

**Annual Report
Financial Year 2015-2016**

PPFAS Asset Management Private Limited



PPFAS Asset Management Private Limited
Directors' Report

To the Shareholders:

We are pleased to present the Fifth Annual Report on the business operations of the Company and the audited financial statements for the period ended March 31, 2016.

Particulars	For the year ended March 31, 2016 (Rs. In Lakhs)	For the year ended March 31, 2015 (Rs. In Lakhs)
Operating Income	1184.98	973.69
Other Income	210.7	155.67
Total Income	1395.68	1129.36
Profit before depreciation and tax	562.17	480.26
Depreciation	42.93	37.84
Profit before tax	519.24	442.42
Current Tax	133.00	144.00
Deferred Tax Income	-3.72	(18.18)
Excess Tax Provision for Previous Year	-	(3.55)
Profit/ (Loss) after tax	389.96	320.15
Share Capital	3,221.00	2606.38
Reserves and Surplus		
Securities Premium	215.00	89.62
Free reserves	831.5	441.54

Operating income of the Company (management fees) has shown growth of 22%. This growth in operating income is due to increase in Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Company earns 1.98% as management fees on Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Profit before tax has increased from Rs. 442.42 lakhs to Rs.519.52 Lakhs, an increase of 17%. Increase for profit after tax is 22%.

Dividend

SEBI (Mutual Fund) Regulations, 1996 requires net worth of Rs. 50 crores for an AMC of Mutual Fund. Net worth of the company as on 31th March 2016 is 42.68 crores. Company needs to conserve resources to reach to desired level of Rs. 50 Crores in this financial year. The Board members are of the view that company needs to conserve

resources and increase net worth of the Company. Capital adequacy is a key factor which provides stability in the financial markets. Retention of earnings will help the company to provide adequate capital cushioning to the operations of the Company. Your Directors do not recommend any dividend for the year.

Reserves

The Board proposes to carry forward Rs.389.96 Lakhs to Profit and Loss Account.

Deposits

The Company has not accepted any deposits pursuant to the provisions of Chapter V of the Companies Act, 2013.

The state of the company's affairs

The Company is functioning as an investment manager to PPFAS Mutual Fund. Company generates its operating income from management fees which it charges on Asset Under Management of the scheme(s) of PPFAS Mutual Fund. AUM of the scheme(s) of PPFAS Mutual Fund has increased from Rs. 572 crores to Rs. 650 crores. This increase in AUM is due to capital appreciation as well as additional inflow from existing and new investors. Scheme of PPFAS Mutual Fund- PPFAS Long Term Value Fund has completed 3 years of operations. Agencies which review performance of mutual fund schemes have started reviewing PPFAS Long Term Value Fund. This has helped us in gaining wider visibility. This has resulted in more number of investors investing in PPFAS Long Term Value Fund. Number of investors have increased from 3394 in FY 2014-2015 to 6983 in FY 2015-2016.

Stability and wider acceptability for the scheme(s) of PPFAS Mutual Fund helps company to earn its operating profits (i.e. management fees). Operations of the Company is in compliance with the applicable statutes. The Company has implemented required risk control procedures. Board members are of the view that functioning of the Company is satisfactory and Company is in good financial health.

Indian economy overview and environment in the capital markets

Amid global uncertainty, the Indian economy continued to restore its stability. India's GDP grew by 7% in 2015-2016, making it one of the fastest growing economy. Inflation remained under control and fiscal and current account deficits continued to remain moderate. Government's commitment to fiscal discipline, focus on infrastructure development and ease of doing business helped boosting the confidence of investors and entrepreneurs.

Government's focus on ease of doing business in India has resulted in positive movement in the World Bank's rankings on ease of doing business, India has moved up 12 ranks.

Going forward, India's economic growth is projected to remain robust at + 7%. Following trends are going to play important role in the growth of GDP and demand;

- (a) Favourable demographics
- (b) Rapid expansion in the number of high income households
- (c) Increased pace of urbanisation

Operations of the company

The Company is functioning as an investment manager to PPFAS Mutual Fund. Company generates its operating income from management fees which it charges on Asset Under Management of the scheme(s) of PPFAS Mutual Fund. AUM of the scheme(s) of PPFAS Mutual Fund has increased from Rs. 572 crores to Rs. 650 crores. This increase in AUM is due to capital appreciation as well as additional inflow from existing and new investors. Investment in the scheme(s) through Systematic Investment Plan (SIP) registration is also growing at a gradual pace and its a good sign as it provides stable and predictable inflow of funds.

Operating income of the Company (management fees) has shown growth of 22%. This growth in operating income is due to increase in Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Company earns 1.98% as management fees on Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Profit before tax has increased from Rs. 442.42 lakhs to Rs.519.52 Lakhs, an increase of 17%. Increase for profit after tax is 22%. Operations of the Company are stable.

Investor relations

Company has in-house investor relations department which addresses all investor queries. In- house investor relations department is supported by CAMS service centres. PPFAS Mutual Fund has appointed CAMS as its Registrar and Transfer agent.

Finances

The Company has invested its funds received in scheme(s) of Mutual Funds, tax free Bonds and other permissible securities. A certain amount of the surplus funds are invested in the scheme, PPFAS Long Term Value Fund. The Company does not charge management fees on the amount invested by it in the scheme of PPFAS Mutual Fund as per the provisions of the SEBI (Mutual Fund) Regulations, 1996. Details of investments made by the company are provided in 'investment schedule' which forms part of the financials.

Expenses incurred during the year were primarily in the nature of operational, administrative and capital expenses. Expenses incurred toward acquisition of assets have been capitalised.

Parag Parikh Financial Advisory Services Private Limited (Holding Company) has invested Rs. 7.40 Crores/- in the equity shares of the Company. Infusion of equity capital in the company is with primary purpose of increasing net worth of Company to ensure compliance with net worth requirement as prescribed by the SEBI. Details of capital infusion by Holding Company is provided separately.

Human resource

The Company is recruiting employees at a gradual pace. We are in the fifth year of operations and as the mutual fund operations grow, company will employ more employees to support its operations and service unit holders of PPFAS Mutual Fund. To ensure employees possess, up to date knowledge of the industry and profession, company encourages its employees to undergo continued professional development programmes. The Board is of the opinion that it is a sensible approach to manage and nurture its human resource.

Policy on prevention of sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013

The Company has put in place system to prevent sexual harassment of women at work place as per provisions of Sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013. No complaint has been received during the said financial year.

Future outlook

During financial year 2015-16 we witnessed descent growth in Assets Under Management (AUM) for scheme(s) of PPFAS Mutual Fund (i.e. AUM grew from Rs. 572 crores to Rs. 650 crores). Scheme of PPFAS Mutual Fund- PPFAS Long Term Value Fund has completed 3 years of operations. Agencies which review performance of mutual fund schemes have started reviewing PPFAS Long Term Value Fund. This has helped us in gaining wider visibility. This has resulted in more number of investors have invested in PPFAS Long Term Value Fund. Number of investors have increased from 3394 in FY 2014-2015 to 6983 in FY 2015-2016.

Going forward, Company desires to build its distribution channel which will serve investors of PPFAS Mutual Fund coming from direct as well as distributor channel. We have already communicated to the investors of PPFAS Mutual Fund our road map on bringing down expense ratio for scheme(s) of PPFAS Mutual Fund. Focus is also to build a strong SIP book, which will provide stable inflow in the scheme(s) of PPFAS Mutual Fund.

Risks and challenges

During management discussions, challenges faced by the company were discussed at length;

(a) Board members noted that company needs to design and develop its distribution channel which is a primary requirement to gain wider retail investors' participation. Board member also noted that the company has initiated positive steps to by empanelling more IFAs and distributors and also by employing new relationship managers to reach out to new investors.

(b) Reduction in scheme expense ratio (i.e. management fees that can be charged to a mutual fund scheme): It is clear from various communication of the regulator that it desires to bring down cost to the investors by reducing management fees that can be charged to a mutual fund scheme. At this moment company charges 1.98% management fees on AUM of scheme(s) of PPFAS Mutual Fund. We need to plan our future growth considering reduced rate of management fees on AUM. Board Members have considered this probable change and initiated steps in the form of increased efforts to widen reach and visibility of PPFAS Mutual Fund and also keeping lean cost structure for the company.

Note: Certain statements in management discussion and future outlook are forward looking. The future results of the company may be affected by many factors, which could be different from what the directors envisage in terms of future outlook for the company.

The change in the nature of business, if any

The Company is incorporated to act as an investment manager to PPFAS Mutual Fund. There has been no change in the nature of business in the financial year 2015-16.

Directors

In accordance with the provisions of the Companies Act, 2013 Mr. Neil Parikh (DIN 00080269) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In accordance with the provisions of the Companies Act, 2013 Mr. Rajeev Thakkar (DIN 00227548) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The details of directors or key managerial personnel who were appointed or have resigned during the year

Mr. Neil Parag Parikh is appointed as a CEO and Director with effect from 5th May 2015.

Mr. Rajesh Bhojani is appointed as a Director of the Company. His appointment is effective from 6th July 2015.

Mr. Anil Singhvi who was appointed as an Additional Director of the Company w.e.f 5th November 2015 has resigned from the Board w.e.f. 9th May 2016 citing personal reasons.

Mr. Arindam Ghosh is appointed as an Additional Director of the Company w.e.f 13th May 2016 by the Board and his appointment is subject to the approval of the Company at the forthcoming Annual General Meeting.

Mr. Swapnil Walimbe is appointed as an Additional Director of the Company w.e.f. 7th March 2016 by the Board and his appointment is subject to the approval of the Company at the forthcoming Annual General Meeting.

There is no change in KMP of the company.

Statement on declaration given by independent directors

The Board has received statements from all the Independent Directors declaring that they are satisfying all the conditions mentioned under sub-section (6) of Section 149 of the Companies Act, 2013.

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director as per applicable provisions

PPFAS Asset Management Private Limited has formulated a policy for appointment and remuneration of directors of the Company as per applicable provisions. The salient features of the policy is stated below:-

Policy on Appointment of Directors

The Company is functioning as an Investment Manager to the scheme(s) of PPFAS Mutual Fund. A candidate is considered for appointment as Director who fulfills SEBI regulations for appointment as Director of an Asset Management Company. In Broader terms the Company follows below mentioned guiding rules for appointment of Director (including Independent Directors) .

Educational and Professional background:

- (a) Persons possessing knowledge in the field of finance, accountancy, law, capital markets, financial services with significant achievements in their profession or business;
- (b) Candidate must comply with applicable SEBI regulation for appointment as a Director of the Company;
- (c) The Independent Directors must possess the qualifications as stated in Section 149 and Schedule IV of the Companies Act, 2013.

Positive attributes of Director:

- (a) The Directors is required to devote sufficient time and attention to the Company's business;
- (b) The Director is required to work towards enhancing the brand and image of the Company in the industry;
- (c) The Director is required to foster good working relations with the senior management of the Company;
- (d) The Director is required to fulfill their fiduciary responsibilities towards the Company, employees, shareholders and unit-holders of PPFAS Mutual Fund with integrity and authority.
- (e) The Director is required to protect the legitimate interests of the Company, employees, shareholders and unit-holders of PPFAS Mutual Fund.

Policy Relating To Remuneration of Directors

- (a) Executive Directors are paid remuneration based on their core functional responsibilities.
- (b) Non-Executive Directors are paid sitting fees.
- (c) The Board of Directors consider the trends prevalent in the mutual fund industry, keeping in view the nature and size of business of the Company, performance of Directors based on their core functional responsibilities before finalising the annual remuneration.

The names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year.

The Company has no subsidiary or associate company.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

None.

Internal control system, its adequacy and compliance.

The Company is functioning as an investment manager to PPFAS Mutual Fund. Custody, Fund Accounting and RTA are critical functions of a mutual fund. Stock Holding Corporation of India Limited is appointed as the Custodian and Sundaram BNP Paribas Fund Services Limited as the Fund Accountant for scheme(s) of PPFAS Mutual Fund. CAMS is the RTA for scheme(s) of PPFAS Mutual Fund.

The Company has implemented internal financial controls commensurate with the size and operations which are outlined below:

The Company has adopted applicable accounting policies of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, are effected in consultation with the Auditors.

In addition to these checks all critical activities of PPFAS Mutual Fund operations are subject to Internal Audit Process by Independent Auditors.

Accounts, taxation and compliance department ensure that agreed processes and checklists are kept up-to date to ensure all activities and carried out as per set process. The company has laid down Internal Financial Controls that includes, risk based framework to ensure orderly conduct of business activities, safeguarding of assets and correctness of records and financial information.

The Company makes use of computer software system to maintain its accounting records. The system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account.

The Management periodically reviews the financial performance of the Company. **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

None.

Annual evaluation of the performance of the Board The Company has designed performance evaluation policy, which sets out process for the evaluation of the Board and its members.

Board meetings

The meetings of the Board of Directors are normally held at the Company's corporate office in Mumbai. During the financial year 2015-2016, 9 Board meetings were held. 2 Committee meetings were held. Meetings of Board of Directors includes meeting of Independent Directors held in terms of applicable provisions of the Companies Act, 2013.

Directors' responsibility statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed;

- a. that in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. that the directors have 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. that the Directors have prepared the annual accounts for the financial year ended 31st March, 2016 on a 'going concern' basis.
- e. that the directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

Related party transactions

All related party transactions entered during the year were on 'an arms length'. Related party transactions were subject to approval of the Board of Directors of the Company and General Meeting (wherever applicable). Details of related party transactions are provided separately in format prescribed by the Companies Act, 2013 in AOC-2, **Annexure I.**

Particulars of employees

The statement of particulars of employees pursuant to Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been furnished as under:-

Name of the employee	Rajeev Thakkar
Designation of the employee	Chief Investment Officer
Remuneration received	Rs. 1,24,50,095/-
Nature of employment, whether contractual or otherwise	Rajeev Thakkar is Fund Manager and Chief Investment Officer of the Company. He is a permanent employee of the Company.
Qualifications and experience of the employee	B. Com. (Bombay University), Chartered Accountant, CFA Charter Holder, Grad ICWA.
Date of commencement of employment	14 th January 2012
Age of such employee	44
The last employment held by such employee before joining the company	CEO of Parag Parikh Financial Advisory Services Private Limited.
Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	He holds one equity share as a nominee of Parag Parikh Financial Advisory Services Private Limited (Sponsor)
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No.

Matters required to be reported upon as per the section 134 (3) (m) of the companies act, 2013

In pursuance of the above requirements, we report as follows:

a) Conservation of Energy

As the Company is engaged in rendering professional services, electricity cost is not a major component of total cost. The Company recognises the need and importance of conservation of energy. The Company uses energy efficient electrical and electronic equipment.

b) Technology absorption, adoption and innovation

Company adopts technology and its usage is in accordance with its line of operations.

c) Foreign exchange earnings and outgo

Foreign exchange outgo during the year was 8,600 USD

Foreign exchange earnings during the year was Nil.

Explanations or comments by the board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report

There is no qualification in the audit report **Particulars of investment under section 186 of the companies act, 2013**

The Company has not granted any loan or extended any security during this financial year. Details of investments made during this financial year are provided in **Annexure II**.

Details of investment made by holding company in the equity shares of the Company are provided in table given below;

Name of Subscriber	No. of shares	Type of Shares	Distinctive Nos.		Nominal Value	Certificate No.	Folio No
			From	To			
Parag Parikh Financial Advisory Services Private Limited	61,46,179	Equity Shares	2,60,63,831	3,22,10,009	10	010 and 011	001

Material changes and commitments, if any, affecting the financial position of the company.

There are no instances of any material changes and commitments affecting the financial position of the company.

Corporate Social Responsibility (CSR)

CSR is applicable as per the provisions of Section 135 of the Companies Act, 2013. It is applicable if a company is having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year.

Net Profit (before tax) of the Company for the FY 2015-1016 has crossed Rs. 5 crores. During this year Company will initiate required steps to ensure compliance with provisions Sec. 135 of the Companies Act, 2013 and other applicable provisions.

Deposit from public

During the financial year under review, the Company has not accepted any deposit from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT 9 are provided in **Annexure III**.

Statutory Auditors:

CVK & Associates, Chartered Accountants (Firms registration no. 101745W), the auditors of the company will retire at the conclusion of ensuing annual general meeting and being eligible for re-appointment have expressed their willingness to continue as statutory auditors of the company.

Board recommends the members of the company to approve the reappointment of CVK & Associates, Chartered Accountants (Firms registration no. 101745W) as Statutory Auditors of the company in accordance with applicable rules and regulations.

Annexure I

Form No. AOC-2

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

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

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

(a)	Name(s) of the related party and nature of relationship	None
(b)	Nature of contracts/arrangements/transactions	None
(c)	Duration of the contracts / arrangements/transactions	None
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	None
(e)	Justification for entering into such contracts or arrangements or transactions	None
(f)	date(s) of approval by the Board	None
(g)	Amount paid as advances, if any:	None
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	None

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

(a)	Name(s) of the related party and nature of relationship	Empeegee Portfolio Management Services Private Limited	Parag Parikh Financial Advisory Services Pvt. Ltd. (Holding Company)	Rajeev Thakkar, Director
(b)	Nature of contracts/arrangements/transactions	Lease Agreement	Shared services agreement	Sale of Car
(c)	Duration of the contracts / arrangements/transactions	60 months	Ongoing	One time
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rental is Rs. 80,000/- per month (with incremental clause which permits annual increase in lease rental up to 10% year-on-year basis). Deposit amount for this lease agreement is Rs. 1.40 crores.	Monthly fees of Rs. 2.00 Lakhs are paid under shared service agreement.	Used car of the Company was sold to Director for Rs. 3.85 Lakhs. Valuation of the car was obtained from an independent authorised dealer of the car.
(e)	Justification for entering into such contracts or arrangements or transactions	Company occupies premises made available by Empeegee Portfolio Management Services Private Limited.	Company uses infrastructural facilities made available to the Company by its holding company. Fees paid is towards usage of these facilities.	Used car of the Company was sold to Director for Rs. 3.85 Lakhs. Valuation of the car was obtained from an independent authorised dealer of the car.
(e)	Date(s) of approval by the Board	11 th August 2015	11 th August 2015	24 th June 2015
(f)	Amount paid as advances, if any:	Rs. 1.40 crores is provided as security deposit.	Nil	Nil
(h)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	8 th September 2015.	NA	NA
(i)	Compensation paid for FY 2015-2016 (in INR)	7,80,000/-	12,00,000/-	3,85,000/-

Acknowledgement:

The Directors wish to acknowledge guidance of the Securities and Exchange Board of India (SEBI) and AMFI.

The Directors wish to place on record their sincere appreciation to all employees of PPFAS Asset Management Private Limited (which acts as the Investment Manager to PPFAS Mutual Fund) for their dedication and focused attitude.

The Directors also acknowledge the response of the investors for the flagship scheme of PPFAS Mutual Fund and we look forward for their continued support.

For and on behalf of the Board of Directors of

PPFAS Asset Management Private Limited.

Neil Parikh
Director
(DIN: 00080269)

Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai.

Date: 22nd June 2016.

Annexure II

Particulars	No of	Cost for	MKT. Rate	MKT. Value on	No of	Cost for
	shares/units	31/03/2016'	31/03/2016'	31/03/2016'	shares/units	3/31/2015
Investment in Bonds						
Indian Infrastructure Finance Company Limited	20,000	20,000,000	1,138.94	22,778,800	20,000	20,000,000
National Highway Authority of India	50,000	52,815,500	1,183.98	59,199,000	50,000	52,815,500
National Housing Bank	1,444	7,220,000	5,915.00	8,541,260	1,444	7,220,000
Indian Railway Finance Corporation Limited	50,000	52,505,075	1,154.00	57,700,000	50,000	52,505,075
NTPC Limited	6,333	6,333,000	1,214.90	7,693,962	6,333	6,333,000
PFC Limited	2,054	2,054,000	1,044.83	2,146,081	-	-
Indian Railway Finance Corporation Limited II	6,040	6,040,000	1,050.00	6,342,000		
IREDA Bonds	10,218	10,218,000	1,000.00	10,218,000		
HUDCO Taxfee Bonds	2,803	2,803,000	1,000.00	2,803,000		
NHAI Bonds 2015	4,626	4,626,000	1,000.00	4,626,000		
IRFC Tax Free Bonds 2015	2,939	2,939,000	1,000.00	2,939,000		
Total (i)		167,553,575		184,987,103	-	138,873,575
Investment in Mutual Funds						
Birla SunLife Cash Manager Fund Growth	132,904.235	-	360.73	47,942,545		65,432,265
PPFAS Long Term Value Fund	9,057,540.336	-	16.3609	148,189,512		66,920,000
Total (ii)		-		196,132,056		132,352,265
Investments in Equity						
Unquoted Investments:						
MF Utilities India Private Limited	50,000	500,000			50,000	500,000
Total (iii)		500,000			-	500,000
Quoted Investments:						
Maharashtra Scooters Limited	9,170	12,350,448	1,240.90	11,379,053		
Noida Toll Bridge Company Limited	333,750	8,496,462	24.65	8,226,938		
IL&FS Investment Managers	348,826	6,557,986	16.10	5,616,099		
Total (iv)		27,404,896		25,222,089		
Grand Total (i+ii+iii)		195,458,471		406,341,248		271,725,840

Annexure III

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U65100MH2011PTC220623

ii) Registration Date:- 08/08/2011

iii) Name of the Company:- PPFAS Asset Management Private Limited

iv) Category / Sub-Category of the Company:- Company limited by shares / Indian Non Government Company

V) Address of the registered office and contact details:- 103, Veena Chambers, 21 Dalal Street, Fort, Mumbai-400001.

Tel No:- (022) 6140 6555; Fax No:- (022) 6140 6590

vi) Whether listed company:- No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:- Not Applicable.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Company is authorised by the SEBI to act as an investment manager to PPFAS Mutual Fund.	66301	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Parag Parikh Financial Advisory Services Private Limited 103, Veena Chambers, 21 Dalal Street, Fort, Mumbai-400001.	U67190MH1992 PTC068970	Holding	100	Section 2(46)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.		2,60,63,830	2,60,63,830	100.00%		3,22,10,009	3,22,10,009	100.00%	23.58%
e) Banks / FI									
f) Any other									
Sub-total (A) (1):-		2,60,63,830	2,60,63,830	100.00%		3,22,10,009	3,22,10,009	100.00%	23.58%
(2) Foreign									
(a) NRIs - Individuals									
(b) Other – Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) =		2,60,63,830	2,60,63,830	100.00%		3,22,10,009	3,22,10,009	100.00%	23.58%

(A)(1)+(A)(2)									
Total shareholding of Promoter (A)		2,60,63,830	2,60,63,830	100.00%		3,22,10,009	3,22,10,009	100.00%	23.58%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1):-		0	0	0		0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		Nil	Nil	Nil		Nil	Nil	Nil	Nil

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B) (2):-		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs		0	0	0		0	0	0	0
Grand Total (A+B+C)		2,60,63,830	2,60,63,830	100%		3,22,10,009	3,22,10,009	100%	23.58%

* Rajeev Thakkar (Director), Khushboo Joshi, Geeta Parikh, Neil Parikh (Director), Sahil Parikh and Sitanshi Parikh hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services Private Limited. This is to ensure compliance with provisions of minimum number of members.

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	
1	Parag Parikh Financial Advisory Services Private Limited	2,60,63,830	100.00%	Nil	3,22,10,009	100.00%	Nil	23.58% *
	Total	2,60,63,830	100.00%	Nil	3,22,10,009	100.00%	Nil	23.58%

Note: Rajeev Thakkar (Director), Khushboo Joshi, Geeta Parikh, Neil Parikh (Director), Sahil Parikh and Sitanshi Parikh hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services Private Limited. This is to ensure compliance with provisions of minimum number of members.

* This change is due to equity shares issued by the company to its holding company on right basis during the financial year.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,60,63,830	100.00%	3,22,10,009	100.00%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):			Increase in Promoters Shareholding due to allotment of 36,54,485 shares on October 20, 2015 and 24,91,694 shares on January 6, 2016.	
	At the End of the year	2,60,63,83	100.00%	3,22,10,00910	100.00%

Note: Rajeev Thakkar (Director), Khushboo Joshi, Geeta Parikh, Neil Parikh (Director), Sahil Parikh and Sitanshi Parikh hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services Private Limited. This is to ensure compliance with provisions of minimum number of members.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	Nil*	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

* Additional equity shares are allotted to Parag Parikh Financial Advisory Services Private Limited (Holding Company) on right basis. There is no change in shareholding pattern due to this allotment of shares.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /	* Rajeev Thakkar (Director) and Neil Parag Parikh hold 1 Equity share each in the		* Rajeev Thakkar (Director) and Neil Parikh hold 1 Equity share each in the	

	transfer /bonus/ sweat equity etc):	capacity as Nominee of Parag Parikh Financial Advisory Services Private Limited. This is to ensure compliance with provisions of minimum number of members.		capacity as Nominee of Parag Parikh Financial Advisory Services Private Limited. This is to ensure compliance with provisions of minimum number of members.	
	At the End of the year	Nil	Nil	Nil	Nil

Note: Rajeev Thakkar (Director) and Neil Parikh (Director) hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services Private Limited. This is to ensure compliance with provisions of minimum number of members.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Neil Parag Parikh	Rajeev Thakkar	(Late) Parag Parikh	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 33,62,423/-	Rs. 12,45,00,95/-	Rs. 170,994/-	Rs. 1,59,83,512/-
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission- as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	Rs. 33,62,423/-	Rs. 12,45,00,95/-	Rs. 170,994/-	Rs. 1,59,83,512/-
	Ceiling as per the Act	As per applicable provisions of the Companies Act, 2013.			

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director			Total Amount
		Rajnikant Rao	Kamlesh Somani	Rajesh Bhojani	
	3. Independent Directors				
	• Fee for attending board / committee meetings	Rs. 20,000/-	Rs. 60,000/-	Rs. 40,000/-	Rs. 1,20,000/-
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify				
	Total (1)	Rs. 20,000/-	Rs. 60,000/-	Rs. 40,000/-	Rs. 1,20,000/-

	4. Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Rs. 20,000/-	Rs. 60,000/-	Rs. 40,000/-	Rs. 1,20,000/-
	Total Managerial Remuneration	Rs. 20,000/-	Rs. 60,000/-	Rs. 40,000/-	Rs. 1,20,000/-
	Overall Ceiling as per the Act	Non Executive directors are paid only sitting fees.			

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO (Neil Parag Parikh)	Company Secretary (Swapnil Walimbe)	CFO (Shashi Kataria)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 33,62,423/-	Rs. 26,10,650/-	Rs. 18,52,452/ -	Rs. 78,25,525/-
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission – as % of profit – others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	Rs. 33,62,423/-	Rs. 26,10,650/-	Rs. 18,52,452/ -	Rs. 78,25,525/-
	Ceiling as per the Act	As per applicable provisions of the Companies Act, 2013.			

VII. Penalties / Punishment/ Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
For and on behalf of the Board of Directors of PPFAS Asset Management Private Limited. Neil Parag Parikh Rajeev Thakkar Director Director (DIN: 00080269) (DIN:00227548) Place: Mumbai Date: 22 nd June 2016.					

INDEPENDENT AUDITOR'S REPORT

To the Members of PPFAS Asset Management Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PPFAS Asset Management Private Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016, 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 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 I, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II; and

(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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note “23” to the financial statements;
- 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.

For CVK & Associates

Chartered Accountants
Firm Regn No.: 101745W

K.P. Chaudhari

Partner
Membership No: 031661

Place: Mumbai
Date: 22nd June 2016

Annexure I to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The company does not hold any immovable properties. Thus, paragraph 3(i)(c) of the Order is not applicable.
- (ii) The Company is a service company, primarily rendering Asset Management services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) The company has not given any loans nor made any investments covered by the provisions of sections 185 and 186 of the Companies Act. Thus, paragraph 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits from the public, so as to attract the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of The Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)
- a) As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Service-tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. As per the records of the Company, there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no outstanding dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax, value added tax, or cess; on account of any dispute other than the following:

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Nashik:
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Assessment Year	Pending with (concerned Authority)	Amount (Rs.)	Issue Involved	Remarks / Status
I. Income Tax Act, 1961				
2012-13	CIT (Appeals)	21,56,830	Disallowance of all the expenses debited to Profit & Loss Account citing the reason that those are not Business Expenses and only Income earned during the year is Non Business Income.	The Company had received order U/s 143(3) for Assessment year 2012-13 and demand as per order is Rs. 21,56,830. The company has paid a deposit of Rs 11,00,000 towards this demand pending disposal of appeal at Commissioner of Income Tax (Appeals) level on 17.03.2015. The Company received an Intimation u/s 245 dated 01.12.2015 regarding adjustment of refund for Assessment year 2015-16 against demand for Assessment year 2012-13 and has disagreed with the adjustment of the Refund.
2013-14	CIT (Appeals)	41,73,300	Disallowance of all the expenses debited to Profit & Loss Account citing the reason that those are not Business Expenses and only Income earned during the year is Non Business Income.	The company has filed an appeal with CIT (Appeals) against the demand raised.

(viii) The company did not have any loans or borrowings from any financial institution, bank, government or debenture holders during the year. Thus, paragraph 3(viii) of the Order is not applicable.

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- (ix) In our opinion and according to the information and the explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Thus, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the company by officers or employees has been noticed or reported during the course of our audit.
- (xi) The company is a private company and section 197 of the Companies Act is not applicable to it. Thus, paragraph 3(xi) of the Order is not applicable.
- (xii) The company is not a Nidhi Company. Thus paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all the transactions with 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.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Thus, Paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For CVK & Associates

Chartered Accountants

Firm Registration No.:101745W

K.P. Chaudhari

Partner

M. No. 31661

Place: Mumbai

Date: 22nd June 2016

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Annexure II to the Independent Auditor's Report

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 PPFAS Asset Management Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

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(the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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

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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.

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Opinion

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

For CVK & Associates

Chartered Accountants

Firm Registration No.:101745W

K.P.Chaudhari

Partner

M. No. 31661

Place: Mumbai

Date: 22nd June 2016

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PPFAS ASSET MANAGEMENT PRIVATE LIMITED

Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	322,100,090	260,638,300
Reserves And Surplus	4	104,650,410	53,116,245
	(a)	426,750,500	313,754,545
Current Liabilities			
Other Current Liabilities	5	7,085,415	5,098,250
Short Term Provisions	6	3,132,301	2,494,641
	(b)	10,217,716	7,592,891
Total Equity & Liabilities	(a+b)	436,968,216	321,347,436

ASSETS

Non-Current Assets			
Fixed Assets			
(i)Tangible Assets	7A	2,714,361	2,152,241
(ii)Intangible Assets	7B	1,036,619	1,299
	(c)	3,750,980	2,153,540
Non-Current Investments	8	391,896,274	271,725,840
Deferred Tax Assets(Net)	9	2,112,376	1,740,829
Long Term Loans & Advances	10	2,970,836	378,920
	(d)	396,979,486	273,845,589
Current Assets			
Trade Receivables	11	10,686,943	9,966,342
Cash & Cash Equivalents	12	4,483,417	28,120,640
Short-Term Loans & Advances	13	15,600,800	2,232,427
Other Current Assets	14	5,466,590	5,028,898
	(e)	36,237,750	45,348,307
Total Assets	(c+d+e)	436,968,216	321,347,436

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per Our Audit Report of even date

For CVK & Associates
Chartered Accountants
Firm Registration No:101745W

**For and on behalf of the Board of Directors of
PPFAS Asset Management Private Limited**

K P Chaudhari
Partner
Membership no. 31661

Neil Parikh **Rajeev Thakkar**
Director Director
DIN : 00080269 DIN : 00227548

Shashi Kataria **Swapnil Walimbe**
Chief Financial Officer Company Secretary

Place: Mumbai

Date: 22nd June, 2016

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Income			
Revenue from operations	15	118,498,432	97,369,309
Other Income	16	21,069,551	15,567,200
Total Revenue		139,567,983	112,936,509
Expenses			
Employee Benefits Expenses	17	47,904,225	36,924,054
Depreciation & Amortization Expenses	18	4,293,091	3,783,835
Other Expenses	19	35,812,922	27,986,798
Total Expenses		88,010,238	68,694,687
Profit Before Exceptional Items & Tax		51,557,745	44,241,822
Exceptional Items			
Prior period Income	20	366,667	-
Profit Before Tax		51,924,412	44,241,822
Tax Expense			
Current Tax		13,300,000	14,400,000
Deferred Tax		(371,547)	(1,818,312)
Excess Tax Provision for Previous year		-	(355,521)
Total Tax Expense		12,928,453	12,226,167
Profit/(Loss) for the Period		38,995,959	32,015,655
Earning Per Equity Share			
Basic		1.38	1.61
Diluted		1.38	1.61

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

K P Chaudhari

Partner

Membership no. 31661

**For and on behalf of the Board of Directors of
PPFAS Asset Management Private limited**

Neil Parikh

Director

DIN : 00080269

Rajeev Thakkar

Director

DIN : 00227548

Shashi Kataria

Chief Financial Officer

Swapnil Walimbe

Company Secretary

Place: Mumbai

Date: 22nd June, 2016

PPFAS ASSET MANAGEMENT PRIVATE LIMITED				
Cash Flow Statement for the year ended 31.03.2016				
Particulars	2015-16		2014-15	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a. Cash flow from Operating Activities				
Profit Before tax expenses		51,924,412		44,241,822
Adjustments :				
Add : Non Operating Expenses/Items				
Depreciation on Fixed Assets	3,074,672		3,156,003	
Amortization of Fixed Assets	1,218,419	4,293,091	627,832	3,783,835
Less : Non - Operating Income/Items				
Interest on Tax free Bonds	(11,753,868)		(8,737,295)	
Short Term Capital Gain on Mutual Fund	(6,785,538)		(4,916,521)	
Interest on Fixed Deposit	(1,203,425)		(1,784,384)	
Dividend on Shares	(775,725)			
Profit on Sale of Car	(333,706)			
Other Income	(217,289)	(21,069,551)	(129,000)	(15,567,200)
Operating Profit before Working Capital Changes		35,147,952		32,458,457
Adjustment for Movement in working capital				
Increase in Other Current Liabilities	1,987,165		1,877,905	
Increase in Short Term Provisions	637,661		1,574,934	
Increase in Trade Receivables	(720,601)		(4,190,790)	
Increase in Deferred Tax Assets/Decrease in Deferred tax liabilities	(371,547)		(1,818,312)	
Increase in Long Term Loans & Advances	26,964		(1,100,000)	
Increase in Short-Term Loans & Advances	(13,368,373)		(1,477,576)	
Increase in Other Current Assets	(437,692)	(12,246,423)	(3,863,952)	(8,997,792)
Cash Generated from operations		22,901,529		23,460,666
Less : Taxes Paid		(15,426,990)		(7,609,666)
Net Cash from operating activities		7,474,539		15,851,000
b. Cash flow from Investing Activities				
Purchase of Fixed Assets	(5,941,825)		(4,262,722)	
Sale of Fixed Assets	385,000			
Purchase of Investments - Non Current	(120,170,434)		(139,707,096)	
Interest on Tax free Bonds	11,753,868		8,737,295	
Short Term Capital Gain on Mutual Fund	6,785,538		4,916,521	
Dividend on Shares	775,725			
Interest on Fixed Deposit	1,083,082		1,605,946	
Other Income	217,289		129,000	
Net Cash from investing activities		(105,111,757)		(128,581,056)
c. Cash Flow from Financing Activities				
Issue of shares	73,999,996		119,600,000	
Net Cash from financing activities		73,999,996		119,600,000
Net increase/decrease in cash & cash equivalents		(23,637,223)		6,869,944
Add: Cash & Cash Equivalents at the start of the year				
Cash in Hand	13,433		8,528	
Bank Accounts	8,107,207		1,242,168	
Fixed Deposits with maturity less than 12 months	20,000,000	28,120,640	20,000,000	21,250,696
Less: Cash & Cash Equivalents at the end of the year				
Cash in Hand	46,059		13,433	
Bank Accounts	4,437,358		8,107,207	
Fixed Deposits with maturity less than 12 months	-	4,483,417	20,000,000	28,120,640
For CVK & Associates	For and on behalf of the Board of Directors of			
Chartered Accountants	PPFAS Asset Management Private Limited			
Firm Registration No:101745W				
K P Chaudhari	Neil Parikh	Rajeev Thakkar		
Partner	Director	Director		
Membership no. 31661	DIN : 00080269	DIN : 00227548		
	Shashi Kataria	Swapnil Walimbe		
	Chief Financial Officer	Company Secretary		
Place: Mumbai				
Date: 22nd June , 2016				

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 1: CORPORATE INFORMATION

PPFAS Asset Management Private Limited was incorporated on 8th August, 2011. The Company is subsidiary of Parag Parikh Financial Advisory Services Private Limited (formerly known as Parag Parikh Financial Advisory Services Limited). The Company's corporate office is located in Mumbai. This is the fifth year of operations of the company. The Company is incorporated to function as an investment manager to PPFAS Mutual Fund. After the launch of NFO on 13th May, 2013, the company has started its functions as an Investment Manager & thus started earning Management fees as its primary source of Income.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Basis Of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. 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, in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Current / Non Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. it is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,

- it is held primarily for the purpose of providing services; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- iv. in the case of a liability, the company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

Since the Company is a provider of services, for the purpose of current/non-current classification of assets and liabilities, it has classified all those items which are expected to be realized or settled within twelve months from the reporting date as current items and others as non-current.

d. Tangible fixed assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e. Intangible fixed assets

Intangible assets are stated at cost of acquisition less accumulated amortization and accumulated impairment loss, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f. Depreciation

Depreciation on the fixed assets is provided on Written down Value Method applying rates/ useful lives as prescribed in the Companies Act.

g. Impairment

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

h. Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost.

A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

i. Employee Benefits

A) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service.

B) Post-employment benefits:

a) Provident Fund scheme

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss of the year when the contribution to the fund is due. There are no other obligations other than the contribution payable to the fund.

b) Gratuity scheme

- i.** The company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods.
- ii.** The present value of the obligation is determined based on the actuarial valuation. This amount is funded through an employee gratuity trust managed by HDFC Standard Life Insurance.
- iii.** The amount originally invested in the Plan Assets was transferred from the Gratuity Trust of employees of Parag Parikh Financial Advisory Services Pvt. Ltd. (Holding Company) at the time of transfer of majority of its employees to the company. The company appointed an Actuary to prepare the Actuarial Report for Gratuity as per Accounting Standard – 15 (AS 15) as at 31st March 2016. As per the Report, the Plan Assets exceed the Present Value of Obligation.

However, the Company has forgone its right to such surplus in favour of the employees. Hence the excess is not recognised as income.

j. Revenue Recognition

Management fee are recognized on accrual basis at specific rates, applied on the average daily net assets of the scheme. The fees charged are in accordance with the terms of Scheme Information Document of scheme and is in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. The amount recognized is exclusive of Service Tax.

Dividend on shares is accounted on cash basis for the sake of convenience, and for want of information.

Interest income is recognised on time proportion basis.

k. Taxes on Income

Tax expense for the year comprises current tax and deferred tax.

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period in accordance with Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

l. Provision

Provision involving substantial degree of reliable estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

m. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company received an order U/s 143(3) for Assessment year 2012-13 and demand as per order is Rs. 21,56,830. The company has paid a deposit of Rs 11,00,000 towards this demand pending disposal of appeal at Commissioner of Income Tax(Appeals) level. The Company had received an Intimation u/s 245 dated 01.12.2015 regarding adjustment of refund

for Assessment year 2015-16 against demand for Assessment year 2012-13 and has disagreed with the adjustment of the Refund .

n. Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

There was no incidence of exchange differences as the transactions in foreign currencies during the year were settled on the date of occurrence.

o. Earnings per share

Basic earnings per share is calculated by dividing the profits after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

p. Share transactions

Gain or loss on sale of shares, Derivatives, Mutual Fund units etc. held as investments, is shown at net values.

NOTE 3 : SHARE CAPITAL				
Particulars			As at 31st March, 2016	As at 31st March, 2015
			Rs.	Rs.
AUTHORISED				
35,000,000 Equity Shares of Rs.10/- each			350,000,000	350,000,000
15,000,000 Equity Shares of Rs.10/- each			150,000,000	150,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
3,22,10,009 Equity Shares of Rs.10/- each fully paid			322,100,090	260,638,300
			322,100,090	260,638,300
a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.				
	As at 31st March, 2016		As at 31st March, 2015	
	Number	(Rs)	Number	(Rs)
At the beginning of the Period	26,063,830	260,638,300	15,000,000	150,000,000
Issued during the period	6,146,179	61,461,790	11,063,830	110,638,300
Outstanding at the end of the period	32,210,009	322,100,090	26,063,830	260,638,300
b. Details of Shareholders holding more than 5 % of Ordinary Shares				
Name of the Shareholders	Number	% of Holding	Number	% of Holding
Parag Parikh Financial Advisory Services Pvt Ltd	32,210,009	100.00	26,063,830	100.00
NOTE 4: RESERVES & SURPLUS				
			As at 31st March, 2016	As at 31st March, 2015
Surplus/(deficit) in the statement of Profit and Loss				
Securities Premium			21,499,906	8,961,700
Profit & Loss Account				
At the Beginning of the Accounting Period			44,154,545	12,138,890
Additions During the Year			38,995,959	32,015,655
Profit / (Loss) At the End of the Accounting Period			83,150,504	44,154,545
Total			104,650,410	53,116,245
NOTE 5: OTHER CURRENT LIABILITIES				
			As at 31st March, 2016	As at 31st March, 2015
TDS - Salaries			6,625,600	4,768,180
TDS - Professional Fees			388,063	308,419
TDS - Rent			24,000	15,000
TDS - Contractor			47,752	6,651
			7,085,415	5,098,250
NOTE 6: SHORT TERM PROVISIONS				
			As at 31st March, 2016	As at 31st March, 2015
Sundry Creditors			931,250	-
Provision for Expenses			1,094,286	1,562,090
Provision for Audit Fees			550,000	500,000
Provident Fund Payable			263,907	176,609
Profession Tax Payable			8,075	6,675
Provision for Leave Encashment			284,783	249,267
			3,132,301	2,494,641

NOTE 7: FIXED ASSETS

Sr. No	Asset	Gross Block			Depreciation				Net Block		
		Gross Block as at 01/04/2015	Additions during the year	Deductions during the year	Gross Block as at 31/3/16	Provision for Depreciation upto 01/04/2015	Depreciation for the period	Accumulated Depreciation on Sold Assets	Total depreciation upto 31/3/16	Net Block as at 31/3/16	Net Block as at 31/03/15
A.	Tangible Assets										
1	Computer	824,374	658,993	-	1,483,367	496,857	548,583	-	1,045,440	437,927	327,517
2	Electrical Installation	72,760		-	72,760	36,126	19,150	-	55,276	17,484	36,634
3	Office Equipment	240,142	58,216	-	298,358	169,715	94,306	-	264,021	34,337	70,427
4	Motor Car	5,028,773	2,564,318	632,021	6,961,070	3,311,110	2,334,555	580,727	5,064,938	1,896,132	1,717,663
5	Office Furniture	-	406,559	-	406,559	-	78,078	-	78,078	328,481	-
	TOTAL	6,166,049	3,688,086	632,021	9,222,114	4,013,808	3,074,672	580,727	6,507,753	2,714,361	2,152,241
B.	Intangible Assets										
	Computer software	1,794,202	2,253,739	-	4,047,941	1,792,903	1,218,419	-	3,011,322	1,036,619	1,299
	TOTAL	1,794,202	2,253,739	-	4,047,941	1,792,903	1,218,419	-	3,011,322	1,036,619	1,299
	TOTAL (A+B)	7,960,251	5,941,825	632,021	13,270,055	5,806,711	4,293,091	580,727	9,519,075	3,750,980	2,153,540
	Total Of Previous Year	3,697,529	4,262,722	-	7,960,251	2,022,876	3,783,835	-	5,806,711	2,153,540	1,674,653

Note 8 : Non Current Investments

Particulars	No of shares/units	Cost for 31/03/2016'	MKT. Rate 31/03/2016'	MKT. Value on 31/03/2016'	No of shares/units	Cost for 3/31/2015
Investment in Bonds						
Indian Infrastructure Finance Company Limited	20,000	20,000,000	1,200.00	24,000,000	20,000	20,000,000
National Highways Authority of India	50,000	52,815,500	1,134.87	56,743,500	50,000	52,815,500
National Housing Bank	1,444	7,220,000	5,915.00	8,541,260	1,444	7,220,000
Indian Railway Finance Corporation Limited	50,000	52,505,075	1,200.00	60,000,000	50,000	52,505,075
NTPC Limited	6,333	6,333,000	1,192.60	7,552,736	6,333	6,333,000
Power Finance Corporation Limited	2,054	2,054,000	1,045.00	2,146,430	-	-
Indian Railway Finance Corporation Limited II	6,040	6,040,000	1,149.99	6,945,940	-	-
Indian Renewable Energy Development Agency Limited	10,218	10,218,000	1,000.00	10,218,000	-	-
Housing and Urban Development Corporation Limited	2,803	2,803,000	1,000.00	2,803,000	-	-
National Highways Authority of India II	4,626	4,626,000	1,000.00	4,626,000	-	-
Indian Railway Finance Corporation Limited III	2,939	2,939,000	1,000.00	2,939,000	-	-
Total (i)		167,553,575		186,515,865		138,873,575
Investment in Mutual Funds						
Birla Sun Life Cash Manager Fund Growth	132,904,235	49,517,803	363.0421	48,249,833	201,330,265	65,432,265
PPFAS Long Term Value Fund	9,057,540,336	146,920,000	17.0661	154,576,889	4,311,267,851	66,920,000
Total (ii)		196,437,803		202,826,722		132,352,265
Investments in Equity						
Unquoted Investments:						
MF Utilities India Private Limited	50,000	500,000			50,000	500,000
Total (iii)		500,000			-	500,000
Quoted Investments:						
Maharashtra Scooters Limited	9,170	12,350,448	1,224.35	11,227,290	-	-
Noida Toll Bridge Company Limited	333,750	8,496,462	22.40	7,476,000	-	-
IL&FS Investment Managers Limited	348,826	6,557,986	16.00	5,581,216	-	-
Total (iv)		27,404,896		24,284,506	-	-
Grand Total (i+ii+iii+iv)		391,896,274		413,627,093		271,725,840

NOTE 9: Deferred Tax Assets			As at 31st March, 2016	As at 31st March, 2015
Opening Balance			1,740,829	(77,483)
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law			497,247	874,256
Filing Fees : Impact of difference between charged as per Company Law & claimed as per Taxation Law			(219,849)	863,170
Leave Encashment : Impact of Provision for Leave Encashment			94,149	80,886
Net Deferred Tax Assets			2,112,376	1,740,829
NOTE 10: LONG TERM LOANS & ADVANCES			As at 31st March, 2016	As at 31st March, 2015
Previous year Taxes Receivable			2,278,920	2,305,884
Advance Tax & TDS(Net of Provision of Taxation)			691,916	(1,926,964)
			2,970,836	378,920
NOTE 11: TRADE RECEIVABLES			As at 31st March, 2016	As at 31st March, 2015
(1) Debts outstanding for a period exceeding six months from the date they are due			-	-
(2) Other Debts (Unsecured considered good)			10,686,943	9,966,342
			10,686,943	9,966,342
NOTE 12: CASH & CASH EQUIVALENTS			As at 31st March, 2016	As at 31st March, 2015
(i) On Current Accounts			4,437,358	8,107,207
(ii) Cash in hand and as Imprest			46,059	13,433
(iii) Fixed Deposits with maturity less than 12 months			-	20,000,000
			4,483,417	28,120,640
NOTE 13: SHORT TERM LOANS AND ADVANCES			As at 31st March, 2016	As at 31st March, 2015
Prepaid Expense			1,496,300	2,084,927
Deposits			14,102,500	102,500
Advances			2,000	2,000
Advance to Employees			-	43,000
			15,600,800	2,232,427
NOTE 14: OTHER CURRENT ASSETS			As at 31st March, 2016	As at 31st March, 2015
Interest accrued on Fixed Deposits & Bonds			5,230,139	4,931,134
Service Tax Credit			236,451	97,764
			5,466,590	5,028,898

NOTE 15: REVENUE FROM OPERATIONS		
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Management Fees	118,498,432	97,369,309
	118,498,432	97,369,309
NOTE 16: OTHER INCOME		
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest on Tax free Bonds	11,753,868	8,737,295
Short Term Capital Gain on Mutual Fund	6,785,538	4,916,521
Interest on Fixed Deposit	1,203,425	1,784,384
Dividend on Shares	775,725	-
Profit on Sale of Car	333,706	-
Other Income	217,289	129,000
	21,069,551	15,567,200
NOTE 17: EMPLOYEE BENEFIT EXPENSES		
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salary and Wages		
Office Staff Salary	45,440,430	35,164,103
Contribution to Provident Fund and other funds		
Contribution to Provident Fund	1,520,436	1,058,408
Maharashtra Labour welfare Fund	1,260	792
Other Expenses		
Staff Welfare	942,099	700,751
	47,904,225	36,924,054
NOTE 18: DEPRECIATION & AMORTIZATION EXPENSES		
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Depreciation of Tangible Assets	3,074,672	3,156,003
Amortization of Intangible Assets	1,218,419	627,832
	4,293,091	3,783,835

NOTE 19: OTHER EXPENSES		
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Professional Charges	13,504,068	10,450,230
Business Promotion Expenses	4,201,958	2,556,009
Advertising Expenses	3,985,537	3,051,544
Printing & Stationery	2,083,907	329,262
Electricity Expenses	1,399,670	1,104,040
Insurance Charges	1,302,210	806,819
Postage & Courier charges	1,192,458	315,989
Conveyance Charges	1,002,916	523,736
Computer Maintenance	996,010	1,075,799
Distributor Commission	927,497	222,594
Miscellaneous expenses	811,833	341,034
Rent Expenses	780,000	600,000
Statutory Audit fees	550,000	500,000
Bank Charges	449,547	335,757
Repairs & Maintenance	443,472	259,064
Traveling Expenses	361,286	183,799
Membership & Subscription	352,659	228,428
Motor car expenses	307,333	582,847
Telephone/communication	298,871	204,831
Annual Fees to SEBI	250,000	250,000
Security service charges	185,600	157,300
Internet charges	148,111	55,510
Director's Fees (Sitting Fees)	120,200	90,000
Books & Periodicals	52,292	54,949
Director/employee Education	48,544	173,445
Filing Fees	28,457	3,353,653
Seminar fees	14,453	-
Interest on Taxes	6,035	6,754
Donations	4,000	150,000
Investor Education Expenses	2,000	21,405
Professional tax - company	2,000	2,000
	35,812,922	27,986,798
NOTE 20: PRIOR PERIOD EXPENSES/ (INCOME)		
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Excess provision for Professional Fees in FY 2014-15	(366,667)	-
	(366,667)	-

NOTE 21: SUPPLEMENTARY INFORMATION**a. Particulars of Directors' Remuneration**

Director's Name	Amount in Rs.	Head of Expenses
Neil Parikh	33,62,423	Salary
Rajeev Thakkar	1,24,50,095	Salary
Late Parag Parikh	1,70,994	Salary
Rajnikant Rao	20,000	Sitting Fees
Kamlesh Somani	60,000	Sitting Fees
Rajesh Bhojani	40,000	Sitting Fees

b. Particulars of Auditors Remuneration

Particulars	F.Y.2015-16	F.Y.2014-15
As Statutory Auditors	5,50,000/-	5,00,000/-
For other Services	-	-
Total	5,50,000/-	5,00,000/-

c. Value of Imports

Particulars	F.Y.2015-16	F.Y.2014-15
Value of Imports	NIL	NIL

d. Expenditure in Foreign Currency

Particulars	F.Y.2015-16	F.Y.2014-15
Travelling Charges	NIL	Rs. 87,108(AED 5,000)
Travelling Charges	Rs. 5,49,787(USD 8,600)	Rs. 90,812(USD 1,500)

e. Earnings in Foreign Currency

Particulars	F.Y.2015-16	F.Y.2014-15
Earnings in Foreign Exchange (USD)- Advisory services	NIL	NIL

NOTE 22: RELATED PARTY DISCLOSURES

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

Name of the Related Party.	Relationship	Nature of Payment	Amount (Rs.)
Empeegee Portfolio Management Services Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	7,80,000/-
Late Parag Parikh	Director who is able to exercise significant influence	Salary	1,70,994/-
Rajeev Thakkar	Director who is able to exercise significant influence	Salary	1,24,50,095/-
Rajeev Thakkar	Director who is able to exercise significant influence	Sale of Motor Car	3,85,000/-
Neil Parikh	Director who is able to exercise significant influence	Salary	33,62,423/-
Parag Parikh Financial Advisory Services Private Limited. (Formerly known as Parag Parikh Financial Advisory Services Limited)	Holding Company	Shared Service Cost	12,00,000/-
Parag Parikh Financial Advisory Services Private Limited. (Formerly known as Parag Parikh Financial Advisory Services Limited)	Holding Company	Management Consultancy Charges	3,00,000/-
Parag Parikh Financial Advisory Services Private Limited. (Formerly known as Parag Parikh Financial Advisory Services Limited.)	Holding Company	Issue of Shares to Holding Company	7,39,99,996/-

NOTE 23: CONTINGENT LIABILITIES

Contingent Liabilities	F.Y.2015-16 Amount in Rs. Lacs	F.Y.2014-15 Amount in Rs. Lacs
Income Tax (A.Y.-2012-13)*	10.56	10.56
Income Tax (A.Y.-2013-14)	41.73	

* The Company received an order U/s 143(3) for Assessment year 2012-13 and demand as per order is Rs. 21,56,830. The company has paid a deposit of Rs 11,00,000 towards this demand pending disposal of appeal at Commissioner of Income Tax(Appeals) level on 17.03.2015. The Company had received an Intimation u/s 245 dated 01.12.2015 regarding adjustment of refund for Assessment year 2015-16 against demand for Assessment year 2012-13 and has disagreed with the adjustment of the Refund .

NOTE 24: EARNINGS PER SHARE

Particulars	FY 2015-16	FY 2014-15
Profit attributable to equity shareholders	Rs.3,89,95,959/-	Rs. 3,20,15,655/-
Weighted Average number of Equity Share Outstanding during the year	2,81,91,528	1,98,80,210
Basic & Diluted EPS	Rs.1.38	Rs.1.61
Nominal value per share	10/-	10/-

NOTE 25: MAJOR COMPONENTS OF DEFFERED TAX

Deferred Tax Assets	(Amount in Rs.)		
I. Opening Balance Deferred Tax Liability			17,40,829
II Changes during the Year			
a. Timing Difference in Depreciation			
As per Accounts	42,93,091		
As per Income tax Act	27,89,018		
Overcharged for tax purpose	15,04,073		
Deferred Tax @ 33.06%		4,97,247	
b. Timing Difference due to share issue Expenses			
As per Accounts	-		
As per Income tax Act	6,65,000		
Undercharged for tax purpose	6,65,000		
Deferred Tax @ 33.06%		(2,19,869)	
c. Timing Difference due to Provision for Leave Encashment			
As per Accounts	28,4,783		
As per Income tax Act	-		
Over charged for tax purpose		94,149	
Deferred Tax @ 33.06%			
III. Deferred Tax Income recognized in Statement of Profit & Loss			3,71,547
IV. Net Deferred tax Assets as per Balance Sheet.			21,12,376

NOTE 26:

The amount payable to the Small Scale Undertaking is NIL.

NOTE 27: PREVIOUS YEAR FIGURES

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

Signatures to notes 1 to 27

As per Our Audit Report of even date

For CVK & Associates Chartered Accountants Firm Registration No:101745W K P Chaudhari Partner Membership No:31661	For & on behalf of the Board of Directors of PPFAS Asset Management Private Limited Neil Parikh Rajeev Thakkar Director Director DIN : 00080269 DIN : 00227548
Place: Mumbai	
Date: 22 nd June, 2016	

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration) Rules, 2014]

CIN: U65100MH2011PTC220623
Name of the company: PPFAS Asset Management Private Limited
Registered office: 103, Veena Chambers, 21 Dalal Street, Mumbai 400 001.

Name of the member (s) :
Registered address :
E-mail Id:
Folio No :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name : Address :
..... E-mail Id :

Signature :....., or failing him

2. Name : Address:
..... E-mail Id :

Signature:....., or failing him

3. Name : Address:.....
..... E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual General Meeting of the company, to be held on Wednesday, 21st September 2016 At 11:00 a.m. At Great Western Building, 130/132, 1st Floor, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Attendance Slip

(To be handed over at the entrance of the Meeting Hall)

CIN : U65100MH2011PTC220623

Name of the company : PPFAS Asset Management Private Limited

Registered office : 103, Veena Chambers, 21 Dalal Street, Mumbai 400 001.

Corporate Office: Great Western Building, 130/132, 1st Floor, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001

Name of the Member(s)/ Proxy (In Block Letters)	
Folio No.	
No. of Shares Held	

I hereby record my presence at the 5th Annual General Meeting of the Company at Great Western Building, 130/132, 1st Floor, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001 on Wednesday, 21st September 2016 at 11:00 a.m.

Signature of the Member(s)/Proxy

Notes:

1. Members are requested to bring their copies of Annual Report at the AGM.

Road map to AGM Venue

Venue: Corporate Office of the Company. 1st Floor, Great Western Building, Shahid Bhagat Singh Road, Opposite Lion Gate, Fort, Mumbai- 400001. Telephone: 022 6140 6555.

Distance from Churchgate Railway Station: around 2 Km.

Distance from Chhatrapati Shivaji Terminus: around 2 Km.

