



**DE & BOSE**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of

Bengal Peerless Housing Development Company Limited.

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **BENGAL PEERLESS HOUSING DEVELOPMENT COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 the Statement of Profit and Loss, Cash Flow Statement and a summary of the significant accounting policies and other explanatory information for the year then ended.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and its Profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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-A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure-B", a statement on the matters specified in Paragraphs 3 and 4 of the Order.

Place: Kolkata

Date: 20 JUL 2018



For DE & BOSE

Chartered Accountants

Firm's Registration No.- 302175E

*Subrata De*

SUBRATA DE (FCA)

- Partner

Membership No. 054962

## "ANNEXURE-A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph-1(f) under "Report on Other Legal & Regulatory Requirements" section of our report of even date]

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

We have audited the internal financial controls over financial reporting of BENGAL PEERLESS HOUSING DEVELOPMENT COMPANY LIMITED ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, 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.

Place: Kolkata

Date: 11 JUL 2018

For DE & BOSE

Chartered Accountants

Firm's Registration No. - 302175E



A handwritten signature in blue ink that appears to read "Subrata De".

SUBRATA DE (FCA)

- Partner

Membership No. 054962

**"ANNEXURE-B" TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in Paragraph-2 under "Report on Other Legal & Regulatory Requirements" section of our report of even date]

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1. In respect of Fixed Assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management in a phased manner which in our opinion is reasonable considering the size of the company and nature of the assets. No material discrepancies were noticed on such verification.
- c. The title deeds of all the Company's immovable properties are held in the name of the company.

2. In respect of Inventories:

The inventories are of special nature, unsold residential flats and commercial units which are in possession of the Company. As explained to us, the said inventories have been physically verified by the management at regular intervals during the year. There was no discrepancy noticed on physical verification of inventory as compared to the book records.

3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act.
4. According to the information and explanations given to us, since the Company has not given any loan or guarantee or provided any security in connection with loan or acquired securities during the year and hence reporting under Clause 3(iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits under the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Therefore, reporting under Clause 3(v) of the Order are not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of Statutory Dues:

- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b. Based on the audit procedures performed and the information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrear as on 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
- c. There are no disputed statutory dues as at 31<sup>st</sup> March, 2018 which have not been deposited on account of matters pending before appropriate authorities.

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not obtained any borrowings from any Financial Institution, Bank, Government or Debenture holders during the year.
9. The Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and hence reporting under Clause 3(ix) of the Order is not applicable to the Company.
10. During the course of our examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the company or any fraud on the Company by its officers or employees nor have we been informed of any such case by the management.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, 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 Companies Act.
12. The Company is not a "Nidhi Company" hence reporting under this clause of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under this clause of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him/her and the provisions of Section 192 of Companies Act, 2013 have been complied with in this regard.
16. According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata

Date: 7<sup>th</sup> JULY 2018



For DE & BOSE

Chartered Accountants

Firm's Registration No.- 302175E

*Subrata De*

SUBRATA DE (FCA)

- Partner

Membership No. 054962



# Bengal Peerless Housing Development Company Limited

## Balance Sheet as at 31st March, 2018

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Particulars	Note No.	As at	
		31st March, 2018	31st March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	1	18,063	18,063
(b) Reserves and Surplus	2	16,21,602	16,39,665
		<u>16,39,665</u>	<u>16,57,728</u>
(2) Non-current Liabilities			
(a) Other Long-term Liabilities	3	2,564	2,829
(b) Long-term Provisions	4	73,901	78,465
		<u>76,465</u>	<u>81,294</u>
(3) Current Liabilities			
(a) Trade Payables	5	64,772	1,12,691
(b) Other Current Liabilities	6	6,65,685	5,15,839
(c) Short-term Provisions	7	8,00,070	7,80,699
		<u>15,30,527</u>	<u>14,09,229</u>
		<u>32,48,657</u>	<u>31,56,981</u>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		11,618	11,294
(ii) Intangible Assets		3,257	3,948
(b) Deferred Tax Assets (Net)	9	1,19,981	1,16,122
(c) Long-term Loans and Advances	10	7,93,275	7,76,967
(d) Other Non-current Assets	11	1,064	1,274
		<u>9,29,195</u>	<u>9,09,545</u>
(2) Current Assets			
(a) Current Investments	12	1,37,483	56,000
(b) Inventories	13	15,43,400	14,56,094
(c) Trade Receivables	14	24,580	81,562
(d) Cash and Cash Equivalents	15	1,35,893	3,00,258
(e) Short-term Loans and Advances	16	3,82,886	3,15,027
(f) Other Current Assets	17	93,220	38,495
		<u>23,19,462</u>	<u>22,47,436</u>
		<u>32,48,657</u>	<u>31,56,981</u>

Significant Accounting Policies:

Notes on Financial Statements

I to 37

As per our Report of even date



8/2, Kisan Sankar Roy Road  
Kolkata-700001

Date: 20th July, 2018

*Subrata De*  
Subrata De  
Partner

Membership No. 54962  
For and on behalf of  
DE & BOSE  
Chartered Accountants

Firm Registration No. 302175E

*Kaia Gupta*  
K. Gupta  
Chief Executive Officer

*S. K. Saha*

S. K. Saha

Chief Financial Officer

*A. Gupta*

A. Gupta

Company Secretary and  
Compliance Officer

*S. K. Nandy*

S. K. Nandy

Chairman  
DIN: 07910950

For and on behalf of the Board

*P. P. Ray*

P. P. Ray

Director  
DIN: 00022211



# Bengal Peerless Housing Development Company Limited

## Statement of Profit and Loss for the year ended 31st March, 2018

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Particulars	Note No.	Year ended	
		31st March, 2018	31st March, 2017
I. Revenue from Operations	18	1,21,044	15,56,610
II. Other Income	19	64,414	37,783
III. Total Revenue (I + II)		1,85,458	15,94,393
IV. Expenses:			
Construction Expenses	20	1,41,135	8,36,627
Changes in Stock of Flats and Commercial Units and Work-in-Progress		(89,306)	(2,47,685)
Employee Benefits Expense	21	50,069	51,939
Depreciation and Amortisation Expense	22	6,963	4,414
Other Expenses	23	47,436	4,39,545
Total Expenses		1,56,297	10,75,140
V. Profit Before Tax (III - IV)		29,161	5,19,251
VI. Tax Expense:			
(1) Current Tax		19,200	3,40,000
(2) Deferred Tax		(3,859)	(1,14,796)
(3) Tax in respect of earlier years		0	(3,519)
VII. Profit for the year (V - VI)		13,820	2,97,556
VIII. Earnings per Equity Share of Face Value of ₹10 each: Basic and Diluted (Refer Note - 25)		7.65	164.73

### Significant Accounting Policies

Notes on Financial Statements

I to 37

As per our Report of even date.



8/2, Kinn Sankar Roy Road  
Kolkata-700001  
Date: 20th July, 2018

*Subrata De*  
Subrata De

Partner  
Membership No. 54962  
For and on behalf of  
DE & BOSE  
Chartered Accountants

Firm Registration No. 302175E

*Kata Sengupta*  
K. Sengupta

Chief Executive Officer

*S. K. Saha*  
S. K. Saha

Chief Financial Officer

*A. Sengupta*  
A. Sengupta

Company Secretary and  
Compliance Officer

*S. K. Nandy*  
S. K. Nandy

Chairman  
DIN: 07910950

For and on behalf of the Board  
*P. P. Ray*  
P. P. Ray  
Director

DIN: 00022211





# Bengal Peerless Housing Development Company Limited

## Cash Flow Statement for the year ended 31st March, 2018

₹ 000

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>A. Cash Flows from Operating Activities:</b>		
Net Profit before taxation and extraordinary items	29,161	5,19,251
Adjustment for:		
Depreciation and Amortisation	6,963	4,434
(Profit)/Loss on Sale/Discard of Fixed Assets	75	12
(Profit)/Loss on Sale of Investments	(10,844)	0
Liabilities no longer required written back	0	5,475
Receivables/ Advance Written off	0	0
Provision for Doubtful Debts and Advances	4,055	4,47,521
Operating Profit before working capital changes	29,410	9,76,674
Change in:		
Inventories and Construction Work-in-Progress	(89,306)	(2,47,685)
Trade and Other Receivables	56,981	(75,990)
Loans and Advances	(1,28,971)	24,841
Trade and Other Payables	1,02,125	(8,78,753)
Cash Generated from Operations before tax	(29,761)	(2,00,913)
Income Tax Paid (Net)	(13,765)	(3,55,013)
Net Cash from/(used in) Operating Activities	(43,526)	(5,55,926)
<b>B. Cash Flows from Investing Activities:</b>		
Purchase of Fixed Assets	(6,833)	(8,792)
Proceeds from Sale of Fixed Assets	79	26
Purchase of Investments	(8,24,017)	(36,000)
Proceeds from Sale of Investments	7,63,378	0
Net Cash used in Investing Activities	(77,373)	(64,766)
<b>C. Cash Flows from Financing Activities:</b>		
Dividend Paid	(36,114)	(81,264)
Dividend Distribution Tax Paid	(7,355)	(16,548)
Net Cash used in Financing Activities	(43,469)	(97,814)
Net change in Cash and Cash Equivalents	(1,64,365)	(7,18,506)
Opening Cash and Cash Equivalents	3,00,258	10,18,764
Closing Cash and Cash Equivalents *	1,35,893	3,00,258

\* Refer Note - 15

As per our Report of even date.



8/2, Kiran Sankar Roy Road  
Kolkata-700001

Date: 20th July, 2018

*Subrata De*

Subrata De  
Partner

Membership No. 54962

For and on behalf of

DE & BOSE

Chartered Accountants

Firm Registration No. 302175E

*K. Sengupta*

K. Sengupta  
Chief Executive Officer

*S. K. Saha*

S. K. Saha

Chief Financial Officer

*A. Sengupta*

A. Sengupta

Company Secretary and

Compliance Officer

*S. K. Nandy*

S. K. Nandy

Chairman

DIN: 07910950

*P. P. Ray*

P. P. Ray

Director

DIN: 00022211



## Significant Accounting Policies

### A. Basis of Preparation

The Financial Statements have been prepared on historical cost basis and on the principle of a going concern. The Company follows mercantile system of accounting. The Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013 and Accounting Standards as prescribed under section 133 of the said Act, read with rule 7 of the Companies (Accounts) Rule, 2014 and other generally accepted accounting principles. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### B. Use of Estimates

The preparation of Financial Statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities on the date of Financial Statements. The difference between the actual results and estimates is recognised in the period in which the results are known/materialised.

### C. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### D. Depreciation and Amortisation

Depreciation of Tangible Fixed Assets is provided for under Written Down Value method according to the useful lives of the assets and procedure prescribed in the Schedule II of the Companies Act, 2013. Intangible Fixed Asset, viz. computer software is amortised over its useful life subject to maximum period of 5 years under Straight Line method.

### E. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### F. Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. Current investments also include current maturities of long term investments. All other investments are classified as non-current (long term) investments. Long term investments are stated at cost less provision, if any, for diminution in value other than temporary. Current investments are valued at lower of cost or fair market value.

### G. Recognition of Revenue from Operations

a) Revenue from on-going projects, which commenced on or after 1st April, 2012 and also for the projects which have already commenced but where revenue is being recognised for the first time on or after 1st April, 2012, is recognised in accordance with the provisions of Accounting Standard (AS) 9 on "Revenue Recognition", read with Revised Guidance Note issued by The Institute of Chartered Accountants of India on "Accounting for Real Estate Transactions (Revised 2012)". Revenue is computed based on the "percentage of completion method" and on the percentage of actual project costs incurred thereon to total estimated project cost (known as "project costs incurred method"), subject to such actual construction cost incurred being 25 per cent or more of the total estimated construction cost.

b) Interest on Fixed Deposits with Bank Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### H. Inventories

Inventories are valued as follows:

Construction work-in-progress is valued at lower of cost and net realisable value.

Unsold constructed flats and commercial units are valued at lower of cost and net realisable value. Cost is determined on individual basis at "Adjusted Selling Price".

### I. Retirement Benefits

a) Contribution to Provident Fund and Employees' State Insurance Corporation (ESIC), defined contribution plan, are made at the prescribed rates to the Provident Fund Commissioner and the Authority of the ESIC respectively and are charged to the Statement of Profit and Loss. There are no other obligation other than the contribution payable.

b) Gratuity, a defined benefit plan, is covered by a Group Gratuity cum Life Assurance Policy with Life Insurance Corporation of India (LIC). Annual contribution to the fund as determined by LIC is expensed in the year of contribution. The liability for Gratuity is determined on the basis of an actuarial valuation at the end of the year. Gains and losses arising out of actuarial evaluations are recognised immediately in the Statement of Profit and Loss as income or expense.

c) Contribution to Superannuation Fund, a defined contribution scheme, is made to LIC, as per the arrangement with them.

d) The Company has taken a policy to pay leave encashment benefits to its employees on annual interval. Hence determination of long term provisions for this liability is not necessary.



**Significant Accounting Policies**

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**J. Provision for Current and Deferred Tax**

Provision for Current and Deferred Tax is made after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax is recognised considering the timing differences, which arises during the year and reversed in subsequent periods. Deferred Tax resulting from timing differences between book and taxable profit is accounted for using the current tax rate and laws that have been enacted or substantively enacted as at the Balance Sheet date. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

**K. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognised but will be disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the Financial Statements.





## Notes on Financial Statements

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### NOTE - 1

#### Share Capital

##### Authorised Capital

1,00,00,000 Equity Shares of ₹10 each

1,00,000

1,00,000

1,00,000

1,00,000

##### Issued, Subscribed and Paid up Capital

18,06,300 Equity Shares of ₹10 each fully Paid up

18,063

18,063

18,063

18,063

#### Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March, 2018	As at 31st March, 2017
	No. of Shares	No. of Shares
Balance at the beginning of the year	18,06,300	18,06,300
Add: Issued during the year	-	-
Balance at the end of the year	18,06,300	18,06,300

#### Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10.00 per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
West Bengal Housing Board	9,02,250	49.95	9,02,250	49.95
The Peerless General Finance & Investment Company Ltd.	6,62,850	36.70	6,62,850	36.70
Shikha Holdings Pvt. Ltd.	1,59,000	8.80	1,59,000	8.80

#### Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued any bonus shares and shares issued for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31st March, 2018.





**Notes on Financial Statements (contd.)**

₹ 000

	As at 31st March, 2018		As at 31st March, 2017	
<b>NOTE - 2</b>				
<b>Reserves and Surplus</b>				
<b>Reserves</b>				
<b>General Reserve:</b>				
Balance as per Last Balance Sheet	13,75,642		12,25,642	
Add: Transfer during the period	0	13,75,642	1,50,000	13,75,642
<b>Surplus:</b>				
Balance as per Last Balance Sheet	2,75,621		1,93,286	
Add: Profit for the period as per Statement of Profit & Loss	13,820		2,97,586	
	<u>2,89,441</u>		<u>4,90,872</u>	
<b>Less: Appropriations:</b>				
Transfer to General Reserve	0		1,50,000	
<b>Dividend on Equity Shares:</b>				
Interim Dividend (₹0/share)	0		54,189	
(Previous year ₹20/share)				
Final Dividend of FY 2016-17 (₹20/share)	36,126		0	
<b>Dividend Distribution Tax:</b>				
Interim	0		11,032	
Final Dividend	7,355	2,45,960	0	2,75,621
		<u>16,21,602</u>		<u>16,51,263</u>
<b>NOTE - 3</b>				
<b>Other Long-term Liabilities</b>				
Others		2,364		2,829
		<u>2,364</u>		<u>2,829</u>
<b>NOTE - 4</b>				
<b>Long-term Provisions</b>				
Provision for Employee Benefits		901		597
Provision for Project Contingencies		75,000		75,000
		<u>75,901</u>		<u>75,597</u>
<b>NOTE - 5</b>				
<b>Trade Payables</b>				
Other than Micro, Small and Medium Enterprises		64,772		1,12,691
		<u>64,772</u>		<u>1,12,691</u>
<b>NOTE - 6</b>				
<b>Other Current Liabilities</b>				
Advance Received from Customers		5,20,083		2,38,597
Statutory Dues to the Government		7,181		3,748
Others *		1,38,421		2,73,497
		<u>6,65,685</u>		<u>5,15,842</u>
* Refer Note - 30 for Payables to Related Party.				
<b>NOTE - 7</b>				
<b>Short-term Provisions</b>				
Provision for Employee Benefits		1,870		1,699
Provision for Current Tax		7,48,200		7,29,000
Provision for Project Contingencies		50,000		50,000
		<u>8,00,070</u>		<u>7,80,699</u>



**Notes on Financial Statements (contd.)**

₹ '000

NOTE - 8

Fixed Assets

Particulars	Gross Block			Depreciation and Amortisation				Net Block		
	As at 1st April, 2017	Additions during the year	Deductions during the year	As at 31st March 2018	As at 1st April, 2017	For the year	Deductions during the year	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
<b>Tangible:</b>										
Buildings	1,589	0	0	1,589	7	150	0	157	1,432	1,582
Plant and Machinery	1,731	0	0	1,731	1,204	102	0	1,306	425	527
Furniture and Fittings	7,635	357	293	7,699	1,362	1,686	288	2,760	4,939	6,273
Motor Vehicles	3,433	2,979	0	6,432	2,891	558	0	3,449	2,983	562
Office Equipment	2,211	999	541	2,669	1,430	783	520	1,693	976	781
Computers and Data Processing Units	5,747	508	2,064	4,191	4,238	1,026	1,936	3,328	863	1,509
Sub Total (A)	22,366	4,843	2,898	24,311	11,132	4,305	2,744	12,693	11,618	11,234
<b>Intangible:</b>										
Computer Software *	10,873	1,967	33	12,807	6,925	2,658	33	9,550	3,257	3,948
Sub Total (B)	10,873	1,967	33	12,807	6,925	2,658	33	9,550	3,257	3,948
Total (A + B)	33,239	6,810	2,931	37,118	18,057	6,963	2,777	22,243	14,875	15,182
Previous year	23,517	10,381	659	33,239	14,267	4,414	624	18,057	15,182	-

\* Other than internally generated.





**Notes on Financial Statements (contd.)**

₹ '000

**NOTE - 9**

**Deferred Tax Assets (Net)**

	As at 31st March, 2018	As at 31st March, 2017
Related to Fixed Assets	1,219	79
Provision for Leave Encashment	328	299
Provision for Medical Benefits	330	288
Provision for Gratuity	315	207
Provision for Doubtful Advances	1,11,821	1,10,746
Provision for Doubtful Debts	5,973	4,512
	<u>1,19,986</u>	<u>1,16,122</u>

**NOTE - 10**

**Long-term Loans and Advances - Unsecured,**

**Considered Good**

Security Deposits	20,813	18,713
Advance Income Tax and TDS Credit	7,72,462	7,58,254
	<u>7,93,275</u>	<u>7,76,967</u>

**NOTE - 11**

**Other Non-current Assets**

Others	1,054	1,274
	<u>1,054</u>	<u>1,274</u>

**NOTE - 12**

**Current Investments**

**Investment in Mutual Funds (Unquoted):**

	No. of Units		No. of Units	
ICICI Prudential Flexible Income Plan-Direct Growth	0	0	8,067.074	2,500
ICICI Prudential Ultra Short Term Plan-Direct Growth	0	0	2,07,699.625	3,500
ICICI Prudential Regular Income Fund - Direct Growth	55,15,902.346	1,00,000	0	0
ICICI Prudential Money Market Plan-Direct Growth	1,65,000.567	37,483	2,22,262.625	50,000
		<u>1,37,483</u>		<u>50,000</u>
Closing Market value of investments		1,40,504		56,090

**NOTE - 13**

**Inventories**

Work-in-Progress	11,44,193	10,26,716
Stock of Flats and Commercial Units	4,01,207	4,32,378
	<u>15,45,400</u>	<u>14,59,094</u>

Refer para H of Significant Accounting Policies for method of valuation of inventories.

**NOTE - 14**

**Trade Receivables - Unsecured,**

**Considered Good**

Exceeding Six Months	23,271	3,794
Others	1,309	77,768
	<u>24,580</u>	<u>81,562</u>





# Bengal Peerless Housing Development Company Limited

## Notes on Financial Statements (contd.)

₹ '000

### NOTE - 15

#### Cash and Cash Equivalents

##### Balances with Banks:

In Current Accounts

In Fixed Deposit Accounts

(Maturity less than 3 months)

Cash on Hand

Other Bank Balances

In Fixed Deposit Accounts

(Maturity from 3 - 12 months)

	As at 31st March, 2015		As at 31st March, 2017	
	Non-current	Current	Non-current	Current
		91,337		33,507
		17,982		2,42,967
		168		361
	0	26,406	0	23,423
	0	1,15,691	0	3,00,258

### NOTE - 16

#### Short-term Loans and Advances

Loans and Advances to Related Parties

Balance with Government Authorities

Others

	15,115	214
	45,395	55,282
	1,22,376	2,59,561
	1,82,886	3,15,027

### NOTE - 17

#### Other Current Assets - Unsecured,

Considered Good

Interest Accrued on Fixed Deposits with Bank

Others (Net off Provision) \*

	967	3,295
	92,253	35,200
	93,220	38,495

\* Refer Note - 30 for Receivables from Related Party.







# Bengal Peerless Housing Development Company Limited

## Notes on Financial Statements (contd.)

₹ '000

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>NOTE - 18</b>		
Revenue from Operations		
Sale Value of Flats and Commercial Units *	74,970	14,45,363
Interest Income	10,177	48,508
Other Operating Revenues	35,897	62,737
	<u>1,21,044</u>	<u>15,56,610</u>
* Includes Project revenue recognised of ₹24,968 thousand for Digangana (Previous year ₹14,45,881 thousand for Avadhipa), Refer Note - 32.		
<b>NOTE - 19</b>		
Other Income		
Other Interest Income	9,195	56
Other Non-operating Income	55,215	37,725
Profit on Sale of Fixed Assets	4	0
	<u>64,414</u>	<u>37,781</u>
<b>NOTE - 20</b>		
Construction Expenses		
Land/Land Development	215	2,099
Boundary Wall	5,560	4,491
Pile Foundation/Sub Structure	7,706	14,246
Super Structure	22,507	3,19,055
Roads and Area Drainage	969	25,642
Electrification	4,054	51,667
Sanitary and Water Supply	26	51,123
Land Scope	0	11,184
Direct Administrative Expenses	1,00,078	3,41,470
	<u>1,41,135</u>	<u>8,26,927</u>
Changes in Inventories of Finished Goods and Work-in-Progress		
Closing Inventories		
Stock of Flats and Commercial Units	4,01,207	4,32,378
Work-in-Progress	11,44,193	10,24,368
Less: Impairment Loss	0	652
	<u>15,45,400</u>	<u>14,56,094</u>
Opening Inventories		
Stock of Flats and Commercial Units	4,32,378	3,69,534
Less: Stock converted into Buildings	0	1,589
Work-in-Progress	10,23,716	8,40,464
	<u>14,56,094</u>	<u>12,08,409</u>
	<u>(89,306)</u>	<u>(2,47,685)</u>





**Notes on Financial Statements (contd.)**

₹ '000

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>NOTE - 21</b>		
<b>Employee Benefits Expense</b>		
Salaries and Wages *	41,014	41,089
Contribution to ESIC, Gratuity, Provident and Superannuation Funds #	4,321	5,236
Staff Welfare Expenses	4,334	5,014
	50,069	51,339

\* Refer Note - 30 for remuneration to Key Managerial Personnel.

# Contribution to ESIC includes ₹228 thousand (Previous year ₹151 thousand).

The disclosures required under Accounting Standard (AS) 15 (Revised) on 'Employee Benefits' prescribed under section 133 of the Companies Act, 2013 are given below:

**Defined Benefit Plan**

Employer's Contribution to Provident Fund: ₹2,875 thousand (Previous year ₹2,300 thousand).

Employer's Contribution to Superannuation Fund: ₹2,099 thousand (Previous year ₹1,683 thousand).

The employees' Gratuity Fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. The present value of obligation of Compensated Absence is determined based on actuarial valuation using the Projected Accrued Benefit Method which is same as the Projected Unit Credit Method in respect of past service.

**a) Reconciliation of opening and closing balances of Defined Benefit Obligation:**

	<b>Gratuity (Funded)</b>	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Defined Benefit Obligation at beginning of the year	7,571	5,766
Current Service Cost	889	767
Interest Cost	576	500
Actuarial Losses/(Gains)	240	623
Benefits Paid	(280)	(85)
Defined Benefit Obligation at year end	8,996	7,571

**b) Reconciliation of opening and closing balances of Fair Value of Plan Assets:**

Fair Value of Plan Assets at beginning of the year	6,974	5,475
Expected Return on Plan Assets	540	466
Actuarial (Losses)/Gains	(62)	(59)
Contributions by Employer	923	1,177
Benefits Paid	(280)	(85)
Fair Value of Plan Assets at year end	8,095	6,974

**c) Reconciliation of Fair Value of Assets and Obligations:**

	As at 31st March, 2018	As at 31st March, 2017
Fair Value of Plan Assets	8,095	6,974
Present Value of Obligations	8,996	7,571
Amount recognised in Balance Sheet	(901)	(597)





**Notes on Financial Statements (contd.)**

₹ '000

**d) Expenses recognised during the year:**

Current Service Cost	
Interest Cost	
Expected Return on Plan Assets	
Actuarial Losses/(Gains)	
Net Cost	

Gratuity (Funded)	
Year ended	Year ended
31st March, 2018	31st March, 2017
889	767
576	500
(540)	(466)
302	682
1,227	1,483

% invested

**e) Investment details:**

LICI Group Gratuity cum Life Assurance Policy

As at	As at
31st March, 2018	31st March, 2017
100	100

**f) Actuarial assumptions:**

Discount rate (per annum)	
Expected Rate of return on Assets (per annum)	
Salary Escalation (per annum)	

Indian Assured Lives Mortality (2006-08)

Year ended	Year ended
31st March, 2018	31st March, 2017
7.75%	7.50%
7.75%	7.50%
6.00%	6.00%





**Notes on Financial Statements (contd.)**

₹ '000

**NOTE - 22**

**Depreciation and Amortisation Expenses**

Depreciation and Amortisation	6,963	4,414
	<u>6,963</u>	<u>4,414</u>

Refer Note - 8

**NOTE - 23**

**Other Expenses**

Power and Fuel (Net)	743	881
Rent	3,593	3,593
Repairs and Office Maintenance	4,988	2,822
Insurance	106	58
Rates and Taxes	36	44
Miscellaneous Expenses	267	102
Payment to Auditors #	600	600
Advertisement and Publicity	2,598	1,484
Professional and Legal Fees	16,169	12,356
Loss on Sale/Discard of Fixed Assets	79	12
CSR Expenses *	5,832	7,373
Donation	20	4,050
Others @	12,405	4,06,170
	<u>47,436</u>	<u>4,39,545</u>

**# Payment to Auditors:**

**As Auditor:**

Audit Fee including Tax Audit Fee	500	500
GST/Service Tax	0	0
<b>For Other Services:</b>		
Professional Fees	100	100
GST/Service Tax	0	0
	<u>600</u>	<u>600</u>

\* Refer Note - 34.

@ Includes Provision for Doubtful Receivables - ₹4,065 thousand (Previous year ₹2,521 thousand). Refer Note - 35.

Includes Provision for Doubtful Advances - ₹Nil (Previous year ₹3,20,000 thousand).





**Notes on Financial Statements (contd.)**

₹ 000

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>NOTE - 24</b>		
<b>Expenditure and Earnings in Foreign Currency</b>		
Expenditure in Foreign Currency	0	0
Earnings in Foreign Currency	0	0
<b>NOTE - 25</b>		
<b>Earnings per Share (EPS)</b>		
a) Profit for the year	13,820	2,97,556
b) Weighted average number of Equity Shares used as denominator for calculating EPS	18,06,300	18,06,300
c) Basic and Diluted Earnings per Share (₹)	7.65	164.73
d) Face Value per Equity Share (₹)	10	10

**NOTE - 26**

**Dues to Micro, Small and Medium Scale Enterprises**

The Company has not received information from contractors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure under Section 22 of the said Act has not been given.

**NOTE - 27**

As the Company's business activity falls within a single primary business segment, viz. dealing in Construction of Residential as well as Commercial Complexes and in a single geographical segment, the disclosure requirement of Accounting Standard (AS) 17 on "Segment Reporting" is not applicable.

**NOTE - 28**

The Company had impaired a portion of its Work-in-Progress in previous year as there was no possibility of reviving those projects any more. Amount was ₹652 thousand. No such project has been considered for impairment during the current year.

**NOTE - 29**

In the opinion of the Board of Directors, all items of loans and advances, inventories, trade receivables and other current assets have a value of realisation in the ordinary course of Company's business, which is atleast equal to the amount at which they are stated in the Financial Statements except NOTE - 17.

**NOTE - 30**

Related Party disclosures as required in terms of Accounting Standard (AS) 18 on "Related Party Disclosures" are as under:

a) Promoters:

- West Bengal Housing Board
- The Peerless General Finance & Investment Company Limited

b) Associates:

- |  |  |
|--|--|
| Peerless Hotels Limited                          | Peerless Securities Limited                            |
| Peerless Financial Products Distribution Limited | Peerless Hospites Hospital and Research Center Limited |
| Peerless Trust Management Company Limited        | Peerless Funds Management Company Limited              |
| Peerless Financial Services Limited              |  |

c) Key Managerial Personnel:

- |  |   |
|--|---|
| Shri Ketan Sengupta, Chief Executive Officer                 | Shri Sandar Kumar Saha, Chief Financial Officer |
| Shri Ayon Sengupta, Company Secretary and Compliance Officer |   |





## Notes on Financial Statements (contd.)

₹ '000

d) The Company's related party transactions during the year and their balances as at 31st March are as below:

Nature of Transactions	Parents		Associates		Key Managerial Personnel		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Rent	4,212	4,129					4,212	4,129
Remuneration					16,455	14,037	16,455	14,037
Dividend	31,302	70,429					31,302	70,429
Cost of Service	32,477		16,407	427			42,884	427
Reimbursement of Expenditure			674	1,110			674	1,110
Balances as at 31st March								
Advances	214	214					214	214
Receivables	14,901		290	141			15,191	141
Payables			18	18			18	18
Security Deposits	514	514					514	514

The above related party transactions is disclosed in the event such parties have been identified by the management on the basis of information available. This is relied upon by the auditors.

### NOTE - 31

Estimated amount of contracts of ₹83 exclusive of tax (Previous year ₹1,200 thousand) remain to be executed on capital assets and are not provided for.

### NOTE - 32

Disclosure under the Guidance Note issued by The Institute of Chartered Accountants of India on "Accounting for Real Estate Transactions (Revised 2012)".

Project revenue recognised (Refer NOTE - 18)  
Aggregate amount of cost incurred and  
profit recognised (cumulative)  
Amount of advances received  
Amount of work-in-progress

	Year ended 31st March, 2016	Year ended 31st March, 2017
	24,968	14,45,891
	63,636	46,80,931
	32,915	1,93,765
	11,44,193	10,23,716

### NOTE - 33

A demand of ₹24,577 thousand was raised by the Income Tax Authority for the Assessment Year 2012-13 against which an appeal was filed before the Competent Authority on 31.03.2015. The Company had paid ₹22,965 thousand during June, 2015 towards the revised demand before resolution of the Appeal as per Instruction No. 1914 dated 02.12.1993 of the CBDT. The CIT (Appeals) in his recent Order dated 24.10.2017 has partly allowed the Company's claim.

A Notice to Show Cause Cum Demand of ₹9,509 thousand (exclusive of interest) was issued by the Service Tax Authority for the period from 2010-11 to 2013-14 against which the Company had voluntarily deposited ₹10,236 thousand (inclusive of interest). After representation, the Adjudication Authority confirmed the demand for service tax on gross basis of ₹9,509 thousand and penalty of ₹9,519 thousand and interest upto the date of Order. The Company on protest has paid the balance of service tax of ₹1,014 thousand, penalty of ₹2,387 thousand and interest of ₹1,762 thousand. An appeal has been filed before the Hon'ble CESTAT, Eastern Zonal Bench.





## Notes on Financial Statements

₹ '000

### NOTE - 34

Disclosure relating to CSR Expenses:

	2017-18	2016-17
Amount unutilised at the beginning of the year:		
- 2015-16	944	5,167
- 2016-17	5,128	0
Add: Current year's budget	10,049	8,278
Less: Amount utilised:		
- Out of earlier year's budget	5,128	4,223
- Out of current year's budget	704	3,150
Amount unutilised at the end of the year:	10,289	6,072
Represents:		
- 2015-16	944	944
- 2016-17	0	5,128
- 2017-18	9,345	0
Amount spent for construction/acquisition of any asset	Nil	Nil
Amount yet to be paid in cash as on 31.03.2018	2,332	Nil

### NOTE - 35

Movement in Provision for Doubtful Receivables and Advances during the year are as follows:

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Doubtful Receivables:</b>		
Opening Balance	13,007	10,516
Add: Provision made	4,055	2,521
Closing Balance	17,062	13,037
<b>Doubtful Advances:</b>		
Opening Balance	3,20,000	0
Add: Provision made	0	3,20,000
Closing Balance	3,20,000	3,20,000

The Company has decided to make provision on its doubtful receivables in following manner:

62.5% on the receivables from 12 to 18 months and  
100% on the receivables over 18 months.

(100% provision was made on the doubtful receivables above 18 months in the previous year).

### NOTE - 36

Event occurring after the Balance Sheet date:

On 20th July, 2018 the Board of Directors proposed the final dividend of ₹4,516 thousand representing 25% of Share Capital. Dividend Distribution Tax thereon would be ₹928 thousand.

### NOTE - 37

Previous year's figures have been regrouped/ rearranged where necessary to conform to current year's presentation.

