BOARD OF DIRECTORS

Shri Susim Mukul Datta

Shri Sunil Kanti Roy

Shri Bhargab Lahiri

Shri Deepak Mukerjee
(Independent Director)

Shri Partho Sarothy Datta
(Independent Director)

Shri Jayanta Roy

Shri Dipankar Chatterji

Shri Soumendra Mohan Basu
(Independent Director)

Shri Asoke Kumar Mukhuty

Shri Samar Bhattacharyya

COMPANY SECRETARY
Shri K Balasubramanian

CHAIRMAN
Shri Susim Mukul Datta

MANAGING DIRECTOR
Shri Sunil Kanti Roy

DEPUTY MANAGING DIRECTOR
Shri Bhargab Lahiri

DIRECTOR – FINANCE & CHIEF FINANCIAL OFFICER
Shri Asoke Kumar Mukhuty

DIRECTOR – CORPORATE
Shri Samar Bhattacharyya

PRESIDENT- COMPLIANCES & LEGAL
Shri Patit Paban Ray

VICE PRESIDENTS
Shri Anup Kumar Maiti
IT & CS

Shri Debasis Ghosh
Group Indirect Tax

Shri Subhasis De
Group Taxation

SENIOR GENERAL MANAGER
Shri S. Swaminathan
Finance

GENERAL MANAGERS
Shri Kalyan Chakraborty
Operations

Shri Santanu Maiti
HR & Administration (Peerless Group)

AUDITORS
Messrs S. N. Kulkarni & Co.
Chartered Accountants

ACTUARIAL CONSULTANT
Shri Arpan N Thanawala

PRINCIPAL BANKERS
United Bank of India
HDFC Bank Limited
State Bank of India

REGISTRAR & SHARE TRANSFER AGENTS
CB Management Services (P) Ltd.
P-22, Bondel Road
Kolkata – 700 019
Tel : 91 33 40116700/22806692
E-mail : rta@cbmsl.com

REGISTERED OFFICE
"PEERLESS BHAVAN"
3, Esplanade East,
Kolkata - 700 069
Tel : 91 33 22483247,
Fax : 91 33 22485197,
E-mail : feedback@peerless.co.in,
Website: www.peerless.co.in

Corporate Identity No. :
U66010WB1932PLC007490

REGIONAL OFFICES

Northern Regional Office
B. K. Roy Court (2nd Floor)
6 & 7, Asaf Ali Road
New Delhi – 110 002

Western Regional Office
11A, Mittal Tower (1st Floor)
Nariman Point
Mumbai 400 021
Maharashtra

Southern Regional Office
Room No. 2
Raheja Complex, (2nd Floor)
834, Anna Salai
Chennai – 600 002
Tamilnadu

CONTENTS

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting to you the Eighty Seventh Annual Report together with the audited accounts of the Company on a standalone basis and in a consolidated form for the year ended on 31st March, 2020.

FINANCIAL HIGHLIGHTS

A summary of the financial results for the year 2019-20 along with the previous year's figures, both on Standalone and Consolidated Subsidiary and Joint Sector Companies, are given below :-

(Rs. in million)

	Standalone		Consolidated	
	Current Year ended on 31.03.2020	Previous Year ended on 31.03.2019	**Current Year ended on 31.03.2020**	Previous Year ended on 31.03.2019
Total Revenue	**1138.09**	2835.36	**4058.12**	5603.49
Profit Before Interest, Depreciation and Tax	**(268.48)**	1580.01	**49.21**	1899.71
Less: Finance Cost	**6.33**	0.63	**11.94**	4.74
Less: Depreciation and Amortisation	**29.50**	31.57	**137.63**	132.75
Profit Before Exceptional Items and Tax	**(304.31)**	1547.81	**(100.36)**	1762.22
Less: Exceptional Items	**412.54**	1047.40	**412.54**	1047.40
Profit before Tax	**(716.85)**	500.41	**(512.90)**	714.82
Less: Tax Expenses	**(170.55)**	(64.12)	**(119.99)**	28.55
Add: Share of profit of jointly controlled entity	**—**	—	**(0.70)**	19.34
Profit for the Year	**(546.30)**	564.53	**(393.61)**	705.61
Add: Other Comprehensive Income	**(5.62)**	(18.09)	**(11.41)**	(20.40)
Total Comprehensive Income for the year before Minority Interest	**(551.92)**	546.44	**(405.02)**	685.21
Less: Minority Interest	**—**	—	**10.09**	11.39
Total Comprehensive Income for the year	**(551.92)**	546.44	**(415.11)**	673.82
Add: Balance as per the last financial statements	**6042.29**	6110.15	**7059.39**	7025.60
Profit available for appropriation	**5490.37**	6656.59	**6644.28**	7699.42
Appropriations:				
Debenture Redemption Reserve	—	—	(5.00)	(5.00)
Special Reserve	—	120.00	1.71	122.95
General Reserve	—	100.00	6.00	123.04
Dividend on Equity Shares (including Dividend Distribution Tax)	426.00	394.30	440.08	400.16
Impact of Ind AS	—	—	—	(1.12)
Total Appropriation	426.00	614.30	442.79	640.03
Balance carried forward to Balance Sheet	5064.37	6042.29	6201.49	7059.39

The Company has adopted Indian Accounting Standards ("Ind AS") with effect from 1 April 2018. As a result, the financial statements from the financial year 2019-20 onwards have been prepared in accordance with the principles laid down therein with respect to the recognition and measurement of items appearing in the financial statements. These principles have been prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules and other accounting principles generally accepted in India.

STATE OF COMPANY'S AFFAIRS

As explained hereinafter, the Company had transferred unclaimed / unpaid matured deposits lying outstanding for 7 years and more to the Investor Education and Protection Fund (IEPF) authority. As a result, the revenues of the Company arising out of its investment activities had come down significantly compared to the previous financial year. To compound its woes, a virus called Covid-19 was spreading its wings slowly but surely across all industries and across geographical boundaries. This was ultimately declared a global pandemic by the World Health Organisation.

This Pandemic came into prominence in India during the last quarter of the financial year. To combat this pandemic, a country wide lockdown was enforced by the Government of India, in line with those declared by other countries globally. The immediate effect of this lockdown was felt in the Indian Stock Markets with the indices crashing on a daily basis. As a result, the market value of the Company's investments was reduced drastically by around Rs.818.10 million on recognition of the same at fair value as at the end of the financial year.

Post lifting of the lockdown, the Company has commenced its activities on an 'as normal as possible', while ensuring compliance with laid down guidelines on employee safety, office operations, social distancing norms, sanitization protocol and others.

Your Directors are pleased to report the salient features of the Company's performance during the year as under:

a) Total Revenue decreased by Rs.1697.27 million from Rs. 2835.36 million in the previous financial year to Rs.1138.09 million in the current financial year, primarily due to:

   (i) transfer of unclaimed / unpaid matured deposits outstanding for 7 years and more to the Investor Education and Protection Fund (IEPF) in April 2020 and thereafter;

   (ii) reduction in market value of the Company's investments, triggered by Covid-19 induced market volatility as at 31st March 2020

b) as a result of the above, the Company registered Loss After Tax of Rs.546.30 million compared to a Profit After Tax of Rs. 564.53 million in the previous financial year.

c) No transfers were made to Special Reserve as required under Section 45 IC of the RBI Act, 1934 due to loss in the year under review and the accumulated balance in the said account as on 31st March 2020 remained unchanged at Rs.5358.34 million.

d) No transfers were made to General Reserve due to loss in the year under review and the accumulated balance in the said account as on 31st March 2020 remained unchanged at Rs.6551.15 million.

e) The Capital Risk Adequacy Ratio (CAR) was maintained well over the statutory minimum requirement of 12% throughout the year. As at 31st March 2020, the ratio was 122.50% (123.50% in the previous year).

f) Net Owned Funds of your Company as on 31st March 2020, subject to shareholders approving the proposal for appropriation, would stand decreased to Rs.16574.29 million compared to Rs. 17738.98 million in the previous year.

g) Average pre-tax yield on investments was 7.30% in FY 2019-20 as against 7.61% in FY 2018-19.

h) The Company's total investments as on 31st March 2020 at Rs.15932.74 million was lower than Rs. 32108.29 million as on 31st March 2019, due to transfer of unclaimed / unpaid matured deposits to IEPF. Your Company's aggregate deposit liability remained fully covered by investments in approved categories throughout the year, in terms of applicable RBI directives.

With the discontinuation of small savings mobilization from April 2011, the Company had been evaluating various cost rationalization exercises. In this regard, the Company had started shutting down its branches and reducing redundant manpower from 2018-19. This process had been continued during the year under review and after extensive interaction with the employees as well as the registered union, the Company offered voluntary retirement schemes (VRS) to its staff across the branches. The VRS offer received an overwhelming response and the total payout in this regard was Rs.412.54 million, compared to Rs.927.74 million in the previous financial year.

DEVELOPMENTS RELATED TO TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the directions received from the Reserve Bank of India (RBI), the company's Regulatory Authority, the Company had opened an escrow account with United Bank of India in March 2015 and deposited the entire unclaimed hence unpaid amounts in the Escrow Account.

Thereafter, in September 2018, the Company received directions from the RBI as well as communication from the IEPF and the Ministry of Corporate Affairs, to immediately effect transfer of the unclaimed hence unpaid amounts lying in Escrow Account to the IEPF set up under the requirement of Section 125 of the Companies Act, 2013.

Notwithstanding the legal position that neither the provisions of Section 205C of the Companies Act 1956 nor Section 125 of Companies Act 2013 is applicable to the Company, the Directors decided, in the desire and hope to have a final closure of the matter, without resorting to a long and costly legal confrontation involving multiple statutory and regulatory authorities, and without prejudice to its legal rights, to transfer the entire amount of unclaimed / unpaid maturity deposit lying more than 7 years in the escrow account to the IEPF. Accordingly, the Company filed an appropriate application to the Calcutta High Court in the pending Writ Petition filed earlier by the Company against Registrar of Companies to protect the interests of the Company and its employees, directors etc. and expressed its willingness to deposit the escrow fund with the IEPF.

After discussions with the said Authorities, an amount of Rs. 15149.99 million was transferred to IEPF Fund within April 2019 from the said Escrow Account, being unclaimed and hence unpaid matured deposits lying outstanding for 7 years or more, as at 31st March 2019, from the respective dates of maturity. The amount included the principal amount of unclaimed deposit as well as accrued interest thereon till the respective maturity dates of the unclaimed deposits.

During a hearing before the Hon'ble High Court at Calcutta, the IEPF Authority mentioned that there is some claim on interest, which was earlier approved by the Reserve Bank of India as being attributable to the Company. Accordingly, the IEPF Authority issued a letter dated 24th June 2019 directing the Company to deposit Rs. 5049 million on the same ground as above. The Company has contested the same before the Hon'ble High Court at Calcutta as part of the earlier writ petitions. The matter is pending and is sub judice and no interim or final order on the same has been issued till date.

The matured deposits lying unclaimed / unpaid for less than 7 years from the respective dates of maturity, is shown as a liability in the books of the Company. This is being transferred to the IEPF every month upon completion of 7 years from the respective dates of maturity.

COMPANY'S BUSINESS AND OUTLOOK

As mentioned in the annual report of earlier years, your Company had discontinued acceptance of deposits from 1st April 2011, as advised by the RBI. However, as a Residuary Non Banking Company under the Reserve Bank of India Act, 1934, your Company had fully secured the interest of the deposit-holders by keeping the entire sum due on unclaimed deposits as investments under an escrow account arrangement with the United Bank of India. As mentioned hereinabove, the Company has been transferring unclaimed / unpaid matured deposits to the IEPF Authority since April 2019, upon completion of 7 years from the respective dates of maturity, after making repayment of matured deposits as and when claimed by the deposit holders. As a result, deposit liabilities came down at the year end to Rs. 179.25 million from Rs.15477.34 million as at the end of the previous financial year.

As a result of the reduced investments as well as the prevalent global effect of the Covid-19 Pandemic, efforts of the Company are focused on cost rationalization & reduction across all its activities. Towards this end, the Company has closed down its branches and reduced employee strength by offering attractive voluntary retirement schemes. The Company is focused on restricting costs and to spend only to the extent required for the Company's business operations. The Company believes that, in the 'new normal', the 'mantra' for survival and growth for all companies is in their ability to adapt to the new realities across industries, while ensuring the safety and sustenance of the Company's key resource – the human capital. The Company is actively striving on all the above while reducing costs and improving efficiencies.

With the discontinuation of the deposit mobilisation business, the Company has been building up its capabilities through its subsidiaries for maintaining the operations of the Company and the Group as a whole, as advised by the Reserve Bank of India.

The Company is duly discharging its role of a holding and investing company with regular interaction with its subsidiaries, in its efforts to assist its subsidiaries to keep improving their performance. The Company perceives its growth and future to be intrinsically linked to the growth of its subsidiaries. Your Company aims to enhance shareholder value through profitable growth of its subsidiaries.

Your Company's subsidiaries are engaged in the hospitality, healthcare, financial services and real estate development sectors, offering their customers a range of products and services.

in view of the rapid urbanisation and the governmental thrust towards "housing for all" and affordable housing, the Company also anticipates significant organic growth options in the real estate sector. The Company intends to increase its presence in this sector in a phased, judicious and planned manner and improve the financial performance of the Company.

VARIATION IN NET WORTH

The Net Worth of the Company as at the close of the financial year ended 31st March, 2020 was Rs.16856.33 million, as compared to Rs.18006.69 million as at the close of the previous financial year ended 31st March, 2019.

DIVIDEND

An Interim Dividend of 40% (Rs. 40/- per equity share of Rs.100/- each fully paid-up) declared on 13th February 2020 was paid during the year ended 31st March 2020. The Total Outflow on account of Dividend including Tax on Dividend was Rs.159.88 million.

In view of the losses during the year under review, your Directors do not recommend any Final Dividend for the current financial year.

GROUP ACTIVITIES

The impact of the Covid-19 Pandemic was felt more by the Company's subsidiaries, especially the hospitality and healthcare sectors. The hospitality and real estate sectors have been the worst affected globally on occupancies as well as financially and recovery in these sectors is not likely to commence for some more months. The financial services sector has recovered to an extent by adapting to the new realities and modifying their work protocol and procedures.

The audited accounts of the subsidiaries, together with their respective Directors' Reports, are given separately in the Balance Sheets of subsidiaries. However, a brief synopsis of their performance during the year under review as well as an overview of future plans are given below, so as to give an overall picture of the business of the Peerless Group to the shareholders.

Peerless Hotels Limited (PHL)

The effect of the Pandemic on PHL was only in the last quarter, with occupancies being virtually zero post mid-March 2020. Hence the effect on PHL's 2019-20 performance was muted. However, occupancy levels have been at single digit levels thereafter, which is likely to continue and thus affect the performance in FY 2020-21.

PHL registered a total income of Rs.566.46 million compared to Rs. 534.61 million in the previous year, an increase of 5.96%. Profit after Tax at Rs. 36.52 million fell by 33.08% over the previous year, primarily due to lower than targeted occupancies triggered by the Covid-19 Pandemic.

Aaheli, the fine dining Bengali Cuisine restaurant has completed 27 years of its glorious existence and has been the recipient of awards, both domestic and international. Its quick service format – Aaheli Express achieved 143% growth during the current year.

Peerless Financial Products Distribution Limited (PFPDL)

PFPDL registered Total Income of Rs.163.01 million compared to Rs. 205.45 million in the previous year. The Company registered a loss of Rs. 47.50 million compared to a profit after tax of Rs.9.01 million in the previous year. PFPDL revenues are primarily from being a corporate agent for insurance companies and typically, the last quarter of any financial year accounts for a sizeable chunk of their revenues. PFPDL was significantly affected due to the Covid-19 pandemic and the induced lockdown in March 2020. PFPDL has adapted thereafter to the new normal by switching its marketing reach to a digital platform.

Peerless Securities Limited (PSL)

During the year under review, PSL registered Total Revenue of Rs.72.19 million and a profit of Rs. 0.53 million as against Total Revenue of Rs. 72.98 million and a loss of Rs. 17.83 million in the previous year. The Company is taking necessary steps to augment revenues and initiate cost rationalization exercises.

In line with regulatory directives, the Company shifted its operations to a "work from home" platform during the lockdown, which has helped to minimize the Covid-19 effect on its performance to a large extent.

Peerless Commodities Limited (PCL)

During the year under review, Gross Revenue of the Company stood at Rs. 6.72 million compared to Rs. 7.08 million in the previous year. Profit After Tax stood at Rs. 0.57 million compared to Rs. 0.45 million in the previous year.

Peerless Hospitex Hospital and Research Center Limited (PHHRCL)

PHHRCL had registered an improved performance in the previous year. The trend continued and PHHRCL recorded Total Income of Rs.2210.48 million, a rise of 5.32% over the previous year. Profit After Tax decreased by 15.02% over the previous year to Rs.150.54 million.

The hospital worked almost to full capacity during the year under review with increase in surgeries and diagnostic numbers. The Company received NABH re-accreditation after a satisfactory surveillance audit by the NABH assessors.

PHHRCL played a crucial role in the fight against Covid-19 Pandemic by adhering to government and medical council directives. This, however, had an effect on the non Covid medical activities during the lockdown, which is also on the recovery path in a gradual manner.

PHHRCL voluntarily participated in the "Swasthya Sathi" scheme in order to extend its services to under privileged people, in addition to the West Bengal Health Scheme, ESI scheme and ECHS Scheme which have been in place for a number of years.

Peerless Financial Services Limited (PFSL)

During the year under review, PFSL continued its shift to the retail segment by introducing a number of retail products like loans against salary and loans to professionals, in addition to its current portfolio of equipment finance, loans against property / insurance policies / marketable securities. This shift has received encouraging response from the market and is expected to be beneficial in the future.

During the year under review, Total Income declined by 5% from Rs.42.99 million to Rs.40.72 million. The Company recorded a lower Net Profit of Rs.8.82 million compared to Rs.14.82 million in the previous year, primarily due to increased employee costs (especially related to increased retail team strength).

JOINT SECTOR

Your Company holds 36.70% of the paid up equity capital of Bengal Peerless Housing Development Company Limited, a joint venture with West Bengal Housing Board. The Company is engaged mainly in developing residential projects in West Bengal, with the objective of providing housing for all sections of society. The Company achieved a turnover of Rs.138.19 million and Loss of Rs.1.71 million during the year under review, compared to Rs. 393.04 million and Profit After Tax of Rs.52.94 million respectively in the previous financial year.

ANNUAL RETURN

The Annual Return in Form MGT - 7 as on the financial year ended on 31st March, 2020, pursuant to provision of section 92(1) of the Companies Act, 2013, will be available on the Company's website www.peerless.co.in.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

The provisions of Section 186 of the Act pertaining to activities relating to loans given and investments made are not applicable to the Company since the Company is an NBFC (permitted to conduct RNBC business) whose principal business is acquisition of securities. Your Company has also not given any guarantee or provided security in connection with any loans.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties have been entered into on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. No material contracts or transactions with related parties were entered into during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. A statement of all Related Party Transactions is presented before the Audit Committee as and when its meetings are held, specifying the nature, value and terms and conditions of the transactions. The statement is presented by the Chief Financial Officer, duly authenticated by the respective Departmental Heads and confirmed by the Head of Internal Audit.

Details of the transactions with Related Parties under Ind AS 24 are provided in the accompanying financial statements.

COMPLIANCE WITH RESIDUARY NON-BANKING COMPANIES (RESERVE BANK) DIRECTIONS 1987

During the financial year 2019-20, a sum of Rs. 1.91 million has been disbursed to the Certificate Holders by UBI by debiting the Escrow Account maintained with them, according to the existing arrangements advised by Reserve Bank of India.

As reported in the previous year, we were maintaining the existing arrangement of the Escrow Account with the United Bank of India (UBI) as advised by the Reserve Bank of India (RBI). Till 31 March 2020, through UBI, the Company was disbursing maturity payments to the Certificate Holders, as and when claims were submitted to the Company as well as transferring amounts to IEPF against matured deposits lying unclaimed for more than 7 years from the respective dates of maturity.

As has been mentioned earlier in this Report, the Company has transferred an amount of Rs.15149.99 to the IEPF Authority during the month of April 2019. This amount represents the total amount of matured deposits (principal amount and interest accrued thereon till the respective dates of maturity), which were lying unclaimed / unpaid for a period of 7 years or more from their respective dates of maturity, as at March 2019.

At present, the Company is disbursing maturity payments to the Certificate Holders through UBI, as and when claims arise, only for matured deposits outstanding for less than 7 years from the respective dates of maturity. The balance deposits are also transferred to the IEPF upon completion of 7 years from the respective dates of maturity.

During the year under review, an amount of Rs. 15296.18 million had been transferred to IEPF, being the unclaimed / unpaid matured deposits lying outstanding for 7 years and more. This amount represents the principal amount of the unclaimed / unpaid matured deposits together with interest accrued thereon till respective dates of maturity.

The Company has complied with Sections 45 IA, 45 IB and 45 IC of the Reserve Bank of India Act, 1934, Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007, paragraph 6 and other applicable paragraphs of the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987. The Company has also been submitting periodic returns and audited statements regularly.

AUDITORS' OBSERVATIONS

Observations made in Paras 2(a) and 2(b) under 'Basis for Qualified Opinion' of the Auditors' in the Auditors' Report in regard to provision for taxation and non-transfer of unclaimed deposits to Investors Education & Protection Fund have been explained in Notes 35 and 37 respectively of the Financial Statement.

SECRETARIAL AUDIT

A Secretarial Audit Report dated 19th September 2020 conducted as per section 204 of the Companies Act, 2013 by Mr. Mukesh Chaturvedi, Practising Company Secretary appointed by the Board for the financial year ended 31st March, 2020 is attached to this Report (marked Annexure 'A'), though Secretarial Audit is not required to be done for the FY 2019-20 year by the Company. The Secretarial Audit Report is qualified to the extent that the Company could not disburse the entire amount meant for CSR activities during the FY 2019-20 reasons for which have been suitably explained in this Report under the head "Corporate Social Responsibility Committee" and also in the Corporate Social Responsibility Report annexed to this Report.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitment affecting the financial position of the Company that have occurred between 31st March 2020 and 20th November 2020, the date of this Report.

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

The Company is not engaged in any activity which requires substantial consumption of energy or technology and, accordingly, no particulars are furnished.

There was no foreign exchange earning during the FY 2019-20. The foreign exchange outgo during the FY 2019-20 was Rs. 1.88 million (FY 2018-19: Rs.4.79 million)

DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES

During the year 2019-20, no company became or ceased to be a subsidiary, joint venture or associate company of your Company.

CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of Section 129 (3) of the Companies Act 2013 (Act), a Consolidated Financial Statement of the Company, containing salient features of the financial statements of its subsidiaries and joint ventures in the prescribed form no. AOC 1,has been attached to the financial statement. Financial Statements of the subsidiary companies are kept for inspection for members at the registered office of the Company. The Company shall provide, free of cost, a copy of the financial statements of the subsidiary companies to members on request.

RISK MANAGEMENT POLICY

The Company is exposed to a variety of risks – credit risk, liquidity risk and market risk, that could materially impact its performance in achieving the stated objectives for which the Company has put in place an enterprise wide Risk Management Framework. This framework lays down the process of risk identification, risk assessment and risk mitigation to ensure that the Company takes calculated risks within its risk appetite, so that unexpected outcomes are minimised.

The Company also has a governance network which lays emphasis on strict adherence to policies, procedures and controls to monitor and manage these risks. and regular reporting of the status of key risks.

The Company has a duly approved Risk Management Policy, which is deployed in all divisions and every part of its business and functions. The policy complements other existing policies / initiatives related to corporate governance or regulatory compliance matters of the company.

A Risk Management Committee is in place, comprising members of the senior management team, which has the responsibility for assessing and mitigating various risks relating to regulatory, financial and operational issues in the areas of Human Resources, Finance, Legal, Information Technology, Communication Services and Investments in Real Estate. The steps undertaken by the Committee to achieve its objectives are regularly reported to the Audit Committee and the Board. Risk management systems are reviewed regularly to reflect changes in market conditions and company activities.

The Committee, at its meetings, also reviews the major risks, their mitigating measures and current status, based on which necessary corrective action is taken.

To fulfill this commitment, the Company abides by the following principles :

- Risk Management is everyone's responsibility, from the Board to individual employees. Risks shall be primarily managed by the divisions/business functions transacting ongoing business
- The Company will assess all significant risks through a holistic approach that optimizes the balance between risk and return, across all verticals and functions
- Each Division is expected to undertake risk assessments on a quarterly basis for the business as a whole
- Enterprise Risk Management is a comprehensive, disciplined and continuous process in which risks are identified, assessed, analysed, and consciously accepted or mitigated within your Company's approved risk appetite.
- Risk Management Policies and Processes of each Division will be aligned and made consistent with this Company wide ERM policy

INTERNAL CONTROL SYSTEMS

The Company has a defined organizational structure and authority matrix, documented policy guidelines and internal financial controls to ensure reliability of financial reporting and compliance with policies, procedures, laws and regulations. The Company has already documented Standard Operating Procedures (SOPs) for various processes, which is reviewed on an ongoing basis. The Internal Audit Plan lays emphasis on a thorough examination of compliance in respect of internal controls as specified in the Standard Operating Procedures of the Company. Any deviations noticed during the course of audit are highlighted in the Internal Audit Report and reported to the Audit Committee.

The Internal Audit Plan is approved by the Audit Committee. During the year, the Audit Committee reviewed reports submitted by the Internal Audit Department, which included all significant audit observations and follow-up action taken. The Audit Committee also met the company's Statutory Auditors to ascertain their views on the financial statements, including the reliability of financial reporting, compliance to accounting policies and procedures, and the adequacy of the internal controls followed by the company.

INTERNAL FINANCIAL CONTROL

The management believes that adequate financial controls exist in relation to the company's Financial Statements, commensurate with the nature and size of its business operations. These controls and processes are driven through various policies and procedures, and no material weaknesses exist.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Deepak Kumar Mukerjee, Mr. Partho Sarothy Datta and Mr. Soumendra Mohan Basu, all Independent Directors, have submitted declarations that they meet the 'criteria of independence' as provided in section 149(6) of the Companies Act, 2013 ("the Act").

In accordance with the provisions of the Act read with Article 110 of the Company's Articles of Association, Mr. Asoke Kumar Mukhuty, Director-Finance & Chief Financial Officer and Mr. Jayanta Roy, Director will retire by rotation at the ensuing 87th Annual General Meeting and, being eligible, offer themselves for reappointment.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 23rd September, 2019, the Board of Directors of the Company, at the meeting held on 27th September, 2019 had reappointed Mr. Sunil Kanti Roy (DIN: 00043966) as the Managing Director of the Company for a period of 3 years w.e.f. 1st December, 2019. As Mr. Sunil Kanti Roy (DIN: 00043966) is aged 76 years, and the remuneration as determined by the Board will be payable to him even in the event of loss or inadequacy of profit, his reappointment and remuneration were approved by the shareholders by way of a special resolution at the Extra Ordinary General Meeting of the Members of the Company held on 23rd November, 2019.

Further, based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 12th February, 2020, the Board of Directors of the Company, at the meeting held on 13th February, 2020 had reappointed Mr. Bhargab Lahiri (DIN: 00043772) as the Deputy Managing Director of the Company for a period of 3 years w.e.f. 1st April, 2020. As Mr. Bhargab Lahiri (DIN: 00043772) is aged 78 years, and that the remuneration as determined by the Board will be payable to him, even in the event of loss or inadequacy of profit, his reappointment and remuneration were required to be approved by the shareholders by way of a special resolution, an Extra Ordinary General Meeting of the Members of the Company ("EGM") was convened on 30th March, 2020 and for which Notices were also duly despatched to the Members of the Company. However, in view of the Covid-19 Pandemic and the consequent Lockdown imposed by the State Government from 24th March, 2020, the EGM had to be cancelled. The EGM was reconvened and held on 6th August, 2020, after serving individual notices to the members wherein the members approved the reappointment and remuneration of Mr.Bhargab Lahiri (DIN: 00043772) by a special resolution.

Mr.Partho Sarothy Datta (DIN: 00040345) was appointed as an Independent Director of the Company pursuant to section 149(4) of the Companies Act, 2013 for a period of 5 years at the 82nd Annual General Meeting of the Company held on 22nd September, 2015. Accordingly, his 1st tenure of appointment of 5 years as Independent Director was up to 21st September, 2020.

Based on the evaluation of performance of Mr. Partho Sarothy Datta, Independent Director, the Board of Directors of the Company (excluding Mr Partho Sarothy Datta, Independent Director) had formed an opinion that Mr. Partho Sarothy Datta should be appointed for another term of 5 years as an Independent Director. Mr Partho Sarothy Datta had also fulfilled the conditions specified in the Companies Act, 2013 and was eligible for reappointment as an

Independent Director and accordingly, the Board of Directors reappointed him as an Independent Director with effect from 22nd September, 2020 for the second and concluding term of 5 consecutive years. Approval of the members by way of Special Resolution for appointment of Mr.Partho Sarothy Datta (DIN: 00040345) as an Independent Director for the second term and concluding term of 5 (five) consecutive years effective from 22nd September, 2020, is sought to be taken at the ensuing 87th Annual General Meeting.

EXTRAORDINARY GENERAL MEETING FOR APPROVAL OF MODIFICATION OF REMUNERATION OF MANAGERIAL PERSONNEL

In consideration of the estimated reduction in income and profits of the Company for the financial year 2019-20 which may result in inadequacy of profit as provided in section 197 and in particular, the first proviso to sub-section (1) thereof read with Section II Part II of Schedule V of the Companies Act, 2013, the remuneration payable to Mr.Sunil Kanti Roy, Managing Director (DIN:00043966), Mr.Bhargab Lahiri, Deputy Managing Director (DIN 00043772), Mr.Asoke Kumar Mukhuty, Director. Finance & Chief Financial Officer (DIN 00173745), and Mr. Samar Bhattacharyya, Director-Corporate (DIN 00044294) were revised for the remaining tenure of their respective appointments with the approval of the shareholders by Special Resolution at the Extra Ordinary General Meeting held on 23rd November, 2019.

NUMBER OF BOARD MEETINGS

During the Financial Year 2019-20, 6 meetings of the Board of Directors of the Company were held on 12.04.2019, 25.06.2019, 19.07.2019, 27.09.2019, 11.12.2019 and 13.02.2020

Details of attendance of the Directors in Board Meetings for 2019-20 are as under:

Sl. No.	Name	Status	No. of Meetings	
			Held	Attended
1.	Mr. Susim Mukul Datta	Chairman	6	6
2.	Mr. Sunil Kanti Roy	Managing Director	6	5
3.	Mr. Bhargab Lahiri	Deputy Managing Director	6	6
4.	Mr. Deepak Kumar Mukerjee	Independent Director	6	6
5.	Mr. Partho Sarothy Datta	Independent Director	6	5
6.	Mr. Jayanta Roy	Director	6	5
7.	Mr. Dipankar Chatterji	Director	6	6
8.	Mr. Soumendra Mohan Basu	Independent Director	6	5
9.	Mr. Asoke Kumar Mukhuty	Director-Finance & Chief Financial Officer	6	6
10.	Mr. Samar Bhattacharyya	Director-Corporate	6	6

COMMITTEES OF THE BOARD

In order to give focused attention to the business of the Company, the Board delegates different aspects of business to designated Committees of the Board set up for the purpose.

At present there are nine Committees of the Board as under:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

- Corporate Social Responsibility Committee
- Investment Committee
- Supervisory Committee
- Committee for Selection of Senior Executives
- Banking Committee
- IT Strategy Committee

The Terms of Reference and composition of these Committees are given below:

1. AUDIT COMMITTEE

The terms of reference of the Audit Committee are in conformity with the requirements of Section 177 of the Companies Act, 2013 concerning, inter alia, appointment, remuneration of auditors, examination of financial statements and Auditors' Report, approval or any subsequent modification of transactions with related parties, scrutiny of inter corporate loans and investments, evaluation of internal financial controls and risk management systems. All the recommendations made by the Audit Committee were accepted by the Board.

Composition :

The Audit Committee comprises three non executive Directors, namely, Mr. Deepak Kumar Mukerjee (Independent Director) as Chairman, Mr. Partho Sarothy Datta (Independent Director) and Mr. S M Datta, Director as members. Mr. S K Roy, Managing Director, Mr. B Lahiri, Deputy Managing Director, and the Chief Financial Officer are permanent invitees to the meetings of the Audit Committee. The Committee invites Senior Executives to the meetings of the Committee as and when required.

The Company has also put in place a vigil mechanism procedure for Detection and Prevention of Fraud as an additional internal control measure. The Vigil Mechanism Policy of the Company is available on the Company's website: www.peerless.co.in

The Committee held 3 meetings during the year.

2. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of the Companies Act, 2013, your Board has constituted a Nomination and Remuneration Committee. The terms of reference of this Committee, in conformity with the requirements of Section 178 of the Companies Act, 2013, include identifying persons who are qualified to become Directors, senior management appointments and recommendations for their removal, evaluation of Directors' performance, formulating criteria for determining qualifications, positive attributes and contribution. The Terms also mandate recommending to the Board a policy relating to the remuneration for Directors, key managerial personnel and other employees.

Composition:

The Committee consists of three Non-executive Directors, namely, Mr. Deepak Kumar Mukerjee, Independent Director, as Chairman, Mr. Partho Sarothy Datta, Independent Director, and Mr. S. M. Datta, Director, as members. Mr. S K Roy, Managing Director, is a permanent invitee to the meetings of the Nomination and Remuneration Committee.

Nomination and Remuneration Policy :

The Company has put in place a Nomination & Remuneration Policy, formulated by the Nomination & Remuneration Committee and approved by the Board, for appointment of directors and key managerial personnel and for fixing their remuneration, including criteria for determining qualifications, positive attributes and independence of a director, and other matters as specified u/s 178(3) of the Companies Act, 2013. The Nomination & Remuneration Policy of the Company is available on the Company's website: www.peerless.co.in.

The key features of the policy are given below:

Objectives

- Setting criteria and attributes of persons to become Directors (Executive and Non-Executive) and for appointments to Senior Management and Key Managerial positions
- Determining remuneration which is reasonable and sufficient, based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies and in the industry as a whole
- Evaluation of the performance of Directors
- To provide rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons, commensurate with the requirements of the Company

Applicability

The Policy is applicable to:

- Directors (both Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

"Senior Management" for the purpose of this Policy means personnel of the Company who are members of its core management team (excluding Board of Directors) comprising all members of management one level below the Executive Directors, and including the functional heads.

The Committee held 4 meetings during the year.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of the Companies Act, 2013, your Board has constituted a Stakeholders Relationship Committee to resolve investor grievances.

Composition:

The Committee has one Non- executive Director, namely Mr. Deepak Kumar Mukerjee (Independent Director) as Chairman, and two Executive Directors, namely, Mr. S K Roy, Managing Director, Mr. B Lahiri, Deputy Managing Director as members.

The Committee held one meeting during the year.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of the Companies Act, 2013, your Board has constituted a Corporate Social Responsibility Committee to formulate Corporate Social Responsibility Policy and to approve the amount of expenditure to be incurred for the purpose.

Composition:

The Committee consists of a Non-executive Director, namely, Mr. Deepak Kumar Mukerjee, (Independent Director) as Chairman, and three Executive Directors, namely Mr. S K Roy, Managing Director, Mr. B. Lahiri, Deputy Managing Director and Mr. Samar Bhattacharyya, Director-Corporate as members.

Corporate Social Responsibility Policy and Expenditure

A Corporate Social Responsibility Policy has been developed and implemented by the Company. The Policy is also reviewed by the Committee when required, subject to the approval of the Board.

The CSR activities as per the Policy formulated are in conformity with those specified in Schedule VII to the Companies Act, 2013.

During the financial year 2019-20, out of Rs.2,13,61,000/- being 2% of the average net profits of the preceding three financial years and, Rs.21,70,730/- being unspent amount of the preceding financial year 2018-19, aggregating to Rs.2,35,31,730/-, the Company sanctioned a sum of Rs.2,35,33,528/- (that is, Rs. 1798/- in excess) and disbursed Rs.2,04,02,703/- for various CSR activities. The balance amount of Rs.31,30,825/- could not be disbursed for the following reason:

– Two of the agencies to which the Company had disbursed amounts towards three approved CSR activities had refunded an aggregate amount of Rs.11,30,825/- which could not be utilized by them during the financial year.
– A sum of Rs.20,00,000/-, which was also sanctioned for CSR activities to one of the above agencies was not disbursed during the year as the agency was unable to utilize the previously disbursed amount for CSR activities during the financial year 2019-20.

The Annual Report on CSR activities undertaken by the Company during the financial year 2019-20 is attached to this Report (marked Annexure 'B').

The Committee held 3 meetings during the year.

5. INVESTMENT COMMITTEE

The Investment Committee sets out investment objectives, formulates investment policy subject to the Board's approval, selects portfolio strategy and evaluates its performance with a view to optimizing returns while preserving the safety and quality of investments. The Committee also ensures compliance with the relevant guidelines issued by the Reserve Bank of India and the Board of Directors from time to time.

Composition:

The Investment Committee comprises two Non – Executive Directors, namely, Mr. Deepak Kumar Mukerjee (Independent Director) as Chairman, and Mr. Jayanta Roy and two Executive Directors, namely Mr. S. K. Roy, Managing Director, Mr. B. Lahiri, Deputy Managing Director, as members.

The Committee held one meeting during the year.

6. SUPERVISORY COMMITTEE

The Supervisory Committee concentrates on strategic supervision over the Company and operationalises the guidelines issued by the Reserve Bank of India from time to time. It also puts in place effective monitoring systems to ensure compliance by the management.

Composition:

The Committee has one non-Executive Director, namely, Mr. S. M. Datta, Chairman, and one Executive Director, namely Mr. S. K. Roy, Managing Director, as member.

The Committee invites other Directors/Senior Officials to the meetings as and when necessary.

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

7. COMMITTEE FOR SELECTION OF SENIOR EXECUTIVES

The Committee selects senior executives for recruitment and decides on the methodology and the process of filling up vacancies in the Company and its subsidiaries whenever these occur, and makes recommendations to the Board of the concerned Company for approval.

The Committee also reviews the status of the Senior Management cadre of the Company and its subsidiaries and decides on measures, if any, that need to be taken to ensure retention and acquisition of talent at senior levels.

Composition:

The Committee has one Non-Executive Director, namely, Mr. S. M. Datta, as Chairman and one Executive Director, namely Mr. S. K. Roy, Managing Director, as members.

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

8. BANKING COMMITTEE

The Banking Committee approves opening, operation and closing of banking accounts in respect of all the offices of the Company and sets up systems and procedures for the operation of such bank accounts. It oversees supervision of the banking arrangements of the Company.

Composition:

The Committee is composed of two Executive Directors, namely, Mr. S. K. Roy, Managing Director, as Chairman and Mr. B. Lahiri, Deputy Managing Director and one Non-executive Director, namely Mr. Deepak Kumar Mukerjee (Independent Director), as members.

The Committee held 1 meeting during the year.

9. IT STRATEGY COMMITTEE

In compliance with the directions of the Reserve Bank of India, the Board has constituted an 'IT STRATEGY COMMITTEE' consisting of Mr. P. S. Datta, Independent Director as Chairman, Mr. B. Lahiri, Deputy Managing Director, Mr. Dipankar Chatterji, Director and two Senior Executives of the Company, Mr. A. K. Mukhuty, Director-Finance & Chief Financial Officer and Mr. Anup Kumar Maiti, Vice President (IT&CS), as Members.

The Roles and Responsibilities of the Committee are as follows:

(i) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

(ii) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

(iii) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

(iv) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

(v) Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

The Committee held 2 meetings during the year.

STATUTORY AUDITORS

In accordance with the provisions of section 139 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 framed thereunder, M/s. S. N. Kulkarni & Co., Chartered Accountants (Regn. No. 105441W), were appointed as Statutory Auditors of the Company for a period of five (5) years at the 85th Annual General Meeting held on 26th September, 2018 to hold office from the conclusion of the 85th Annual General Meeting up to the conclusion of the 90th Annual General Meeting i.e. from FY 2018-19 to FY 2022-23.

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

Evaluation of the individual Directors and the Chairman of the Board, excluding Independent Directors, is made by the Independent Directors. Moreover, 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 purposes as approved by the Nomination and Remuneration Committee in compliance with the amended provisions of the Companies Act, 2013. The individual Directors participate in the evaluation process and give their feedback to enable a considered view to be taken.

COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. Secretarial Standards 1 and 2 were complied with.

PARTICULARS OF EMPLOYEES

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

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

The Company has put in place a Sexual Harassment Policy in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has also been set up to redress complaints. All employees are covered under this Policy.

No complaint about sexual harassment has been made so far including the year under review.

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, 2020, the applicable accounting standards had been followed along with proper explanations relating to material departures;

b) the Directors had selected such accounting policies as are reasonable and prudent and applied them consistently to make judgments and estimates so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for that year;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis; a) the Directors had devised proper systems for compliance with the provisions of all applicable laws and to ensure that such systems were adequate and operating effectively.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company had transferred a sum of Rs. 25,98,400/- and Rs. 19,39,200/- during the year to the Investor Education and Protection Fund towards Unclaimed Final Dividend 2011-12 and Unclaimed Interim Dividend 2012-13 respectively, which remained unclaimed/unpaid in the Unpaid Dividend Account for seven years.

CORPORATE GOVERNANCE

The remuneration of Mr. Sunil Kanti Roy, Managing Director, Mr. Bhargab Lahiri, Deputy Managing Director, Mr. Asoke Kumar Mukhuty, Director-Finance & Chief Financial Officer and Mr. Samar Bhattacharyya, Director-Corporate were revised and will be paid even in case of loss/inadequacy of profits in any Financial Year during the currency of tenure of their appointment in terms of section 197(3) read with Schedule V of the Companies Act, 2013, as approved by the shareholders at the Extraordinary General Meeting held on 23rd November, 2019. Accordingly, as required in Schedule V, Part II, the following disclosures are made.

i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors:

   Remuneration comprises of Base Salary, House Rent Allowance,Sitting Fees, Commission, Perquisites & Allowances

ii) Details of fixed component and performance linked incentives along with the performance criteria:

NIL

iii) Service contracts, notice period, severance fees:

The Agreement entered into between the Company and the Managing and Wholetime Directors can be terminated by either party giving the other party not less than three months notice in writing

iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

NIL

Other Disclosures

The Managing Director and the Deputy Managing Director of the Company, who receive commission as part of their remuneration, also receive remuneration by way of sitting fees and commission from the subsidiary companies of your Company where they are appointed as Non-Executive Directors.

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

1. The Company does not have any deposits covered under Chapter V of the Companies Act 2013.
2. The Company did not issue equity shares with differential rights as to dividend, voting or otherwise
3. The Company did not issue any shares (including sweat equity shares) to employees of the Company under any scheme
4. No significant or material order was passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company's operations in future
5. 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.

Acknowledgment

The Directors express their sincere appreciation to the valued shareholders, bankers, clients and employees for their support.

Place : Kolkata
Dated : 20th November, 2020

Registered Office :

"PEERLESS BHAVAN"
3, Esplanade East
Kolkata-700 069

For and on behalf of the Board

Susim Mukul Datta

Chairman
(DIN : 00032812)

Annexure – A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of
the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
M/s. The Peerless General Finance & Investment Company Limited
Peerless Bhavan,
3, Esplanade East,
Kolkata – 700 069

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. The Peerless General Finance & Investment Company Limited** (hereinafter called the Company) during the financial year ended 31st March 2020. Secretarial Audit was conducted on test check basis, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I further report that compliance with applicable laws is the responsibility of the Company and my Report constitutes an independent opinion. My report is neither an assurance for future viability of the company nor a confirmation of efficient management by the company.

I have examined the the books, papers, minute books, forms and returns filed and other records maintained by **M/s. The Peerless General Finance & Investment Company Limited** ("the Company") for the financial year ended on 31.03.2020 according to the provisions of the following Laws especialy applicable to the Company:

(i) The Companies Act, 2013 (the Act) and the rules made there-under;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;

(iii) The Reserve Bank of India Laws relating to Non-Banking Financial Companies/Residuary Non Banking Company.

(iv) The Other laws, as informed and certified by the management of the Company which are especifically applicable to the Company based on their sector/industry are:

  a) Professional Tax Act

  b) West Bengal Shop and Establishment Act' 1963

  c) The Employees Provident Funds and Miscellaneous Provisions Act' 1952

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

On the basis of audit as referred above, to the best of our knowledge, understanding and belief, I am of the view that during the period under review, the Company has, save and except the observations of the Statutory Auditors of the Company in their report for the period under review and save and except as mentioned below, complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

(i) The Expenditure on the Corporate Social Responsibility is less than the specified 2% as per section 135 of the Companies Act, 2013.

(ii) The Company has transferred Rs. 1515 Crores unclaimed/ unpaid amount of deposit of the Company to the Investor Education and Protection Fund(IEPF) from 06/04/19 to 12/04/19 with designated branch in tranches, in pursuance of direction of Reserve Bank of India/ Investor Education and Protection Fund Authority.

(iii) The Investor Education and Protection Fund Authority has demanded Penal Interest on delayed transfer of unclaimed/unpaid deposit amount to IEPF vide their letter dt 24/06/19.

(iv) The Hon'ble Calcutta High Court on 10th July, 2019 had stayed all operations of IEPF Authority vide their letter dated 24/06/19 regarding penal interest.

(v) MCA had issued a letter dated 13/03/19 regarding inspection proposed to be conducted by them against the Company U/S 206(5) of the Companies Act, 2013 is being carried out.

I further report that

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through and recorded as part of the Minutes of the Meeting of the Board of Directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of the report.

Name of Company Secretary in practice

Mukesh Chaturvedi
ACS No. 10213
CP. No. 3390
UDIN : A010213B000729360

Place: Kolkata
Date: 19/09/2020

'Annexure A'

(To the Secretarial Audit Report of M/s. The Peerless General Finance & Investment Company Limited for the Financial Year ended 31/03/2020)

To,
The Members,
M/s. The Peerless General Finance & Investment Company Limited
Peerless Bhavan,
3, Esplanade East,
Kolkata – 700 069

My Secretarial Audit Report for the Financial Year ended 31/03/2020 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were, to the best of our understanding, appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness, appropriateness or adequacy of financial records, Book of Accounts and decisions taken in board and in committees of the Company, during the period under review. However, I have verified as to whether or not the board process and approvals in various committees have been complied with or not, during the period under review.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards in the responsibility of management. My examination was limited to the verification of procedures on test basis to assess the compliance of secretarial duties and board process.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in practice

Mukesh Chaturvedi
ACS No. 10213
CP. No. 3390
UDIN : A010213B000729360

Place: Kolkata
Date: 19/09/2020

Annexure – B

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Peerless' Corporate Social Responsibility Philosophy

Peerless, in its 85 long years of glorious existence, has been committed to the philosophy of 'Bahujana Hitaya, Bahujana Sukhayacha' ('Welfare for Many and Happiness for Many'). As a natural consequence, the best interests of all our stakeholders and compassion for the community at large, particularly the underprivileged segment, are the cornerstones of Peerless' Corporate Social Responsibility ("CSR") Policy.

Peerless has always cared for the deprived segments of our society and extended generous help towards their upliftment.

Management's vision

The Board of Directors and the Management of the Peerless Group are committed to assisting the underprivileged and needy sections of society and to help building a sustainable way of living for them.

Areas covering Peerless' CSR Initiatives

Based on Peerless' philosophy and past practices, the Company adopted a comprehensive CSR Policy in strict compliance with the contents and spirit of Schedule VII of the Companies Act, 2013.

Within the policy parameters, we have been actively supporting Healthcare and Educational projects and other related projects across the country.

Website of the Company : www.peerless.co.in

2. **The Composition of the CSR Committee.**

   The Committee consists of a Non-executive Director, namely, Mr. Deepak Kumar Mukerjee, (Independent Director) as Chairman and, three Executive Directors, namely Mr. S K Roy, Managing Director and Mr. B. Lahiri, Deputy Managing Director and Mr. S Bhattacharyya, Director-Corporate, as members.

3. **Average net profit of the company for last three financial years – Rs. 1068.04 million**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Rs. 2,13,61,000/-**

5. **Details of CSR spent during the financial year :**

   (a) Total amount to be spent for the financial year - Rs. 2,13,61,000/-

   (b) Amount unspent, if any – Rs. 31,30,825/-

(c) Manner in which the amount spent during the financial year is detailed below :

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period (Rs.)	Amount spent : Direct or through implementing agency
1	Financial assistance for a project for construction of Library Hall	Providing Education Schedule VII(ii)	Bhubaneshwar, Orissa	10,00,000	Direct expenditure	10,00,000	RKM Vivekananda Marg, Bhubaneshwar, Orissa
2	Financial assistance for the Hospital to organise Free Health Check-up Camps, Cancer awareness Programme and Blood Donation Camps in various districts, remote places.	Promoting Healthcare, Schedule VII(i)	Kolkata, West Bengal	4,35,000	Direct expenditure	3,62,741	B. K .Roy Foundation, Kolkata.
3	Financial assistance for construction of New Toilet Block in campus for devotees.	Promoting Health Care & sanitation Schedule VII(i)	Adyapeath, Dakshineswar West Bengal	15,00,000	Direct expenditure	15,00,000	Dakshineswar Ramkrishna Sangha Adyapeath. Dakshineshwar, Kolkata
4	Financial assistance for construction of Toilet Blocks in 2 Floors of their School Buliding	Promoting Health Care & sanitation Schedule VII(i)	Gurugram, Haryana	10,00,000	Direct expenditure	10,00,000	Bharat Sevashram Sangha, Wazirpur, Gurugram, Haryana
5	Financial assistance to provide intensive Theoretical and Practical Training in Agriculture, Animal	Promoting Education & Skill Development Schedule VII(ii)	Narendrapur, Kolkata, West Bengal	7,20,000	Direct expenditure	7,20,000	Ramakrishna Mission Blind Boy's Academy, Narendrapur Kolkata

	Husbandry, Mushroom cultivation, Nursery and Floriculture.						
6	Providing learning Materials in different schools of West Bengal	Promoting Education Schedule VII(ii)	Kolkata, West Bengal	4,91,056	Direct expenditure	4,91,056	Dibyayan Yoga Centre, Kolkata, West Bengal
7	To run Charitable Dispensary and providing free medicines to people from underprivileged class.	Promoting Health Care Schedule VII(i)	Kolkata, West Bengal	6,00,000	Direct expenditure	6,00,000	Maa Karunamoyee Trust, Kolkata, West Bengal
8	Free Coaching Classes (Class I to X) for 1000 poor orphan Students alongwith Tiffin, Text Books, Copy Books and School Bags etc.	Promoting Education Schedule VII(ii)	Bishnupur, Rajarhat. West Bengal	3,00,000	Direct expenditure	3,00,000	Ramkrishna Math, Bishnupur, Rajarhat, West Bengal
9	Providing Scholarships to 40 nos. of poor students @Rs.1000/- (per month per student)	Promoting Education Schedule VII(ii)	Kolkata, West Bengal	4,80,000	Direct expenditure	4,80,000	Ramakrishna Mission Swami Vivekananda's Ancestral House & Cultural Centre, Kolkata West Bengal
10	For helping distress people by providing food and financial assistance	Promoting Healthcare, Schedule VII(i)	Adyapeath, Dakshineswar West Bengal	1,20,000	Direct expenditure	1,20,000	Dakshineswar Ramkrishna Sangha Adyapeath, West Bengal
11	To provide basic Education to the poor and illiterate students	Promoting Education Schedule VII(ii)	Suri, Birbhum West Bengal	2,40,000	Direct expenditure	2,40,000	Bharat Sevashram Sangha, Suri West Bengal
12	To Run a Charitable Dispensary and Mobile Medical Van for local poor villagers	Promoting Healthcare, Schedule VII(i)	Hooghly, West Bengal	6,56,000	Direct expenditure	6,56,000	Ramkrishna Math, Mayal Bandipur, Hooghly West Bengal

13	Charitable Dispensary in Bangalore	Promoting Healthcare, Schedule VII(i)	Bangalore, Karnataka	60,000	Direct expenditure	60,000	Bharat Sevashram Sangha Bangalore, Karnataka
14	Charitable Dispensary in Chennai	Promoting Healthcare, Schedule VII(i)	Chennai, Tamil Nadu	1,20,000	Direct expenditure	1,20,000	Bharat Sevashram Sangha Chennai, Tamil Nadu
15	Charitable Dispensary in Kanyakumari	Promoting Healthcare, Schedule VII(i)	Kanyakumari, Tamil Nadu	60,000	Direct expenditure	60,000	Bharat Sevashram Sangha Kanyakumari, Tamil Nadu
16	Charitable Dispensary in Pushkar, Ajmer	Promoting Healthcare, Schedule VII(i)	Pushkar, Rajasthan	1,20,000	Direct expenditure	1,20,000	Bharat Sevashram Sangha Pushkar, Ajmer, Rajasthan
17	Charitable Dispensary in Rameshwaram	Promoting Healthcare, Schedule VII(i)	Rameshwaram, Tamil Nadu	60,000	Direct expenditure	60,000	Bharat Sevashram Sangha Rameshwaram, Tamil Nadu
18	Charitable Dispensary in Trivandrum	Promoting Healthcare, Schedule VII(i)	Trivandrum, Kerala	1,20,000	Direct expenditure	1,20,000	Bharat Sevashram Sangha Trivandrum, Kerala
19	Charitable Dispensary in Varanasi	Promoting Healthcare, Schedule VII(i)	Varanasi, Uttar Pradesh	1,20,000	Direct expenditure	1,20,000	Bharat Sevashram Sangha Varanasi, Uttar Pradesh
20	To run free cancer centre, cost of fulltime Consultant and related service charges for running mammography and other imaging procedures	Promoting Healthcare, Schedule VII(i)	Kolkata, West Bengal	14,00,000	Direct expenditure	14,00,000	B K Roy Foundation Kolkata, West Bengal

21	Running Charitable Dispensary for Providing Medical Service to poor and under privileged villagers	Promoting Healthcare, Schedule VII(i)	Hijaldiha, Bankura, West Bengal	3,90,000	Direct expenditure	3,90,000	Hijaldiha Vivekananda Seva Samity, Bankura West Bengal
22	Charitable Medical Centre	Promoting Healthcare, Schedule VII(i)	Kolkata, West Bengal	1,20,000	Direct expenditure	1,20,000	Ramakrishna Math(Katyhamrita bhavan) 14, Guruprasad Chowdhury Lane, Kolkata
23	Free medical service/ Running Dispensary	Promoting Healthcare, Schedule VII(i)	Bhangur, West Bengal	6,00,000	Direct expenditure	6,00,000	Ramkrishna Math, Narora, Bhangur West Bengal
24	Organising Cancer awareness programme / camps & awareness for taking preventive measures	Promoting Healthcare, Schedule VII(i)	Howrah, West Bengal	3,00,000	Direct expenditure	3,00,000	Swasthya Jagriti Sansthan, Liluah, Howrah, WB
25	Dental Medical Camp for poor villagers	Promoting Health Care Schedule VII(i)	Bankura, West Bengal	30,000	Direct expenditure	30,000	Sri Sarada Math, Shihore, Bankura, West Bengal
26	Providing Scholarships to 25 nos. of poor & meritorious students @Rs.500/- (per month per student)	Promoting Education Schedule VII(ii)	Ramharipur, Bankura, West Bengal	1,50,000	Direct expenditure	1,50,000	Ramakrishna Mission Ashrama, Ramharipur, Bankura, West Bengal
27	Child Development through education. Create awareness & motivate to remain in Education.	Promoting Education Schedule VII(ii)	Kolkata, West Bengal	2,10,000	Direct expenditure	2,10,000	Dakhin Kalikata Krira - O- Sanakriti Parisad. Seva Parisad Bhavan, Baishnabghata Patuli Upanagari, Kolkata

28	To Promote Education among the lower socioeconomic section of students	Promoting Education Schedule VII(ii)	Kothar, Odisha	5,50,000	Direct expenditure	5,50,000	Ramkrishna Mission Ashram, Kothar Odisha
29	To Promote Basic Computer Education among the lower socioeconomic category of students	Promoting Education Schedule VII(ii)	Kothar, Odisha	1,20,000	Direct expenditure	1,20,000	Ramkrishna Mission Ashram, Kothar Odisha
30	Raising awareness for women's health and hygiene and nutrition related matters amongst 500 boys & girls from disadvantaged section of Society	Promoting Healthcare, Schedule VII(i)	Kolkata, West Bengal	8,00,000	Direct expenditure	8,00,000	Concern India Foundation, Kolkata
31	Installation of Solar Panel for restoring physical environment and enhancing service delivery mechanism for effective de-addiction and rehabilitation.	Ensuring environmental sustainability, ecological balance, conservation of natural resources etc. Schedule VII(iv)	Howrah, West Bengal	4,44,720	Direct expenditure	4,44,720	Ved Vignan Maha Vidya Peeth, Howrah, West Bengal.
32	Construction of New Toilet Block in campus for devotees	Promoting Healthcare, Schedule VII(i)	Adyapeath, Dakshineswar West Bengal	10,00,000	Direct expenditure	10,00,000	Dakshineswar Ramkrishna Sangha Adyapeath, West Bengal
33	Project for safe drinking water installing 3 Tube wells in 3 areas under Ramkrishnapur Gram panchayet in Kulpi Block in Sunderban area.	Promoting Healthcare, Schedule VII(i)	Sonarpur 24 Parganas. West Bengal	7,00,000	Direct expenditure	7,00,000	Shibkalinagar (N)Welfare Society, 21 Balia East, NCN Road, Garia, Sonarpur 24 Parganas. West Bengal

34	For mobile medical Van for giving medical aids to economically handicapped and poor people of remote villages	Promoting Healthcare, Schedule VII(i)	Kakdwip, 24 Parganas (South) West Bengal	9,90,000	Direct expenditure	9,90,000	Bharat Sevashram Sangha. 211 R B Avenue. For Kakdwip Lot No 8 West Bengal
35	Promoting Education including employment enhancing vocational skill training mainly for women / youth of under privileged section of the Society	Promoting Education including employment enhancing vocational skill training Schedule VII (ii)	Kolkata, West Bengal	40,00,000	Direct expenditure	11,41,434	B K Roy Foundation, 91/1 Southern Avenue Kolkata 700029 (Fund for Peerless Skill Academy)
36	Plantation / distribution of Coconut Tree in Sundarbans Area that leads to ensuring environmental sustainability, ecological balance etc.	Ensuring environmental sustainability, ecological balance etc. Schedule VII(iv)	Kolkata, 24 Parganas, West Bengal	5,00,000	Direct expenditure	5,00,000	Rabindra Sarovar's Friends Forum, 109/5 A Hazra Road, Kolkata West Bengal
37	Promoting Education by facilitating training facility to socio-economically backward youth by further developing the infrastructure (Construction of 1st Floor)	For further construction of Building (1st Floor) to Facilitate vocational training programme for strengthening service delivery mechanism for under privileged people. Covered under promoting Education Schedule VII(ii)	Kolkata, West Bengal	18,00,000	Direct expenditure	18,00,000	RKM Lokasikasha Parisad under RKM Ashrama, Narendrapur, Kolkata, West Bengal

38	Project on installation of 4 Submersible water pump for drought prone backward Tribal Areas where Tribal people facing huge scarcity of water	Promoting Health Care including making available safe Drinking water Schedule VII(i)	Dakshin Dinajpur, West Bengal	5,41,752	Direct expenditure	5,41,752	Desbandhu Rural Development Society, Post Tapan, Pin 733127 Dakshin Dinajpur, West Bengal
39	Fund requires towards the cost of elevator for "4th floors School Building" for supporting education (Library Hall / Computer Centre / Class Room etc.) School is for poor & downtrodden students.	Promoting Education Schedule VI(ii)	Bhangur, West Bengal	6,85,000	Direct expenditure	4,85,000	Ramkrishna Math, Narora, Bhangur West Bengal

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

During the financial year 2019-20, out of Rs. 2,13,61,000/- being 2% of the average net profits of the preceding three financial years and, Rs. 21,70,730/- being unspent amount of the preceding financial year 2018-19, aggregating to Rs. 2,35,31,730/-, the Company sanctioned a sum of Rs. 2,35,33,528/- and disbursed Rs. 2,04,02,703/- for various CSR activities. The balance amount of Rs.31,30,825/- could not be spent for the following reason:

- Two of the agencies to which the Company had disbursed amounts towards three approved CSR activities had refunded an aggregate amount of Rs.11,30,825/- which could not be utilized by them during the financial year.
- A sum of Rs.20,00,000/-, which was also sanctioned for CSR activities to one of the above agencies was not disbursed during the year as the agency was unable to utilize the previously disbursed amount for CSR activities during the financial year 2019-20.

7. In the opinion of the CSR Committee, the implementation and monitoring of CSR Policy are in compliance with CSR objectives and Policy of the Company.

Sd/-

(S. K. Roy)
(DIN : 00043966)
Managing Director

Sd/-

(Deepak Kumar Mukerjee)
(DIN : 00046690)
Chairman CSR Committee

Annexure – C

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, 2020

Name 1	Age (Years) 2	Designation 3	Gross Remuneration (Rs.) 4	Qualifications 5	Experience (Years) 6	Date of Commencement of Employment 7	Last Employment/ Post Held 8

A. Top ten employees in terms of remuneration drawn

1. Roy Sunil Kanti	76	Managing Director	54864294	B.Com.	51	04.12.1968	Not Applicable
2. Lahiri Bhargab	78	Dy.Managing Director	27902789	BA, LL.B.	51 (Professional)	01.01.2001	Not Applicable
3. Mukhuty Asoke Kumar	71	Director - Finance & Chief Financial Officer	16123331	B.Sc, FCA.	41	24.03.1980	M/s. Roy & Sen (Chartered Accountants), Sr. Audit Assistant
4. Bhattacharyya Samar	71	Director - Corporate	14874121	M.Com, FCA.	45	01.02.2000	Peerless Shipping & Oilfield Services Ltd., GM (Finance)
5. Ray Patit Paban	76	President (Compliances & Legal)	8650925	B.Sc, LL.B.	55	18.07.1986	Burn Standard Co.Ltd., Asst. Manager (Law)
6. De Subhasis	49	Vice President - Group Taxation	5534461	B.Com, ACA	23	15.06.2017	Pricewaterhouse Coopers Pvt. Ltd., Associate Director
7. Ghosh Debasis	63	Vice President - Group Indirect Tax	5288179	B.Com, FCMA	41	03.04.2017	Deloitte Haskins and Sells LLP, Director
8. Balasubramanian K	63	Company Secretary	4397975	B.Com, LL.B, FCS.	31	06.04.2009	Sesa Goa Ltd., Associate General Manager-Legal & Dy.Company Secretary
9. Swaminathan S	50	Sr. General Manager (Finance)	4242155	B.Com, ACMA, ACS, MBA (Finance)	26	21.05.2008	Essel Finance AMC Limited (formerly Peerless funds Management Co. Ltd.) Chief Financial Officer
10. Maiti Anup Kumar	69	Vice President (IT & CS)	3713172	M.Sc, Diploma in Computer Science.	43	18.05.1982	Kolkata Municipal Corporation, System Manager

Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Commencement of Employment	Last Employment/ Post Held
1	2	3	4	5	6	7	8

B. Employed throughout the financial year and in receipt of remuneration aggregating Rs. 1,02,00,000/- or more per annum.

1. Roy Sunil Kanti	76	Managing Director	54864294	B.Com.	51	04.12.1968	Not Applicable
2. Lahiri Bhargab	78	Dy. Managing Director	27902789	BA, LL.B.	51 (Professional)	01.01.2001	Not Applicable
3. Mukhuty Asoke Kumar	71	Director - Finance & Chief Financial Officer	16123331	B.Sc, FCA.	41	24.03.1980	M/s. Roy & Sen (Chartered Accountants), Sr. Audit Assistant
4. Bhattacharyya Samar	71	Director - Corporate	14874121	M.Com, FCA.	45	01.02.2000	Peerless Shipping & Oilfield Services Ltd., GM (Finance)

C. Employed for a part of the financial year and in respect of remuneration aggregating Rs.8,50,000/- or more per month.

None

Note :

1. Gross remuneration comprises salary and allowances, Company's contribution to provident, superannuation and gratuity funds, monetary value of perquisites. With respect to the Directors, such remuneration also includes commission and sitting fees.
2. All appointments are contractual and subject to the rules and regulations of the Company for the time being in force.
3. Shri Sunil Kanti Roy is a relative of Shri Jayanta Roy, Director. Save as aforesaid, none of the above employees is a relative of any Director of the Company.

Place : Kolkata
Dated : 20th November, 2020

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

For and on behalf of the Board

Susim Mukul Datta
Chairman
(DIN:00032812)

(Amounts in Rs. million)

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	216.67	204.89
(b) Bank Balances other than (a) above	4	76.48	30.15
(c) Derivative Financial Instruments		—	—
(d) Receivables			
(I) Trade Receivables	5.1	—	—
(II) Other Receivables	5.2	37.89	45.22
(e) Loans	6	7.65	10.42
(f) Investments	7	15,932.74	32,108.29
(g) Other Financial Assets	8	287.13	702.79
		16,558.56	**33,101.76**
(2) Non-Financial assets			
(a) Inventories	9	55.58	51.15
(b) Income tax assets (net)	29	—	—
(c) Deferred tax assets (net)	29	449.29	276.85
(d) Investment property	10	412.21	410.11
(e) Biological assets other than bearer plants			
(f) Property, plant and equipment	11.1	193.85	206.20
(g) Capital work-in-progress	11.2	1.19	1.19
(h) Right of Use Asset	11.3	22.96	—
(i) Goodwill		—	—
(j) Other Intangible Assets	11.4	1.40	0.13
(k) Other non-financial Assets	12	124.45	74.52
		1,260.93	**1,020.15**
(3) Asset Held for Sale	11.5	—	2.11
TOTAL ASSETS		**17,819.49**	**34,124.02**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments		—	—
(b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		—	—
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		—	—
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	13	0.44	2.93
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	102.57	113.97
(c) Debt Securities		—	—
(d) Borrowings		—	—
(e) Deposits	14	179.25	15,477.34
(f) Subordinated Liabilities			—
(g) Other financial Liabilities	15	80.23	49.26
		362.49	**15,643.50**
(2) Non-Financial Liabilities			
(a) Income tax liabilities (net)	29	90.15	68.71
(b) Provisions	16	36.64	44.36
(c) Deferred tax liabilities (net)	29	—	—
(d) Other non-financial Liabilities	17	24.59	83.91
		151.38	**196.98**
Total Liabilities		**513.87**	**15,840.48**
EQUITY			
(a) Equity share capital	18	331.56	331.56
(b) Other equity	19	16,974.06	17,951.98
Total Equity		**17,305.62**	**18,283.54**
TOTAL LIABILITIES AND EQUITY		**17,819.49**	**34,124.02**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: September 21, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN : 00043772

Deepak Mukerjee
Director
DIN:00046690

Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: September 19, 2020

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2020

(Amounts in Rs. million)

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
(I)	**Revenue from operations**			
	(i) Interest Income	20	872.44	1,959.43
	(ii) Dividend Income	21	79.05	65.03
	(iii) Net Gain on Fair value changes	22	—	390.27
	(iv) Net Gain on derecognition of financial instruments under amortised cost category	23	26.03	29.34
	(v) Construction Project Income		5.38	28.17
	(ix) Others (to be specified)			
	Total Revenue from Operations		**982.90**	**2,472.24**
(II)	**Other income**	**24**	**155.19**	**363.12**
(III)	**Total income (I+II)**		**1,138.09**	**2,835.36**
(IV)	**Expenses**			
	(i) Finance Costs	25	6.33	0.63
	(ii) Net Loss on Fair value changes	22	571.46	—
	(iii) Net Loss on derecognition of financial instruments under amortised cost category		—	—
	(iv) Impairment of Financial Instruments	26	46.97	4.59
	(v) Construction Project Expenses		5.16	26.09
	(vi) Employee benefit expenses	27	265.85	433.83
	(vii Depreciation and amortization	11.6	29.50	31.57
	(viii) Other Expenses	28	517.13	790.84
	Total expenses		**1,442.40**	**1,287.55**
(V)	**Profit/(Loss) exceptional item and tax (III - IV)**		**(304.31)**	**1,547.81**
(VI)	Exceptional item	43	412.54	1,047.40
(VII)	**Profit/(Loss) before tax (V - VI)**		**(716.85**	**500.41**
(VIII)	Tax expenses			
	Current tax	29	—	150.00
	Deferred tax	29	(170.55)	(214.12)
	Total tax expenses		(170.55)	(64.12)
(IX)	**Profit/(Loss) for the year (VII - VIII)**		**(546.30)**	**564.53**
(X)	**Other comprehensive income**			
	(A) Items that will not be reclassified subsequently to profit or loss Acturial gain (loss) on gratuity fund	34(c)	(7.51)	(25.52)
	Deferred tax	29	1.89	7.43
	(B) Items that will be reclassified subsequently to profit or loss		—	—
	Total other comprehensive income for the year, net of tax (A+B)		**(5.62)**	**(18.09)**
	Total comprehensive income for the year (IX + X)		**(551.92)**	**546.44**
	Earnings per equity share of par value of Rs. 100 (March 31, 2019 Rs. 100) each (in Rs.)	32		
	Basic		(164.77)	170.26
	Diluted		(164.77)	170.26

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: September 21, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

Susim Mukul Datta *Chairman* DIN: 00032812	Sunil Kanti Roy *Managing Director* DIN: 00043966	Bhargab Lahiri *Dy. Managing Director* DIN : 00043772
Deepak Mukerjee *Director* DIN:00046690	Asoke Kumar Mukhuty *Director Finance and Chief Financial Officer* DIN:00173745	K. Balasubramanian *Company Secretary*

Place: Kolkata
Date: September 19, 2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit/(Loss) before tax	(716.85)	500.41
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities:		
Depreciation and amortization	29.50	31.57
Profit on Sale of Property plant and equipment	(25.19)	(5.12)
Interest Income	(880.46)	(2,120.13)
Dividend Income	(79.05)	(65.03)
Net (Gain)/Loss on Fair value changes	571.46	(390.27)
Net Gain on derecognition of financial instruments under amortised cost category	(26.03)	(29.34)
Finance Costs	6.33	0.63
Impairment of Financial Instruments	46.97	4.59
Provision no longer required written back	(27.77)	(97.05)
Impairment Loss on Government Securities	—	119.66
Operating Profit before Working Capital changes	**(1,101.09)**	**(2,050.08)**
Movements in working capital		
Decrease (increase) in other receivables	7.33	(0.30)
Decrease (increase) in Loans	2.77	9.31
Decrease (increase) in other financial assets	132.23	(21.43)
Decrease (Increase) in other non-financial asset	(49.93)	28.56
Decrease (Increase) in inventories	(4.43)	29.10
(Decrease) increase in other non-financial liabilities	(59.32)	(80.74)
(Decrease) increase in provisions	(7.72)	(41.32)
(Decrease) increase in other payables	(13.89)	(8.81)
(Decrease) increase in other financial liabilities	46.40	(1.60)
(Decrease) increase in deposits	(15,298.09)	(17.48)
Cash from operating activities	(16,345.73)	(2,154.79)
Interest received	1,143.09	1,927.00
Dividend received	79.05	65.03
Refund/(Payment) of taxes	21.44	81.84
Net cash provided by operating activities	**(15,102.15)**	**(80.92)**
Cash flows from investing activities		
Fixed assets including capital work-in-progress	(8.28)	(13.95)
Proceeds from sale of fixed assets	24.42	8.42
Purchase of investments property	(10.36)	(4.52)
Proceeds from sale of investments	25,228.56	13,363.63
Purchase of investments	(9,647.51)	(12,982.85)
Bank fixed deposits having maturity of more than three months matured	(46.33)	4.15
Interest received	13.29	180.88
Net cash provided by (used in) investing activities	**15,553.79**	**555.76**
Cash flows from financing activities		
Finance Costs	(2.77)	(0.23)
Equity dividend paid (including tax on equity dividend paid)	(429.65)	(398.49)
Repayment of Lease Liability (including interest expense)	(7.44)	—
Net cash (used in) financing activities	**(439.86)**	**(398.72)**
Net increase (decrease) in cash and cash equivalents	11.78	76.12
Cash and cash equivalents at beginning of the year	204.89	128.77
Cash and cash equivalents at end of the year	**216.67**	**204.89**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020 (Continued)

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	211.00	203.95
Cash on hand	0.52	0.74
Cheques/Demand Drafts in hand	5.10	0.15
Stamps in hand	0.05	0.05
Total cash and cash equivalents [Refer note 3]	**216.67**	**204.89**

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: September 21, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN : 00043772

Deepak Mukerjee
Director
DIN:00046690

Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: September 19, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(a) Year ended March 31, 2020

(Amounts in Rs. million)

Particulars	Equity share capital		Other equity						Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Capital Reserve	Capital Redemption Reserve	Special Reserve	General Reserve	Retained earnings	Other comprehensive income Remeasurement of defined benefit obligation	
Balance as of April 1, 2019	**3,315,584**	**331.56**	**0.18**	**0.02**	**5,358.34**	**6,551.15**	**6,042.29**	**—**	**18,283.54**
Changes in equity for the year ended March 31, 2020									——
Profit/(Loss) for the year	—	—	—	—	—	—	(546.30)	—	(546.30)
Transfer to special reserve	—	—	—	—	—	—	—	—	—
Final Equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	(266.12)	—	(266.12)
Interim Equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	(159.88)	—	(159.88)
Transfer to General Reserve	—	—	—	—	—	—	—	—	—
Actuarial gain (loss) on gratuity fund including deferred tax thereon	—	—	—	—	—	—	—	(5.62)	(5.62)
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	—	—	—	—	—	—	(5.62)	5.62	—
Balance as of March 31, 2020	**3,315,584**	**331.56**	**0.18**	**0.02**	**5,358.34**	**6,551.15**	**5,064.37**	**—**	**17,305.62**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(b) Year ended March 31, 2019

(Amounts in Rs. million)

Particulars	Equity share capital		Other equity						Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Capital Reserve	Capital Redemption Reserve	Special Reserve	General Reserve	Retained earnings	Other comprehensive income Remeasurement of defined benefit obligation	
Balance as of April 1, 2018	**3,315,584**	**331.56**	**0.18**	**0.02**	**5,238.34**	**6,451.15**	**6,110.15**	**—**	**18,131.40**
Changes in equity for the year ended March 31, 2019									
Profit for the year	—	—	—	—	—	—	564.53	—	564.53
Transfer to special reserve	—	—	—	—	120.00	—	(120.00)	—	—
Final Equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	(394.30)	—	(394.30)
Transfer to General Reserve	—	—	—	—	—	100.00	(100.00)	—	—
Actuarial gain/(loss) on gratuity fund including deferred tax thereon	—	—	—	—	—	—	—	(18.09)	(18.09)
Actuarial gain (loss) on gratuity fun][d including deferred tax thereon transferred to retained earnings	—	—	—	—	—	—	(18.09)	18.09	—
Balance as of March 31, 2019	**3,315,584**	**331.56**	**0.18**	**0.02**	**5,358.34**	**6,551.15**	**6,042.29**	**—**	**18,283.54**

Summary of significant accompanying policies – Note 2
The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: September 21, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN : 00043772

Deepak Mukerjee
Director
DIN:00046690

Asoke Kumar Mukhuty
Director Finance and
Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: September 19, 2020

Notes to the Ind AS financial statements

Note 1: Corporate information

The Peerless General Finance & Investment Company Limited (the 'Company') was incorporated in India with limited liability on October 25, 1932. The Company is domiciled in India and has its registered office at Kolkata, West Bengal, India. The Company is principally engaged in the Residuary Non- Banking (RNBC) business.

The financial statements for the year ended March 31, 2020 were approved by the Company's Board of Directors and authorized for issue on September 19, 2020.

Note 2: Summary of significant accounting policies

2.1 Basis of preparation

These financial statements comprising of balance sheet as at March 31, 2020, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities, including derivative instruments if any, that are measured at fair value
- assets held for sale
- defined benefit plan

Previous year's comparative numbers in the standalone financial statements have been reclassified wherever necessary, to conform to current year's presentation.

2.2 Summary of significant accounting policies

The significant accounting policies adopted by the Company, in respect of the financial statements are set out as below:

(a) Property, plant and equipment, capital work-in-progress and depreciation

Property, plant and equipment and capital work-in-progress

Freehold land is stated at cost. All other items of property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the fixed asset property, plant and equipment, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

Depreciation

Depreciation is computed using the rates arrived at based on the useful lives as specified in Schedule II of the Companies Act, 2013 as follows:

a) Furniture & Fixtures and Office Appliances (excluding Computers) – SLM Basis

b) All Other Fixed Assets – WDV Basis.

Intangible Assets have been amortised on straight line basis over a period of 3 years. Leasehold premises are amortized/depreciated over the period of the lease. Leasehold improvements are amortized/depreciated over the period of the lease or useful life of respective assets whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the Ind AS financial statements *(Contd.)*

(b) Impairment of non financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating units' ('CGU') fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

(c) Foreign currencies

The financial statements are presented in Indian Rupees ('INR'), which is the functional currency of the Company.

Foreign currency balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency using spot rates on the date the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset or liability, expense or income, is when the Company has received or paid advance consideration in foreign currency.

(d) Revenue recognition

In accordance with Ind AS 115 "Revenue from Contracts with Customers" Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

The Company has applied the guidance as per Ind AS 115, 'Revenue from Contracts with Customers', by applying revenue recognition criteria for each distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative selling price. The price that is regularly charged for an item when sold separately is the best evidence of its selling price.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Performance obligation

Revenue from sale of flats is recognised when the customer obtains control of the same. Revenue from fixed price contracts, where the performance obligations are satisfied at a point in time and where there is no uncertainty as to measurement or collectability of consideration, is recognized when the customer obtains the control.

Notes to the Ind AS financial statements *(Contd.)*

Contract balances

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Contract assets in the nature of unbilled receivables are identified as financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

(e) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside statement of profit or loss is recognized either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to the Ind AS financial statements*(Contd.)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity as applicable. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company has exercised the option permitted under Section 115BAA of the Indian Income Tax Act, 1961 as introduced by The Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax and re-measured its deferred tax asset at the rate prescribed in the said section. Impact of this change has been recognized in the statement of profit and loss account for the year ended March 31, 2020.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company has determined whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty has been followed. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

This interpretation is effective from April 1, 2019 and the adoption of this amendment did not have a material impact on the statement of profit and loss for the year ended March 31, 2020.

(f) Investment properties

Investment properties are measured initially and subsequently at cost. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed annually in the notes which form an integral part of the financial statements. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation technique as per the international norms and standards. Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from such disposal. The difference between the net sale proceeds and the carrying amount of asset is recognized in statement of profit and loss in the period of derecognition.

(g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Notes to the Ind AS financial statements *(Contd.)*

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated.

All other assets in the financial statements are at amounts for continuing operations, unless otherwise mentioned.

(h) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value so as to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

– Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

– Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Ind AS financial statements *(Contd.)*

(i) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, fair value through other comprehensive income or fair value through statement of profit or loss as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Investments in subsidiaries and associate are carried at cost as per Ind AS 27 - Separate Financial Statements.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

– Debt instruments measured at amortized cost
– Debt instruments at fair value through other comprehensive income ('OCI')
– Debt instruments, derivatives and equity instruments at fair value through statement of profit or loss

Debt instruments measured at amortized cost

This category is the most relevant to the Company. Debt instruments are measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt instruments at fair value through OCI

Debt instruments are measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not designated any financial assets at fair value through OCI.

Debt instruments at fair value through profit or loss

Debt instruments at fair value through statement of profit or loss include assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by Ind AS 109 – Financial Instruments. Debt instruments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit and loss.

Derecognition

A financial asset is derecognized i.e. removed from the Company's statement of financial position when:

– The contractual rights to the cash flows from the financial asset expire or

Notes to the Ind AS financial statements *(Contd.)*

– The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

a) **Overview of ECL principles**

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime ECL. Stage 2 loans also includes facilities where the credit risk has improved, and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for lifetime ECL.

b) Calculations of ECL's

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Notes to the Ind AS financial statements *(Contd.)*

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

Dividend income

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to the Ind AS financial statements *(Contd.)*

The Company's financial liabilities include trade payables, accrued expenses, accrued compensation to employees, advance from customers, amounts due to subsidiaries, dividend and dividend tax payablealong with unpaid dividends.

Subsequent measurement

The Company measures all financial liabilities at amortized cost except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial liabilities held for trading are measured at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109–Financial Instruments, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

(j) Leases

Company as a Lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Notes to the Ind AS financial statements *(Contd.)*

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Company as a Lessor

Leases for which the Company is a lessor is classified as finance or operating lease. If the terms of the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee, such lease arrangement is classified as finance lease. All other leases are classified as operating leases.

In case of sub-lease, the Company recognizes investment in sub-lease separately in the financial statements. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from such lease arrangement. For operating leases, rental income is recognized on a straight-line basis over the term of the lease arrangement.

Transition

The Company has adopted Ind AS 116 ‘Leases’ with effect from April 1, 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Company has not restated comparative information. The Company has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at an amount equal to the lease liability.

The Company has selected practical expedient for the following:

a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Company recognizes the lease payments associated with such leases as an expense over the lease term.

b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.

c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

Accordingly, the Company has recognized right-of-use asset of Rs. 25.61 million, lease liability of 39.60 million and investment in sublease of Rs. 13.99 million in the financial statements on the date of initial application. There is no impact on the retained earnings. Due to adoption of Ind AS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. During the year ended March 31, 2020, the Company has recognized depreciation on right-of-use asset Rs. 2.65 million along with interest on lease liability of Rs.3.19 million respectively. The effect of this standard is not significant

Notes to the Ind AS financial statements *(Contd.)*

on the profit for the year of the Company. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 9%'

The difference between the future minimum lease commitments under Ind AS 17 – Lease reported as of March 31, 2O19 and the value of lease liability recorded as on April 1, 2019 on adoption of Ind AS 116 - Leases is primarily on account of discounting of the lease liability to its present value in accordance with Ind AS 116 and the exclusion of commitments for lease on which the company has chosen to apply the practical expedient as per the standard

(k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Compensated absences which are expected to occur within twelve months after the end of the period in which employee renders the related services are recognized as undiscounted liability at the balance sheet date. The expected cost of compensated absences which are not expected to occur within twelve months after the end of the period in which employee renders related services are recognized at the present value based on actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

The Company operates a defined benefit gratuity plan in India, under which the Company makes contributions to a fund administered and managed by the Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company and LIC administers the scheme.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Notes to the Ind AS financial statements *(Contd.)*

Past service costs are recognized in the statement of profit and loss on the earlier of:

– The date of the plan amendment or curtailment, and

– The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

– Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

– Net interest expense or income.

(m) Cash dividend to equity shareholders of the Company

The Company recognizes a liability to make cash or noncash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, a distribution of interim dividend is authorized when it is approved by the Board of Directors and final dividend is authorized when it is approved by the shareholders of the Company. A corresponding amount is recognized directly in other equity.

(n) Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. The weighted average number of shares and potentially dilutive equity shares are adjusted for the bonus shares and sub-division of shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(o) Deposit from Public

All amounts received from Certificate-holders including renewal subscription, other than Processing and maintenance charges as allowed by Reserve Bank of India (RBI), which were credited to income, are accounted for as Deposit from Public along with interest thereon as accrued from year to year, so as to meet the obligations to the Certificate-holders on or before maturity in terms of the schemes and/or the directions issued by RBI in this respect. Repayments to Certificate-holders are reduced therefrom.

Interest to certificate-holders is provided at the rates or amounts determined in terms of contract entered into with Certificate-holders depending upon the status of the respective certificates i.e. continued or discontinued as at the year end in terms of approval received from RBI and is added to and shown as Deposit from Public. Interest to certificate-holders on unidentified subscription deposit has been provided for at the contractual rate/minimum rate prescribed by RBI.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less.

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 3: Cash and cash equivalents		
Balance with banks		
- In current accounts @	211.00	203.95
Cash on hand	0.52	0.74
Cheques / Demand Drafts in hand	5.10	0.15
Stamps in hand	0.05	0.05
	216.67	**204.89**

Note: Balance with banks in current accounts do not earn any interest income.

@ Includes Rs. 119.87 million (March 31, 2019 Rs. 74.86 million) kept in an Escrow account, on account of security towards Aggregate Liability to Depositors (ALD). Refer Note 14.4

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 4: Bank Balances other than Cash and cash equivalents		
Balance with banks		
- In Unpaid Dividend accounts	25.66	29.31
Fixed deposit account with banks (with original maturity more than 3 months but less than 12 months)*	50.82	0.84
	76.48	**30.15**

* fixed deposits of Rs. 0.82 million (March 31, 2019 Rs. 0.84) which have been kept as margin money for Bank Guarantee availed from Bank.

Note: Balance with banks in unpaid dividend accounts do not earn any interest income.

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 5: Receivables		
5.1 Trade receivables	—	—
5.2 Other receivables		
From parties other than related parties		
Secured, considered good		
Unsecured, considered good	34.08	41.09
Unsecured, considered credit impaired	2.46	2.12
Less: Allowance for credit impaired	(2.46)	(2.12)
From related parties		
Unsecured, considered good	3.81	4.13
	37.89	**45.22**
Total Receivables	**37.89**	**45.22**

Notes to the Ind AS financial statements *(Contd.)*

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Other receivables are in the nature of rent and other reimbursement receivables, non-interest bearing and generally on terms of 30 days

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
5.2.1 Other receivables past due details		
Gross Carrying Amount		
Current due	35.78	43.51
1- 30 days past due	—	—
31-60 days past due	1.78	1.62
61-90 days past due	0.33	0.09
91-360 days past due	—	—
More than 360 days past due	2.46	2.12
	40.35	**47.34**
ECL Amount (Impairment allowance)		
Current due	—	—
1- 30 days past due	—	—
31-60 days past due	—	—
61-90 days past due	—	—
91-360 days past due	—	—
More than 360 days past due	(2.46)	(2.12)
	(2.46)	**(2.12)**
Net Carrying Amount		
Current due	35.78	43.51
1- 30 days past due	—	—
31-60 days past due	1.78	1.62
61-90 days past due	0.33	0.09
91-360 days past due	—	—
More than 360 days past due	—	—
	37.89	**45.22**

5.2.2 Reconciliation of impairment allowance on Other receivables

Impairment Allowance as at April 01, 2018	0.80
Add: Additions during the year	0.04
Less: Reductions during the year	(1.28)
Impairment Allowance as at March 31, 2019	**2.12**
Add: Additions during the year	0.34
Less: Reductions during the year	—
Impairment Allowance as at March 31, 2020	**2.46**

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

Note 6: Loans	As at March 31, 2020				As at March 31, 2019			
		At Fair Value				At Fair Value		
	Amortised Cost	Through OCI	Through P&L	Total	Amortised Cost	Through OCI	Through P&L	Total
				(1)	(2)	(3)	4 =1+2+3	
Loan against mortgage/hypothecation of Properties/Vehicles	8.62	—	—	8.62	16.51	—	—	16.51
House Building Loan to employees	1.60	—	—	1.60	3.96	—	—	3.96
Consumer Durable Loan to employees	0.21	—	—	0.21	0.45	—	—	0.45
Personal Loan to employees	0.11	—	—	0.11	0.20	—	—	0.20
Total Gross	**10.54**	—	—	**10.54**	**21.12**	—	—	**21.12**
Less: Impairment Loss Allowance	(2.89)	—	—	(2.89)	(10.70)			(10.70)
Total Net	**7.65**	—	—	**7.65**	**10.42**	—	—	**10.42**
Security Details								
(i) Secured by tangible assets	10.43	—	—	10.43	20.92	—	—	20.92
(ii) Secured by intangible assets	—	—	—	—	—	—	—	—
(iii) Covered by Bank/Government Guarantees	—	—	—	—	—	—	—	—
(iv) Unsecured	0.11	—	—	0.11	0.20	—	—	0.20
Total Gross	**10.54**	—	—	**10.54**	**21.12**	—	—	**21.12**
Less: Impairment Loss Allowance	(2.89)	—	—	(2.89)	(10.70)	—	—	(10.70)
Total Net	**7.65**	—	—	**7.65**	**10.42**	—	—	**10.42**
Loans in India & Outside India								
(1) Loans in India								
Public Sector	—	—	—	—	—	—	—	—
Others	10.54	—	—	10.54	21.12	—	—	21.12
Total Gross	**10.54**	—	—	**10.54**	**21.12**	—	—	**21.12**
Less: Impairment Loss Allowance	(2.89)	—	—	(2.89)	(10.70)	—	—	(10.70)
Total Net	**7.65**	—	—	**7.65**	**10.42**	—	—	**10.42**
(2) Loans outside India - Gross	—	—	—	—	—	—	—	—
Less: Impairment Loss Allowance	—	—	—	—	—	—	—	—
Total Net	—	—	—	—	—	—	—	—
Total Net - Loans in India & Outside India - (1+2)	**7.65**	—	—	**7.65**	**10.42**	—	—	**10.42**

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

Note 6.1: An analysis of changes in the gross carrying amount	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**10.42**	**—**	**10.70**	**21.12**	**19.73**	**—**	**12.60**	**32.33**
Assets derecognised or repaid (excluding write offs)	(2.77)	—	(7.81)	(10.58)	(10.27)	—	(1.90)	(12.17)
Transfers	—	—	—	—	—	—	—	—
Amounts written off	—	—	—	—	—	—	—	—
New assets originated	—	—	—	—	0.96	—	—	0.96
Gross carrying amount closing balance	**7.65**	**—**	**2.89**	**10.54**	**10.42**	**—**	**10.70**	**21.12**

Note 6.2: Reconciliation of ECL balance (impairment allowance) is given below	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.00	—	9.70	10.70	1.00	—	11.60	12.60
Addition during the year	—	—	—	—	—	—	—	—
Reversal during the year	—	—	(7.81)	(7.81)	—	—	(1.90)	(1.90)
ECL allowance - closing balance	**1.00**	**—**	**1.89**	**2.89**	**1.00**	**—**	**9.70**	**10.70**

Notes to the Ind AS financial statements *(Contd.)*

Note 7: Investments

(Amounts in Rs. million)

Particulars	As at March 31,2020					As at March 31, 2019				
	Amortised Cost	At Fair Value		At Cost	Total	Amortised Cost	At Fair Value		At Cost	Total
		Through OCI	Through P&L				Through OCI	Through P&L		
Mutual Funds	—	—	2,665.36	—	2,665.36	—	—	3,595.05	—	3,595.05
Government Securities *	3,681.53	—	—	—	3,681.53	18,946.08	—	—	—	18,946.08
Treasury Bills *	98.94	—	—	—	98.94	—	—	—	—	—
Other Approved Securities - Fixed Deposit	3.56	—	—	—	3.56	203.56	—	—	—	203.56
Debt Securities @	6,065.80	—	—	—	6,065.80	5,843.90	—	—	—	5,843.90
Equity Instruments	—		691.92	—	691.92	—		875.97	—	875.97
Subsidiaries	—	—	—	2,307.42	2,307.42	—	—	—	2,307.42	2,307.42
Joint Venture	—	—	—	6.63	6.63	—	—	—	6.63	6.63
Fixed Deposits with Financial Institutions	1,138.52	—	—	—	1,138.52	1,051.02	—	—	—	1,051.02
Investment in Right to Property	73.40	—	—	—	73.40	151.73	—	—	—	151.73
Total Gross	**11,061.75**	**—**	**3,357.28**	**2,314.05**	**16,733.08**	**26,196.29**	**—**	**4,471.02**	**2,314.05**	**32,981.36**
Less: Impairment Loss Allowance	(284.65)	—	—	(515.69)	(800.34)	(404.31)	—	—	(468.76)	(873.07)
Total Net	**10,777.10**	**—**	**3,357.28**	**1,798.36**	**15,932.74**	**25,791.98**	**—**	**4,471.02**	**1,845.29**	**32,108.29**
Investment in India & Outside India										
(1) Investment in India	11,061.75	—	3,357.28	2,314.05	16,733.08	26,196.29	—	4,471.02	2,314.05	32,981.36
(2) Investment outside India	—	—	—	—	—	—	—	—	—	—
Less: Impairment Loss Allowance	(284.65)	—	—	(515.69)	(800.34)	(404.31)	—	—	(468.76)	(873.07)
Total Net	**10,777.10**	**—**	**3,357.28**	**1,798.36**	**15,932.74**	**25,791.98**	**—**	**4,471.02**	**1,845.29**	**32,108.29**

* Includes Rs. 102.50 million (March 31, 2019 Rs. 15466.74 million) earmarked on account of security towards Aggregate Liability to Depositors (ALD). Refer Note 14.4

@ Includes Rs. 92.74 million [Face Value – Rs 95 million] (March 31,2019Rs. 76.70 million [Face Value – Rs. 80 million]) on account of Debentures issued by subsidiaries

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 8: Other Financial Assets		
Receivable on account of Sale of Investments	—	148.34
Accrued Interest on Loan to Employees *	2.42	7.69
Accrued Interest on Investments @	248.17	518.82
Advances Recoverable	0.21	1.52
Sundry Deposits	11.26	13.06
Gratuity fund with LIC [Note 34]	13.16	13.36
Investment in sublease	11.91	—
	287.13	**702.79**
* Secured against mortgage of properties and hypothecation of consumer durable items.	2.39	7.66

@ .Includes Rs. 0.17 million (March 31, 2019 Rs.279.50 million) interest accrued on investments earmarked on account of security towards Aggregate Liability to Depositors (ALD). Refer Note 14.4

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 9: Inventories		
(Valued at Lower of Cost and Net Realisable Value)		
Project Work in Progress	37.67	25.67
Stock of Flats & Office Space	17.91	25.48
TOTAL	**55.58**	**51.15**
Breakup of Project Work in Progress		
Cost of Land	2.70	2.70
Cost of Construction	28.00	16.00
Other Development Costs	6.97	6.97
	37.67	**25.67**

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 10: Investment Property		
Land & Building		
Opening Balance (Deemed Cost)	426.95	422.43
Additions	10.36	4.52
Deletions	—	—
Closing Balance	**437.31**	**426.95**
Depreciation and impairment		
Opening Balance	(16.84)	(8.60)
Additions	(8.26)	(8.24)
Deletions	—	—
Closing Balance	(25.10)	(16.84)
TOTAL	**412.21**	**410.11**

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

Note 10.1 : Amounts recognised in Statement of Profit and Loss for Investment Property

Particulars	For the year ended March, 31 2020	For the year ended March 31, 2019
Rental income	34.68	32.86
Direct operating expense from property that generated rental income	1.15	11.75

Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company. Refer Note 36 (2) for capital commitment towards investment property.

Fair value

The fair valuation of investment property as at March 31, 2020 is Rs. 4,855.11 millions and March 31, 2019 is Rs. 4,613.55 millions.

Pledged details

Investment property is not pledged.

Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

Notes to the Ind AS financial statements *(Contd.)*

Note 11.1 : Property, plant and equipment

(Amounts in Rs. million)

Description	Leasehold land*	Buildings including Ownership Flats	Leasehold buildings	Lifts	Furniture and fixtures	Electrical installations	Office equipments	Computers	Vehicles	Total
Gross Block										
As at 31 March 2018	38.73	127.99	34.22	—	5.25	16.18	1.09	0.88	10.24	234.58
Add: Additions during the year	—	3.02	—	—	14.26	5.79	0.13	0.92	3.61	27.73
Less: Deletion during the year	—	2.34	1.17	—	0.07	0.11	0.04	—	—	3.73
As at 31 March 2019	**38.73**	**128.67**	**33.05**	**—**	**19.44**	**21.86**	**1.18**	**1.80**	**13.85**	**258.58**
Add: Additions during the year	—	1.66	—	2.12	0.02	0.90	0.04	2.13	—	6.87
Less: Deletion during the year	—	1.78	—	—	—	—	0.02	0.05	—	1.85
As at 31 March 2020	**38.73**	**128.55**	**33.05**	**2.12**	**19.46**	**22.76**	**1.20**	**3.88**	**13.85**	**263.60**
Depreciation										
As at 31 March 2018	—	16.90	1.71	—	1.34	3.51	0.21	0.54	5.28	29.49
Add: Depreciation for the year	—	8.47	1.62	—	2.29	3.79	0.18	0.70	6.27	23.32
Less: Depreciation on deletion	—	0.23	0.11	—	0.02	0.07	—	—	—	0.43
As at 31 March 2019	**—**	**25.14**	**3.22**	**—**	**3.61**	**7.23**	**0.39**	**1.24**	**11.55**	**52.38**
Add: Depreciation for the year	—	6.02	1.49	1.17	2.36	3.56	0.18	1.78	1.89	18.45
Less: Depreciation on deletion	—	1.02	—	—	—	—	0.01	0.05	—	1.08
As at 31 March 2020	**—**	**30.14**	**4.71**	**1.17**	**5.97**	**10.79**	**0.56**	**2.97**	**13.44**	**69.75**
Net block										
At 31 March 2019	**38.73**	**103.53**	**29.83**	**—**	**15.83**	**14.63**	**0.79**	**0.56**	**2.30**	**206.20**
At 31 March 2020	**38.73**	**98.41**	**28.34**	**0.95**	**13.49**	**11.97**	**0.64**	**0.91**	**0.41**	**193.85**

* The tenure of leasehold land is for infinite period and accordingly no amortisation charge has been recognised on same.

Note 11.2: Capital work-in-progress

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Capital work in progress	1.19	1.19

Notes to the Ind AS financial statements *(Contd.)*

Note 11.3: Right of Use Asset

(Amount in Rs million)

Description	Building	Total
Gross block		
As at 31 March 2019	—	—
Add: Additions during the year	—	—
Less: Disposal during the year	—	—
As at 31 March 2019	—	—
Add: Additions during the year	25.61	25.61
Less: Disposal during the year	—	—
As at 31 March 2020	**25.61**	**25.61**
Depreciation		
As at 31 March 2018	—	—
Add: Depreciation for the year	—	—
As at 31 March 2019	—	—
Add: Amortisation for the year	2.65	2.65
As at 31 March 2020	**2.65**	**2.65**
Net block		
At 31 March 2019	—	—
At 31 March 2020	**22.96**	**22.96**

Note 11.4: Intangible Asset

(Amount in Rs million)

Description	Computer software	Total
Gross block		
As at 31 March 2018	**0.27**	**0.27**
Add: Additions during the year	0.14	0.14
Less: Disposal during the year	—	—
As at 31 March 2019	**0.41**	**0.41**
Add: Additions during the year	1.41	1.41
Less: Disposal during the year	—	—
As at 31 March 2020	**1.82**	**1.82**
Amortisation		
As at 31 March 2018	0.27	0.27
Add: Amortisation for the year	0.01	0.01
As at 31 March 2019	**0.28**	**0.28**
Add: Amortisation for the year	0.14	0.14
As at 31 March 2020	**0.42**	**0.42**
Net block		
At 31 March 2019	**0.13**	**0.13**
At 31 March 2020	**1.40**	**1.40**

Notes to the Ind AS financial statements *(Contd.)*

Note 11.5: Asset held for Sale

The Company had in the month of March 2019, decided to sell off one of its freehold building and has identified the proposed buyer. Accordingly the same was shown as deletion from PPE and disclosed as asset held for sale at its written down value of Rs. 2.11 million. The same has been sold off in the year ended March 31,2020.

(Amount in Rs million)

	For the year ended	
Note 11.6: Depreciation and Amortization	**March, 31 2020**	March 31, 2019
Property, Plant and Equipment	18.45	23.32
Intangible Assets	0.14	0.01
Investment Property (Refer Note 10)	8.26	8.24
Right to Use Asset	2.65	—
	29.50	**31.57**

(Amount in Rs million)

Note 12: Other non-financial Assets	**As at March 31, 2020**	As at March 31, 2019
Prepaid Expenses	23.15	21.45
Advance towards acquisition of Investment property - related party	98.23	49.15
Capital Advance	1.50	-
Branch and Other Office Adjustments (Net)	0.10	0.02
GST Input and Receivables	0.35	2.15
Others	1.12	1.75
TOTAL	**124.45**	**74.52**

(Amount in Rs million)

Note 13: Other Payables	**As at March 31, 2020**	As at March 31, 2019
Liability for Expenses		
Due to Micro and Small Enterprises	0.44	2.93
Other than Micro and Small Enterprises	102.57	113.97
TOTAL	**103.01**	**116.90**

(Amount in Rs million)

Note 14: Deposits	**As at March 31, 2020**	As at March 31, 2019
Deposit from Public - at amortised cost	179.25	15,477.34
	179.25	**15,477.34**

Notes to the Ind AS financial statements *(Contd.)*

14.1 The Company has transferred an amount of Rs.15,296.18 million to the IEPF Authority during the year ended March 31,2020 and repaid Rs. 1.91 to its depositors. The Company has transferred these amounts to IEPF Authority on a monthly basis since there are various maturity due dates of deposits of unclaimed deposits. This amount transferred represents the total amount of matured deposits [including interest accrued thereon till respective dates of maturity), which were lying unclaimed for a period of 7 years or more from their respective dates of maturity. [Refer Note No. 37 (c)]

14.2 The Closing Deposit Liability of Rs.179.25 million (March 31, 2019 - Rs. 15,477.34 million;) , includes liability in respect of Unclaimed Certificates of Rs. Nil million (March 31, 2019- Rs. 489.18) which had been ascertained on the basis of details received from branches or as certified by Independent Firm of Chartered Accountants. The said amount was after considering reinvestment /payments and which has been provided by management.The said deposit liability has been remitted to IEPF Authority.

Further the liability in respect of Unclaimed/Unpaid Certificates [also including liability for Returned Money Orders, Stale Cheques and Unidentified Subscription Deposit] includes Rs. Nil million (March 31, 209 - Rs. 99.21 million) for which certain particulars were not available. The said deposit liability has been remitted to IEPF Authority.

14.3 Based on exercise of reconciliation of unclaimed certificates, carried out by the management during the previous year ended 31.03.2019 , Rs. 0.94 million was ascertained and accordingly had been debited in the Statement of Profit and Loss under other expenditure in Note 28.

14.4 The book value & accrued interest of Investments Linked with Escrow Account (including Escrow Bank Account) amounts to Rs. 222.54 million as at 31st March 2020 (Prev.Year Rs. 15,821.10 millions) against outstanding Liability towards Depositors of Rs. 179.25 million as at 31st March 2020 (Prev. Year Rs. 15,477.34 million).

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 15: Other financial Liabilities		
Security Deposits	15.93	17.12
Unpaid Dividends #	25.66	29.31
Lease Liability	35.35	—
Other Liabilities @	3.29	2.83
	80.23	**49.26**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF).
@ Represents salary payable, liability towards stale chegue, etc.

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 16: Provisions		
Provision for Employee Benefits - Leave Encashment	36.64	44.36
TOTAL	**36.64**	**44.36**

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 17: Other non-financial Liabilities		
Advance against Sale of Right to Property - Investments	7.71	70.08
Advance against Sale of Flats - Construction Project	2.90	1.18
Income Received in Advance *	1.71	1.72
Statutory Liabilities	10.02	8.75
Deferred Rent	2.25	2.18
TOTAL	**24.59**	**83.91**

* from related party

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
NOTE 18 : Share Capital		
Authorised Capital		
35,00,000 Equity Shares of Rs.100/- each	350.00	350.00
	350.00	**350.00**
Issued, Subscribed & Called up Capital		
33,15,584 Equity shares of Rs.100/- each fully paid up	331.56	331.56
TOTAL	**331.56**	**331.56**

	As at 31.03.2020		**As at 31.03.2019**	
a) Movement of Share Capital:	No. of Shares	Rs. in Million	No. of Shares	Rs. in Million
No. of Shares Outstanding as at beginning of year	33,15,584	331.56	33,15,584	331.56
New Shares issued during the year	—	—	—	—
No. of Shares Outstanding as at end of year	33,15,584	331.56	33,15,584	331.56

b) Disclosure with respect to Shareholding in excess of 5%:

		As at 31.03.2020		**As at 31.03.2019**	
Sl. No.	**Name of the Shareholder**	**No. of Shares Held**	**% of Shareholding**	**No. of Shares Held**	**% of Shareholding**
1	Mr. Sunil Kanti Roy & Mrs. Shikha Roy	668,448	20.16%	668,448	20.16%
2	Mr. Jayanta Roy	324,640	9.79%	324,640	9.79%
3	Shikha Holdings Private Limited	630,192	19.01%	630,192	19.01%
4	Bichitra Holdings Private Limited	327,669	9.88%	327,669	9.88%
5	Poddar Projects Limited	218,240	6.58%	218,240	6.58%
6	Mr. R. L. Gaggar	179,200	5.40%	179,200	5.40%
7	Mr. Tuhin Kanti Ghosh	225,920	6.81%	225,920	6.81%
	Total	**2,574,309**	**77.63%**	**2,574,309**	**77.63%**

c) Rights, Preferences & Restrictions attached to Shares:

Equity Shares - The Company has one class of equity shares having a par value of Rs 100 per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
NOTE 19: Other Equity		
Capital Reserve	0.18	0.18
Capital Redemption Reserve	0.02	0.02
Special Reserve	5,358.34	5,358.34
General Reserve	6,551.15	6,551.15
Retained earnings	5,064.37	6,042.29
Other comprehensive income	—	—
	16,974.06	**17,951.98**

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Equity Dividend and Dividend Distribution tax		
Final dividend for March 31, 2018 - Rs. 100 per share	—	331.56
Dividend Distribution tax thereon	—	62.74
Final dividend for March 31, 2019 - Rs. 70 per share	232.09	—
Dividend Distribution tax thereon	34.03	—
Interim dividend for March 31, 2020 - Rs. 40 per share	132.62	—
Dividend Distribution tax thereon	27.26	—

Capital Reserve

Capital reserve represents profit recognised in erstwhile years on reissue of forfeited shares.

Capital Redemption Reserve

The Company had recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Special Reserve

Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Special Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to special reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities,

Notes to the Ind AS financial statements *(Contd.)*

declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

In the event of loss incurred by the Company in the current year, no transfer has been made to special reserve.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

In the event of loss incurred by the Company in the current year, no transfer has been made to general reserve.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to special reserve, general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Other comprehensive income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

(Amount in Rs million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 20: Interest Income		
On Financial Assets measured at Amortised Cost		
Interest income on Investments	766.67	1,893.83
Interest on Loans & Advances	0.84	0.63
Interest on Bank Deposits	7.71	8.28
Other Interest Income		
– on Fixed Deposits with Financial institutions and NBFC's	97.22	56.69
Total	**872.44**	**1,959.43**

There is no interest income on financial assets classified at fair value through profit or loss or financial assets measured at fair value through OCI.

(Amount in Rs million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 21: Dividend Income		
On Financial Assets measured at fair value through profit or loss		
On Mutual Fund	—	8.95
On Equity and Preference Shares	12.50	13.84
On Financial Assets measured at Cost		
On Equity and Preference Shares of subsidiaries	66.55	42.24
Total	**79.05**	**65.03**

There is no dividend income on financial assets classified at fair value through OCI.

Notes to the Ind AS financial statements *(Contd.)*

(Amounts in Rs. million)

Note 22: Net gain/ (loss) on fair value changes	**Year ended March 31, 2020**	Year ended March 31, 2019
On Financial Assets measured at fair value through profit or loss		
– Trading Portfolio		
Investments	(571.46)	390.27
Total	**(571.46)**	**390.27**
Fair Value changes:		
– Realised	246.64	346.39
– Unrealised	(818.10)	43.88
	(571.46)	**390.27**

(Amounts in Rs. million)

Note 23: Net Gain on derecognition of financial instruments under amortised cost category	**Year ended March 31, 2020**	Year ended March 31, 2019
On Financial Assets measured at amortised Cost		
– Right to Property	28.92	29.34
– Government Securities	(2.89)	—
Total	**26.03**	**29.34**

(Amounts in Rs. million)

Note 24: Other Income	**Year ended March 31, 2020**	Year ended March 31, 2019
Interest		
– Income Tax refund	5.81	159.14
– Employee Loans and Advances	0.12	0.91
– Investment in sublease	1.12	—
– Others	0.40	0.51
– Security Deposit - unwinding	0.57	0.14
Rent	67.92	76.93
Profit on Sale of Property plant and equipment	25.19	5.12
Service Fees	17.28	20.45
Provisions/Liabilities no longer required written back	27.77	97.05
Miscellaneous Income	9.01	2.87
Total	**155.19**	**363.12**

Notes to the Ind AS financial statements *(Contd.)*

(Amounts in Rs. million)

Note 25: Finance Cost	**Year ended March 31, 2020**	Year ended March 31, 2019
Interest - Others	0.04	0.02
Interest - Lease Liability	3.19	—
Interest - Security Deposit (unwinding)	0.37	0.40
Bank Charges	2.73	0.21
Total	**6.33**	**0.63**

(Amounts in Rs. million)

Note 26: Impairment of Financial Instruments	**Year ended March 31, 2020**	Year ended March 31, 2019
On Financial Assets measured at Amortised Cost		
Loans	0.04	0.04
Others	—	4.55
On Financial Assets measured at Cost		
Investments	46.93	—
Total	**46.97**	**4.59**

(Amounts in Rs. million)

Note 27: Employee benefit expenses	**Year ended March 31, 2020**	Year ended March 31, 2019
Salaries and Bonus	132.45	283.62
Contribution to Provident & Other Funds	12.20	28.99
Directors' Remuneration		
Managing/Dy. Managing/Whole time Directors		
- Salary	43.42	36.83
- Contribution to Provident & Other Funds	10.54	7.67
- Other Benefits	59.73	61.89
	113.69	106.39
Staff Amenities & Welfare	7.51	14.83
	265.85	**433.83**

Notes to the Ind AS financial statements *(Contd.)*

(Amounts in Rs. million)

Note 28: Other Expense	**Year ended March 31, 2020**	Year ended March 31, 2019
Commission to other Directors	—	6.42
Directors' Fees	2.12	3.20
Charities and Donation	14.72	31.23
Rent	15.03	26.08
Rates & Taxes	11.73	12.97
Insurance	3.81	4.09
Electricity charges	22.17	26.18
Advertisement & Publicity	106.53	270.20
Legal & Professional Charges	195.00	228.37
Repairs -		
Building	3.81	20.01
Others	22.15	22.70
Security & Manpower / Contract Cost	40.54	48.58
Corporate Social Responsibility Expenses [Refer Note below]	21.26	25.17
Other Expenditure	58.26	65.64
	517.13	**790.84**

Note: As per provisions of the Companies Act, 2013 the Company has during the year incurred expenditure relating to CSR activities amounting to Rs. 21.26 million (P.Y. Rs. 25.17million). The Company was to spend Rs. 21.36 million (P.Y. Rs. 23.47 million) towards CSR activities.

(Amounts in Rs. million)

Note 29: Income taxes	**Year ended March 31, 2020**	Year ended March 31, 2019
(a) The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are :		
(i) Profit or loss section		
Current taxes	—	150.00
Deferred tax	(170.55)	(214.12)
Income tax expense reported in the statement of profit and loss	**(170.55)**	**(64.12)**
(ii) OCI section		
Deferred tax related to items recognized in OCI during the year		
Actuarial (loss) gain on gratuity fund	(1.89)	(7.43)
Income tax (credit)/charge to OCI	**(1.89)**	**(7.43)**

Deferred tax charge for the year ended March 31, 2020 and March 31, 2019 relates to origination and reversal of temporary differences.

Notes to the Ind AS financial statements *(Contd.)*

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
(b) Reconciliation of tax expense and accounting profit for the year end March 31, 2020 and March 31, 2019		
Accounting profit/(loss) before income tax	(716.85)	500.41
Enacted tax rates in India	25.17%	29.12%
Computed expected tax expenses	(180.42)	145.72
Tax effect		
on exempt income	(122.54)	(161.54)
on income at different rates	(8.28)	(8.90)
on non-deductible expenses for tax purpose	113.60	9.99
others	(27.08)	(49.39)
At the effective income tax rate	**(170.55)**	**(64.12)**
Income tax expense reported in statement of profit and loss	**(170.55)**	**(64.12)**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
(c) The tax effect of significant temporary differences that resulted in deferred tax asset are as follows:		
Deferred tax assets		
Provision towards Loans, Advances and Investments (including fair valuation)	130.06	38.85
Provision for compensated absence	9.22	12.92
Voluntary Retirement Expenses	251.09	264.61
Carry Forward of Losses	104.68	—
	495.05	**316.38**
Deferred tax Liability		
Written Down Value of Property, Plant and Equipment and Intangible Assets	43.84	37.06
Other timing differences	1.92	2.47
	45.76	**39.53**
Deferred tax assets (net)	**449.29**	**276.85**

Deferred tax asset and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
(d) Reconciliation of net deferred tax asset is as follows:		
Balance, beginning of year	276.85	55.30
Tax income during the year recognized in statement of profit or loss	170.55	214.12
Tax income/(expense) during the year recognised in other comprehensive income	1.89	7.43
Balance, end of the year	**449.29**	**276.85**

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

	Year ended March 31, 2020	Year ended March 31, 2019
(e) Current Tax (Liabilities)/Assets:		
Provision for tax [net of advance tax]	(90.15)	(68.71)
Total	**(90.15)**	**(68.71)**

Note 30: Fair values

The management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments, except few.

Fair value hierarchy :

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

(Amount in Rs million)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments in [Note 7]					
Equity Instruments	March 31, 2020	691.92	691.92	—	—
Mutual Funds	March 31, 2020	2,665.36	—	2,665.36	—
Assets for which fair values are disclosed:					
Investment property [Note 10]	March 31, 2020	4855.11	—	4855.11	—

Fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

(Amount in Rs million)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments in [Note 7]					
Equity Instruments	March 31, 2019	875.97	875.97	—	—
Mutual Funds	March 31, 2019	3,595.05	—	3,595.05	—
Assets for which fair values are disclosed:					
Investment property [Note 10]	March 31, 2019	4,613.55	—	4,613.55	—

The following methods and assumptions are used to estimate the fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. "Mutual Fund Units are measured based on their published net asset value (NAV)", taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments are in listed entities are initially recognised at transaction price and re-measured and valued on a case-by-case at quoted price as per NSE and classified as Level 1.

There have been no transfers between Level 1 and Level 2 during the periods March 31, 2020 and March 31, 2019.

Notes to the Ind AS financial statements *(Contd.)*

Note 31: Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company. As an NBFC (RNBC), the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board of Directors.

(Amount in Rs million, except ratios)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Regulatory Capital		
Tier I Capital	16,584.40	17,739.01
Tier II Capital	—	—
Total Capital Funds	**16,584.40**	**17,739.01**
Risk Weighted Assets	**13,532.21**	**14,363.57**
T1 Capital Ratio	122.55%	123.50%
Total Capital Ratio	**122.55%**	**123.50%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 Capital, which is not applicable to the Company.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

Note 32: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares, if any that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Net Profit/(Loss) after tax as per Statement of Profit and Loss (Rs. in millions) - [A]	(546.30)	564.53
Weighted average number of equity shares for calculating basic EPS (in million) - (B)	3.32	3.32
Basic earnings per equity share (in Rupees) (face value of Rs. 100/- per share) (A) / (B)	(164.77)	170.26
Diluted earnings per equity share (in Rupees) (face value of Rs. 100/- per share) (A) / (B)	(164.77)	170.26

Notes to the Ind AS financial statements *(Contd.)*

Note 33: Related Party disclosure

a) Names of Related Parties and description of relationship :

Relationship	**Names of related parties**
1 Enterprise where control exist	
Subsidiaries	Peerless Financials Products Distributions Limited Peerless Hospitex Hospital & Research Center Ltd. Peerless Securities Ltd. Peerless Hotels Ltd. Peerless Financial Services Ltd. Peerless Commodities Ltd. – (Subsidiary of Peerless Securities Ltd)
Joint Venture	Bengal Peerless Housing Development Co. Ltd
Group Enterprises (includes Enterprise over which KMP has control)	Kaizen Leisure & Holidays Ltd Kaizen Leisure & Resorts Ltd Bichitra Holdings Private Ltd Shikha Holdings Private Ltd B. K. Roy Foundation
Key Management Personnel	Mr. S K Roy, Managing Director Mr. B. Lahiri, Deputy Managing Director Mr. A. K. Mukhuty – Whole Time Director & Chief Financial Officer* Mr. Samar Bhattacharya - Whole Time Director* Mr. K. Balasubramanian – Company Secretary (* appointed as Whole Time Director w.e.f December 13, 2018)
Relatives of Key Management Personnel & Non - executive directors	Mr. Jayanta Roy – Director – Relative of Managing Director Mr. T. K. Roy - Relative of Managing Director Mrs. Shikha Roy - Relative of Managing Director Mrs. Debasree Roy – Relative of Managing Director Mrs. Archana Datta – Relative of Non-Executive Director
Independent Directors	Mr. Deepak Mukerjee Mr. Partho Sarothy Datta Mr. Soumendra Mohan Basu
Non Executive Directors	Mr. Susim Mukul Datta Mr. Dipankar Chatterji

Notes to the Ind AS financial statements *(Contd.)*

Note 33: Related Party disclosure (continued)

b) Transactions with related parties and outstanding balances:

(Amounts in Rs. million)

Particulars	Subsidiaries		Joint Venture		Group Enterprises		Key Management Personnel		Relatives of Key Management Personnel		Independent/ Non-executive Directors		Total	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Expenses														
Advertisement & Publicity Expenses	0.28	0.69	—	—	—	—	—	—	—	—	—	—	0.28	0.69
CSR and Donation Expenses	—	—	—	—	3.76	27.51	—	—	—	—	—	—	3.76	27.51
Other Expenses	4.39	3.14	—	—	5.42	9.67	—	—	—	—	—	—	9.81	12.81
Legal & Professional Expenses	0.08	0.10	—	—	0.85	—	—	—	—	—	—	—	0.93	0.10
Dividend Paid	—	—	—	—	111.96	101.79	73.53	66.84	60.73	55.21	—	—	246.22	223.84
Remuneration @#	—	—	—	—	—	—	66.20	63.79	—	—	—	—	66.20	63.79
Sitting Fees	—	—	—	—	—	—	—	—	0.27	0.28	1.87	2.92	2.14	3.20
Commission	—	—	—	—	—	—	51.90	55.00	—	1.00		5.42	51.90	61.42
Income														
Rent	47.75	46.68	4.56	4.24	1.47	1.42	—	—	—	0.44	—	—	53.78	52.78
Other Income	4.43	11.04	—	—	—	—	—	—	—	—	—	—	4.43	11.04
Dividend Income	66.55	26.33	—	15.91	—	—	—	—	—	—	—	—	66.55	42.24
Interest Income	6.67	7.15	—	—	—	—	—	—	—	—	—	—	6.67	7.15
Assets														
Advance Recoverable	—	—	98.23	49.15	0.58	1.75	—	—	—	—	—	—	98.81	50.90
Other Receivable	3.81	4.13	—	—	—	—	—	—	—	—	—	—	3.81	4.13
Investments														
Shares – Equity	2,082.42	2,082.42	6.63	6.63	—	—	—	—	—	—	—	—	2,089.05	2,089.05
Shares – Preference	225.00	225.00	—	—	—	—	—	—	—	—	—	—	225.00	225.00
Debentures	95.00	80.00	—	—	—	—	—	—	—	—	—	—	95.00	80.00
Liability														
Other liabilities/Liability for Expense	0.02	0.05	0.50	0.51	0.05	0.09	51.90	55.00	—	1.00	—	5.42	52.47	62.07
Income received in advance	1.71	1.72	—	—	—	—	—	—	—	—	—	—	1.71	1.72
Provision for Investment in Shares – Equity	470.69	423.76	—	—	—	—	—	—	—	—	—	—	470.69	423.76
Provision for Investment in Shares – Preference	45.00	45.00	—	—	—	—	—	—	—	—	—	—	45.00	45.00
Transactions														
Sale of Fixed Assets	—	0.08	—	—	—	—	—	—	—	—	—	—	—	0.08
Provision no longer written back	—	90.00	—	—	—	—	—	—	—	—	—	—	—	90.00
Redemption of Debentures	20.00	20.00	—	—	—	—	—	—	—	—	—	—	20.00	20.00
Investment in Debentures	35.00	—	—	—	—	—	—	—	—	—	—	—	35.00	—
Provision for Investment in Shares – Equity	46.93	—	—	—	—	—	—	—	—	—	—	—	46.93	—

@ Excludes perquisites amounting to Rs 0.06 million [Prev year Rs 0.06 million]

Includes Remuneration paid to Key Managerial Personnel as defined under Companies Act, 2013

Notes to the Ind AS financial statements *(Contd.)*

Note 34: Employee Benefits :

i Defined Contribution Plans:

a) During year ended March 31, 2020 and 2019, the Company contributed following amounts to defined contributions plans:

(Amount in Rs million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund	8.60	15.33
Employer's Contribution to Pension Fund	1.73	6.21
Employer's Contribution to Superannuation Fund	7.93	7.34
Total*	**18.26**	**28.88**

* excludes employers contribution of Rs. 4.48 million (Prev. Year Rs. 7.78 million) on account of insurance scheme for employees.

ii Defined Benefit Plans:

Obligation in respect of employee's gratuity fund scheme managed by Life Insurance Corporation of India is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation:

a) The amounts recognised in Balance Sheet are as follows:

(Amount in Rs. million)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	74.99	96.83
Less: Fair Value of Plan Assets	(94.92)	(117.08)
Amount not recognized due to asset limit	6.77	6.89
Amount to be recognised as liability or (asset)	**(13.16)**	**(13.36)**

b) The amounts recognised in the Profit and Loss Statement are as follows:

(Amount in Rs million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1 Current Service Cost	1.95	7.59
2 Past Service cost	—	—
3 Net Interest (income)/expenses	(1.99)	(2.22)
Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 27)	**(0.04)**	**5.37**

Notes to the Ind AS financial statements *(Contd.)*

c) The amounts recognised in the statement of other comprehensive income (OCI)

(Amount in Rs. million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Opening amount recognised in OCI outside profit and loss account	—	—
2	Due to Change in financial assumptions	1.33	1.30
3	Due to Change in demographic assumptions	—	(0.01)
4	Due to experience adjustments	7.42	17.85
5	Return on Plan assets excluding amounts included in Interest Income	(0.65)	0.27
6	Adjustment to recognize the effect of asset ceiling	(0.59)	6.11
7	Total Remeasurements Cost / (Credit) for the year recognised in OCI	7.51	25.52
	Less: Accumulated balances transferred to retained earnings	(7.51)	(25.52)
	Closing balances (remeasurement (gain)/loss recognised OCI	—	—

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(Amount in Rs million)

	Particulars	As at March 31, 2020	As at March 31, 2019
1	Balance of the present value of Defined benefit Obligation as at 01-04-2019 / 01-04-2018	96.83	235.31
2	Interest expenses	4.56	15.01
3	Current Service Cost	1.95	7.59
4	Past Service Cost	—	—
5	Actuarial (gain) / loss due to change in financial assumptions	1.33	1.30
6	Actuarial (gain) / loss due to change in demographic assumptions	—	(0.01)
7	Actuarial (gain) / loss due to change in experience adjustments	7.42	17.85
8	Benefits paid	(37.10)	(180.22)
	Present value of obligation as at the end of the period 31-03-2020 / 31-03-2019	**74.99**	**96.83**

e) Net interest (Income) /expenses

(Amount in Rs. million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	IInterest (Income) / Expense – Obligation	4.56	15.01
2	Interest (Income) / Expense – Plan assets	(7.03)	(17.23)
3	Net Interest (Income) / Expense for the year	**(2.47)**	**(2.22)**

Notes to the Ind AS financial statements *(Contd.)*

f) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

(Amount in Rs. million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Fair value of plan assets at beginning of the year	117.08	249.41
2	Interest income	7.03	17.23
3	(Return) on plan assets (excl. interest income)	0.65	(0.27)
4	Contribution by employer	7.26	30.93
5	Benefits paid	(37.10)	(180.22)
6	Fair value of plan assets at end of the year	**94.92**	**117.08**

Plan assets are administered by LIC and 100% of the plan assets are invested in lower risk assets, primarily in debt securities.

g) Principal actuarial assumptions used in accounting for the gratuity plan are set out as below:

1 Discount rate as at 31-03-2020 - 5.50% [31-03-2019 - 7.00%]
2 Salary growth rate : 6.00% [31-03-2019 - 6.00%]
3 Weighted average duration - 0.89 Years [31-03-2019 - 2.08 Years]
4 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government bonds consistent with the currency and estimated term of the post employment benefits obligations. Plan assets are administered by the LIC and invested in lower risk assets, primarily debt securities. The expected rate of return on plan assets is based on the expected average long term rate of return on investments of the fund during the terms of the obligation.

The Company's contribution to the fund for the year ending March 31, 2020 is expected to be Rs. 30 million (March 31, 2019 - Rs. 30 million).

h) Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2020 and March 31, 2019 is as shown below:

	Particulars	Sensitivity level	Year ended March 31, 2020	Year ended March 31, 2019
1	Discount rate (financial assumption)	– 0.5%	75.48	97.97
		+0.5%	74.52	95.75
2	Salary escalation rate (financial assumption)	– 0.5%	74.52	95.73
		+0.5%	75.47	97.98

Note 35: Income Tax Matters

Income Tax

In respect of AY 1985-86 and 1986-87 The Order of Hon'ble High Court had treated the first year's subscription prior to 15.05.87 as revenue receipt and thereafter capital receipt which was stayed by Hon'ble Supreme Court on Special Leave Petition filed by the Company. During the year ended March 31, 2020, the Hon'ble Supreme Court has ruled in favour of the Company in respect of said matter to the effect that this would be capital receipts and not income.

In respect of A.Y's 1987-88 to 2017-18, for certain years, the Company / Department have gone into appeal and the assessments are pending for adjudication at various stages [Gross Demand Rs. 7,364.26 million and Net demand Rs. (40.77) million after adjusting TDS, Advance Tax and refund sanctioned]. Amount of demands not determinable have presently been not included herein.

Notes to the Ind AS financial statements *(Contd.)*

Interest Tax

In respect of Interest tax, Assessment years 1993-94 to 2000-01, full appeal effects are yet to be given. [Gross demand Rs. 296.30 million, Net Demand Rs. (50.00) million]. Wealth Tax assessment orders are pending at various levels [Gross Demand Rs. 49.97 million, Net Demand Rs. 0.92 million].

Advance Tax (including Interest Tax & Wealth Tax/Tax deducted at source, net of provisions) shown under Income Tax Asset (net)/Income Tax Liabilities (net) of financial statements includes certain amount of Income Tax deducted at source for which credit is yet to be accepted by the Income Tax Department pending verification.

In respect of taxation matters pending assessment and taxation matters contested as above, in the view of the management, sufficient provision is existing in the accounts which is based on accounting policies followed by the Company and for which legal and professional opinions are received by the management and as such no further adjustments in this respect is considered necessary. Liability for taxation, interest, penalty etc. on account of adjustments made / to be made on/for revivals, settlements etc. or otherwise will be provided / made as and when these are finally ascertained.

Note 36: Contingent Liability and Capital Commitment

(Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
1. Contingent Liability		
a) Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)		
i) ESI Matters (subjudice)	245.37	245.37
ii) Other Matters (including those pending before consumer forums)	2.41	2.60
b) Service Tax matters (under dispute)	14.91	14.91
c) Direct Tax matters (refer note 35 above)-Amount not determinable	—	—
d) Demand from IEPF (refer note 37(d))-Amount not determinable	—	—

Note: Future cash outflows, if any, in respect of (a) to (d) above is dependent upon the outcome of judgements/decisions etc.

Particulars	As at March 31, 2020	As at March 31, 2019
2. Capital Commitment towards -		
a) Property Plant and Equipment (not provided for, net of advances)	—	4.69
b) Investment Property (not provided for, net of advances)	76.87	122.09
	76.87	**126.78**

Note 37: Other Regulatory Matter

a) The Company was legally advised that the provisions of section 205C of the Companies Act, 1956 (Section 125 of the Companies Act, 2013) in respect of subscription amounts collected from the Certificate-holders are not applicable to it and accordingly, the Company had filed a writ petition before the Hon'ble High Court of Calcutta.

(b) In accordance with the directions received from Reserve Bank of India vide letter dated 31st October 2014, read with letter dated 03rd February 2015, the Company was required to open an Escrow Account and investments to the extent of Liability towards Depositors as at 31st December 2014 needed to be linked to such escrow account so that any proceeds thereof including coupon payment received are credited only to Escrow Account. The Company has complied with the directive of Reserve Bank of India and has utilised the balance in the Escrow account in the manner directed by Reserve Bank of India.

Notes to the Ind AS financial statements *(Contd.)*

(c) In reply to an application made by the company for conversion of NBFC category, the Reserve Bank of India (RBI) had directed the company in 2018-19 to initiate transfer of unclaimed deposits lying outstanding for 7 years or more from the respective dates of maturity to the Investor Education and protection Fund (IEPF), pursuant to Section 125 oi the companies Act 2013. As a matter of prudence and after obtaining relevant legal advice, the Board of Directors of the company on March 11, 2019, resolved to transfer the amount lying in the Escrow Account to the IEPF, representing unclaimed deposits lying outstanding for 7 years or more. Accordingly, the company made an application in the writ petition pending before the Hon'ble High court of Calcutta for transfer of unclaimed deposits lying outstanding for 7 years or more to IEPF

The company transferred an amount of Rs.15,296.18 million to the IEPF Authority during the year ended March 31, 2020' by selling government securities earmarked in escrow account. This amount transferred represents the total amount of matured deposits (including interest accrued thereon till respective dates of maturity), which were 1ying unclaimed for a period of 7 years or more from their respective dates of maturity. [Refer Note No. 14.1 and Note No, 43].

(d) The investor Education and Protection Fund (IEPF) Authority vide its letter dated June 24,2019 has directed the company for depositing with IEPF, the interest earned by the company on Escrow Account to the tune of Rs. 5,049 million. In addition to this, the IEPF Authority has sought certain additional details/information from the company i,e. interest received by the company on its matured deposits before opening of its escrow account and other details related to matured deposits. The company has contested in the current year 2019-20 this directive of IFPF w.r.t above letter dated June 24,2019 before the Hon'ble High court at Calcutta by way of amendment to the writ petition filed earlier. The matter is pending and sub judice.

Note 38: Disclosure with regards to Micro and Small enterprises

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

(Amount in Rs million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
a) i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	0.44	2.93
ii) Interest on a) (i) above	—	—
b) i) Amount of Principal paid beyond the appointed Date	—	—
ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	—	—
c) Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	—	—
d) Amount of Interest accrued and due	—	—
e) Amount of further interest remaining due and payable even in succeeding years	—	—

Note 39: Expenditure in Foreign Currency

(Amount in Rs million)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Travelling Expenses	1.88	4.79

Notes to the Ind AS financial statements *(Contd.)*

Note 40: Leases

As a Lessee

Operating Lease

i) The changes in the carrying values of right-of-use asset for the year ended March 31, 2020 are given in note 11.3

ii) Set out below are the carrying amounts of lease labilities and the movement during the year ended March 31, 2020:

Particulars	Amount in Rs million
As at April 01, 2019	—
Adjustment on adoption of Ind AS 116 'Leases'	39.60
Interest on Lease Liability	3.19
Repayments	(7.44)
As at March 31, 2020 [Refer Note 15]	**35.35**

iii) The following amounts are recognized in the statement of income and expenditure for the year ended March 31, 2020:

Particulars	Amount in Rs million
Depreciation expenses on right-of-use asset	2.65
Interest on Lease Liability	3.19
Expense relating to short-term leases (included in other Expenses as rent)	15.03
Total	**20.87**

iv) The Company had total cash outflows for leases of Rs. 7.44 million (including interest) for the year ended March 31, 2020. The Company did not have any non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2020. Further, there are no future cash outflows relating to leases that have not yet commenced.

As a Lessor

Operating Lease

The Company has given office premises under operating lease. The income from operating lease recognised in the Statement of Profit and Loss are Rs. 67.92 million (March 31, 2019: Rs. 76.93 million). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement assessed by the Company is for a period ranging 60 months to 216 months.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2020 are as follows:

Particulars	**As at March 31, 2020**	As at March 31, 2019
Within One year	26.01	28.01
After one year but not more than 5 years	88.23	94.23
More than 5 years	65.05	77.05
Total	**179.29**	**199.29**

Note 41: Segmental Disclosures

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

Notes to the Ind AS financial statements *(Contd.)*

The Company is organized by business segment. The business segments are the basis on which the Company reports its primary operational information to management. For management purposes the Company is primarily organized on a into two business segments:

a) Residuary Non-Banking operations within India and
b) Construction (Development of Real Estate) which has been categorized under Others (Unallocated Reconciling items)

The Company has single geographical segment i.e. within India.

The disclosure as per Ind AS 108 is as below:

(Amount in Rs million)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	RNBC & allied activities	Unallocated Reconciling items	Total	RNBC & allied activities	Unallocated Reconciling items	Total
Revenue						
Revenue from Operations	977.52	5.38	982.90	2,444.07	28.17	2,472.24
Other Income	140.84	14.35	155.19	354.08	9.04	363.12
Total Income	**1,118.36**	**19.73**	**1,138.09**	**2,798.15**	**37.21**	**2,835.36**
Expenses	**1,839.30**	**15.64**	**1,854.94**	**2,302.01**	**32.94**	**2,334.95**
Segment Results	(720.94)	4.09	(716.85)	496.14	4.27	500.41
Provision for Taxation			(170.55)			(64.12)
Profit After Tax			(546.30)			564.53
Other Information						
Segment Assets	17,761.24	58.25	17,819.49	33,967.63	156.39	34,124.02
Total Assets	**17,761.24**	**58.25**	**17,819.49**	**33,967.63**	**156.39**	**34,124.02**
Segment Liabilities	456.65	57.22	513.87	15,838.29	2.19	15,840.48
Total Liabilities	**456.65**	**57.22**	**513.87**	**15,838.29**	**2.19**	**15,840.48**
Depreciation and Amortisation			29.50			31.57
Capital Expenditure			8.28			30.67
Non-Cash Expenditure			618.43			124.25

Note: Segment revenue, results, assets and liabilities have been accounted for based on amounts allocated as considered reasonable by the management.

Note 42: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions and estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. These assumptions and estimates are based on available parameters as on the date of preparation of financial statements. These assumptions and estimates, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

a) Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors

Notes to the Ind AS financial statements *(Contd.)*

financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b) Operating Lease

The Company has entered into commercial property leases for its offices. Further, the Company has also adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company has lease contracts which include extension and termination options and this requires exercise of judgement by the Company in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

c) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

d) Fair value of investment property

As per the Ind AS, the Company is required to disclose the fair value of the investment property. Accordingly, the Company has assessed the fair values of investment property as at March 31, 2020 and March 31, 2019. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property are provided in note 10.

e) Taxes

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions, including disclosures thereof. Also refer note 2.2 (e).

f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Notes to the Ind AS financial statements *(Contd.)*

h) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

i) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

j) Uncertainties relating to the pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of receivables, investment in mutual funds, equity shares of listed entities, investment subsidiaries and other financial assets. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial statements, and based on current estimates, has made a provision towards the carrying value of investment in mutual fund and listed equity shares. The impact on account of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements. The Company will continue to monitor any material impact due to changes in future economic conditions.

NOTE 43: Exceptional items

(Amount in Rs million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Impairment Loss on Government Securities	—	119.66
Employee Separation Expense - Voluntary Retirement Scheme	412.54	927.74
Total	**412.54**	**1,047.40**

i) The Company had decided to sell off its Investment in Government Securities (accounted for at amortised cost) to transfer the amount of liability towards depositors to IEPF. Impairment Loss to the extent of Rs. Nil (March 31, 2019 - Rs. 119.66 million) was disclosed under exceptional items.

ii) During the year ended 31.03.2020, the Company has incurred an expense of Rs. 412.54 million (Prev. Year Rs. 927.74 million) in respect of voluntary retirement scheme floated by the Company. The same has been disclosed under exceptional items.

NOTE 44: Breakup of Auditors Remuneration (forming part of other expenditure in Note 28)

(Amount in Rs million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Towards –		
Statutory Audit	3.40	3.40
Certifications	1.75	1.75
Out of Pocket Expenses	0.05	0.47
Total	**5.20**	**5.62**

:

Notes to the Ind AS financial statements *(Contd.)*

NOTE 45: Disclosures pursuant to Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions 2015 (as amended) and other circulars issued by RBI

Disclosure in accordance with RBI Master Direction : (Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Capital Risk Adequacy Ratio		
i) CRAR (%)	122.55%	123.50%
ii) CRAR - Tier I Capital (%)	122.55%	123.50%
iii) CRAR - Tier II Capital (%)	0.00%	0.00%
iv) Amount of subordinated debt raised as Tier-II capital	—	—
v) Amount raised by issue of Perpetual Debt Instruments	—	—

b) Investments

Particulars	As at March 31, 2020	As at March 31, 2019
1. Value of Investments		
i) Gross Value of Investments		
a) In India	16,733.08	32,981.36
b) Outside India	—	—
ii) Provisions for Depreciation		
a) In India	800.34	873.07
b) Outside India	—	—
iii) Net Value of Investments		
a) In India	15,932.74	32,108.29
b) Outside India	—	—
2. Movement of provisions held towards depreciation on investments.		
i) Opening balance	873.07	1,101.66
ii) Add: Provisions made during the year	46.93	119.66
iii) Less: Write-off / write-back of excess provisions during the year	(119.66)	(348.25)
iv) Closing balance	800.34	873.07

c) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(Amount in Rs million)

Particulars	Deposits*	Investments (Having stated Maturity Period)@ $		Advance #	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1 day to 30/31 days (one month)		—	15,413.18	0.01	0.01
Over one month to 2 months		—	50.00	0.01	0.01
Over 2 months to 3 months		98.94	—	0.01	0.01
Over 3 months to 6 months		—	—	0.03	0.03
Over 6 months to 1 year		17.74	—	0.06	0.06
Over 1 year & up to 3 years		3,360.81	794.39	0.19	0.25
Over 3 year & up to 5 years		4,767.15	5,538.70	0.19	0.25
Over 5 years		2,459.06	3,966.95	7.15	7.42
Total	—	**10,703.70**	**25,763.22**	**7.65**	**8.04**

* The Deposit Liability of Rs. 179.25 million (Prev. Year 15,477.34) has already matured and is remaining unclaimed as at March 31, 2020. Thus, maturity pattern relating to deposits is not disclosed herein above.

Notes to the Ind AS financial statements *(Contd.)*

@ Includes investment earmarked amounting to Rs. 102.50 million (Prev. Year 15,466.74 million) in an escrow account as security towards repayment of liability to depositors (ALD).

$ Net of provisions made for investments classified under Stage 3 category.

Net of provisions and does not include Staff Loans & Advances and Advances towards expenses.

d) Exposure To Real Estate Sector – Lending towards Commercial /Residential Mortgages & Investment in Mortgage Backed Securities

The Company has made an Investment in the Right to Property and the amount outstanding as at March 31, 2020 is Rs. 73.40 Million [P.Y. Rs.151.73 million].

e) Exposure to Capital Market

(Amount in Rs million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	2,145.52	3,890.11
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	—	—
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	—	—
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	—	—
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	—	—
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	—	—
(vii) bridge loans to companies against expected equity flows / issues;	—	—
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	—	—
Total Exposure to Capital Market	**2,145.52**	**3,890.11**

f) Provisions and Contingencies

(Amount in Rs million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	46.93	119.66
Provision towards NPA	0.04	0.04
Provision made towards Income tax	—	150.00
Other Provision and Contingencies	—	—

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

g) Concentration of Deposits, Advances, Exposures and NPA's

Particulars	**As at March 31, 2020**	As at March 31, 2019
i) Concentration of Deposits (for deposits taking NBFCs)		
Total Deposits of twenty largest depositors	3.64	5.94
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	2.03%	0.04%
ii) Concentration of Advances (Top 20 Borrowers)		
Gross Advances	8.62	16.51
Provision towards advances	0.97	8.47
Net Advances	7.65	8.04
Percentage of advances of twenty largest borrowers to Total Exposure #	100%	100%
# Advances excludes Advances & Loans to Staff and Receivables.		
iii) Concentration of Exposures		
Total Exposures to twenty largest borrowers/Customers	11.29	13.98
Percentage of Exposure to twenty largest borrowers/Customers to Total Exposure of the NBFC on borrowers/Customers	6.04%	0.09%
iv) Concentration of NPAs – [Top 4 NPAs based on Net Advances]*		
Gross Advances	0.97	8.47
Provision towards Advances	0.97	8.47
Net Advances #	—	—

* Stage 3 Loans and Advances has been considered as NPA for the purpose of this disclosure.

Advances excludes Advance & Loans to Staff and Receivables.

h) Sector – wise NPAs

(Amount in Rs million)

Sector	**As at March 31, 2020**	As at March 31, 2019
Agriculture & allied activities		
MSME	—	—
Corporate borrowers	17.49%	64.82%
Services	—	—
Unsecured personal loans #	—	—
Auto loans	—	—
Other personal loans	—	—

Excludes Advance & Loans to Staff, Receivables and other advances.

Notes to the Ind AS financial statements *(Contd.)*

i) Movement in NPAs

(Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Net NPAs to Net Advances (%)	—	—
ii) Movement of NPAs (Gross)		
(a) Opening balance	13.25	15.27
(b) Additions during the year	0.04	0.04
(c) Reductions during the year	7.81	2.06
(d) Closing balance @	5.48	13.25
iii) Movement of Net NPAs		
(a) Opening balance	—	—
(b) Additions during the year	—	—
(c) Reductions during the year	—	—
(d) Closing balance @	—	—
iv) Movement of provisions for NPAs		
(a) Opening balance	13.25	15.27
(b) Additions during the year	0.04	0.04
(c) Reductions during the year	7.81	2.06
(d) Closing balance @	5.48	13.25

@ Advances includes Advance & Loans to Staff, Receivables and other advances.

j) Customer Complaints

(Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
No. of Complaints as at beginning of year	—	2
No. of Complaints received during the year	129	101
No. of Complaints redressed during the year	129	103
No. of Complaints as at end of year	—	—

k) Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid

(Amount in Rs. million)

Particulars	For the year ended March 31, 2020 Amount outstanding	Amount overdue
(a) Debentures : Secured *	—	—
: Unsecured	—	—
(b) Deferred credits	—	—
(c) Term loans	—	—
(d) Inter-corporate loans and borrowing	—	—
(e) Commercial paper	—	—
(f) Deposits	179.25	—
(g) Other loans (Specify nature)	—	—

* refer Note 1 below

Notes to the Ind AS financial statements *(Contd.)*

l) Break-up of loans and advances including bills receivables (other than those included In (4) below)

(Amount in Rs. million)

Particulars	For the year ended March 31, 2020 Amount outstanding
(a) Secured	7.54
(b) Unsecured	0.11

m) Break up of leased assets and stock on hire and other assets counting towards AFC activities - Not applicable

n) Break-up of investments:

(Amount in Rs. million)

Particulars	As at March 31, 2020
Current investments :	
1. Quoted :	
(i) Shares :	
(a) Equity	436.57
(b) Preference	—
(ii) Debentures and bonds	—
(iii) Units of mutual funds	—
(iv) Government securities	—
(v) Others (please specify)	—
2. Unquoted :	
(i) Shares :	
(a) Equity	
(b) Preference	
(ii) Debentures and bonds	17.74
(iii) Units of mutual funds	1,211.76
(iv) Government securities	—
(v) Others (please specify)	
(a) Fixed Deposits	3.56
(b) Right to Property	73.40
(c) Treasury Bills	98.94
Long Term investments :	
1. Quoted :	
(i) Shares :	
(a) Equity	255.35
(b) Preference	—
(ii) Debentures and bonds	—
(iii) Units of mutual funds	—
(iv) Government securities	—
(v) Others (please specify)	

Notes to the Ind AS financial statements *(Contd.)*

2. Unquoted :	
(i) Shares :	
(a) Equity	1,618.36
(b) Preference	180.00
(ii) Debentures and bonds	5,763.41
(iii) Units of mutual funds	1,453.60
(iv) Government securities	3,681.53
(v) Others (please specify)	
(a) Fixed Deposits with Financial Institutions/NBFC's	1,138.52
Total Investments	**15,932.74**

o) Borrower group-wise classification of assets financed as in (l) and (m) above :

(Amount in Rs. million)

Particulars	As at March 31, 2020		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	—	—	—
(b) Companies in Same Group	—	—	—
(c) Other related parties	—	—	—
2. Other than related Parties	7.54	0.11	7.65

p) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(Amount in Rs. million)

Particulars	As at March 31, 2020	
	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	2949.97	1,791.73
(b) Companies in Same Group	603.10	6.63
(c) Other related parties	—	—
2. Other than related Parties @	14,134.38	14,134.38
Total	**17,687.45**	**15,932.74**

** As per Ind AS disclosure requirements

@ Investment in Equity and Mutual Funds are already fair valued through P&L. For balance investments carried at amortised cost, the book value has been taken as equivalent to market value.

Notes to the Ind AS financial statements *(Contd.)*

q) Other information: (Amount in Rs. million)

	Particulars	As at March 31, 2020
(i)	Gross non-performing assets	
	(a) Related parties	—
	(b) Other than related parties	5.48
(ii)	Net non-performing assets	
	(a) Related parties	—
	(b) Other than related parties	—
(iii)	Assets acquired in satisfaction of debt	—

Notes:

1. As defined in point xix of paragraph 3 of Chapter - 2 of these Directions.
2. Provisioning norms are applicable as prescribed in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

r) Disclosure as per Circular No. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by the Reserve Bank of India on "Covid-19 regulatory package - Asset classification and provisioning" - Not Applicable to the Company.

s) Asset Classification as per RBI Norms

	Asset Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowance (Provision as required as per Ind AS 109)	Net Caarying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 and IRACP norms
Performing Assets						
Standard	Stage 1	5.06	1.00	4.06	0.02	0.98
Sub-total						
Non-Performing Assets (NPA)						
Substandard	Stage 3	—	—	—	—	—
Doubtful upto 1 year	Stage 3	—	—	—	—	—
1 to 3 years	Stage 3	—	—	—	—	—
More than 3 years	Stage 3	—	—	—	—	—
Sub-total for Doubtful						
Loss	Stage 3	5.48	5.48	—	5.48	—
Sub-total for NPA						
Total	**Stage 1**	**5.06**	**1.00**	**4.06**	**0.02**	**0.98**
	Stage 2	**—**	**—**	**—**	**—**	**—**
	Stage 3	**5.48**	**5.48**	**—**	**5.48**	**—**

Notes to the Ind AS financial statements *(Contd.)*

Note 46: Financial risk management objectives and policies

The Company's principal financial liabilities comprise deposit from public and trade payables. The Company's financial assets include loan and advances, investments, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies. The Company's identifies and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Loans and Advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

(Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Corporates	5.57	12.58
Loan to Individuals	3.05	3.93
Loan to employees	1.92	4.61
	10.54	21.12
Less: Impairment	(2.89)	(10.70)
	7.65	10.42

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

Staging:
As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is

Notes to the Ind AS financial statements *(Contd.)*

credit impaired and transferred to stage 3. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

Expected Credit Loss (ECL):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low.

The ECL provision is based on actual credit loss experience over past years. These provisions are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note:

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Opening provision of ECL	10.70	12.60
Addition during the year	—	—
Utilization / reversal during the year	(7.81)	(1.90)
Closing provision of ECL	2.89	10.70

Cash and cash equivalent, Bank deposits and Investments

Credit risk on cash and cash equivalent, bank deposits and investments is limited as the Company generally invests in term deposits with banks, government securities, bonds and debentures, term deposit with other NBFC which are good rated based on ratings on the date of investment.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix. Capital adequacy ratio of the Company, as on March 31 2020 is in excess of the limit prescribed against regulatory norms of 15%, which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The Company's investment in Mutual Fund and Equity shares of outside companies are liquid in nature. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

The Company's financial liabilities are payable within a period of one month as at the reporting date. The Company has sufficient liquid assets to pay off its financial liabilities on being due for payment.

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the Ind AS financial statements *(Contd.)*

3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have an exposure to the risk of changes in market interest rates as it has not made any investment which carries variable interest rate.

3.2 Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

Note 47: Revenue from Contract with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to statement of profit and loss

(Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
Type of Income		
Construction Project Income	5.38	28.17
Total revenue from contracts with customers	**5.38**	**28.17**
Geographical markets		
India	5.38	28.17
Outside India	—	—
Total revenue from contracts with customers	**5.38**	**28.17**
Timing of revenue recognition		
At a point in time	5.38	28.17
Over a period of time	—	—
Total revenue from contracts with customers	**5.38**	**28.17**

During the year ended March 31, 2020, the Company recognized revenue of Rs. 1.18 million (March 31, 2019 - Rs. 2.48 million) from opening balance of Advance against Sale of Flats - Construction Project as of April 1, 2019.

During the year ended March 31, 2020, the Company recognized no revenue from performance obligations satisfied prior to April 1, 2019. Change in contract assets and contract liabilities are on account of transactions undertaken in the normal course of business. There is no difference between revenue as per contracted price and revenue recognised in the statement of profit and loss. Further there are no performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2020.

Notes to the Ind AS financial statements *(Contd.)*

Note 48: Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	March 31, 2020			March 31, 2019		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
(1) Financial assets						
(a) Cash and cash equivalents	216.67	—	216.67	204.89	—	204.89
(b) Bank Balances other than (a) above	76.48	—	76.48	30.15	—	30.15
(c) Derivative Financial Instruments	—	—	—	—	—	—
(d) Receivables	—	—	—	—	—	—
(I) Trade Receivables	—	—	—	—	—	—
(II) Other Receivables	37.89	—	37.89	45.22	—	45.22
e) Loans	0.12	7.53	7.65	0.20	10.22	10.42
(f) Investments	1841.98	14090.76	15,932.74	19,349.16	12,759.13	32,108.29
g) Other Financial Assets	266.29	20.84	287.13	681.28	21.51	702.79
	243943	14119.13	16,558.56	20,310.90	12,790.86	33,101.76
(2) Non-Financial assets						
(a) Inventories	55.58	—	55.58	51.15	—	51.15
(b) Current tax assets (Net)	—	—	—	—	—	—
(c) Deferred tax assets (net)	—	449.29	449.29	—	276.85	276.85
(d) Investment property	—	412.21	412.21	—	410.11	410.11
(e) Biological assets other than bearer plants	—	—	—	—	—	—
(f) Property, plant and equipment	—	193.85	193.85	—	206.20	206.20
(g) Capital work-in-progress	—	1.19	1.19	—	1.19	1.19
(h) Right of Use Asset	—	22.96	22.96	—	—	—
(i) Goodwill	—	—	—	—	—	—
(j) Other Intangible Assets	—	1.40	1.40	—	0.13	0.13
(k) Other non-financial Assets	24.18	100.27	124.45	23.72	50.80	74.52
	79.76	**1,181.17**	**1,260.93**	**74.87**	**945.28**	**1,020.15**
(3) Asset Held for Sale	—	—	—	2.11	—	2.11
TOTAL ASSETS	**2519.19**	**15,300.30**	**17,819.49**	**20,387.88**	**13,736.14**	**34,124.02**

Notes to the Ind AS financial statements *(Contd.)*

	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Derivative Financial Instruments	—	—	—	—	—	—
(b) Payables						
(I) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	—	—	—	—	—	—
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	—	—	—	—	—	—
(II) Other Payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.44	—	0.44	2.93	—	2.93
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	102.57	—	102.57	113.97	—	113.97
(c) Debt Securities	—	—	—	—	—	—
(d) Borrowings	—	—	—	—	—	—
(e) Deposits	179.25	—	179.25	15,477.34	—	15,477.34
(f) Subordinated Liabilities	—	—	—	—	—	—
(g) Other financial Liabilities	52.51	27.72	80.23	41.03	8.23	49.26
	334.77	**27.72**	**362.49**	**15,635.27**	**8.23**	**15,643.50**
(2) Non-Financial Liabilities						
(a) Current tax liabilities (net)	90.15	—	90.15	68.71	—	68.71
(b) Provisions	20.44	16.20	36.64	27.32	17.04	44.36
(c) Deferred tax liabilities (net)	—	—	—	—	—	—
(d) Other non-financial Liabilities	24.59	—	24.59	83.91	—	83.91
	135.18	**16.20**	**151.38**	**179.94**	**17.04**	**196.98**
TOTAL LIABILITIES	**469.95**	**43.92**	**513.87**	**15,815.21**	**25.27**	**15,840.48**
Net	**2,049.24**	**15,256.38**	**17,305.62**	**4,572.67**	**13,710.87**	**18,283.54**

Note 49: Previous Year's figures

Previous year's figures have been regrouped/reclassified to confirm to the presentation of current year's figures.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: September 21, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN : 00043772

Deepak Mukerjee
Director
DIN:00046690

Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: September 19, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of THE PEERLESS GENERAL FINANCE & INVESTMENT COMPANY LIMITED

Report on the Audit of Ind AS Financial Statements

1. Qualified Opinion

We have audited the accompanying Ind AS financial statements of The Peerless General Finance & Investment Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the basis of Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

a) Provision for Taxation and matters pending finalisation including those pending resolution, as per Note 35 of Ind AS Financial Statements, effect whereof including on the provisions with respect to these and on the refunds granted to the Company, as such being not determinable.

b) Note 37 of Ind AS Financial Statements wherein the Company has transferred an amount of Rs.15,296.18 million of unclaimed deposits to the IEPF Authority during the year ended March 31, 2020 including unclaimed deposits as specified in Note No. 14.2 and 14.4. Additional demand has been raised by the Investor Education and Protection Fund Authority as mentioned in Note 37(d) and the matter being subjudice and legal is pending before Honb'le High Court of Calcutta. Pending the decision of the court, reliance has been placed by us on the legal advice obtained by the Company with respect to said matter and other matters connected therewith.

The impact of the items in para 2 (a) and 2 (b) above and compliance /impact with/on legal and other requirements has not been ascertained and accordingly the comments on the adjustments, compliances with respect to these cannot be made.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Ind AS financial statements.

3. Emphasis of Matter

We draw attention to Note 42(j) to the Ind AS financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Company's financial statements will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

4. Information other than the Ind AS financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report but does not include the Ind AS financial statements and our auditor's report thereon. The other information i.e. Directors report is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

5. Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, except for the points described in the Basis for Qualified Opinion Paragraph and based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 2" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us we report that:

   i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements to the extent determinable/ascertainable – Refer Note 35,36 and 37 to the Ind AS financial statements;

   ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses; and

   iii. Except to the extent mentioned in Basis of qualified opinion in para 2 (b) relating to a subjudice and disputed matter of transfer of amounts demanded by the Investor Education and Protection fund (IEPF), as mentioned in Note 37(d), there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company. Due to the various maturity dates of the unclaimed deposits, the Company has transferred the amounts to IEPF during the year on a monthly basis. Refer Note 14.1

i) The Company has furnished the requisite statements, returns, information or particulars required to be furnished to RBI and has generally complied with the directions/ directives issued by RBI. The aggregate amount of total deposits outstanding as per accounting policies followed by the Company as at the last date of year ended i.e., March 31, 2020 is as reflected in Note No. 14. During the course of our examination of books of account, certain matters noticed by us are reported to RBI as at year end by a separate report dealing with matters which includes certain procedural aspects of normal business operations in branches. As informed, the above matters are being closely monitored by the management and steps are being taken for ensuring compliances.

For S.N. Kulkarni & Co.
Chartered Accountants
Firm Regn. No. 105441W

G.V. Samant
Partner
M. No. 14802
UDIN: 20014802AAAAAS1095

Dated : September 21, 2020
Place : Mumbai

Annexure 1 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of The Peerless General Finance & Investment Company Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets, except for certain particulars in respect of computer, furniture & fixture and other office appliances which were under process of being compiled.

b) According to information and explanations given to us, fixed assets of the Company are being physically verified according to a phased programme of verification so as to verify all assets within a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, during the year discrepancies identified have been reconciled with the books of accounts and appropriately dealt with.

c) According to the information and explanation given to us, the title deeds of immovable properties as disclosed in Note 10 and Note 11 to the Ind AS financial statements are held in the name of the Company. Further in respect of immovable properties that have been taken on lease as disclosed in Note 11 to the Ind AS financial statements, the lease agreements are in the name of the Company.

ii) As informed, physical verification of inventories has been carried out as at the year end. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. Discrepancies as and when reconciled and ascertained are adjusted in the accounts. As informed, no material discrepancies were noticed on such verifications.

iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, Paragraph 3 (iii) of the Order is not applicable to the Company.

iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. As explained to us since the Company is engaged in the business of Non Banking Financial Company (permitted to conduct RNBC business) whose principal business is acquisition of securities, thus provisions of Section 186 of the Act are not applicable to the Company.

v) As informed, the Company being a Residuary Non Banking Company and accepting deposits in the form of subscriptions in earlier years and based on legal opinion received by the Company on which reliance has been placed by us, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under (erstwhile Section 58A, 58AA of the Companies Act, 1956 and the rules framed thereunder) are not applicable to the Company.

vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under of sub-section (1) of Section 148 of the Act to the company.

vii) a) According to the information and explanations given to us and subject to note 35 of Ind AS Financial Statements (relating to Income tax etc.), note 37 of Ind AS Financial Statements (relating to a subjudice and disputed matter of non-transfer of amounts demanded by the Investor Education and Protection fund), the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Custom Duty, Excise Duty and other material statutory dues applicable to it as per the available records as far as ascertained by us on our verification.

Subject to note 37 of Ind AS Financial Statements and according to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid as at March 31, 2020 for a period of more than six months from the date they became payable.

b) Subject to note 35 of Ind AS Financial Statements (relating to Income tax etc.), note 37 of Ind AS Financial Statements (relating to a subjudice and disputed matter of non-transfer of amounts demanded by Investor Education and Protection Fund) and according to the information and explanations given to us, dues in respect of Sales tax, Income tax, Custom duty, Wealth tax, Service tax, Excise duty, and Cess that have not been deposited with the appropriate authorities on account of any dispute are as under:

Name of the Statute	Nature of Tax	Amount (Rs. in Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 37.04	For the assessment year 2008-2009	CIT (Appeals)
Income Tax Act, 1961	Income Tax	Rs. 1.77	For the assessment year 2017-2018	CIT (Appeals)
Wealth Tax Act	Wealth Tax	Rs. 18.87	For assessment years 1984-85 to 1992-93 and 1998-99	Assessing Officer
Service Tax	Service Tax	Rs. 14.91	For financial year 2005-06 to 2009-10	CESTAT

viii) According to information and explanation provided to us, the Company has not taken any loans from Banks or financial institutions. The Company has not issued any Debentures as at the Balance Sheet date. Accordingly the provisions of Clause 3 (vii) of the Order are not applicable to the Company.

ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly the provisions of Clause 3 (ix) of the Order are not applicable to the Company.

x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) According to the information and explanations given to us, and based on our examination of the records, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanation 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 explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board and Audit Committee, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by applicable accounting standard.

xiv) According to the information and explanations given to us and based on our examination of the records, 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, 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has received Certificate of Registration dated 9th May 2003 from Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934 and is permitted to carry on the business as Residuary Non-Banking Company as per the provisions of the Reserve Bank of India Act, 1934.

For S.N. Kulkarni & Co.
Chartered Accountants
Firm Regn. No. 105441W

G.V. Samant
Partner
M. No. 14802
UDIN: 20014802AAAAAS1095

Dated : September 21, 2020
Place : Mumbai

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS financial statements of Peerless General Finance & Investment Company Limited

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Peerless General Finance & Investment Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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

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

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

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For S.N. Kulkarni & Co.
Chartered Accountants
Firm Regn. No. 105441W

G.V. Samant
Partner
M. No. 14802
UDIN: 20014802AAAAAS1095

Dated : September 21, 2020
Place : Mumbai

Form No. AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associates/joint ventures

Part "A": SUBSIDIARIES

(Rs. in Million)

Sl. No.	Name of Subsidiary	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital/ Partner's Capital/ Unit holder's Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest ments	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of Share-holding
1	Peerless Financial Products Distribution Ltd.	INR	470.69	(493.71)	94.02	117.04	8.23	160.09	(48.70)	(1.20)	(47.50)	—	100.00%
2	Peerless Hospitex Hospital & Research Center Ltd.	INR	235.70	678.07	1,503.31	589.54	42.51	2,173.65	192.15	41.61	150.54	11.78	93.64%
3	Peerless Securities Ltd.	INR	246.86	(57.35)	250.34	60.83	25.61	64.15	5.07	(0.25)	5.32	—	97.54%
4	Peerless Hotels Ltd.	INR	45.80	1,187.48	1,497.39	264.11	53.67	553.67	44.06	7.54	36.52	13.74	99.95%
5	Peerless Financial Services Ltd.	INR	372.58	167.57	548.11	7.96	313.59	37.84	11.47	2.66	8.82	—	94.11%
6	Peerless Commodities Ltd. – Fellow Subsidiary	INR	5.50	1.58	8.59	1.51	-	6.71	0.76	0.19	0.57	—	98.60%

Note - Part A

(1) Reporting period for all subsidiaries is the same as holding company.

PART "B": JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture Companies

Sl. No.	Name of Joint Venture	1. Latest audited Balance Sheet date	2. Shares of Joint Venture held by the Company on the year end			3. Description of how there is significant influence	4. Reason why the joint venture has not been consolidated	5. Networth attributable to shareholding as per latest audited Balance Sheet	6. Profit/(Loss) for the year (Rs. in Million)	
			No. of Shares	Amount of Investment in Joint Venture (Rs. in Million)	Extent of Holding %			(Rs. in Million)	i. Considered in consolidation	ii. Not Considered in consolidation
1	Bengal Peerless Housing Development Co. Ltd.	31.03.2020	662,850	6.63	36.70%	Since the Company holds more than 20% of voting power, significant influence is assumed.	N. A.	1,643.69	(0.70)	(1.21)

Place: Kolkata
Dated: November 20, 2020.

Registered Office:
"PEERLESS Bhavan"
3, Esplanade East,
Kolkata – 700 069

For and on behalf of the Board

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN: 00043772

Deepak Mukerjee
Director
DIN: 00046690

Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN: 00173745

K. Balasubramanian
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2020

(Amounts in Rs. million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	444.49	492.32
(b) Bank Balances other than (a) above	4	565.14	504.99
(c) Derivative Financial Instruments		—	—
(d) Receivables			
(I) Trade Receivables	5.1	286.38	366.85
(II) Other Receivables	5.2	34.08	41.09
(e) Loans	6	170.21	143.23
(f) Investments	7	15,082.14	31,132.65
(g) Other Financial Assets	8	410.68	892.52
		16,993.12	**33,573.65**
(2) Non-Financial assets			
(a) Inventories	9	119.23	93.34
(b) Income tax assets (net)	33	159.23	87.95
(c) Deferred tax assets (net)	33	453.64	279.65
(d) Investment property	10	421.91	420.00
(e) Biological assets other than bearer plants		-	-
(f) Property, plant and equipment	11.1	1,915.12	1,909.86
(g) Capital work-in-progress	11.2	1.57	10.15
(h) Right of Use Asset	11.3	43.98	-
(i) Intangible Assets under development		8.39	0.04
(j) Goodwill (on Consolidation)		20.01	20.01
(k) Other Intangible Assets	11.4	3.23	4.95
(l) Other non-financial Assets	12	228.99	156.47
		3,375.30	2,982.42
(3) Asset Held for Sale	11.5	—	2.11
TOTAL ASSETS		**20,368.42**	**36,558.18**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments		—	—
(b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	13.1	6.96	1.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13.1	242.59	270.01
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	13.2	0.44	2.93
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13.2	99.34	110.55
(c) Debt Securities		—	—
(d) Borrowings	14	—	0.30
(e) Deposits	15	179.25	15,477.34
(f) Subordinated Liabilities		—	
(g) Other financial Liabilities	16	179.23	136.96
		707.81	**15,999.71**
(2) Non-Financial Liabilities			
(a) Income tax liabilities (net)	33	90.15	68.71
(b) Provisions	17	165.55	153.44
(c) Deferred tax liabilities (net)	33	152.60	170.49
(d) Other non-financial Liabilities	18	58.90	127.32
		467.20	**519.96**
Total Liabilities		**1,175.01**	**16,519.67**
EQUITY			
(a) Equity share capital	19	331.56	331.56
(b) Other equity	20	18,750.43	19,605.62
Equity attributable to the owners of the Holding Company		**19,081.99**	**19,937.18**
Non-controlling interest		**111.42**	**101.33**
Total Equity		**19,193.41**	**20,038.51**
TOTAL LIABILITIES AND EQUITY		**20,368.42**	**36,558.18**

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: November 23, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN : 00043772

Deepak Mukerjee
Director
DIN:00046690

Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: November 20, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2020

(Amounts in Rs. million, except share data)

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
(I)	**Revenue from operations**			
	(i) Interest Income	21	911.02	1,975.12
	(ii) Dividend Income	22	12.50	22.79
	(iii) Net Gain on Fair value changes	23	—	413.10
	(iv) Net Gain on derecognition of financial instruments under amortised cost category	24	26.03	28.46
	(v) Revenue from Contract with Customers	25	2,871.97	2,770.97
	(vi) Other Operating Revenue	26	80.59	82.02
	Total Revenue from Operations		3,902.11	5,292.46
(II)	**Other income**	27	156.01	311.03
(III)	**Total income (I+II)**		**4,058.12**	**5,603.49**
(IV)	**Expenses**			
	(i) Finance Costs	28	11.94	4.74
	(ii) Net Loss on Fair value changes	23	550.22	—
	(iii) Net Loss on derecognition of financial instruments under amortised cost category		—	—
	(iv) Impairment of Financial Instruments	30	0.04	7.59
	(v) Cost of Materials Consumed		248.12	319.01
	(vi) Purchase of Stock in Trade		374.29	267.72
	(vii) Changes in Inventories of finished goods, stock-in-trade and work-in-progress	29	(13.94)	(1.24)
	(viii) Employee benefit expenses	31	1,077.63	1,187.55
	(ix) Depreciation and amortization	11.5	137.63	132.75
	(x) Other Expenses	32	1,772.54	1,923.15
	Total expenses		**4,158.47**	**3,841.27**
(V)	Profit/(Loss) before exceptional item and tax (III - IV)		(100.36)	1,762.22
(VI)	Exceptional item	46	(412.54)	(1,047.40)
(VII)	**Profit/(Loss) before tax (V - VI)**		**(512.90)**	**714.82**
(VIII)	Tax expenses :			
	Current tax	33	69.93	217.48
	Deferred tax	33	(189.92)	(188.93)
	Total tax expenses		**(119.99)**	**28.55**
(IX)	**Profit/(Loss)for the year from continuing operations (VII - VIII)**		**(392.91)**	**686.27**
(X)	Share of profit /(Loss) of Joint Venture		(0.70)	19.34
(XI)	**Profit/(Loss) the year from continuing operations (IX + X)**		**(393.61)**	**705.61**
(XII)	**Other comprehensive income**			
	(A) Items that will not be reclassified subsequently to profit or loss			
	Acturial gain (loss) on gratuity fund	38(c)	(13.37)	(28.65)
	Deferred tax	33	1.96	8.25
	(B) Items that will be reclassified subsequently to profit or loss		—	—
	Total other comprehensive income for the year, net of tax (A+B)		**(11.41)**	**(20.40)**
	Total comprehensive income for the year (IX + X)		**(405.02)**	**685.21**
(XI)	**Profit/(Loss) for the year attributable to**			
	Owners of the Holding Company		(403.87)	693.87
	Non-controlling interest		10.26	11.74
(XII)	**Other comprehensive income attributable to**			
	Owners of the Holding Company		(11.24)	(20.05)
	Non-controlling interest		(0.17)	(0.35)
(XIII)	**Total comprehensive income attributable to**			
	Owners of the Holding Company		(415.11)	673.82
	Non-controlling interest		10.09	11.39
	Earnings per equity share of par value of Rs. 100 (March 31, 2019 Rs. 100) each (in Rs.)	36		
	Basic		(118.71)	212.82
	Diluted		(118.71)	212.82
	Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: November 23, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN : 00043772

Deepak Mukerjee
Director
DIN:00046690

Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: November 20, 2020

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2020

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit/(Loss) before tax	(512.90)	714.82
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	137.63	132.75
Profit on Sale of Property plant and equipment	(21.92)	(6.78)
Interest Income	(858.96)	(2,179.09)
Dividend Income	(12.50)	(22.94)
Net (Gain)/Loss on Fair value changes	550.22	(413.10)
Net Gain on derecognition of financial instruments under amortised cost category	(26.03)	(28.46)
Finance Costs	11.94	4.74
Impairment of Financial Instruments	0.04	7.59
Provision no longer required written back	(0.13)	(6.84)
Advances/Other Receivables Written Off	16.78	2.64
Impairment Loss on Government Securities	—	119.66
Amortisation of Deferred Loss on Fair Valuation of Financial Instruments	0.15	0.11
Property, Plant and Equipment written off	—	6.29
Provision for Doubtful Debts	3.79	4.53
Provision for Claims and Contingencies	1.04	1.12
Operating Profit/(Loss) before Working Capital changes	**(710.85)**	**(1,662.96)**
Movements in working capital		
Decrease (increase) in Trade Receivables	80.47	(28.15)
Decrease (increase) in other receivables	7.01	3.83
Decrease (increase) in Loans	(26.98)	(37.90)
(Increase) Decrease in other financial assets	179.98	(118.06)
(Increase) decrease in other non-financial asset	(72.52)	(1.19)
(Increase) decrease in inventories	(25.89)	26.34
(Decrease) increase in other non-financial liabilities	(68.42)	(86.07)
(Decrease) increase in provisions	(0.34)	(23.23)
(Decrease) increase in trade payables	(22.08)	(13.99)
(Decrease) increase in other payables	(13.70)	(13.10)
(Decrease) increase in other financial liabilities	8.71	7.93
(Decrease) increase in deposits	(15,298.09)	(17.48)
Cash flows from operating activities	(15,962.70)	(1,964.03)
Interest received	1,143.09	1,975.12
Dividend received	12.50	22.79
Refund/(Payment) of taxes	(119.77)	15.45
Net cash provided by/(used in) operating activities	**(14,926.88)**	**49.33**

CONSOLIDATED STATEMENT OF CASH FLOW(Continued)

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from investing activities		
Fixed assets including capital work-in-progress	(197.56)	(118.75)
Proceeds from sale of fixed assets	21.76	15.17
Purchase of investment property	(10.36)	(4.52)
Proceeds from sale of investments	26,468.95	14,497.36
Purchase of investments	(10,933.00)	(14,025.82)
Bank fixed deposits having maturity of more than three months matured	(60.15)	(144.64)
Dividend received	0.09	0.15
Interest received	52.06	225.00
Net cash provided by (used in) investing activities	**15,341.79**	**443.95**
Cash flows from financing activities		
Finance Costs	(6.69)	(4.34)
Repayment of borrowings	(0.30)	—
Repayment of Lease Liability (including interest expense)	(12.02)	—
Equity dividend paid (including tax on equity dividend paid)	(443.73)	(404.35)
Net cash (used in) financing activities	**(462.74)**	**(408.69)**
Net increase (decrease) in cash and cash equivalents	(47.83)	84.59
Cash and cash equivalents at beginning of the year	492.32	407.73
Cash and cash equivalents at end of the year	**444.49**	**492.32**
Component of cash and cash equivalents		
Balances with banks:		
– In current accounts	373.43	344.01
– In fixed deposits with original maturity of 3 months	62.87	119.78
Cash on hand	1.83	4.10
Cheques / Demand Drafts in hand	6.29	24.35
Stamps in hand	0.07	0.08
Total cash and cash equivalents [Refer note 3]	**444.49**	**492.32**

Summary of significant accounting policies 2
The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: November 23, 2020

For and on behalf of the Board
The Peerless General Finance & Investment Company Limited

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Chairman
DIN: 00032812

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Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: November 20, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(a) Year ended March 31, 2020

(Amounts in Rs. million, except share data)

Particulars	Equity share capital		Other equity							Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Special Reserve	General Reserve	Retained earnings	Other comprehensive income: Remeasurement of defined benefit obligation	
Balance as of April 1, 2019	3,315,584	331.56	9.41	0.02	20.00	5,373.86	7,142.94	7,059.39	—	**19,937.18**
Changes in equity for the year ended March 31, 2020										
Profit/(Loss) for the year	—	—	—	—	—	—	—	(403.87)	—	**(403.87)**
Impact of Ind AS 115 "Revenue from Contracts with Customers"	—	—	—	—	—	—	—	—	—	—
Transfer to debenture redemption reserve	—	—	—	—	—	—	—	—	—	—
Transfer from debenture redemption reserve	—	—	—	—	(5.00)	—	—	5.00	—	—
Transfer to special reserve	—	—	—	—	—	1.71	—	(1.71)	—	—
Final Equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	—	(280.20)	—	**(280.20)**
Interim Equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	—	(159.88)	—	**(159.88)**
Transfer to General Reserve	—	—	—	—	—	—	6.00	(6.00)	—	—
Actuarial gain (loss) on gratuity fund including deferred tax thereon	—	—	—	—	—	—	—	—	(11.24)	**(11.24)**
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	—	—	—	—	—	—	—	(11.24)	11.24	—
Balance as of March 31, 2020	3,315,584	331.56	9.41	0.02	15.00	5,375.57	7,148.94	6,201.49	—	**19,081.99**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(b) Year ended March 31, 2019

(Amounts in Rs. million, except share data)

Particulars	Equity share capital		Other equity							Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Special Reserve	General Reserve	Retained earnings	Other comprehensive income — Remeasurement of defined benefit obligation	
Balance as of April 1, 2018	**3,315,584**	**331.56**	**9.41**	**0.02**	**25.00**	**5,250.91**	**7,019.90**	**7,025.60**	—	**19,662.40**
Profit for the year	—	—	—	—	—	—	—	693.87	—	**693.87**
Impact of Ind AS 115 "Revenue from Contracts with Customers"	—	—	—	—	—	—	—	1.12	—	**1.12**
Transfer to debenture redemption reserve	—	—	—	—	20.00	—	—	(20.00)	—	**—**
Transfer from debenture redemption reserve	—	—	—	—	(25.00)	—	—	25.00	—	**—**
Transfer to special reserve	—	—	—	—	—	122.95	—	(122.95)	—	**—**
Equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	—	(400.16)	—	**(400.16)**
Transfer to General Reserve	—	—	—	—	—	—	123.04	(123.04)	—	**—**
Actuarial gain (loss) on gratuity fund including deferred tax thereon	—	—	—	—	—	—	—	—	(20.05)	**(20.05)**
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	—	—	—	—	—	—	—	(20.05)	20.05	**—**
Balance as of March 31, 2019	3,315,584	331.56	9.41	0.02	20.00	5,373.86	7,142.94	7,059.39	—	**19,937.18**

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: November 23, 2020

For and on behalf of the Board

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DIN: 00032812

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Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: November 23, 2020

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 1: CORPORATE INFORMATION

The Peerless General Finance & Investment Company Limited (the 'Company') was incorporated in India with limited liability on October 25, 1932. The Company is domiciled in India and has its registered office at Kolkata, West Bengal,India.The Company is principally engaged in the Residuary Non- Banking (RNBC) business.

The consolidated financial statements for the year ended March 31, 2020 were approved by the Company's Board of Directors and authorized for issue on November 20, 2020.

The Company has following subsidiaries and jointly controlled entity (hereinafter collectively referred as the "Group"):

Companies	Country of Incorporation	Holding %	Relationship
Peerless Financial Services Limited [including 1.54% through subsidiary]	India	94.11%	Subsidiary
Peerless Securities Limited	India	97.54%	Subsidiary
Peerless Financial Products Distribution Limited	India	100%	Subsidiary
Peerless Hotels Limited	India	99.95%	Subsidiary
Peerless Hospitals Hospitex & Research Centre Limited [including 0.30% through subsidiary]	India	93.64%	Subsidiary
Peerless Commodities Limited (Subsidiary of Peerless Securities Limited)	India	98.60%	Subsidiary
Bengal Peerless Housing Development Co. Limited	India	36.70%	Jointly Controlled Entity

Note 2: Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements comprising of balance sheet as at March 31, 2020, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013(the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities, including derivative instruments if any, that are measured at fair value
- assets held for sale
- defined benefit plan

Previous year's comparative numbers in the consolidated financial statements have been reclassified wherever necessary, to conform to current year's presentation.

2.2 Basis of Consolidation

The Peerless General Finance and Investment Company Limited (PGFI) consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company, its subsidiaries, and its jointly controlled entity as listed out in Note 1. Control is achieved when the PGFI is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the PGFI controls an investee if and only if PGFI has:

i) Power over investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

ii) Exposure, or rights, to variable returns from its involvement with the investee, and

iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the PGFI group has less than a majority of the voting or similar rights of an investee, PGFI considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee

b) Rights arising from other contractual arrangements

c) PGFI's voting rights and potential voting rights

d) The size of the PGFI's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders

PGFI re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the PGFI obtains control over the subsidiary and ceases when the PGFI loses control over the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the consolidation are drawn up to same reporting date as that of parent company i.e. as at March 31, 2019.

The financial statements of the companies under PGFI group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation.

Share of profit in the jointly controlled entity is recognized using equity method.

2.3 Summary of significant accounting policies

The significant accounting policies adopted by the Company, in respect of the financial statements are set out as below:

(a) Property, plant and equipment, capital work-in-progress and depreciation

Property, plant and equipment and capital work-in-progress

Freehold land is stated at cost. All other items of property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the fixed asset property, plant and equipment, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

Depreciation

Depreciation is computed using the rates arrived at based on the useful lives as specified in Schedule II of the Companies Act, 2013 as follows using a combination of SLM basis and WDV basis by the Holding Company and the subsidiaries.

Intangible Assets have been amortised on straight line basis over a period of 3 years. Leasehold premises are amortized/depreciated over the period of the lease. Leasehold improvements are amortized/depreciated over the period of the lease or useful life of respective assets whichever is less.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Impairment of non financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating units' ('CGU') fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

(c) Foreign currencies

The consolidated financial statements are presented in Indian Rupees ('INR'), which is the functional currency of the Company.

Foreign currency balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency using spot rates on the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The Company has adopted Appendix B to Ind AS 21 "Foreign Currency Transactions and Advance Considerations". The date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset or liability, expense or income, is when the Company has received or paid advance consideration in foreign currency.

(d) Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

The Company has applied the guidance as per Ind AS 115, 'Revenue from Contracts with Customers', by applying revenue recognition criteria for each distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative consolidated selling price. The price that is regularly charged for an item when sold separately is the best evidence of its consolidated selling price.

The Company presents revenues net of indirect taxes in its consolidated statement of profit and loss.

Revenue comprises sale of rooms, food and beverages and allied services and is recognised upon occupancy of rooms, sale of foods and beverages as per the arrangement with customers. The subsidiary company operates loyalty programme, which allows its eligible customers to earn points based on their spending at

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and on redemption of such award points revenue is measured based on management's estimate of the fair value of the expected awards for which the points will be redeemed.

Medical and Healthcare Services - Revenue is measured at the fair value of the consideration received or receivable. Revenue from medical and healthcare services to patients is recognized when the related services are rendered unless significant future uncertainties exists. It primarily comprises of fees charged for inpatient and outpatient hospital services net of discounts. Services includes charges for accommodation, medical professional services, equipments, radiology, laboratory and pharmaceutical goods used. Revenue is recorded and recognized during the period in which the hospital services are provided, based on the estimated amounts due from patients and/or medical funding entities. Unbilled revenue represents the value to the extent of medical and healthcare services rendered to patients who are undergoing treatment and are not discharged and invoiced for the related service as on the balance sheet date.

Other Services - Income from academic courses, establishment charges from Eye Hospital and recoverability from National Neuroscience Center is recognized on the basis of services rendered and as per the terms of the agreement.

Commission on insurance products is recognized on the commencement or renewal of the related policies after receipt of necessary approval from the Insurer. Brokerage and commission on other financial products are recognized on confirmation of the transactions.

Brokerage and other income earned on secondary market operations is accounted on trade dates. Advisory services & related income are accounted on accrual basis. Depository income are accounted on cash basis due to uncertainty of realization. Claims and refunds whose recovery cannot be ascertained with reasonable certainty are accounted for as and when accepted and/or on actual receipt basis.

Performance obligation

Revenue from sale of flats is recognised when the customer obtains control of the same. Revenue from fixed price contracts, where the performance obligations are satisfied at a point in time and where there is no uncertainty as to measurement or collectability of consideration, is recognized when the customer obtains the control.

Contract balances

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Contract assets in the nature of unbilled receivables are identified as financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

(e) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside statement of profit or loss is recognized either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity as applicable. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Holding Company and its certain subsidiaries have exercised the option permitted under Section 115BAA of the Indian Income Tax Act, 1961 as introduced by The Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the respective entities have recognized provision for income tax and re-measured its deferred tax at the rate prescribed in the said section. Impact of this change has been recognized in the statement of profit and loss account for the year ended March 31, 2020.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group has determined whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty has been followed. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

This interpretation is effective from April 1, 2019 and the adoption of this amendment did not have a material impact on the statement of profit and loss for the year ended March 31, 2020.

(f) Investment properties

Investment properties are measured initially and subsequently at cost. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed annually in the notes which form an integral part of the financial statements. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation technique as per the international norms and standards. Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from such disposal. The difference between the net sale proceeds and the carrying amount of asset is recognized in statement of profit and loss in the period of derecognition.

(g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated.

All other assets in the consolidated financial statements are at amounts for continuing operations, unless otherwise mentioned.

(h) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value so as to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

– Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

– Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(i) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, fair value through other comprehensive income or fair value through statement of profit or loss as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Investments in subsidiaries and associate are carried at cost as per Ind AS 27 - Separate Financial Statements.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

– Debt instruments measured at amortized cost
– Debt instruments at fair value through other comprehensive income ('OCI')
– Debt instruments, derivatives and equity instruments at fair value through statement of profit or loss

Debt instruments measured at amortized cost

This category is the most relevant to the Company. Debt instruments are measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt instruments at fair value through OCI

Debt instruments are measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not designated any financial assets at fair value through OCI.

Debt instruments at fair value through profit or loss

Debt instruments at fair value through statement of profit or loss include assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by Ind AS 109 – Financial Instruments. Debt instruments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit and loss.

Derecognition

A financial asset is derecognized i.e. removed from the Company's statement of financial position when:

– The contractual rights to the cash flows from the financial asset expire or
– The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

Impairment of financial assets

a) Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime ECL. Stage 2 loans also includes facilities where the credit risk has improved, and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for lifetime ECL.

b) Calculations of ECL's

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

Dividend income

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, accrued expenses, accrued compensation to employees, advance from customers, dividend and dividend tax payable along with unpaid dividends.

Subsequent measurement

The Company measures all financial liabilities at amortized cost except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial liabilities held for trading are measured at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a consolidated derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109 – Financial Instruments, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

(j) Leases

Group as a Lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Group is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the Group recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Group will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Group as a Lessor

Leases for which the Group is a lessor is classified as finance or operating lease. If the terms of the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee, such lease arrangement is classified as finance lease. All other leases are classified as operating leases.

In case of sub-lease, the Group recognizes investment in sub-lease separately in the financial statements. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from such lease arrangement. For operating leases, rental income is recognized on a straight-line basis over the term of the lease arrangement.

Transition

The Group has adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Group has not restated comparative information. The Group has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at an amount equal to the lease liability.

The Group has selected practical expedient for the following:

a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Group recognizes the lease payments associated with such leases as an expense over the lease term.

b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.

c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

There is no impact on the retained earnings. Due to adoption of Ind AS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. During the year ended March 31, 2020, the Company has recognized depreciation on right-of-use asset Rs. 4.66 million along with interest on lease liability of Rs. 5.25 million respectively. The effect of this standard is not significant on the profit for the year of the Group. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 9%.

The difference between the future minimum lease commitments under Ind AS 17 – Leases reported as of March 31, 2019 and the value of lease liability recorded as on April 1, 2019 on adoption of Ind AS 116 – Leases is primarily on account of discounting of the lease liability to its present value in accordance with Ind AS 116 and the exclusion of commitments for leases to which the Group has chosen to apply the practical expedient as per the standard.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

(k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Compensated absences which are expected to occur within twelve months after the end of the period in which employee renders the related services are recognized as undiscounted liability at the balance sheet date. The expected cost of compensated absences which are not expected to occur within twelve months after the end of the period in which employee renders related services are recognized at the present value based on actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

The Company operates a defined benefit gratuity plan in India, under which the Company makes contributions to a fund administered and managed by the Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company and LIC administers the scheme.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

– The date of the plan amendment or curtailment, and

– The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

– Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

– Net interest expense or income.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 *(Contd.)*

(m) Cash dividend to equity shareholders of the Company

The Company recognizes a liability to make cash or noncash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, a distribution of interim dividend is authorized when it is approved by the Board of Directors and final dividend is authorized when it is approved by the shareholders of the Company. A corresponding amount is recognized directly in other equity.

(n) Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. The weighted average number of shares and potentially dilutive equity shares are adjusted for the bonus shares and sub-division of shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(o) Deposit from Public

All amounts received from Certificate-holders including renewal subscription, other than Processing and maintenance charges as allowed by Reserve Bank of India (RBI), which were credited to income, are accounted for as Deposit from Public along with interest thereon as accrued from year to year, so as to meet the obligations to the Certificate-holders on or before maturity in terms of the schemes and/or the directions issued by RBI in this respect. Repayments to Certificate-holders are reduced therefrom.

Interest to certificate-holders is provided at the rates or amounts determined in terms of contract entered into with Certificate-holders depending upon the status of the respective certificates i.e. continued or discontinued as at the year end in terms of approval received from RBI and is added to and shown as Deposit from Public. Interest to certificate-holders on unidentified subscription deposit has been provided for at the contractual rate/minimum rate prescribed by RBI.

(p) Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are related to construction or otherwise of depreciable assets are deducted from the cost of such assets. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term investments with an original maturity of three months or less.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS *(Contd.)*

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 3: Cash and cash equivalents		
Balance with banks		
- In current accounts @ #	373.43	344.01
- In fixed deposits with original maturity of 3 months	62.87	119.78
Cash on hand	1.83	4.10
Cheques / Demand Drafts in hand	6.29	24.35
Stamps in hand	0.07	0.08
	444.49	**492.32**

Note: Balance with banks in current accounts do not earn any interest income.

@ Includes Rs. 119.87 million (March 31, 2019 Rs. 74.86 million) kept in an Escrow account, on account of security towards Aggregate Liability to Depositors (ALD). Refer Note 15.3

Balance in Current Account with Bank includes Rs. 0.15 million (March 31, 2019 - Rs. 0.11 million) being money received from State Government in respect of carrying out medical research named Hospital based Cancer Registry in Sources of Registration of already existing PVCR at Bangalore, Chennai, Delhi, Bombay and Kolkata, lying unspent at the year end.

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 4: Bank Balances other than Cash and cash equivalents		
Balance with banks		
- In Unpaid Dividend accounts	25.66	51.81
Fixed deposit account with banks (with original maturity more than 3 months but less than 12 months) $	503.68	436.17
Fixed deposit account with banks (with original maturity more than 12 months) @	35.80	17.01
	565.14	**504.99**

Note: Balance with banks in unpaid dividend accounts do not earn any interest income.

$ Includes Rs. 28.68 million (March 31, 2019 - Rs. 1.68 million) representing fixed deposits with banks under lien on account of issue of bank guarantee.

@ Includes Rs. 34.90 million (March 31, 2019 - Rs. 14.90 million) representing fixed deposits with banks under lien on account of various parties.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS *(Contd.)*

(Amount in Rs million)

		As at March 31, 2020	As at March 31, 2019
Note 5:	**Receivables**		
5.1	**Trade receivables**		
	From parties other than related parties		
	Secured, considered good	—	—
	Unsecured, considered good	286.38	366.60
	Unsecured, considered credit impaired	5.49	7.60
	Less: Allowance for credit impaired	(5.49)	(7.60)
	From related parties		
	Unsecured, considered good	—	0.25
		286.38	**366.85**
5.2	**Other receivables**		
	From parties other than related parties		
	Secured, considered good	—	—
	Unsecured, considered good	34.08	41.09
	Unsecured, considered credit impaired	2.46	2.12
	Less: Allowance for credit impaired	(2.46)	(2.12)
		34.08	**41.09**
Total Receivables		**320.46**	**407.94**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade and Other receivables are non-interest bearing and are generally on terms of 30-90 days.

Notes to the Ind AS financial statements *(Contd.)*

(Amount in Rs million)

Note 6: Loans	As at March 31, 2020				As at March 31, 2019			
		At Fair Value				At Fair Value		
	Amortised Cost	Through OCI	Through P&L	Total	Amortised Cost	Through OCI	Through P&L	Total
				(1)	(2)	(3)	4 =1+2+3	
Loan against mortgage/hypothecation of Properties/Vehicles/ equipments/Insurance/Pledge of shares, etc	71.09	-	-	71.09	35.79	-	-	35.79
Unsecured Business Loan	41.65	-	-	41.65	95.00			95.00
Unsecured Personal Loan - Others	65.80	-	-	65.80	22.53			22.53
House Building Loan to employees	1.60	-	-	1.60	3.96	-	-	3.96
Consumer Durable Loan to employees	0.21	-	-	0.21	0.45	-	-	0.45
Personal Loan to employees	0.11	-	-	0.11	0.20	-	-	0.20
Total Gross	**180.46**	**-**	**-**	**180.46**	**157.93**	**-**	**-**	**157.93**
Less: Impairment Loss Allowance	(10.25)			(10.25)	(14.70)			(14.70)
Total Net	**170.21**	**-**	**-**	**170.21**	**143.23**	**-**	**-**	**143.23**
Security Details								
(i) Secured by tangible assets	72.90	-	-	72.90	40.20	-	-	40.20
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-
(iv) Unsecured	107.56	-	-	107.56	117.73	-	-	117.73
Total Gross	**180.46**	**-**	**-**	**180.46**	**157.93**	**-**	**-**	**157.93**
Less: Impairment Loss Allowance	(10.25)	-	-	(10.25)	(14.70)	-	-	(14.70)
Total Net	**170.21**	**-**	**-**	**170.21**	**143.23**	**-**	**-**	**143.23**
Loans in India & Outside India								
(1) Loans in India								
Public Sector	-	-	-	-	-			
Others	180.46	-	-	180.46	157.93	-	-	157.93
Total Gross	**180.46**	**-**	**-**	**180.46**	**157.93**	**-**	**-**	**157.93**
Less: Impairment Loss Allowance	(10.25)	-	-	(10.25)	(14.70)	-	-	(14.70)
Total Nete	**170.21**	**-**	**-**	**170.21**	**143.23**	**-**	**-**	**143.23**
(2) Loans outside India - Gross	-	-	-	-	-	-	-	-
Less: Impairment Loss Allowance	-	-	-	-	-	-	-	-
Total Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Net - Loans in India & Outside India - (1+2)	**170.21**	**-**	**-**	**170.21**	**143.23**	**-**	**-**	**143.23**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

Note 6.1: An analysis of changes in the gross carrying amount	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**143.23**	**—**	**14.70**	**157.93**	**105.33**	**—**	**13.60**	**118.93**
Assets derecognised or repaid (excluding write offs)(net)	26.98	—	(4.45)	22.53	37.90	—	1.10	39.00
Transfers	—	—	—	—	—	—	—	—
Amounts written off	—	—	—	—	—	—	—	—
Gross carrying amount closing balance	**170.21**	**—**	**10.25**	**180.46**	**143.23**	**—**	**14.70**	**157.93**

Note 6.2: Reconciliation of ECL balance (impairment allowance) is given below	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**1.00**	**—**	**13.70**	**14.70**	**1.00**	**—**	**12.60**	**13.60**
Addition during the year	—	—	3.39	3.39	—	—	3.00	3.00
Reversal during the year	—	—	(7.84)	(7.84)	—	—	(1.90)	(1.90)
ECL allowance - closing balance	**1.00**	**—**	**9.25**	**10.25**	**1.00**	**—**	**13.70**	**14.70**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 7: Investments

(Amounts in Rs. million)

Particulars	As at March 31,2020					As at March 31, 2019				
	Amortised Cost	At Fair Value		At Cost	Total	Amortised Cost	At Fair Value		At Cost	Total
		Through OCI	Through P&L				Through OCI	Through P&L		
Mutual Funds	—	—	3,092.83	—	3,092.83	—	—	3,936.14	—	3,936.14
Government Securities *	3,681.53	—	—	—	3,681.53	18,946.08	—	4.54	—	18,950.62
Treasury Bills *	98.94	—	—	—	98.94	—	—	—	—	—
Other Approved Securities - Fixed Deposit *	3.56	—	—	—	3.56	203.56	—	—	—	203.56
Debt Securities	5,981.24	—	—	—	5,981.24	5,763.94	—	—	—	5,763.94
Equity Instruments	—	—	693.53	—	693.53	—	—	876.01	—	876.01
Joint Venture	—	—	—	603.24	603.24	—	—	—	603.94	603.94
Fixed Deposits with Financial Institutions	1,138.52	—	—	—	1,138.52	1,051.02	—	—	—	1,051.02
Investment in Right to Property	73.40	—	—	—	73.40	151.73	—	—	—	151.73
Total Gross	**10,977.19**	—	**3,786.36**	**603.24**	**15,366.79**	**26,116.33**	—	**4,816.69**	**603.94**	**31,536.96**
Less: Impairment Loss Allowance	(284.65)	—	—	—	(284.65)	(404.31)	—	—	—	(404.31)
Total Net	**10,692.54**	—	**3,786.36**	**603.24**	**15,082.14**	**25,712.02**	—	**4,816.69**	**603.94**	**31,132.65**
Investment in India & Outside India										
(1) Investment in India	10,977.19	—	3,786.36	603.24	15,366.79	26,116.33	—	4,816.69	603.94	31,536.96
(2) Investment outside India	—	—	—	—	—	—	—	—	—	—
Less: Impairment Loss Allowance	(284.65)	—	—	—	(284.65)	(404.31)	—	—	—	(404.31)
Total Net	**10,692.54**	—	**3,786.36**	**603.24**	**15,082.14**	**25,712.02**	—	**4,816.69**	**603.94**	**31,132.65**

* Includes Rs. 102.50 million (March 31, 2019 Rs. 15,466.74 million) earmarked on account of security towards Aggregate Liability to Depositors (ALD). Refer Note 15.4

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 8: Other Financial Assets		
Receivable on account of Sale of Investments	—	148.34
Accrued Interest on Loan to Employees & Others*	3.94	8.67
Interest Accrued on Fixed deposits with Banks	11.27	9.23
Accrued Interest on Investments @	248.17	518.82
Interest Receivable on Security deposits	0.31	0.66
Advances Recoverable (net of impairment allowances)	8.12	2.23
Sundry Deposits	102.50	155.92
Unbilled receivables	15.42	27.61
Other receivables	7.79	7.45
Gratuity fund with LIC [Note 34]	13.16	13.59
Investment in sublease	—	—
	410.68	**892.52**
* Secured against mortgage of properties and hypothecation of consumer durable items.	2.39	7.66

@ Includes Rs. 0.17 million (March 31, 2019 Rs. 279.50 million) interest accrued on investments earmarked on account of security towards Aggregate Liability to Depositors (ALD). Refer Note 15.4

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 9: Inventories		
(Valued at Lower of Cost and Net Realisable Value)		
Medicines	30.92	17.34
Stores, Spares and Consumables	29.59	22.07
Project Work in Progress	37.67	25.67
Stock of Flats & Office Space	17.91	25.48
Provision, Beverages and Smokes	1.49	1.05
Wine and Liquor	1.65	1.73
TOTAL	**119.23**	**93.34**
Breakup of Project Work in Progress		
Cost of Land	2.70	2.70
Cost of Construction	28.00	16.00
Other Development Costs	6.97	6.97
	37.67	**25.67**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 10: Investment Property		
Land & Building		
Opening Balance (Deemed Cost)	**437.91**	**433.39**
Additions	10.36	4.52
Deletions	—	—
Closing Balance	**448.27**	**437.91**
Depreciation and impairment		
Opening Balance	**(17.92)**	**(9.49)**
Additions	(8.44)	(8.42)
Deletions	—	—
Closing Balance	**(26.36)**	**(17.91)**
TOTAL	**421.91**	**420.00**

(Amount in Rs million)

Note 10.1 : Amounts recognised in Statement of Profit and Loss for Investment Property

Particulars	For the year ended March, 31 2020	For the year ended March 31, 2019
Rental income	15.04	12.71
Direct operating expense from property that generated rental income	1.15	11.75

Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company. Refer Note 40 (2) for capital commitment towards investment property.

Fair value

The fair valuation of investment property as at March 31, 2020 is Rs. 4,883.61 millions, March 31, 2019 is Rs. 4,642.04 million.

Pledged details

Investment property is not pledged.

Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 11.1 : Property, plant and equipment

(Amounts in Rs. million)

Description	Freehold land	Leasehold land*	Buildings including Ownership Flats	Leasehold buildings	Improvement to Leasehold Building	Roads	Plant & Equipments	Furniture and fixtures	Electrical install-ations	Medical Equip-ments	Office Equip ments	Computers	Vehicles	**Total**
Gross Block														
As at 1 April 2018	615.55	43.41	559.43	243.24	0.43	1.47	180.07	95.81	27.18	266.18	19.11	15.63	24.54	**2,092.05**
Add: Additions during the year	—	—	9.67	0.06	—	—	10.61	29.15	9.75	33.26	4.10	3.89	5.78	**106.27**
Less: Disposal during the year	—	—	6.95	1.17	—	—	0.01	0.22	0.11	2.17	0.16	0.02	0.72	**11.53**
As at 31 March 2019	615.55	43.41	562.15	242.13	0.43	1.47	190.67	124.74	36.82	297.27	23.05	19.50	29.60	**2,186.79**
Add: Additions during the year	**—**	**—**	**22.18**	**5.43**	**—**	**—**	**10.75**	**27.41**	**7.09**	**42.54**	**3.61**	**7.77**	**7.81**	**136.71**
Less: Deletion during the year	**—**	**4.68**	**6.80**	**—**	**—**	**—**	**1.29**	**0.70**	**0.54**	**3.59**	**0.82**	**0.60**	**1.05**	**20.07**
As at 31 March 2020	**615.55**	**38.73**	**577.53**	**247.56**	**0.43**	**1.47**	**200.13**	**151.45**	**43.37**	**336.22**	**25.84**	**26.67**	**36.36**	**2,303.43**
Depreciation														
As at 1 April 2018	—	0.06	25.81	6.81	0.07	0.74	23.63	24.03	5.27	36.45	6.88	11.62	9.33	**150.70**
Add: Depreciation for the year	—	0.06	16.00	6.73	0.07	0.73	27.00	16.25	5.97	33.80	3.67	3.09	8.70	**122.07**
Less: Depreciation on deletion	—	—	0.38	0.12	—	—	—	0.05	0.07	0.74	0.08	0.01	0.68	**2.13**
Adjustments/Write Off	—	—	—	—	—	—	1.49	0.21	-	4.57	-	0.01	0.01	**6.29**
As at 31 March 2019	—	0.12	41.43	13.42	0.14	1.47	52.12	40.44	11.17	74.08	10.47	14.71	17.36	**276.93**
Add: Depreciation for the year	**—**	**—**	**18.54**	**2.50**	**0.07**	**—**	**24.86**	**17.92**	**5.86**	**35.62**	**4.05**	**4.46**	**4.34**	**119.39**
Less: Depreciation on deletion	**—**	**0.12**	**2.26**	**—**	**—**	**—**	**1.16**	**0.65**	**0.18**	**1.37**	**0.69**	**0.57**	**1.02**	**8.00**
Adjustments/Write Off	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
As at 31 March 2020	**—**	**—**	**57.71**	**15.92**	**0.21**	**1.47**	**75.83**	**57.71**	**16.84**	**108.34**	**13.83**	**18.61**	**20.68**	**388.32**
Net block														
At 31 March 2019	**615.55**	**43.29**	**520.72**	**228.71**	**0.29**	**—**	**138.55**	**84.30**	**25.65**	**223.19**	**12.58**	**4.79**	**12.24**	**1,909.86**
At 31 March 2020	**615.55**	**38.73**	**519.82**	**231.64**	**0.22**	**—**	**124.31**	**93.73**	**26.52**	**227.89**	**12.01**	**8.07**	**15.68**	**1,915.12**

* The tenure of leasehold land of Holding Company is for infinite period and accordingly no amortisation charge has been recognised on same.

Note: Refer Note No. 14 for details on charge created on property, plant and equipment.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 11.2: Capital work-in-progress		
Capital work in progress	**1.57**	**10.15**

Note 11.3: Right of Use Asset

(Amount in Rs million)

Description	Land	Building	Total
Gross block			
As at 31 March 2019	—	—	—
Add: Additions during the year	—	—	—
Less: Disposal during the year	—	—	—
As at 31 March 2019	—	—	—
Add: Additions during the year	4.68	45.97	50.65
Less: Disposal during the year	—	—	—
As at 31 March 2020	**4.68**	**45.97**	**50.65**
Depreciation			
As at 31 March 2018	—	—	—
Add: Amortisation for the year	—	—	—
As at 31 March 2019	—	—	—
Add: Amortisation for the year	0.12	6.55	6.67
As at 31 March 2020	**0.12**	**6.55**	**6.67**
Net block			
At 31 March 2019	**—**	**—**	**—**
At 31 March 2020	**4.56**	**39.42**	**43.98**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

Note 11.4: Intangible assets

Description	Computer software	Total
Gross block		
As at 1 April 2018	30.05	30.05
Add: Additions during the year	1.76	1.76
Less: Disposal during the year	—	—
As at 31 March 2019	31.81	31.81
Add: Additions during the year	**1.41**	**1.41**
Less: Disposal during the year	**—**	**—**
As at 31 March 2020	**33.22**	**33.22**
Amortisation		
As at 1 April 2018	24.60	24.60
Add: Amortisation for the year	2.26	2.26
As at 31 March 2019	26.86	26.86
Add: Amortisation for the year	**3.13**	**3.13**
As at 31 March 2020	**29.99**	**29.99**
Net block		
At 31 March 2019	4.95	4.95
At 31 March 2020	**3.23**	**3.23**

Note 11.5: Asset held for Sale

The Company had in the previous year ended March 31, 2019 , decided to sell off one of its freehold building and has identified the proposed buyer. Accordingly the same has been shown as deletion from PPE and disclosed as asset held for sale at its written down value of Rs. 2.11 million.

(Amount in Rs million)

	For the year ended	
	March, 31 2020	March 31, 2019
Note 11.6: Depreciation		
Property, Plant and Equipment	119.39	122.07
Intangible Assets	3.13	2.26
Investment Property	8.44	8.42
Right to Use Asset	6.67	—
	137.63	**132.75**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 11.7: Impairment for one of subsidiary [Peerless Hotels Limited - "the Company"]

a) On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to all the businesses of the Company. Lockdown guidelines issued by Central/State governments have resulted in closure of hotel operations and cessation of air traffic and other forms of public transport leading to low occupancies / shutdowns of hotels of the company at different locations. With the lifting of the lockdown restrictions, the Company has started re-opening a few hotels and outlets in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company expects all the hotels to become operational in a phased manner after the lockdown is lifted and the confidence of travelers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and confidence of customer is restored. The normlancy in hotel operations is driven by business travel, leisure tourism, stay vacations and overall improvement in business scenario both domestically and internationallly which as per current scenario is expected to stabilise over a longer period of time.

   The Company has taken steps towards cutting it's employee related and other fixed cost and paused it's capital expansion plan. It has revised it's business projection based on internal and external informations and possible assumptions and estimates in the given situation and circumstances. The company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, ability to service debt if needed in future and other financing arrangements, supply chain and demand for its services. The Company has comfortable liquidity to meet its commitments. The Company has also assessed the potential impact of COVID-19 on the carrying value of investments, trade receivables, inventories, and other current assets as on March 31, 2020. Such estimates do not indicate any shortfall in value of various current assets requiring any adjustment in it's financial statements. Considering the resources available and the financial position and steps taken towards disaster management and to overcome the current situations, the going concern assumption over a period of one year is not expected to be vitiated. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and take necessary corrective measures.

b) In the current situation, the projections for future cashflow will be burdened with unrealistic and non-reliable assumptions over a longer period of time and will therefore lead towards misleading and unrealistic business valuations. Accordingly, the value of Cash Generating Units (CGUs) and consequential impairment if any in value of Property, Plant and Equipments, Right of Use Assets and Intangibles as such could not be determined. The said exercise will therefore be undertaken once the business operation starts picking up and moving towards normalcy and outcome thereof can be estimated and projected with certain degree of reliability and consistency. Considering the current networth and financial strength, the impairment even if be considered to certain extent for certain period of time, as such is not expected to affect the financial positions significantly on long term evaluation.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

Note 12: Other non-financial Assets	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	45.14	50.49
Advance to Suppliers	2.37	9.73
Capital Advances	51.23	23.77
Advance towards acquisition of Investment property	121.27	63.95
Branch and Other Office Adjustments (Net)	0.10	0.02
GST Input and Receivables	1.59	3.40
Deferred assets	0.67	—
Deferred Loss on Fair Valuation of Financial Instruments	0.10	—
Others	6.52	5.11
TOTAL	**228.99**	**156.47**

(Amount in Rs million)

Note 13.1: Trade Payables	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
For goods and services		
Due to Micro and Small Enterprises	6.96	1.62
Others	242.59	270.01
	249.55	**271.63**

(Amount in Rs million)

Note 13.2: Other Payables	As at March 31, 2020	As at March 31, 2019
At Amortised cost		
Liability for Expenses		
Due to Micro and Small Enterprises	0.44	2.93
Others	99.34	110.55
	99.78	**113.48**

(Amount in Rs million)

Note 14: Borrowings	As at March 31, 2020	As at March 31, 2019
At Amortised Costs		
Finance Lease Obligations - Unsecured		
Long Term maturities of finance lease obligation	—	0.30
	—	**0.30**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

Note 15: Deposits	As at March 31, 2020	As at March 31, 2019
Deposit from Public - at amortised cost	179.25	15,477.34
	179.25	**15,477.34**

15.1 The Company has transferred an amount of Rs.15,296.18 million to the IEPF Authority during the year ended March 31, 2020 and repaid Rs. 1.91 to its depositors. The Company has transferred these amounts to IEPF Authority on a monthly basis since there are various maturity due dates of deposits of unclaimed deposits. This amount transferred represents the total amount of matured deposits (including interest accrued thereon till respective dates of maturity), which were lying unclaimed for a period of 7 years or more from their respective dates of maturity. [Refer Note No. 41 (c)]

15.2 The Closing Deposit Liability of Rs.179.25 million (March 31, 2019 - Rs. 15,477.34 million) , includes liability in respect of Unclaimed Certificates of Rs. Nil million (March 31, 2019- Rs. 489.18 million) which had been ascertained on the basis of details received from branches or as certified by Independent Firm of Chartered Accountants. The said amount was after considering reinvestment /payments and which has been provided by management. The said deposit liability has been remitted to IEPF Authority.

Further the liability in respect of Unclaimed/Unpaid Certificates [also including liability for Returned Money Orders, Stale Cheques and Unidentified Subscription Deposit] includes Rs. Nil million (March 31, 2019 - Rs. 99.21 million) for which certain particulars were not available. The said deposit liability has been remitted to IEPF Authority.

15.3 Based on exercise of reconciliation of unclaimed certificates, carried out by the management during the previous year ended 31.03.2019 , Rs. 0.94 million was ascertained and accordingly had been debited in the Statement of Profit and Loss as part of other expenditure in Note 32.

15.4 The book value & accrued interest of Investments Linked with Escrow Account (including Escrow Bank Account) amounts to Rs. 222.54 million as at 31st March 2020 (Prev.Year Rs. 15,821.10 millions) against outstanding Liability towards Depositors of Rs. 179.25 million as at 31st March 2020 (Prev. Year Rs. 15,477.34 million).

(Amount in Rs million)

Note 16: Other financial Liabilities	As at March 31, 2020	As at March 31, 2019
Security Deposits	32.99	59.45
Unpaid Dividends #	25.66	29.31
Margin Money - Clients	14.36	—
Other Liabilities @	22.63	20.68
Lease Liability [Refer Note 43]	60.30	—
Liability for capital goods	21.72	1.94
Amount payable to insurance companies	1.57	25.58
	179.23	**136.96**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF).
@ Represents salary payable, liability towards stale chegue, etc.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 17: Provisions		
Provision for Employee Benefits -		
Gratuity [Note 38]	31.84	28.01
Leave Encashment	101.97	92.75
Provision for Doctor Fees	10.60	13.86
Other Provisions	21.14	18.82
TOTAL	**165.55**	**153.44**

17.1 The following figures are towards doctors expenses provided on the basis of pending confirmations of amount payable in terms of understanding with the doctors:

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	13.86	12.14
Add: Provision made during the year	10.60	13.86
Less: Payment/(adjusted) during the year	(13.86)	(12.14)
Balance at the end of the year	**10.60**	**13.86**

17.2 Other provision includes claims by certain employees not acknowledged by the subsidiary 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. 10.74 million (March 31, 2019: Rs. 9.70 million). Rs. 1.04 million (March 31, 2019: Rs.1.12 million) has been created during the year and Rs. Nil million (March 31, 2019: Rs. Nil million) has been paid during the year.

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Note 18: Other non-financial Liabilities		
Advance against Sale of Right to Property - Investments	7.71	70.08
Advance against Sale of Flats - Construction Project	2.90	1.18
Income Received in Advance	1.71	1.76
Statutory Liabilities	32.91	33.96
Deferred Revenue	2.59	2.62
Advance Fees from academic courses	1.52	5.18
Advance from Patients/Customers	8.72	12.43
Deferred Government Grant	0.15	0.11
Others	0.69	—
TOTAL	**58.90**	**127.32**
Details of Government Grant are as follows:		
Government grant at the beginning of the year	0.11	0.44
Add: Government grant received during the year	0.58	0.45
Add: Interest received during the year	—	—
Less: Transfer to Statement of Profit and Loss (including interest)	0.54	0.78
Government grant at the end of the year	**0.15**	**0.11**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

			As at March 31, 2020	As at March 31, 2019
NOTE 19 : Share Capital				
Authorised Capital				
	35,00,000	Equity Shares of Rs.100/- each	350.00	350.00
			350.00	**350.00**
Issued, Subscribed & Called up Capital				
	33,15,584	Equity shares of Rs.100/- each fully paid up	331.56	331.56
a)	48,403	Shares fully paid up in Cash		
b)	1,58,821	Shares in fully paid up Bonus Shares by Capitalisation of General Reserve		
c)	31,08,360	Shares in fully paid up Bonus Shares by Capitalisation of Revaluation Reserve		
TOTAL			**331.56**	**331.56**

a) Movement of Share Capital:	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Rs. in Million	No. of Shares	Rs. in Million
No. of Shares Outstanding as at beginning of year	33,15,584	331.56	33,15,584	331.56
New Shares issued during the year	—	—	—	—
No. of Shares Outstanding as at end of year	33,15,584	331.56	33,15,584	331.56

b) Disclosure with respect to Shareholding in excess of 5%:

		As at 31.03.2020		As at 31.03.2019	
Sl. No.	**Name of the Shareholder**	**No. of Shares Held**	**% of Shareholding**	**No. of Shares Held**	**% of Shareholding**
1	Mr. Sunil Kanti Roy & Mrs. Shikha Roy	668,448	20.16%	668,448	20.16%
2	Mr. Jayanta Roy	324,640	9.79%	324,640	9.79%
3	Shikha Holdings Private Limited	630,192	19.01%	630,192	19.01%
4	Bichitra Holdings Private Limited	327,669	9.88%	327,669	9.88%
5	Poddar Projects Limited	218,240	6.58%	218,240	6.58%
6	Mr. R. L. Gaggar	179,200	5.40%	179,200	5.40%
7	Mr. Tuhin Kanti Ghosh	225,920	6.81%	225,920	6.81%
	Total	**2,574,309**	**77.63%**	**2,574,309**	**77.63%**

c) Rights, Preferences & Restrictions attached to Shares:

Equity Shares - The Company has one class of equity shares having a par value of Rs 100 per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
NOTE 20: Other Equity		
Capital Reserve (including Capital Reserve on Consolidation)	9.41	9.41
Capital Redemption Reserve	0.02	0.02
Debenture Redemption Reserve	15.00	20.00
Special Reserve	5,375.57	5,373.86
General Reserve	7,148.94	7,142.94
Retained earnings	6,201.49	7,059.39
Other comprehensive income	—	—
	18,750.43	**19,605.62**

(Amount in Rs million)

	As at March 31, 2020	As at March 31, 2019
Equity Dividend and Dividend Distribution tax		
Final dividend for March 31, 2018 - Rs. 100 per share	—	331.56
Dividend Distribution tax thereon	—	62.74
Final dividend for March 31, 2019 - Rs. 70 per share	232.09	—
Dividend Distribution tax thereon	34.03	—
Interim dividend for March 31, 2020 - Rs. 40 per share	132.62	—
Dividend Distribution tax thereon	27.26	—

Capital Reserve (including Capital Reserve on Consolidation)

Capital reserve represents profit recognised in erstwhile years on reissue of forfeited shares. The share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve'.

Capital Redemption Reserve

The Company had recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Special Reserve

Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Special Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to special reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to special reserve, general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Other comprehensive income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

Debenture Redemption Reserve

Pursuant to the requirements of Section 71(4) of the Companies Act, 2013, read with Rule 18(7)(b)(iii) of the Companies (Share Capital And Debentures) Rules, 2014, one of the subsidiary Company has created a Debenture Redemption Reserve for the purpose of redemption of debentures.

(Amount in Rs million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 21: Interest Income		
On Financial Assets measured at Amortised Cost		
Interest income on Investments	781.96	1,886.68
Interest on Loans & Advances	15.45	23.47
Interest on Bank Deposits	7.71	8.28
Other Interest Income		
- on Fixed Deposits with Financial institutions and NBFC's	105.90	56.69
Total	**911.02**	**1,975.12**

There is no interest income on financial assets classified at fair value through profit or loss or financial assets measured at fair value through OCI.

(Amount in Rs million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 22: Dividend Income		
On Financial Assets measured at fair value through profit or loss		
On Mutual Fund	—	8.95
On Equity Shares	12.50	13.84
Total	**12.50**	**22.79**

There is no dividend income on financial assets classified at fair value through OCI.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 23: Net gain/(loss) on fair value changes		
On Financial Assets measured at fair value through profit or loss		
– Trading Portfolio		
Investments	(550.22)	413.10
Total	**(550.22)**	**413.10**
Fair Value changes:		
– Realised	267.88	369.22
– Unrealised	(818.10)	43.88
	(550.22)	**413.10**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 24: Net Gain on derecognition of financial instruments under amortised cost category		
On Financial Assets measured at Cost		
– Right to Property	28.92	28.46
– Government Securities	(2.89)	—
Total	**26.03**	**28.46**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 25: Revenue from Contract with Customers		
Income from Medical and Healthcare Services	2,035.40	1,936.11
Income from Sale at Pharmacy	57.79	49.14
Rooms Revenue, Food and Beverages	541.96	507.46
Other Services	9.72	10.88
Commission on insurance products	155.51	173.76
Brokerage	56.17	57.69
Securities Trading	2.80	1.93
Depository Operations	4.66	5.07
Upfront Fees and charges	1.90	0.60
Commission Income	0.68	0.16
Construction Project Income	5.38	28.17
	2,871.97	**2,770.97**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 26: Other Operating Revenue		
Income from Academic Courses	48.73	44.39
Income from Diagnostic Centre	28.32	27.30
Income from Eye Hospital	3.41	3.09
Liabilities/Provision no longer required written back	0.13	6.84
Incentive and Commission	—	0.40
	80.59	**82.02**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 27: Other Income		
Interest		
– Income Tax refund	7.24	168.66
– Employee Loans and Advances	0.14	0.95
– on fixed deposit with banks	8.01	33.14
– Others	7.98	0.51
– on Financial assets measured at amortised costs	—	0.57
– Security Deposit - unwinding	0.57	0.14
Rent	34.70	35.07
Profit on Sale of Property plant and equipment	25.27	6.78
Service Fees	15.41	20.45
Provisions/Liabilities no longer required written back	31.35	29.48
Gain on Fair Valuation of Investments	2.10	4.53
Income of Government Grant	0.54	0.78
Amortisation of Deferred Gain on Fair Valuation of Financial Instruments	0.70	1.74
Dividend Income from Investment	0.09	0.15
Net gain/(loss) on disposal of Current Investment on fair valuation through profit and loss	0.44	—
Gain on sale of current investments	0.74	—
Miscellaneous Income	20.73	8.08
Total	**156.01**	**311.03**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 28: Finance Cost		
Interest expense		
On Financial liabilities measured at amortised costs	1.21	2.79
On Lease Liabilities	5.25	—
Others	0.04	0.03
Other Borrowing Costs	0.58	1.31
Interest - Security Deposit (unwinding)	0.37	0.40
Bank Charges	4.49	0.21
Total	**11.94**	**4.74**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 29: Changes in Inventories of finished goods, stock-in-trade and work-in-progress		
Opening Inventory		
– Stock in Trade	20.12	16.10
	20.12	**16.10**
Less: Closing Inventory		
– Stock in Trade	34.06	17.34
	34.06	**17.34**
(Increase)/ Decrease in Inventories	**(13.94)**	**(1.24)**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 30: Impairment of Financial Instruments		
On Financial Assets measured at Amortised Cost		
Loans	0.04	3.04
Others	—	4.55
Total	**0.04**	**7.59**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 31: Employee benefit expenses		
Salaries and Bonus	836.79	925.99
Contribution to Provident & Other Funds	67.00	84.96
Directors' Remuneration	—	—
Managing/Dy. Managing/Whole time Directors		
– Salary	43.42	36.83
– Contribution to Provident & Other Funds	10.54	7.67
– Other Benefits	59.73	61.89
	113.69	106.39
Staff Amenities & Welfare	60.15	70.21
	1,077.63	**1,187.55**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.**)**

(Amounts in Rs. million)

Note 32: Other Expense	**Year ended March 31, 2020**	Year ended March 31, 2019
Consultants and Doctors expense	490.20	462.78
Crockeries, Cutleries and Others	2.43	1.67
Linen and Laundry Expenses	4.52	5.41
Expenses on Apartment and Board	19.79	20.11
Consumption of stores and spares	23.56	22.75
Commission to Other Directors	0.30	6.94
Directors' Fees	4.54	5.71
Charities and Donation	14.82	31.24
Rent	33.87	34.02
Rates & Taxes	31.57	28.98
Insurance	9.83	10.27
Power, Fuel and Water Charges	120.54	125.09
Catering Charges	69.53	69.12
Brokerage & Distribution Support	6.77	-
Advertisement & Publicity	132.90	296.54
Legal & Professional Charges	223.39	263.05
Repairs -		
Building	64.52	69.22
Machinery and Equipments	31.22	6.88
Others	52.91	55.73
Security & Manpower / Contract Cost	68.97	137.82
Advances/Other Receivables/Bad Debts Written Off	16.78	2.64
Corporate Social Responsibility Expenses	28.40	28.37
Amortisation of Deferred Loss on Fair Valuation of Financial Instruments	0.15	0.11
Loss/(Profit) on sale of fixed Assets (Net)	3.35	—
Property, Plant and Equipment written off	—	6.29
Provision for Doubtful Debts	3.79	4.53
Provision for Claims and Contingencies	1.04	1.12
Other Expenditure	312.85	226.76
	1,772.54	**1,923.15**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
Note 33: Income taxes		
(a) The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are :		
(i) Profit or loss section		
Current taxes	69.93	217.48
Deferred tax	(189.92)	(188.93)
Income tax expense reported in the statement of profit and loss	**(119.99)**	**28.55**
(ii) OCI section		
Deferred tax related to items recognized in OCI during the year		
Actuarial (loss) gain on gratuity fund	(1.96)	(8.25)
Income tax (credit)/charge to OCI	**(1.96)**	**(8.25)**

Deferred tax charge for the year ended March 31, 2020 and March 31, 2019 relates to origination and reversal of temporary differences.

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
(b) Reconciliation of tax expense and accounting profit for the year end March 31, 2020 and March 31, 2019		
Accounting profit /(Loss) before income tax	(512.90)	714.82
Enacted tax rates in India	25.17%	29.12%
Computed expected tax expenses	(129.10)	208.16
Tax effect		
on exempt income	(121.94)	(163.67)
on income at different rates/revision of tax rates	2.58	(8.89)
on non-deductible expenses for tax purpose	124.04	38.78
on utilisation of MAT credit/unabsorbed business losses	1.28	36.13
others	3.15	(81.96)
At the effective income tax rate	**(119.99)**	**28.55**
Income tax expense reported in statement of profit and loss	**(119.99)**	**28.55**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amounts in Rs. million)

	As at March 31, 2020	As at March 31, 2019
(c) The tax effect of significant temporary differences that resulted in deferred tax asset are as follows:		
Deferred tax assets		
Written Down Value of Property, Plant and Equipment and Intangible Assets	1.03	1.15
Provision towards Loans, Advances and Investments (including fair valuation)	131.06	38.85
Provision for compensated absence & Expenses allowed on payment basis	12.11	15.07
Carry Forward of Losses	104.68	—
Voluntary Retirement Expenses	251.09	264.61
	499.97	**319.68**
Deferred tax Liability		
Written Down Value of Property, Plant and Equipment and Intangible Assets	43.89	37.20
Other timing differences	2.44	2.83
	46.33	**40.03**
Deferred tax assets (net)	**453.64**	**279.65**

Deferred tax asset and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities

(Amounts in Rs. million)

	As at March 31, 2020	As at March 31, 2019
Deferred tax Liability		
Written Down Value of Property, Plant and Equipment and Intangible Assets	170.81	189.30
Other timing differences	4.10	4.67
	174.91	**193.97**
Deferred tax assets		
Provision for compensated absence & Expenses allowed on payment basis	19.35	20.73
MAT Credit Entitlement	—	0.18
Other timing differences	2.96	2.57
	22.31	23.48
Deferred tax Liability (net)	**152.60**	**170.49**

(Amounts in Rs. million)

	Year ended March 31, 2020	Year ended March 31, 2019
(d) Reconciliation of net deferred tax liability is as follows:		
Balance, beginning of year	(109.16)	88.23
Tax income during the year recognized in statement of profit or loss	(189.92)	(188.93)
Tax income/(expense) during the year recognised in other comprehensive income	(1.96)	(8.25)
Others	—	(0.21)
Balance, end of the year	**(301.04)**	**(109.16)**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(Amount in Rs million)

	Year ended March 31, 2020	Year ended March 31, 2019
(e) Current Tax (Liabilities)/Assets:		
Provision for tax [net of advance tax]	(90.15)	(68.71)
Advance Tax [net of Provision for tax]	159.23	87.95
Total	**69.08**	**19.24**

Note 34: Fair values

The management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments, except few.

Fair value hierarchy :

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

(Amount in Rs million)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments in [Note 7]					
Equity Instruments	March 31, 2020	693.53	693.53	—	—
Mutual Funds	March 31, 2020	3,092.83	—	3,092.83	—
Assets for which fair values are disclosed:					
Investment property [Note 10]	March 31, 2020	4,883.61	—	4,883.61	—

Fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

(Amount in Rs million)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments in [Note 7]					
Equity Instruments	March 31, 2019	876.01	876.01	—	—
Mutual Funds	March 31, 2019	3,936.14	—	3,936.14	—
Assets for which fair values are disclosed:					
Investment property [Note 10]	March 31, 2019	4,642.04	—	4,642.04	—

The following methods and assumptions are used to estimate the fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Mutual Fund Units are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments are in listed entities are initially recognised at transaction price and re-measured and valued on a case-by-case at quoted price as per NSE and classified as Level 1.

There have been no transfers between Level 1 and Level 2 during the periods March 31, 2020 and March 31, 2019.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 35: Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company. The Holding Company as an NBFC (RNBC) and one of the subsidiary, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Holding Company and one of the subsidiary ensures to maintain a healthy CRAR at all the times.

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 Capital, which is not applicable to the Holding Company and one of its subsidiary.

The Holding Company and one of its subsidiary is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and to maximise shareholder value. The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board of Directors.

(Amount in Rs million, except ratios)

Gearing Ratio	**As at**	As at
Particulars	**March 31, 2020**	March 31, 2019
Current loans and borrowings	—	0.30
Cash and Cash Equivalent	444.49	492.32
Net Debt	**444.49**	**492.02**
Total equity attributable to the equity shareholders of the Company	19,081.99	19,937.18
Capital and net debt	**19,526.48**	**20,429.20**
Gearing Ratio	**—**	**—**

Note 36: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares, if any that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Net Profit/(Loss) after tax as per Statement of Profit and Loss (Rs. in millions) - [A]	(393.61)	705.61
Weighted average number of equity shares for calculating basic EPS (in million) - (B)	3.32	3.32
Basic earnings per equity share (in Rupees) (face value of Rs. 100/- per share) (A) / (B)	(118.71)	212.82
Diluted earnings per equity share (in Rupees) (face value of Rs. 100/- per share) (A) / (B)	(118.71)	212.82

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 37: Related Party disclosure

a) Names of Related Parties and description of relationship :

Relationship	**Names of related parties**
Joint Venture	Bengal Peerless Housing Development Co. Ltd
Group Enterprises (includes Enterprise over which KMP has control)	Kaizen Leisure & Holidays Ltd Kaizen Leisure & Resorts Ltd Bichitra Holdings Private Ltd Shikha Holdings Private Ltd B. K. Roy Fundation
Key Management Personnel	Mr. S K Roy, Managing Director Mr. B. Lahiri, Deputy Managing Director Mr. A. K. Mukhuty – Whole Time Director & Chief Financial Officer* Mr. Samar Bhattacharya - Whole Time Director* Mr. K. Balasubramanian – Company Secretary (* appointed as Whole Time Director w.e.f December 13, 2018)
Relatives of Key Management Personnel & Non - executive directors	Mr. Jayanta Roy – Director – Relative of Managing Director Mr. T.K Roy - Relative of Managing Director Mrs. Shikha Roy - Relative of Managing Director Mrs. Debasree Roy – Relative of Managing Director Mrs. Archana Datta – Relative of Non-Executive Director
Independent Directors	Mr. Deepak Mukerjee Mr. Partho Sarothy Datta Mr. Soumendra Mohan Basu
Non Executive Directors	Mr. Susim Mukul Datta Mr. Dipankar Chatterji

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 37: Related Party disclosure [continued

b) Transactions with related parties and outstanding balances:

(Amounts in Rs. million, except share data)

Particulars	Joint Venture		Group Enterprises		Key Management Personnel		Relatives of Key Management Personnel		Independent/ Non-executive Directors		Total	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Expenses												
Other Expenses	1.40	1.49	7.26	10.94	-	-	0.21	-	-	-	8.87	12.43
Legal & Professional Expenses	-	-	0.85	-	-	-	0.48	-	-	-	1.33	-
Electricity Expenses	-	-	0.39	-	-	-	-	-	-	-	0.39	-
Dividend Paid	-	-	111.96	101.79	73.53	66.84	60.73	55.21	-	-	246.22	223.84
Remuneration @#	-	-	-	-	66.20	63.79	11.25	14.99	-	-	77.45	78.78
Sitting Fees	-	-	-	-	0.17	0.62	0.27	0.28	1.98	3.02	2.42	3.92
Commission	-	-	-	-	51.90	55.00	-	1.00	-	5.42	51.90	61.42
CSR Expenses/Donation	-	-	7.76	30.71	-	-	-	-	-	-	7.76	30.71
Income												
Rent	4.56	4.24	1.47	1.42	-	-	-	0.44	-	-	6.03	6.10
Other Income	-	-	0.03	-	-	-	-	-	-	-	0.03	-
Dividend Income	-	15.91	-	-	-	-	-	-	-	-	-	15.91
Interest Income & Upfront fees	-	-	4.36	4.13		-		-		-	4.36	4.13
Rooms Revenue, Food and Beverages	0.07	-	0.03	0.48				-		-	0.10	0.48
Assets												
Advance Recoverable	134.51	59.17	0.58	2.66	-	-	-	-	-	-	135.09	61.83
Other Receivable	0.06	-	-	-	-	-	-	-	-	-	0.06	-
Loan Given	-	-	37.00	45.00	-	-	-	-	-	-	37.00	45.00
Interest Receivable	-	-	0.28	0.35	-	-	-	-	-	-	0.28	0.35
Trade Receivables	-	-	0.02	0.25	-	-	-	-	-	-	0.02	0.25
Investments												
Shares – Equity	603.24	603.94	-	-	-	-	-	-	-	-	603.24	603.94
Liability												
Other liabilities/Liability for Expense	0.59	0.51	0.20	0.10	51.90	55.00	-	1.00	-	5.42	52.69	62.03
Provision for advance recoverable	-	-	0.91	0.91	-	-	-	-	-	-	0.91	0.91
Transactions												
Loan Disbursed/(Repaid)	-	-	(8.00)	23.00	-	-	-	-	-	-	-	23.00

@ Excludes perquisites amounting to Rs 0.06 million [Prev year Rs 0.06 million]

Includes Remuneration paid to Key Managerial Personnel as defined under Companies Act, 2013

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 38: Employee Benefits :

i Defined Contribution Plans:

a) During year ended March 31, 2020 and 2019, the Company contributed following amounts to defined contributions plans:

(Amount in Rs million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund	29.91	37.06
Employer's Contribution to Pension Fund	19.04	22.08
Employer's Contribution to Superannuation Fund	7.93	7.34
Total*	**56.88**	**66.48**

* excludes employers contribution of Rs. 20.66 million (Prev. Year Rs. 26.15 million) on account of insurance scheme for employees and other related charges.

ii Defined Benefit Plans:

Obligation in respect of employee's gratuity fund scheme managed by Life Insurance Corporation of India is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation:

a) The amounts recognised in Balance Sheet are as follows: (Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	233.06	239.33
Less: Fair Value of Plan Assets	(221.15)	(231.80)
Amount not recognized due to asset limit	6.77	6.89
Amount to be recognised as liability or (asset)	**18.68**	**14.42**
Employee Benefit Obligation	31.84	28.01
Gratuity fund with LIC	13.16	13.59
	18.68	**14.42**

b) The amounts recognised in the Profit and Loss Statement are as follows: (Amount in Rs million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1 Current Service Cost	11.91	19.06
2 Past Service cost	—	—
3 Net Interest (income)/expenses	(0.49)	0.17
Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 31)	**11.42**	**19.23**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

c) The amounts recognised in the statement of other comprehensive income (OCI)

(Amount in Rs million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Opening amount recognised in OCI outside profit and loss account	—	—
2	Due to Change in financial assumptions	11.50	0.24
3	Due to Change in demographic assumptions	—	(0.08)
4	Due to experience adjustments	3.45	22.05
5	Return on Plan assets excluding amounts included in Interest Income	(0.97)	0.31
6	Adjustment to recognize the effect of asset ceiling	(0.59)	6.13
7	Total Remeasurements Cost / (Credit) for the year recognised in OCI	13.37	28.65
	Less: Accumulated balances transferred to retained earnings	(13.37)	(28.65)
	Closing balances (remeasurement (gain)/loss recognised OCI	—	—

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(Amount in Rs million)

	Particulars	As at March 31, 2020	As at March 31, 2019
1	Balance of the present value of Defined benefit Obligation as at 01-04-2019 / 01-04-2018	239.33	360.14
2	Interest expenses	14.05	23.81
3	Current Service Cost	11.91	19.06
4	Past Service Cost		
5	Actuarial (gain) / loss due to change in financial assumptions	11.43	0.31
6	Actuarial (gain) / loss due to change in demographic assumptions		(0.08)
7	Actuarial (gain) / loss due to change in experience adjustments	3.45	22.05
8	Benefits paid	(47.11)	(185.96)
	Present value of obligation as at the end of the period 31-03-2020 / 31-03-2019	**233.06**	**239.33**

e) Net interest (Income) /expenses

(Amount in Rs million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Interest (Income) / Expense – Obligation	14.05	23.81
2	Interest (Income) / Expense – Plan assets	(15.02)	(23.64)
3	Net Interest (Income) / Expense for the year	**(0.97)**	**0.17**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

f) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

(Amount in Rs million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Fair value of plan assets at beginning of the year	231.80	355.64
2	Interest income	15.02	23.64
3	(Return) on plan assets (excl. interest income)	0.97	1.21
4	Contribution by employer	20.47	37.27
5	Benefits paid	(47.11)	(185.96)
6	Fair value of plan assets at end of the year	**221.15**	**231.80**

Plan assets are administered by LIC and 100% of the plan assets are invested in lower risk assets, primarily in debt securities.

g) Principal actuarial assumptions used in accounting for the gratuity plan are set out as below:

1 Discount rate as at 31-03-2020 - 5.50%- 6.85% [31-03-2019 - 6.90%- 8.00%]
2 Salary growth rate : - 5.00% - 9.00% [31-03-2019 - 5.00% - 9.00%]
3 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government bonds consistent with the currency and estimated term of the post employment benefits obligations. Plan assets are administered by the LIC and invested in lower risk assets, primarily debt securities. The expected rate of return on plan assets is based on the expected average long term rate of return on investments of the fund during the terms of the obligation.

The Company's contribution to the fund for the year ending March 31, 2021 is expected to be on similar lines as compared to March 31, 2020.

h) Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2020 and March 31, 2019 is as shown below:

	Particulars	Sensitivity level	Year ended March 31, 2020	Year ended March 31, 2019
1	Discount rate (financial assumption)	- 0.5%	234.96	241.28
		+0.5%	222.70	228.69
2	Salary escalation rate (financial assumption)	- 0.5%	222.62	228.61
		+0.5%	234.82	241.14

Note 39: Income Tax Matters

Holding Company

Income Tax

In respect of AY 1985-86 and 1986-87 The Order of Hon'ble High Court had treated the first year's subscription prior to 15.05.87 as revenue receipt and thereafter capital receipt which was stayed by Hon'ble Supreme Court on Special Leave Petition filed by the Company. During the year ended March 31, 2020, the Hon'ble Supreme Court has ruled in favour of the Company in respect of said matter to the effect that this would be capital receipts and not income.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

In respect of A.Y's 1987-88 to 2017-18, for certain years, the Company / Department have gone into appeal and the assessments are pending for adjudication at various stages [Gross Demand Rs. 7,364.26 million and Net demand Rs. (40.77) million after adjusting TDS, Advance Tax and refund sanctioned]. Amount of demands not determinable have presently been not included herein.

Interest Tax

In respect of Interest tax, Assessment years 1993-94 to 2000-01, full appeal effects are yet to be given. [Gross demand Rs. 296.30 million, Net Demand Rs. (50.00) million]. Wealth Tax assessment orders are pending at various levels [Gross Demand Rs. 49.97 million, Net Demand Rs. 0.92 million].

Advance Tax (including Interest Tax & Wealth Tax/Tax deducted at source, net of provisions) shown under Income Tax Asset (net)/Income Tax Liabilities (net) of financial statements includes certain amount of Income Tax deducted at source for which credit is yet to be accepted by the Income Tax Department pending verification.

In respect of taxation matters pending assessment and taxation matters contested as above, in the view of the management, sufficient provision is existing in the accounts which is based on accounting policies followed by the Company and for which legal and professional opinions are received by the management and as such no further adjustments in this respect is considered necessary. Liability for taxation, interest, penalty etc. on account of adjustments made / to be made on/for revivals, settlements etc. or otherwise will be provided / made as and when these are finally ascertained.

Subsidiary Companies

In respect of various assessment years, the Companies / Department have gone into appeal and the assessments are pending for adjudication at various stages – Amount involved Rs. 1.62 million (P.Y. Rs. 2.57 million).

Note 40: Contingent Liability and Capital Commitment (Amount in Rs million)

	Particulars	As at March 31, 2020	As at March 31, 2019
1.	**Contingent Liability**		
a)	Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)		
	i) ESI Matters (subjudice)	245.73	245.73
	ii) Other Matters (including those pending before consumer forums)	72.77	72.96
b)	Service Tax matters (under dispute)	56.00	56.72
c)	Direct Tax matters - Holding Company (refer note 39 above) -Amount not determinable	—	—
d)	Direct Tax matters - Subsidiary Company	1.62	2.57
e)	Demand from IEPF (refer note 41)-Amount not determinable	—	—
f)	Custom Duty matters	115.40	115.40
g)	Guarantees given	32.50	25.00

Note: Future cash outflows, if any, in respect of (a) to (g) above is dependent upon the outcome of judgements/decisions etc.

2.	**Capital Commitment towards -**		
a)	Property Plant and Equipment (not provided for, net of advances)	58.57	52.66
b)	Investment Property (not provided for, net of advances)	76.87	146.91
		135.44	**199.57**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 41: Other Regulatory Matter

a) The Company was legally advised that the provisions of section 205C of the Companies Act, 1956 (Section 125 of the Companies Act, 2013) in respect of subscription amounts collected from the Certificate-holders are not applicable to it and accordingly, the Company had filed a writ petition in the past before the Hon'ble High Court of Calcutta.

(b) In accordance with the directions received from Reserve Bank of India vide letter dated 31st October 2014, read with letter dated 03rd February 2015, the Company was required to open an Escrow Account and investments to the extent of Liability towards Depositors as at 31st December 2014 needed to be linked to such escrow account so that any proceeds thereof including coupon payment received are credited only to Escrow Account. The Company has complied with the directive of Reserve Bank of India immediately and has utilised the balance in the Escrow account in the manner directed by Reserve Bank of India.

(c) In reply to an application made by the Company for conversion of NBFC category, the Reserve Bank of India (RBI) had directed the Company in 2018-19 to initiate transfer of unclaimed deposits lying outstanding for 7 years or more from the respective dates of maturity to the Investor Education and Protection Fund (IEPF), pursuant to Section 125 of the Companies Act, 2013. As a matter of prudence and after obtaining relevant legal advice, the Board of Directors of the Company, on March 11, 2019, resolved to transfer the amount lying in the Escrow Account to the IEPF, representing unclaimed deposits lying outstanding for 7 years or more. Accordingly, the Company made an application in the writ petition pending before the Hon'ble High Court of Calcutta for transfer of unclaimed deposits lying outstanding for 7 years or more to IEPF.

The Company transferred an amount of Rs.15,296.18 million to the IEPF Authority during the year ended March 31, 2020, by selling government securities earmarked in escrow account. This amount transferred represents the total amount of matured deposits (including interest accrued thereon till respective dates of maturity), which were lying unclaimed for a period of 7 years or more from their respective dates of maturity. [Refer Note No. 15.1 and Note No. 46].

(d) The Investor Education and Protection Fund (IEPF) Authority vide its letter dated June 24, 2019 has directed the Company for depositing with IEPF, the interest earned by the Company on Escrow Account to the tune of Rs. 5,049 million. In addition to this, the IEPF Authority has sought certain additional details/information from the Company i.e. interest received by the Company on its matured deposits before opening of its escrow account and other details related to matured deposits. The Company has contested in the current year 2019-20 this directive of IEPF w.r.t above letter dated June 24, 2019 before the Hon'ble High Court at Calcutta by way of amendment to the writ petition filed earlier. The matter is pending and sub judice.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 42: Disclosure with regards to Micro and Small enterprises

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006 (the 'Act'). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

Particulars	**As at March 31, 2020**	As at March 31, 2019
a) i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	7.40	4.55
ii) Interest on a) (i) above	—	—
b) i) Amount of Principal paid beyond the appointed Date	—	—
ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	—	—
c) Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	—	—
d) Amount of Interest accrued and due	—	—
e) Amount of further interest remaining due and payable Even in succeeding years	—	—

Note 43: Leases

As a Lessee

Operating Lease

i) The changes in the carrying values of right-of-use asset for the year ended March 31, 2020 are given in note 11.3

ii) Set out below are the carrying amounts of lease labilities and the movement during the year ended March 31, 2020:

Particulars	(Amount in Rs million)
As at April 01, 2019	—
Adjustment on adoption of Ind AS 116 'Leases'	67.07
Interest on Lease Liability	5.25
Repayments	(12.02)
As at March 31, 2020	**60.30**

iii) The following amounts are recognized in the statement of profit and loss for the year ended March 31, 2020:

Particulars	(Amount in Rs million)
Depreciation expenses on right-of-use asset	6.67
Interest on Lease Liability	5.25
Expense relating to short-term leases (included in other Expenses as rent)	33.87
Total	**45.79**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

iv) The Company had total cash outflows for leases of Rs. 12.02 million (including interest) for the year ended March 31, 2020. The Company did not have any non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2020. Further, there are no future cash outflows relating to leases that have not yet commenced.

As a Lessor

Operating Lease

The Company has given office premises under operating lease. The income from operating lease recognised in the Statement of Profit and Loss are Rs. 34.70 million (March 31, 2019: Rs. 35.07 million). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement assessed by the Company is for a period ranging 60 months to 216 months.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2020 are as follows:

Particulars	**As at March 31, 2020**	As at March 31, 2019
Within One year	19.97	17.97
After one year but not more than 5 years	62.51	60.51
More than 5 years	67.59	65.59
Total	**150.07**	**144.07**

Note 44: Segmental Disclosures

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

The Group is organized by business segment. The business segments are the basis on which the Group reports its primary operational information to management. For management purposes the Group is primarily organized on a into following business segments:

a) Residuary Non-Banking operations within India and
b) Broking & Security Trading
c) Hospital Business
d) Hotels
e) Financing - Lending
f) Construction & Development of Properties
g) Financial Products Distribution

The Company has single geographical segment i.e. within India.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

The disclosure as per Ind AS 108 is as below for F.Y 2019-20:

(Amounts Rs. in million)

Sl No.	Particulars	RNBC & allied activities	Broking & Security Trading	Hospital Business	Hotels	Financing - Lending	Construction & Development of Properties	Financial Products Distribution	Total
I	**Revenue**								
	Revenue from Operations	977.52	70.82	2,196.29	553.67	16.59	5.38	160.09	3,980.36
	Less: Intergroup Revenue								78.25
	Total (A)	**977.52**	**70.82**	**2,196.29**	**553.67**	**16.59**	**5.38**	**160.09**	**3,902.11**
	Other Income	140.84	7.77	14.19	12.79	2.89	14.35	2.92	195.75
	Less: Intergroup Revenue								39.74
	Total (B)	**140.84**	**7.77**	**14.19**	**12.79**	**2.89**	**14.35**	**2.92**	**156.01**
	Total Income (A +B)	**1,118.36**	**78.59**	**2,210.48**	**566.46**	**19.48**	**19.73**	**163.01**	**4,058.12**
	Expenses	1,839.30	72.75	2,018.31	522.40	8.00	15.64	211.70	4,688.10
	Less: Intergroup expenses								117.08
	Total Expense	**1,839.30**	**72.75**	**2,018.31**	**522.40**	**8.00**	**15.64**	**211.70**	**4,571.02**
II	**Segment Results before Tax**	**(720.94)**	**5.84**	**192.17**	**44.06**	**11.48**	**4.09**	**(48.69)**	**(512.90)**
	Tax Expense								(119.99)
	Profit After Tax								(392.91)
	Share of profit of Jointly controlled entity	-	-	-	-	-	(0.70)	-	(0.70)
	Other comprehensive income	-	-	-	-	-		-	(11.41)
	Total comprehensive income for the year	-	-	-	-	-	-	-	(405.02)
	Less: Non-controlling interest	-	-	-	-	-	-	-	10.09
	Total comprehensive income attributable to Owners of the Holding Company	-	-	-	-	-	-	-	(415.11)
III	**Other Information**								
	Segment Assets	17,663.10	253.44	1,503.31	1,497.39	548.11	156.39	94.02	21,715.76
	Less: Intergroup Assets	-							1,349.74
	Total Assets	**17,663.10**	**253.44**	**1,503.31**	**1,497.39**	**548.11**	**156.39**	**94.02**	**20,366.02**
	Segment Liabilities	511.68	62.35	589.53	264.12	7.97	2.19	117.04	1,554.87
	Less: Intergroup Liabilities								379.87
	Total Liabilities	**511.68**	**62.35**	**589.53**	**264.12**	**7.97**	**2.19**	**117.04**	**1,175.00**
	Net Assets	**17,151.42**	**191.10**	**913.78**	**1,233.27**	**540.14**	**154.20**	**(23.02)**	**19,191.02**
	Depreciation								137.63
	Capital Expenditure								138.12
	Non-Cash Expenditure								523.94

Note: Segment revenue, results, assets and liabilities have been accounted for based on amounts allocated as considered reasonable by the management.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

The disclosure as per Ind AS 108 is as below for F.Y 2018-19:

(Amounts Rs. in million)

Sl No.	Particulars	RNBC & allied activities	Broking & Security Trading	Hospital Business	Hotels	Financing - Lending	Construction & Development of Properties	Financial Products Distribution	Total
I	**Revenue**								
	Revenue from Operations	2,444.07	71.47	2,060.03	524.80	38.38	28.17	179.24	5,346.16
	Less: Intergroup Revenue								53.70
	Total (A)	**2,444.07**	**71.47**	**2,060.03**	**524.80**	**38.38**	**28.17**	**179.24**	**5,292.46**
	Other Income	362.16	8.39	38.79	8.93	4.61	0.96	26.20	450.04
	Less: Intergroup Revenue								139.01
	Total (B)	**362.16**	**8.39**	**38.79**	**8.93**	**4.61**	**0.96**	**26.20**	**311.03**
	Total Income (A +B)	**2,806.23**	**79.86**	**2,098.82**	**533.73**	**42.99**	**29.13**	**205.44**	**5,603.49**
	Expenses	2,314.21	97.41	1,856.49	456.04	22.66	20.74	197.42	4,964.97
	Less: Intergroup expenses								76.30
	Total Expense	**2,314.21**	**97.41**	**1,856.49**	**456.04**	**22.66**	**20.74**	**197.42**	**4,888.67**
II	**Segment Results before Tax**	**492.02**	**(17.55)**	**242.33**	**77.69**	**20.33**	**8.39**	**8.02**	**714.82**
	Tax Expense								28.55
	Profit After Tax								686.27
	Share of profit of Jointly controlled entity						19.34		19.34
	Other comprehensive income								(20.40)
	Total comprehensive income for the year								685.21
	Less: Non-controlling interest								11.39
	Total comprehensive income attributable to Owners of the Holding Company								673.82
III	**Other Information**								
	Segment Assets	33,967.63	293.03	1,377.49	1,431.01	534.31	156.39	135.35	37,895.21
	Less: Intergroup Assets								1,337.03
	Total Assets	**33,967.63**	**293.03**	**1,377.49**	**1,431.01**	**534.31**	**156.39**	**135.35**	**36,558.18**
	Segment Liabilities	15,838.29	105.34	578.69	201.11	2.69	2.19	110.09	16,838.40
	Less: Intergroup Liabilities								318.73
	Total Liabilities	**15,838.29**	**105.34**	**578.69**	**201.11**	**2.69**	**2.19**	**110.09**	**16,519.67**
	Net Assets	**18,129.34**	**187.69**	**798.80**	**1,229.90**	**531.62**	**154.20**	**25.26**	**20,038.51**
	Depreciation								132.75
	Capital Expenditure								108.03
	Non-Cash Expenditure								141.93

Note: Segment revenue, results, assets and liabilities have been accounted for based on amounts allocated as considered reasonable by the management.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 45: Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions and estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. These assumptions and estimates are based on available parameters as on the date of preparation of consolidated financial statements. These assumptions and estimates, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

a) Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b) Leases

The Group has entered into commercial property leases for its offices. Further, the Company has also adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method.

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term and the applicable discount rate. The Group has lease contracts which include extension and termination options and this requires exercise of judgement by the Group in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

c) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

d) Fair value of investment property

As per the Ind AS, the Company is required to disclose the fair value of the investment property. Accordingly, the Company has engaged an independent valuation specialist to assess the fair values of investment property as at March 31, 2019 and March 31, 2020. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property and sensitivity analysis are provided in note 10.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

e) Taxes

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions, including disclosures thereof. Also refer note 2.2 (e).

f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

h) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

i) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

j) Uncertainties relating to the pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of receivables, investment in mutual funds, equity shares of listed entities, and other financial assets. In assessing the recoverability of these assets, the Group has used internal and external sources of information up to the date of approval of these consolidated financial statements, and based on current estimates, has made a provision towards the carrying value of investment in mutual fund and listed equity shares. The impact on account of Covid-19 on the Group financial statements may differ from that estimated as at the date of approval of these consolidared financial statements. The Group will continue to monitor any material impact due to changes in future economic conditions.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 46: Exceptional items

(Amount in Rs million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impairment Loss on Government Securities	—	119.66
Employee Separation Expense - Voluntary Retirement Scheme	412.54	927.74
Total	**412.54**	**1,047.40**

i) The Company had decided to sell off its Investment in Government Securities (accounted for at amortised cost) to transfer the amount of liability towards depositors to IEPF. Impairment Loss to the extent of Rs. Nil (March 31, 2019 - Rs. 119.66 million) was disclosed under exceptional items.

ii) During the year ended 31.03.2020, the Company has incurred an expense of Rs. 412.54 million (Prev. Year Rs. 927.74 million) in respect of voluntary retirement scheme floated by the Company. The same has been disclosed under exceptional items.

Note 47: Financial risk management objectives and policies

The Group’s principal financial liabilities comprise deposit from public and trade payables. The Group’s financial assets include loan and advances, investments, cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Company’s Board of Directors has an overall responsibility for the establishment and oversight of the Group’s risk management framework. The Board of Directors is responsible for monitoring the Group’s risk management policies. The Group identifies and analyses the risks faced, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company’s Board of Directors oversees how management monitors compliance with the Group's risk management procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Loans and Advances

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Group’s exposure to credit risk for loans and advances by type of counterparty is as follows:

(Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Corporates	75.07	62.58
Loan to Individuals & Others	103.46	90.74
Loan to employees	1.93	4.61
	180.46	157.93
Less: Impairment	(10.25)	(14.70)
	170.21	**143.23**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

Staging:

As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3. The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

Expected Credit Loss (ECL):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low.

The ECL provision is based on actual credit loss experience over past years. These provisions are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note:

(Amount in Rs million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening provision of ECL	14.70	13.60
Addition during the year	3.39	—
Utilization / reversal during the year	(7.84)	1.10
Closing provision of ECL	**10.25**	**14.70**

Cash and cash equivalent, Bank deposits and Investments

Credit risk on cash and cash equivalent, bank deposits and investments is limited as the Group generally invests in term deposits with banks, government securities, bonds and debentures, term deposit with other NBFC which are good rated based on ratings on the date of investment.

2) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix. Capital adequacy ratio of the Holding Company & one of the subsidiary, as on 31 March 2019 is in excess of regulatory norms & which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The Group's investment in Mutual Fund and Equity shares of outside companies are liquid in nature. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

The Group's financial liabilities are majorly of a current nature as at the reporting date. The Group has sufficient liquid assets to pay off its financial liabilities on being due for payment. The maturity pattern of Group's liability has been reflected in Note no. 50.

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

3.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not have an significant exposure to the risk of changes in market interest rates as it has not made any investment which carries variable interest rate.

3.2 Foreign currency risk

The Group does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Group.

Note 48: Revenue from Contract with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss

(Amount in Rs million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Type of Income		
Income from Medical and Healthcare Services	2,035.40	1,936.11
Income from Sale at Pharmacy	57.79	49.14
Rooms Revenue, Food and Beverages	541.96	507.46
Other Services	9.72	10.88
Commission on insurance products	155.51	173.76
Brokerage	56.17	57.69
Securities Trading	2.80	1.93
Depository Operations	4.66	5.07
Upfront Fees and charges	1.90	0.60
Commission Income	0.68	0.16
Construction Project Income	5.38	28.17
Total revenue from contracts with customers	**2,871.97**	**2,770.97**

During the year ended March 31, 2020, the Company recognized no revenue from performance obligations satisfied prior to April 1, 2019. Change in contract assets and contract liabilities are on account of transactions undertaken in the normal course of business. There is no difference between revenue as per contracted price and revenue recognised in the statement of profit and loss. Further there are no performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2020.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Note 49: Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	March 31, 2020			March 31, 2019		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
(1) Financial assets						
(a) Cash and cash equivalents	444.49	—	444.49	492.32	—	492.32
(b) Bank Balances other than (a) above	564.24	0.90	565.14	504.46	0.53	504.99
(c) Derivative Financial Instruments	—	—	—	—	—	—
(d) Receivables						
(I) Trade Receivables	286.38	—	286.38	366.85	—	366.85
(II) Other Receivables	34.08	—	34.08	41.09	—	41.09
(e) Loans	64.84	105.37	170.21	110.47	32.76	143.23
(f) Investments	2,433.91	12,648.23	15,082.14	19,655.15	11,477.50	31,132.65
(g) Other Financial Assets	298.37	112.31	410.68	728.03	164.49	892.52
	4,126.31	**12,866.81**	**16,993.12**	**21,898.37**	**11,675.28**	**33,573.65**
(2) Non-Financial assets						
(a) Inventories	119.23	—	119.23	93.34	—	93.34
(b) Current tax assets (Net)	—	159.23	159.23	—	87.95	87.95
(c) Deferred tax assets (net)	—	453.64	453.64	—	279.65	279.65
(d) Investment property	—	421.91	421.91	—	420.00	420.00
(e) Biological assets other than bearer plants	—	—	—	—	-	-
(f) Property, plant and equipment	—	1,915.12	1,915.12	—	1,909.86	1,909.86
(g) Capital work-in-progress	—	1.57	1.57	—	10.15	10.15
(h) Right of Use Asset	—	43.98	43.98			
(i) Intangible Assets under development	—	8.39	8.39	—	0.04	0.04
(j) Goodwill (on Consolidation)	—	20.01	20.01	—	20.01	20.01
(k) Other Intangible Assets	—	3.23	3.23	—	4.95	4.95
(l) Other non-financial Assets	53.72	175.27	228.99	74.48	81.99	156.47
	172.95	**3,202.35**	**3,375.30**	**167.82**	**2,814.60**	**2,982.42**
(3) Asset Held for Sale	—	—	—	**2.11**	—	**2.11**
TOTAL ASSETS	**4,299.26**	**16,069.15**	**20,368.42**	**22,068.30**	**14,489.88**	**36,558.18**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Derivative Financial Instruments	—	—	—	—	—	—
(b) Payables	—	—	—	—	—	—
(I) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.96	—	6.96	1.62	—	1.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	242.59	—	242.59	270.01	—	270.01
(II) Other Payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.44	—	0.44	2.93	—	2.93
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	99.34	—	99.34	110.55	—	110.55
(c) Debt Securities	—	—	—	—	—	—
(d) Borrowings	—	—	—	—	0.30	0.30
(e) Deposits	179.25	—	179.25	15,477.34	—	15,477.34
(f) Subordinated Liabilities	—	—	—	—	—	—
(g) Other financial Liabilities	82.98	96.25	179.23	128.57	8.39	136.96
	611.56	**96.25**	**707.81**	**15,991.02**	**8.69**	**15,999.71**
(2) Non-Financial Liabilities						
(a) Current tax liabilities (net)	90.15	—	90.15	68.71	—	68.71
(b) Provisions	65.48	100.07	165.55	67.06	86.38	153.44
(c) Deferred tax liabilities (net)	—	152.60	152.60	—	170.49	170.49
(d) Other non-financial Liabilities	58.90	—	58.90	127.32	—	127.32
	214.53	**252.67**	**467.20**	**263.09**	**256.87**	**519.96**
TOTAL LIABILITIES	**826.09**	**348.92**	**1,175.01**	**16,254.11**	**265.56**	**16,519.67**
Net	**3,473.17**	**15,720.23**	**19,193.41**	**5,814.19**	**14,224.32**	**20,038.51**

Note 50: Summary of Net Assets and Share in Profit or loss of the Group

March 31, 2020 (Amounts in Rs. million)

Name of the Entity	Net Assets	%	Share in Profit or (loss)	%	Share in other comprehensive income	%	Share in total comprehensive income	%
Parent:								
The Peerless General Finance & Investment Company Limited	17,305.62	90%	(546.30)	139%	(5.62)	50%	(551.92)	136%
Subsidiaries:								
Peerless Financials Products Distributions Limited	(23.02)	0%	(47.50)	12%	(0.77)	7%	(48.27)	12%
Peerless Hospitex Hospital & Research Center Ltd.	913.79	5%	140.98	(36%)	(1.38)	12%	139.60	(34%)
Peerless Securities Ltd.	191.12	1%	5.75	(1%)	(2.41)	21%	3.34	(1%)
Peerless Financial Services Ltd.	540.16	3%	8.30	(2%)	(0.25)	2%	8.05	(2%)
Peerless Hotels Ltd.	1,233.29	6%	36.50	(9%)	—	0%	36.50	(9%)
Joint Venture:								
Bengal Peerless Housing Development Co. Ltd	0.00	0%	(0.70)	0%	—	0%	(0.70)	0%
Non-controlling interest	111.42	1%	10.26	(3%)	(0.17)	1%	10.09	(2%)
Adjustments arising out of consolidation	(1,078.97)	(6%)	(0.90)	0%	(0.81)	7%	(1.71)	0%
Total	**19,193.41**	**100%**	**(393.61)**	**100%**	**(11.41)**	**100%**	**(405.02)**	**100%**

March 31, 2019 (Amounts in Rs. million)

Name of the Entity	Net Assets	%	Share in Profit or (loss)	%	Share in other comprehensive income	%	Share in total comprehensive income	%
Parent:								
The Peerless General Finance & Investment Company Limited	18,283.54	91%	564.53	80%	(18.09)	89%	546.44	80%
Subsidiaries:								
Peerless Financials Products Distributions Limited	25.25	0%	9.01	1%	0.14	(1%)	9.14	1%
Peerless Hospitex Hospital & Research Center Ltd.	798.80	4%	165.87	23%	(1.63)	8%	164.24	24%
Peerless Securities Ltd.	187.71	1%	(16.94)	(2%)	2.25	(11%)	(14.70)	(2%)
Peerless Financial Services Ltd.	531.62	3%	13.95	2%	(0.06)	0%	13.89	2%
Peerless Hotels Ltd.	1,229.90	6%	54.53	8%	(2.21)	11%	52.32	7%
Joint Venture :								
Bengal Peerless Housing Development Co. Ltd	0.00	0%	19.34	3%	0.00	0%	19.34	3%
Non-controlling interest	101.33	1%	11.74	2%	(0.35)	2%	11.39	2%
Adjustments arising out of consolidation	(1,119.64)	(6%)	(116.42)	(17%)	(0.45)	2%	(116.87)	(17%)
Total	**20,038.51**	**100%**	**705.59**	**100%**	**(20.40)**	**100%**	**685.19**	**100%**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

NOTE 51: Previous Year's figures

Previous year's figures have been regrouped/reclassified to confirm to the presentation of current year's figures.

As per our Report of even date

For S. N. Kulkarni & Co.
Chartered Accountants
ICAI Firm Registration No. 105441W

(G. V. Samant)
Partner
Membership No. 14802
Place: Mumbai
Date: November 23, 2020

For and on behalf of the Board

Susim Mukul Datta
Chairman
DIN: 00032812

Sunil Kanti Roy
Managing Director
DIN: 00043966

Bhargab Lahiri
Dy. Managing Director
DIN : 00043772

Deepak Mukerjee
Director
DIN:00046690

Asoke Kumar Mukhuty
Director Finance and Chief Financial Officer
DIN:00173745

K. Balasubramanian
Company Secretary

Place: Kolkata
Date: November 20, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of THE PEERLESS GENERAL FINANCE & INVESTMENT COMPANY LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

1. Qualified Opinion

We have audited the accompanying Consolidated Ind AS financial statements of The Peerless General Finance & Investment Company Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as " the Group") and its jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the basis of Qualified Opinion section of our report, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2020, the Consolidated loss and Consolidated total other comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

a) Provision for Taxation and matters pending finalisation including those pending resolution, as per Note 39 of Consolidated Ind AS Financial Statements, effect whereof including on the provisions with respect to these and on the refunds granted to the Holding Company, as such being not determinable.

b) Note 41 of Consolidated Ind AS Financial Statements wherein the Holding Company has transferred an amount of Rs.15,296.18 million of unclaimed deposits to the IEPF Authority during the year ended March 31, 2020 including unclaimed deposits as specified in Note No. 15.2 and 15.4. Additional demand has been raised by the Investor Education and Protection Fund Authority and the matter being subjudice and legal is pending before Honb'le High Court of Calcutta. Pending the decision of the court, reliance has been placed by us on the legal advice obtained by theHolding Company with respect to said matter and other matters connected therewith.

c) Note 11.6 of Consolidated Ind AS Financial Statements relating to one of the subsidiary "Peerless Hotels Limited" regarding uncertainty in projecting the future cashflows of Cash Generating Units and consequential impact on impairment of Property, Plant and Equipment including Right of Use Assets and other Intangible Assets as required in terms of Ind AS 36 "Impairment of Assets" due to reasons given in the said note. The impact in this respect is being currently not determinable and as such cannot be commented upon.

The impact of the items in para 2(a) to 2(c) above and compliance /impact with/on legal and other requirements has not been ascertained and accordingly the comments on the adjustments, compliances with respect to these cannot be made.

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Consolidated Ind AS financial statements.

3. Emphasis of Matter

We draw attention to Note 45(j) to the Ind AS financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Group's financial statements will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

4. Information other than the Consolidated Ind AS financial statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Director's of the Companies included in the Group and Jointly Controlled entity are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and Jointly Controlled entity 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group and Jointly Controlled entity are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and Jointly Controlled entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and Jointly Controlled entity are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements. For the other entities included in the consolidated Ind AS financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. Other Matter

We did not audit the Ind AS financial statements/financial information, in respect of five subsidiaries, whose Ind AS financial statements/financial information reflect total assets of Rs. 3,896.27 million and net assets of Rs. 2,855.27 million as at March 31, 2020, total revenues of Rs. 2,997.07 million, total profit after tax (net) of Rs. 154.27 million and net cash inflows of Rs. 13.51 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statement/financial information have been audited by other auditors, whose Ind AS financial statements/financial information and auditor's reports have been furnished to us by the management. Further the Consolidated Ind AS Financial Statements include Holding Company's share of net loss of Rs.(0.70) million for the year ended March 31, 2020, as considered in the Consolidated Ind AS Financial Statements, in respect of a joint controlled entity, whose Ind AS financial statements have not been audited by us and whose Ind AS financial statements/ financial information and auditor's reports have been furnished to us by the management.Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

8. Report on Other Legal and Regulatory Requirements

i) As required by section 143 (3) of the Act, except for the points described in the Basis for Qualified Opinion Paragraph and based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of Consolidated Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India and of joint controlled entity, none of the directors of the Group's companies incorporated in India and jointly controlled entity is disqualified as on March 31, 2020 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 Holding Company and its subsidiary companies incorporated in India and joint controlled entity to the extent applicable and the operating effectiveness of such controls, refer to our separate report in Annexure 1 to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the year by the Holding Company to its directors and its subsidiary companies to its directors and its jointly controlled entity to its directors, is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us we report that:

   i. The Group and joint controlled entity has disclosed the impact of pending litigations on the financial position in its Consolidated Ind AS financial statements to the extent determinable/ascertainable– Refer Note 39, 40 and 41 to the Consolidated Ind AS financial statements;

   ii. The Group and joint controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. Except to the extent mentioned in Basis of qualified opinion in para 2 (b) relating to a subjudice and disputed matter of transfer of amounts demanded by the Investor Education and Protection fund (IEPF) as mentioned in Note 41 (d), there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Group and joint controlled entity. Due to the various maturity dates of the unclaimed deposits, the Holding Company has transferred the amounts to IEPF during the year on a monthly basis. Refer Note 15.1.

   iii) During the course of our examination of books of account of Holding Company, certain matters noticed by us are reported to RBI as at year end by a separate report dealing with matters which includes certain procedural aspects of normal business operations in branches. As informed, the above matters are being closely monitored by the management and steps are being taken for ensuring compliances.

For S.N. Kulkarni & Co.
Chartered Accountants
Firm Regn. No. 105441W

(G.V. Samant)
Partner
M. No. 14802
UDIN:20014802AAAAAZ5516

Date: November 23, 2020
Place: Mumbai

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS financial statements of The Peerless General Finance & Investment Company Limited

Referred to in paragraph [8(i)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of The Peerless General Finance & Investment Company Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of The Peerless General Finance & Investment Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and jointly controlled entity as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies and jointly controlled entity, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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

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

Opinion

6. In our opinion, the Holding Company and its subsidiary companies to the extent applicable , which are companies incorporated in India and jointly controlled entity, have, maintained 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, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matter

7. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to five subsidiary companies and jointly controlled entity, is based on the corresponding reports of the auditors of such subsidiary companies and jointly controlled entity.

For S.N. Kulkarni & Co.
Chartered Accountants
Firm Regn. No. 105441W

(G.V. Samant)
Partner
M. No. 14802
UDIN:20014802AAAAAZ5516

Date: November 23, 2020
Place: Mumbai

Standalone Key Financials
Eight Years at a Glance

(Rs. In Million)

Particulars	2013	2014	2015	2016	2017	2018	2019	2020
Aggregate Liability to Depositors	18372	16609	15704	15585	15518	15494	15477	179
Investments	31988	30992	30760	30905	31620	32243	32108	15,933
Yield (in %)	8.11	7.88	7.95	7.61	7.71	7.67	7.61	7.30
Capital Adequacy Ratio (in %) (Required minimum = 12%)	98.98	80.07	86.13	102.95	110.41	116.98	123.50	122.50
Income	3129	2747	2678	2736	2584	2513	2835	1,138
Profit before Tax	1682	1485	1472	1224	858	880	500	(717)
Profit after Tax	1188	1043	1107	855	535	703	565	(546)
Dividend (in %)	80	80	90	70	80	100	70	40
Earnings Per Share (in Rs.)	358.44	314.76	333.77	257.73	161.49	211.95	170.26	(164.77)