or Fair Value whichever is lower.
- (g) **Inventories:** Inventory of Raw Materials & Consumables are stated at cost. Inventory of food and beverages is valued at lower of cost or net realisable value. Cost of Inventories are valued on FIFO basis.
- (h) **Foreign Currency Transactions:** Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency monetary assets and liabilities at

the period end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of foreign currency transactions during the period are recognised as revenue or expenses and are adjusted to the Statement of Profit and Loss.

- (i) **Borrowing Cost:** Borrowing costs attributable to the acquisition, construction of qualifying assets is capitalised as the part of the cost of such assets upto the date when such assets are ready for intended use. A qualifying asset is one that takes substantial period of time for completion. Other borrowing costs are charged as an expense in the year in which these are incurred.
- (j) **Employee Benefit Expense:** The Company has Defined Contribution Plan for its employees' Retirement Benefits comprising of Provident Fund, Pension Fund. The Company makes regular contribution to Provident Fund, which are fully funded and administered by the Government. Contributions are recognized in Statement of Profit and Loss on accrual basis.

The Company has Defined Benefit Plan comprising of Gratuity and Leave Encashment schemes. The Company contributes to the Gratuity Fund under the Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation (LIC) for future payment of gratuity liability to its employees. In terms of Accounting Standard 15 (AS-15) on "Employee Benefits", the liability for the Gratuity and Leave Encashment as at the year-end has been provided on the basis of an independent actuarial valuation in accordance with the projected unit credit method.

Actuarial gain and losses are recognized in the year when they arise.

- (k) **Income Tax:** Provision for Income Tax is made for current and deferred tax. Current tax is provided on taxable income using the applicable tax rate and tax laws. Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversals in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is a "virtual certainty" that such deferred tax assets can be realized against future taxable profits.
- (l) **Impairment:** 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 is determined. An impairment loss is recognised, whenever the carrying amounts 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 the 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.
- (m) **Assets taken on Lease:** Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight line basis, representing the time pattern of benefits received from the use of the assets taken on lease.
- (n) **Provisions & Contingencies:** Provisions involving substantial degree of estimation in measurement are recognized 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 recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

PEERLESS HOTELS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.1 SHARE CAPITAL (Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
AUTHORISED SHARES :			
5,000,000 (Previous year 5,000,000)			
Equity Shares of Rs. 10/- each		500.00	500.00
		<u>500.00</u>	<u>500.00</u>
ISSUED, SUBSCRIBED AND PAID-UP SHARES :			
4,580,000 (Previous year 4,580,000)			
Equity Shares of Rs.10/- each fully paid-up		458.00	458.00
(Of the above 4,577,716 (Previous year 4,577,716) Equity Shares are held by the Holding Company, i.e., The Peerless General Finance & Investment Company Limited and two of its subsidiaries. Other than this, there are no holders of more than 5% shares of the Company)		<u>458.00</u>	<u>458.00</u>

- 2.1.1 The Company has only one class of Equity Shares having a Par Value of Rs.10 each. Each holder of the Equity Shares is entitled for one vote per share.
- 2.1.2 In the event of liquidation, the equity shareholders are eligible to receive the assets of the company remaining after distribution of all preferential amounts, in proportion to their shareholding.
- 2.1.3 There is no movement in the number of shares outstanding at the beginning and at the end of the year.
- 2.1.4 The Board of Directors of the Company proposed a final dividend of Rs. 2.00 Per share in respect of the year ended 31st March, 2017 subject to the approval of Shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs.109.42 lakhs including tax of Rs.17.82 lakhs on amount of dividend distribution.

PEERLESS HOTELS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.2 RESERVES AND SURPLUS

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
SECURITIES PREMIUM ACCOUNT			
As per last Balance Sheet		3,741.00	3,741.00
GENERAL RESERVE			
As per last Balance Sheet		2,920.84	2,840.84
Add: Transferred from Surplus		80.00	80.00
		3,000.84	2,920.84
SURPLUS			
As per last Balance Sheet		1,085.61	1,073.63
Add: Net Profit after Tax transferred from Statement of Profit & Loss		220.70	190.45
Amount Available for Appropriation		1,306.31	1,264.08
Less: Appropriations			
Proposed Dividend on Equity Shares (Per Share Rs. Nil (Previous Year Rs.1.80))		—	82.44
Tax on Dividend		—	16.03
Transferred to General Reserve		80.00	80.00
Net Surplus in the Statement of Profit & Loss		1,226.31	1,085.61
Total Reserves and Surplus		7,968.15	7,747.45

2.3 LONG-TERM BORROWINGS

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
Secured Loans			
Term Loan - from Bank	2.3.1, 2.3.2 and 2.3.3	525.00	960.00
Less: Current Maturities of Long Term Debt	2.7	310.00	340.00
		215.00	620.00

2.3.1 Secured against equitable mortgage of land measuring 15 cottah 09 chittak at 2, Chowringhee Place, and 1st charge on all tangible moveable plant & equipments together with other moveable assets both present and future.

2.3.2 Repayment details of Term loan from bank are as follows:

2018-2019 215.00

2.3.3 Interest Rate for the above Term loan is based on Floating Rate which is Bank's Base Rate Plus 1.80% Per Annum (currently 11.50%)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.4 OTHER LONG TERM LIABILITIES

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
Security Deposits		1.62	1.42
		1.62	1.42

2.5 LONG-TERM PROVISIONS

Particulars	Ref	As at 31.03.17	As at 31.03.16
Provision for Employee Benefits :			
Compensated Absences	2.30	83.83	65.66
Gratuity	2.30	38.00	14.61
		121.83	80.27

2.6 TRADE PAYABLES

Particulars	Ref	As at 31.03.17	As at 31.03.16
Payable for Goods & Services			
Due to Micro and Small Enterprises	2.6.1	—	—
Others		322.31	293.13
		322.31	293.13

2.6.1 The disclosure of trade payables is based on the available information with the company regarding the status of the suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers. There is no overdue amounts outstanding as on 31st March, 2017. Based on above the relevant disclosures under section 22 of the Act are as follows:

Particulars	Ref	As at 31.03.17	As at 31.03.16
i) Principal amount outstanding at the end of the Year		—	—
ii) Interest amount due at the end of the Year		—	—
iii) Interest paid to the Suppliers		—	—

2.7 OTHER CURRENT LIABILITIES

Particulars	Ref	As at 31.03.17	As at 31.03.16
Current Maturities of Long Term Debt- Secured	2.3	310.00	340.00
Interest accrued and due on Term Loan		6.11	9.47
Advance from Customers		62.08	74.48
Other Payables			
Directors' Commission Payable		3.00	3.00
Statutory Dues - P.F., ESI, TDS, etc.		67.10	71.56
Capital Vendors		9.24	14.59
Others		2.02	2.43
		459.55	515.53

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.8 SHORT-TERM PROVISIONS

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
Provision for Employee Benefits			
Bonus & Exgratia		67.43	55.52
Compensated Absences	2.30	37.75	36.14
Gratuity	2.30	15.00	15.00
Provision for Proposed Dividend		—	82.44
Provision for Tax on Dividend		—	16.03
Other Provisions	2.8.1	75.10	79.78
		<u>195.28</u>	<u>284.91</u>

2.8.1 Other provisions represents claims by certain employees not acknowledged by the company pending resolution on the matter by the labour court and determination of the amount thereof. Carrying amount in this respect at the end of the year is Rs. 75.10 Lakhs (Previous year Rs. 79.78 Lakhs.). Rs.14.57 Lakhs (Previous year - Rs.13.49 Lakhs) has been created during the year and Rs.19.25 Lakhs (Previous year -Rs. 33.74 Lakhs) has been paid during the year.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 1st April 2016	Addition	Deductions	As at 31st March 2017	Upto 31st March 2016	For the Year	Deductions	Upto 31st March 2017	As on 31st March 2017	As on 31st March 2016
TANGIBLE ASSETS :										
FREEHOLD LAND	3,154.78	—	—	3,154.78	—	—	—	—	3,154.78	3,154.78
BUILDINGS	3,285.83	1.67	—	3,287.50	64.20	55.22	—	119.42	3,168.08	3,221.63
PLANT & EQUIPMENTS	1,976.03	56.71	15.26	2,017.48	709.67	177.70	13.60	873.77	1,143.71	1,266.36
OFFICE EQUIPMENTS	259.11	27.61	1.57	285.15	132.03	62.21	1.50	192.74	92.41	127.08
FURNITURE & FIXTURES	865.33	13.83	—	879.16	295.82	102.31	—	398.13	481.03	569.51
VEHICLES	82.61	18.99	6.41	95.19	37.38	10.61	6.08	41.91	53.28	45.23
SUB TOTAL	9,623.69	118.81	23.24	9,719.26	1,239.10	408.05	21.18	1,625.97	8,093.29	8,384.59
INTANGIBLE ASSETS:										
COMPUTER SOFTWARE	71.17	3.33	—	74.50	32.91	27.12	—	60.03	14.47	38.26
GRAND TOTAL	9,694.86	122.14	23.24	9,793.76	1,272.01	435.17	21.18	1,686.00	8,107.76	8,422.85
PREVIOUS YEAR	6,560.11	3,143.89	9.14	9,694.86	931.63	346.39	6.01	1,272.01	8,422.85	

2.9.1 Refer Note No. 2.3.1 and 2.27 of the Financial Statements

PEERLESS HOTELS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.10 NON-CURRENT INVESTMENTS

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
OTHER THAN TRADE			
(Valued at Cost, unless stated otherwise)			
Investment in Equity Instruments			
UNQUOTED			
Peerless Hospitex Hospital and Research Center Ltd. 70,000 Equity Shares (Previous Year 70,000 Equity Shares) @ Rs.10/- each fully paid up		7.00	7.00
		<u>7.00</u>	<u>7.00</u>
2.10.1 Aggregate Book Value of Unquoted Investments		7.00	7.00

2.11 LONG-TERM LOANS AND ADVANCES

Particulars	Ref	As at 31.03.17	As at 31.03.16
Unsecured			
Considered Good			
Capital Advance		43.06	18.42
Security Deposit		111.06	107.90
MAT Credit Entitlement	2.11.1	31.22	33.47
Advance Income Tax including Tax deducted at source (Net of Provision Rs.1,229.75 Lakhs (Previous year - Rs.1,164.52 Lakhs))		198.08	177.98
Other Loans and Advances			
Prepaid Expenses		3.90	2.37
Advance to Employees		1.36	—
		<u>388.68</u>	<u>340.14</u>
Considered Doubtful			
Advances to Related Party			
Kaizen Leisure & Holidays Ltd		9.09	11.09
Less: Provision for Doubtful Advance		9.09	11.09
		<u>—</u>	<u>—</u>
		<u>388.68</u>	<u>340.14</u>

2.11.1 The Company is entitled to MAT Credit and accordingly based on evidences MAT Credit entitlement of Rs. 31.22 lakhs (Previous Year Rs. 33.47 lakhs) has been carried forward in this Financial Statement.

PEERLESS HOTELS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.12 CURRENT INVESTMENTS

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
OTHER THAN TRADE			
(Valued at Cost or Fair value whichever is lower)			
UNQUOTED			
Investments in Mutual Fund			
Peerless Short Term Fund-Quarterly Dividend-Reinvestment 1,984,271.256 units (Previous year- 1,905,223.934 units) of Rs.10 each		225.59	217.06
SBI Savings Fund - Regular Plan - Daily Dividend- Reinvestment 992,984.67 units (Previous year- Nil units) of Rs.10 each		100.05	—
		325.64	217.06
Less : Provision for diminution in value of Investment		9.69	12.22
		315.95	204.84
2.12.1 Aggregate Book Value of Unquoted Investments		325.64	217.06
2.12.2 Aggregate NAV of Unquoted Investments		315.95	204.84
2.12.3 Aggregate provision for Investment		9.69	12.22

2.13 INVENTORIES

**(Valued at lower of cost and net realisable value)
(As taken, valued and certified by Management)**

Particulars	Ref	As at 31.03.17	As at 31.03.16
Provisions, Beverages and Smokes		11.78	11.62
Wine & Liquor		12.18	11.57
		23.96	23.19

2.14 TRADE RECEIVABLES

Particulars	Ref	As at 31.03.17	As at 31.03.16
Unsecured, Considered Good			
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		5.13	4.54
Others		275.99	275.94
		281.12	280.48

PEERLESS HOTELS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.15 CASH AND BANK BALANCES

(As certified by Management)

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
Cash And Cash Equivalents			
Balances with Bank			
In Current Account	2.15.1	241.38	299.06
Cash in Hand		7.22	4.91
Cheques in Hand		19.02	17.58
Fixed Deposit Accounts(including Interest Accrued thereon) with Original Maturity of less than 3 months		275.00	285.00
		542.62	606.55
Other Bank Balances			
Fixed Deposit Accounts (including Interest Accrued thereon) with Original Maturity of more than 3 months but less than 12 months		62.92	60.95
		605.54	667.50

2.15.1 Includes Rs.1.60 lacs (Previous year- Rs. 1.60 lacs) against Right Issue pending utilisation

2.16 SHORT-TERM LOANS AND ADVANCES

Particulars	Ref	As at 31.03.17	As at 31.03.16
Unsecured			
Considered Good			
	2.28		
Advance to Employees		4.94	6.33
Advance to Suppliers		2.17	0.97
Balance with Government Authorities		17.98	15.83
Other Loans and Advances			
Prepaid Expenses		45.65	41.57
		70.74	64.70
Considered Doubtful			
Kaizen Leisure & Holidays Limited		2.00	2.00
Less: Provision for Doubtful Advances		2.00	2.00
		—	—
		70.74	64.70

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.17 OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	Ref	As at 31.03.17	As at 31.03.16
Interest Receivable	2.28	3.47	3.32
Other Receivables	2.28	3.06	10.84
		6.53	14.16

2.18 REVENUE FROM OPERATIONS

Particulars	Ref	As at 31.03.17	As at 31.03.16
Sale of Services			
Rooms		2,802.91	2,288.05
Food and Beverage		1,313.19	1,185.49
Wine and Liquor		86.39	82.70
Other Services		93.06	84.47
Other Operating Revenues			
Liabilities no longer required written back		7.24	0.21
Incentive and Commission		3.64	3.72
		4,306.43	3,644.64

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.19 OTHER INCOME

(Rs. in Lakhs)

Particulars	Ref	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Interest on Fixed Deposits and others		20.74	28.94
Dividend Income from Current Investment		9.63	65.86
Provisions no longer Required written back		2.00	2.00
Provision for Diminution in Investment no longer required written back		2.53	6.22
Profit on Sale of Fixed Assets (Net)		—	0.48
Profit on Sale of Investments		0.02	—
Rental Income		10.97	10.15
Miscellaneous Income		2.15	2.81
		48.04	116.46

2.20 CONSUMPTION OF PROVISIONS, STORES & WINES

Particulars	Ref	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
(i) PROVISIONS, BEVERAGES AND SMOKES (EXCLUDING WINE AND LIQUOR)			
Opening Stock		11.62	5.43
Add : Purchases		445.64	396.16
		457.26	401.59
Less : Closing Stock		11.78	11.62
		445.48	389.97
(ii) WINE AND LIQUOR			
Opening Stock		11.57	12.26
Add : Purchases		32.52	25.92
		44.09	38.18
Less : Closing Stock		12.18	11.57
		31.91	26.61
Total (i) + (ii)	2.33	477.39	416.58

2.21 EMPLOYEE BENEFITS EXPENSE

Particulars	Ref	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Salaries and Other Allowances	2.30	960.45	839.68
Contribution to Provident and Other Funds	2.30	81.89	64.65
Staff Welfare Expenses		155.33	124.81
		1,197.67	1,029.14

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.22 FINANCE COSTS

(Rs. in Lakhs)

Particulars	Ref	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Interest on Term loan		86.41	127.19
		<u>86.41</u>	<u>127.19</u>

2.23 OTHER EXPENSES

Particulars	Ref	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Crockeries, Cutleries and Others		17.72	11.73
Linen and Laundry Expenses		44.52	41.18
Expenses on Apartment and Board		195.63	175.99
Power, Fuel and Water Charges		418.23	403.42
Renewal and Replacements	2.33		
– Building		105.70	105.09
– Machinery		32.79	29.31
– Others		48.57	42.38
Rent	2.32	211.46	190.47
Rates and Taxes		75.11	59.03
Printing and Stationery		29.09	28.11
Insurance		20.98	11.39
Travelling and Conveyance		27.88	33.88
Communication Charges		32.73	26.82
Auditors' Remuneration			
Audit Fees		6.00	6.00
Others		1.35	0.85
Commission		64.34	41.97
Professional and Technical Service Charges		25.66	39.70
Motor Car Upkeep and Car hire charges		54.60	53.80
Licence Fees		37.05	25.18
Advertisement and Publicity		78.18	43.25
Hiring charges		14.33	13.55
Directors' fee		10.00	10.25
Directors' Commission		3.00	3.00
Charity and Donation	2.23.1	8.41	2.00
Provision for Claims and Contingencies	2.8.1	14.57	13.49
Loss on sale of Investments (Net)		—	7.53
Loss on sale of fixed Assets (Net)		1.03	—
Legal and Court expenses		69.26	7.14
Management Fees		170.91	152.85
Miscellaneous Expenses		9.16	7.52
		<u>1,828.26</u>	<u>1,586.88</u>

2.23.1 Represents expenses incurred on account of Corporate Social Responsibility (CSR)

NOTES ON FINANCIAL STATEMENTS

2.24 TAX EXPENSES

(Rs. in Lakhs)

Particulars	Ref	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Provision for Current Tax		65.23	38.55
Less: MAT Credit Entitlement	2.11.1	(0.13)	(33.47)
		<u>65.10</u>	<u>5.08</u>

2.25 CAPITAL COMMITMENTS

(Rs. in Lakhs)

Particulars	As On 31st March, 2017	As On 31st March, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17.63	12.18

2.26 CONTINGENT LIABILITIES

There are contingent liabilities not acknowledged as debt which are disputed and/or pending in appeals:

(Rs. in Lakhs)

Sl. No.	Particulars	Year	As On 31st March, 2017	As On 31st March, 2016
i)	Income Tax matter pending in appeal	Assessment Year 2012-13	25.24	25.24

Note:

The Company's pending litigations comprise of proceedings with Taxation/Government/ Statutory Authorities. The Company has reviewed all its pending litigations and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial positions. Future cash outflows, if any, in respect of the above is dependent upon the outcome of judgment /decision

2.27 Pursuant to an agreement dated 16th October, 2015 Land, Building and other fixed assets of a hotel comprising of 65 rooms had been acquired with effect from said date at a lumpsum consideration of Rs. 2,770.68 lakhs. The consideration so paid along with Stamp Duty and other cost incurred on acquisition had been segregated as per the independent technical estimate and capitalised as cost to the respective assets. The figures for the previous year therefore includes results pertaining to the said hotel from the said date only, figures for the current year are therefore not comparable with previous year's figure.

2.28 In the opinion of the management, current assets and loans & advances have the value at which these are stated in the balance sheet, unless otherwise stated and adequate provision for all known liabilities have been made and are not in excess of the amount reasonably required.

NOTES ON FINANCIAL STATEMENTS

2.29 Components of deferred tax assets and liabilities are as follows:

(Rs. in Lakhs)

Particulars	As on 1st April, 2016	Charge/(Credit)	As on 31st March, 2017
		For the Period	
Deferred Tax Assets			
Expenses allowable on payment basis	(46.55)	(14.28)	(60.83)
Other Provisions	(30.42)	2.38	(28.04)
Deferred Tax Liabilities			
Timing difference w.r.t. Fixed Assets	101.12	53.29	154.41
Net Deferred Tax (Asset)/Liability	24.15	41.39	65.54

2.30 Employee Benefits

The disclosures as per the Accounting Standard 15 (AS-15) on “Employee Benefits” are given below:

a) **Defined Contribution Plan**

Defined Contribution Plan recognized as expenses for the year are as under:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Employer’s Contribution to Provident Fund	20.02	17.70
Employer’s Contribution to Pension Fund	28.74	24.36
Employer’s Contribution to Employees State Insurance Scheme	17.10	11.34

NOTES ON FINANCIAL STATEMENTS

b) **Defined Benefit Plan**

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India Limited is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The disclosure as required under AS 15 regarding the Company's Gratuity Plan (Funded) is as follows

(Rs. in Lakhs)

Particulars	2016-17	2015-16
A. Change in Defined Benefit Obligations representing reconciliation of opening and closing balance thereof are as follows:		
Liability at the beginning of the Year	199.11	178.92
Current Service Cost	14.40	11.46
Interest Cost	15.59	14.21
Benefits Paid	(14.98)	(14.44)
Actuarial (Gains)/ Losses on obligations	15.60	8.96
Liability at the end of the Year	229.72	199.11
B. Change in the Fair Value of Assets representing reconciliation of opening and closing balance thereof are as follows:		
Fair value of Planned Assets at the beginning of the year	169.50	142.02
Expected Return on Planned Assets	12.35	10.34
Actuarial Gain /(losses) on Plan Assets	(1.04)	0.75
Contributions by the Company	10.89	30.83
Benefits paid	(14.98)	(14.44)
Fair value of Planned Assets at the end of the year	176.72	169.50
Total Actuarial gain/(Loss) to be recognized	(16.64)	(8.21)
C. Expenses recognized in the Statement Of Profit And Loss		
Current Service Cost	14.40	11.46
Interest Cost	15.59	14.21
Expected Return on Plan Assets	(12.35)	(10.34)
Actuarial (Gain)/ Loss	16.64	8.21
Expenses recognized in the Statement of Profit And Loss *	34.28	23.54
D. Amount Recognised in the Balance Sheet		
Liability at the end of the Year	229.72	199.11
Fair Value of Plan Assets at the end of the Year	176.72	169.50
	53.00	29.61
E. Balance Sheet Reconciliation:		
Opening Net Liability	29.61	36.90
Expenses as above	34.28	23.54
Employers Contribution	(10.89)	(30.83)
Amount recognized in the Balance Sheet	53.00	29.61
F. Principal Actuarial Assumptions as at Balance Sheet Date		
Discounted Rate (per annum) Compound	7.15%	7.75%
Rate of return on Plan Assets	7.50%	7.50%
Rate of Salary increase (per annum)	7.00%	7.00%

NOTES ON FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation at the end of the year	229.72	199.11	178.92	147.10	161.69
Fair value of planned asset at the end of the year	176.72	169.50	142.02	133.19	120.42
Funded Status	53.00	29.61	36.90	13.91	41.27
Experience adjustments:					
Experience gain/(loss) adjustment on plan liabilities	6.00	6.12	5.93	(5.93)	16.57
Experience gain/(loss) adjustment on plan assets	(1.04)	0.75	1.31	1.05	1.74

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at 31st March, 2017 is given below:

(Rs. in Lakhs)

Particulars	2016-17	2015-16
Privileged Leave	111.42	93.87
Sick Leave	10.16	7.93

*Included in "Salaries, Wages and Bonus" and "Contribution to Provident Fund, Gratuity and Other Funds" under "EMPLOYEE BENEFIT EXPENSES" in Note 2.21.

- Notes:**
- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.
 - The contributions expected to be made by the Company for the year 2017-18 is Rs. 15.00 Lacs.
- 2.31 Related Party Disclosures as at 31st March 2017 as required as per Accounting Standard (AS – 18) on 'Related Parties Disclosures', are as given in annexure:
- a) Key Management Personnel and their relatives: Mr. Kunal Sen, Executive Director,
 - b) Relative of Director: Ms. Debasree Roy
 - c) Holding Company: The Peerless General Finance & Investment Company Limited
 - d) Associates, Group Enterprises and Companies under common control:
With whom the company had transactions during the year:
Kaizen Leisure & Holidays Limited, Peerless Financial Products Distribution Limited, Peerless Hospitex Hospital & Research Center Limited, Peerless Securities Limited, Bengal Peerless Housing Development Company Limited, Kaizen Hotels & Resorts Limited, Peerless Financial Services Limited, Peerless Trust Management Company Limited and Peerless Fund Management Company Limited.
 - e) The above related party information has been disclosed to the extent such parties have been identified by the management on the basis of information available this has been relied upon by the Auditors.
- 2.32 The Company has certain operating lease arrangement for Hotel Premises and Residential Accommodation with tenure extending upto 33 years and 3 yrs respectively and renewable with mutual consent. Terms of lease arrangement for Hotel Premises and residential accommodation include escalation clause for rent on expiry of certain period and deposit/refund of security deposit etc. The amount incurred on account of rent during the year and recognized in the Statement of Profit and Loss amounts to Rs. 211.46 Lacs (Previous Year Rs. 190.47 Lacs).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amount	Amount
2.33 a) Consumption of Stores & Provision		
i) Stores and Spares * (100% Indigenous)	14.01	10.50
	14.01	10.50
* included in Renewal and Replacement Accounts.		
ii) Provision, Stores & Wines (100% Indigenous)	477.39	416.58
	477.39	416.58

2.34 Earnings per share (EPS)

Calculation of Earnings Per Share is as follows:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit/(Loss) After Tax	220.70	190.45
Net Profit/(Loss) for calculation of basic and diluted EPS (A)	220.70	190.45
No of equity shares outstanding as on 31st March	4,580,000	4,580,000
Weighted average number of equity shares in calculating basic and diluted EPS (B)	4,580,000	4,580,000
Basic and Diluted EPS (A)/(B)	4.82	4.16

2.35 The Company operates mainly in one business segment i.e. Hotel business and all other activities revolve around the main activity and as such disclosure of Segment Information is not required under Accounting Standard 17 – ‘Segment Reporting’.

2.36

(Rs. in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
i) Earnings in Foreign Currency	159.04	55.90
ii) Conversion of Foreign Currency	22.27	26.48

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.37 During the year, the Company had Specified Bank Notes (SBN's) or Other Denomination Notes (ODN's) as defined in the MCA Notification G.S.R 308(E) dated 31st March 2017. Details of SBN's and ODN's held and transacted during the period from 8th November 2016 to 30th December' 2016, as required in terms of the said notification are given below:

(Rs. in Lakhs)

Particulars	SBN's	ODN's	Total
Closing Cash in hand as on 8th November, 2016	3,71,500	1,76,099	5,47,599
Add:			
Non-Permitted Receipts	11,04,500	—	11,04,500
Permitted Receipts	—	50,16,301	50,16,301
Less:			
Permitted Payments	—	14,70,107	14,70,107
Non-Permitted payments	1,50,000	—	1,50,000
Amount deposited in Bank Accounts	13,26,000	33,23,560	46,49,560
Closing Cash in hand as on 30th December, 2016	—	3,98,733	3,98,733

2.38 Previous year's figures have been rearranged and/or regrouped wherever necessary.

As per our Report of even date
For LODHA & CO.
Chartered Accountants
R. P. Singh
Partner

Date : 10th May, 2017
Place : Kolkata

For and on behalf of the Board

N. Saha – Director
K. Sen – Executive Director
K. K. Chatterjee – Chief Financial Officer
S. Sen – Company Secretary

PEERLESS HOTELS LIMITED

Nature of Transaction	Holding Company		Associates/Group Enterprise and Companies under common control		Key Management Personnel & relatives of Directors		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	(Rs. in Lakhs)							
REVENUE								
Banquet, Room Sales & Other Income (Inclusive of Applicable Taxes)								
Peerless Hospitex Hospital & Research Center Ltd.	-	-	2.48	0.39	-	-	2.48	0.39
The Peerless General Finance & Investment Co. Ltd.	31.49	25.83	-	-	-	-	31.49	25.83
Bengal Peerless Housing Development Co. Ltd.	-	-	4.27	2.86	-	-	4.27	2.86
Peerless Securities Ltd.	-	-	0.57	1.69	-	-	0.57	1.69
Kaizen Leisure & Holidays Ltd.	-	-	0.30	2.92	-	-	0.30	2.92
Peerless Financial Products Distribution Ltd.	-	-	4.99	2.71	-	-	4.99	2.71
Peerless Fund Management Co. Ltd.	-	-	8.40	8.69	-	-	8.40	8.69
Peerless Trust Management Co. Ltd.	-	-	0.29	0.63	-	-	0.29	0.63
Peerless Financial Services Ltd.	-	-	0.62	1.18	-	-	0.62	1.18
	31.49	25.83	21.92	21.07	-	-	53.41	46.90
EXPENSES								
RENT								
The Peerless General Finance & Investment Co. Ltd.	244.24	218.53	-	-	-	-	244.24	218.53
Peerless Financial Services Ltd.	-	-	1.36	-	-	-	1.36	-
Electricity, Telephone Charges, Professional Fees, Travelling Expenses, Maintenance & Medical Expenses	0.04	0.04	-	-	-	-	0.04	0.04
The Peerless General Finance & Investment Co. Ltd.	-	-	10.44	-	-	-	10.44	-
Bengal Peerless Housing Development Co. Ltd.	-	-	8.46	11.67	-	-	8.46	11.67
Kaizen Leisure & Holidays Ltd.	-	-	0.20	-	-	-	0.20	-
Peerless Financial Services Ltd.	-	-	-	1.38	-	-	-	1.38
Peerless Hospitex Hospital & Research Center Ltd.	-	-	-	-	62.04	65.64	62.04	65.64
DIRECTOR'S REMUNERATION								
Kunal Sen	-	-	-	-	-	-	-	-
Debastee Roy	-	-	-	-	20.22	16.84	20.22	16.84
REMUNERATION PAID								
Balances as on 31.03.2017 and 31.03.2016								
TRADE RECEIVABLES								
Bengal Peerless Housing Development Co. Ltd.	-	-	0.65	0.39	-	-	-	0.39
Peerless Fund Management Co. Ltd.	-	-	-	0.83	-	-	-	0.83
The Peerless General Finance & Investment Co. Ltd.	-	0.50	-	-	-	-	0.65	0.50
Peerless Securities Ltd.	-	-	-	0.28	-	-	-	0.28
Kaizen Leisure & Holidays Ltd.	-	-	-	1.16	-	-	-	1.16
Peerless Financial Products Distribution Ltd.	-	-	-	0.07	-	-	-	0.07
Peerless Financial Services Ltd.	-	-	-	0.14	-	-	-	0.14
	-	0.50	0.65	2.87	-	-	0.65	3.37
Equity Contribution								
Peerless Hospitex Hospital & Research Center Ltd.	-	-	7.00	7.00	-	-	7.00	7.00
Loans and Advances								
Kaizen Leisure & Holidays Ltd.	-	-	11.09	13.09	-	-	11.09	13.09
	-	-	11.09	13.09	-	-	11.09	13.09
Loans and Advances Prepaid Rent (Lease Rent 01.04.17-13.10.17)								
The Peerless General Finance & Investment Co. Ltd.	17.18	17.18	-	-	-	-	17.18	17.18
	17.18	17.18	-	-	-	-	17.18	17.18
Dividend Paid								
The Peerless General Finance & Investment Co. Ltd.	82.40	137.33	-	-	-	-	82.40	137.33
Peerless Financial Products Distribution Ltd.	-	-	-	0.01	-	-	-	0.01
Peerless Hospitex Hospital & Research Center Ltd.	-	-	-	0.01	-	-	-	0.01
	82.40	137.33	-	0.02	-	-	82.40	137.35
CURRENT LIABILITY								
The Peerless General Finance & Investment Co. Ltd.	6.60	6.59	-	-	-	-	6.60	6.59
Kaizen Leisure & Holidays Ltd.	-	-	-	0.99	-	-	-	0.99
Bengal Peerless Housing Development Co. Ltd.	-	-	-	0.99	-	-	-	0.99
	6.60	6.59	-	0.99	-	-	6.60	7.58
PROVISION FOR DOUBTFUL ADVANCES								
Kaizen Leisure & Holidays Ltd.	-	-	11.09	13.09	-	-	11.09	13.09