



**PPFAS Trustee Company Private Limited**  
Annual Report 2012-2013

**NOTICE**

Notice is hereby given that the Second Annual General Meeting of the members of the PPFAS Trustee Company Private limited will be held on Thursday 29th August 2013 at 1.00 pm at 130-132 Great Western Building, S.B. Singh Road, Opposite Lion Gate, Fort, Mumbai- 400001 to transact the following business;

**Ordinary Business:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, the Statement of Profit and Loss for the period ended on 31st March 2013 and the Report of Directors' and Auditor's Report thereon.
2. To reappoint CVK & Associates, Chartered Accountants as Statutory Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to fix their remuneration.

"Resolved that M/s. CVK and Associates, Chartered Accountants, be and are hereby reappointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at the remuneration to be fixed by the Board of Directors in consultation with the Auditors."

3. To re-appoint Mr. Jayesh Dadia, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. Neil Parikh, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

Place: Mumbai.

Date: June 28th, 2013.

**For and on behalf of the Board of Directors of  
PPFAS Trustee Company Private Limited.**

**Registered office:**

103, Veena Chambers, Dalal  
Street, Fort, Mumbai- 400001.

**P A Balasubramanian**

Director

**Neil Parikh**

Director

**Notes**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.
2. Proxies in order to be effective must be deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members are requested to bring their copies of the Annual Report while attending Annual General Meeting.
4. Members desirous to obtain any information concerning the accounts and operations of the Company are requested to send their queries to the Company at-least 7 days prior to the date of the meeting, so that the information required by the members may be made available at the meeting.
5. Corporate members are requested to bring certified true copy of the resolution pursuant to section 187 of the Companies Act, 1956 giving authorization for attending the meeting.
6. Members are requested to notify the Company immediately any changes in the address.

## Directors' Report

### To the Shareholders:

We are pleased to present our second report on the business operations of the Company and the audited financial statements for the period ended March 31, 2013.

Particulars	For the year ended March 31, 2013 (Rs. In Lakhs)	For the year ended March 31, 2012 (Rs. In Lakhs)
Operating Income	NIL	NIL
Other Income	0.13	NIL
Total Income	0.13	NIL
Profit/ (Loss) before depreciation and tax	(1.62)	(1.32)
Depreciation	NIL	NIL
Profit / (Loss) before tax	(1.62)	(1.32)
Provisions for taxation	NIL	NIL
<b>Profit/ (Loss) after tax</b>	<b>NIL</b>	<b>(1.32)</b>
Share Capital	5	5
Reserves and Surplus (Debit Balance in P&L Account)	(2.94)	(1.32)

### Dividend

Primary objective of the Company is to act as Trustees to PPFAS Mutual Fund and to ensure that the interest of the unit-holders of PPFAS Mutual Fund is protected. Primary source of income to the Company is in the form of 'Trusteeship fees' that flows to the company and is calculated based on the Asset Under Management for the Mutual Fund.

Considering the above facts it has been decided to conserve the resources of the Company.

Directors do not recommend any dividend for this year.

### Share Capital

During the year under review, the Company has not issued any shares.

### Deposits

The Company has not accepted any deposits pursuant to the provisions of section 58A of the Companies Act, 1956.

## **Management Discussion and Analysis and Results of operations**

### **Environment in Capital Markets**

The stock markets have been affected due to macro economic concerns like the widened CAD & the subsequent slide of the Rupee against the dollar. This has affected several businesses & their ability to raise capital on account of a rising interest rate environment.

With RBI & the Government in firefighting mode, businesses can only hope that these unsustainable conditions are temporary.

### **Operations of the Company**

The Directors are pleased to inform about the launch of the flagship scheme 'PPFAS Long Term Value Fund' on May 13, 2013 after receiving the scheme approval from SEBI on April 8, 2013.

During the New Fund Offer (NFO) scheme garnered INR 63.87 crores, with 768 investors. It should be noted that out of total inflow during the NFO 97% was through Direct Plan (investment routed otherwise than distributors).

### **Finances**

The Company has invested the funds received in the form of capital in with scheduled banks.

Expenses incurred during the year were in the nature of Directors' sitting fees, Legal expenses and expenses towards acquisition of assets. Expenses incurred toward acquisition of assets have been capitalised.

### **Human Resource**

Company has not recruited any employees. PPFAS Asset Management Private Limited (investment manager to PPFAS Mutual Fund) has extended required administrative support to the Company.

### **Future Outlook**

NFO of our flagship scheme started on a strong footing. We are positive in our out look towards gradual and steady growth in the Asset Under Management (AUM).

### **Directors:**

In accordance with the provisions of the Companies Act, 1956, Mr. Jayesh Dadia and Mr. Neil Parikh will retire by rotation at the Annual General Meeting. They are eligible for re-appointment.

Necessary resolutions for the reappointment of the aforesaid Directors have been included in the notice convening the Annual General Meeting.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 274 of the Companies Act, 1956.

**Directors' Responsibility Statement:**

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed;

1. that in the preparation of the accounts for the financial year ended on 31st March 2013 the applicable accounting standards have been followed;
2. that the Directors have selected such accounting policies and applied them consistently and made judgements 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 profits of the company for the year under review;
3. 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and any irregularities;
4. that the Directors have prepared the accounts for the financial year ended on 31st March 2013 on a 'going concern' basis.

Particulars of employee/s as required under section 217 (2A) of the Companies Act, 1956

Employee Name	Designation	Total Remuneration (INR)
None.		

**Matters required to be reported upon as per the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988.**

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

**a. Energy consumption:**

The company is engaged in providing services as Trustees to mutual fund. Electricity cost is not a major component of total cost of the company. The company recognises the need and importance to conserve the energy. Company makes sure that it uses electrical equipments which are energy efficient.

**b. Technology absorption, adoption and innovation:**

The company is not engaged in any manufacturing activity and hence this section does not apply to the company.

**c. Foreign exchange earning and outgo during the year:**

During the financial year under consideration there was no foreign exchange remittance, either inbound or otherwise.

**Statutory Auditors:**

M/s. CVK & Associates, Chartered Accountants the auditors of the company retire at the conclusion of ensuing annual general meeting and have expressed their willingness to continue as auditors of the company.

Board recommends the members of the company to approve the reappointment of M/s. CVK & Associates, Chartered Accountants as statutory auditors of the company.

**Acknowledgement:**

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 appreciate the trust of investors for the flagship scheme of PPFAS Mutual Fund and look forward for their continued support.

Place: Mumbai.

Date: June 28th, 2013.

**For and on behalf of the Board of Directors of  
PPFAS Trustee Company Private Limited.**

**Registered office:**

103, Veena Chambers, Dalal  
Street, Fort, Mumbai- 400001.

**P A Balasubramanian**

Director

**Neil Parikh**

Director

# Independent Auditors' Report

CVK & Associates  
Chartered Accountants

2, Samarth Apartments  
D.S.Babrekar Road,  
Gokhale Road,(North)  
Dadar ,Mumbai - 400 028  
Phone : 24468717,24451488  
Fax No: 2446 6139

## **To the members of PPFAS Trustee Company Private Limited.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of PPFAS Trustee Company Pvt Ltd., which comprises the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
- and

## Report on Other Legal and Regulatory Requirements

**1.** The matters specified in paragraphs 4 and 5 of Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub-section 4A of Section 227 of Companies Act, 1956, have not been commented upon, being inapplicable.

### **2. As required by section 227(3) of the Act, we report that:**

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

### **For CVK & Associates**

Chartered Accountants  
(Firm's Registration no.-101745W)

Place: Mumbai  
Date: June 28th, 2013

**K.P. Chaudhari**, Partner  
M.No.31661

## Balance Sheet as at 31st March, 2013

Particulars	Note No	As at 31st March, 2013 (Rs)	As at 31st March, 2012 (Rs)
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
(a) Share Capital	2	500,000	500,000
(b) Reserves And Surplus	3	(293,962)	(131,607)
	<b>(a)</b>	<b>206,038</b>	<b>368,393</b>
Current Liabilities			
(a) Other Current Liabilities	4	-	1,500
(b) Short Term Provisions	5	22,472	20,000
	<b>(b)</b>	<b>22,472</b>	<b>21,500</b>
<b>Total Equity and Liabilities</b>	<b>(a+b)</b>	<b>228,510</b>	<b>389,893</b>
<b>ASSETS</b>			
Current Assets			
(a) Current Investments	6	200,000	-
(b) Cash & Cash Equivalents	7	6,759	379,893
(c) Short-Term Loans & Advances	8	10,000	10,000
(d) Other Current Assets	9	11,751	-
		<b>228,510</b>	<b>389,893</b>
<b>Total Assets</b>		<b>228,510</b>	<b>389,893</b>
Notes Forming Part of accounts	1		
Other notes referred to above form an integral part of the Financial Statements			

As per our Report of even date

**For CVK & Associates**

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of  
PPFAS Trustee Company Private Limited**

**K. P. Chaudhari**, Partner

M.No.31661

**P A Balasubramanian**

Director

**Neil Parikh**

Director

Place: Mumbai

Date: June 28th, 2013

## Statement of Profit and Loss as at 31st March, 2013

Particulars	Note No	For the Year Ended 31st March 2013 (Rs)	For the Year Ended 31st March 2012 (Rs)
<b>REVENUE</b>			
Revenue from operations		NIL	-
Other Income	10	13,053	-
<b>Total Revenue</b>		<b>13,053</b>	<b>-</b>
<b>EXPENSES</b>			
Administrative expenses	11	175,409	131,607
<b>Total Expenses</b>		<b>175,409</b>	<b>131,607</b>
<b>Profit Before Tax</b>		<b>(162,355)</b>	<b>(131,607)</b>
Tax Expense		-	
<b>Profit (Loss) for the Period</b>		<b>(162,355)</b>	<b>(131,607)</b>
Earning Per Equity Share			
Basic		(3.25)	(2.63)
Diluted		(3.25)	(2.63)
Notes Forming Part of accounts	1		
Other notes referred to above form an integral part of the Financial Statements			

As per our Report of even date

**For CVK & Associates**

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of  
PPFAS Trustee Company Private Limited**

**K. P. Chaudhari**, Partner

M.No.31661

Place: Mumbai

Date: June 28th, 2013

**P A Balasubramanian**

Director

**Neil Parikh**

Director

SCHEDULE ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2013.

## Note 1: Notes to Accounts

### I) Company Information

The Company PPFAS Trustee Company Private Limited is subsidiary of Parag Parikh Financial Advisory Services Limited. It is incorporated on 24.08.2011. This is the second year of operations of the Company. The Company is incorporated to function as trustee to the PPFAS Mutual Fund. The company has not started its operations as on 31st March 2013. Primary source of income to the Company is in the form of 'Trusteeship fees' that flows to the company and is calculated based on the Asset Under Management for the Mutual Fund.

### II) Significant Accounting Policies

#### a. Accounting Convention

The financial statements are prepared under the historical cost convention and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

#### b. Revenue Recognition

Revenue from Trusteeship fees, Interest and other business is generally recognized on accrual basis. Dividend on shares is accounted on cash basis for the sake of convenience, and for want of information.

#### c. Investments

Investments are valued at their acquisition costs.

#### d. Provision and Contingent Liabilities

Provision involving substantial degree of 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. Contingent Liabilities are not recognized in accounts but are only disclosed in the notes to accounts.

#### e. Taxes on Income

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period.

#### f. The amount payable to the Small Scale Undertaking is NIL. (Previous year NIL).

#### g. Contingent Liabilities: NIL

### III) Major Components of Deferred Tax Assets: NIL

**IV) Disclosure as required by Schedule VI of the Companies Act, 1956****a) Particulars of Directors' Remuneration**

Director Name	Amount in Rs.	Head of Expenses
P. A. Subramanian	25,000	Sitting Fees.
Satya Prakash Agarwal	20,000	Sitting Fees.
Jayesh Dadia	20,000	Sitting Fees.

**b) Particulars of Auditor's Remuneration**

Particulars	FY 2012-2013.	FY 2011-2012.
a) As Auditors	22,472	20,000
b) For other Services	-	-
<b>Total</b>	<b>22,472</b>	<b>20,000</b>

**V) Disclosure as required by Accounting Standard and other announcements issued by ICAI.**

As per Accounting Standard 18, issued by the Institute of Chartered Accounts 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 in Rs.
Empeegee Portfolio Management Services Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	67,416/-

**VI) Earnings per share (EPS):**

Particulars	Current year	Previous year
Profit attributable to equity shareholders (Rs)	(162,335)	(131,607)
Weighted average number of equity shares Outstanding during the year	50,000	50,000
Basic & Diluted EPS (Rs)	(3.25)	(2.63)
Nominal value per share (Rs)	10.00	10.00

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

Note No	Particulars	As at 31st March, 2013		As at 31st March, 2012	
<b>2</b>	<b>Share Capital Authorized:</b>				
	50,000 Equity Shares of Rs.10 each		500,000	500,000	
	<b>Issued, Subscribed &amp; Paid Up</b>				
	50,000 Equity Shares of Rs.10 each		500,000	500,000	
			<b>500,000</b>	<b>500,000</b>	
	<b>Particulars</b>	<b>As at 31st March, 2013</b>		<b>As at 31st March, 2012</b>	
		<b>Number</b>	<b>(Rs)</b>	<b>Number</b>	<b>(Rs)</b>
	Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.				
	At the beginning of the Period	50,000	500,000	NIL	NIL
	Issued during the period	NIL	NIL	50,000	500,000
<b>Outstanding at the end of the period</b>	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>	
<b>Details of Shareholders holding more than 5 % of Ordinary Shares</b>					
<b>Name of the Shareholders</b>	<b>Number</b>	<b>% of Holding</b>	<b>Number</b>	<b>% of Holding</b>	
Parag Parikh Financial Advisory Services Limited	49,999	99.99	49,999	99.99	

<b>3</b>	<b>Reserves and Surplus</b>			
	Surplus/(deficit) in the statement of Profit and Loss			
	At the Beginning of the Accounting Period	(131,607)	-	
	Additions During the Year	(162,355)	(131,607)	
	(Balance in statement of Profit & Loss a/c)			
	<b>At the End of the Accounting Period</b>	<b>(293,962)</b>	<b>(131,607)</b>	

<b>4</b>	<b>Other Current Liabilities</b>			
	TDS Payable on Rent	-	1,500	
		-	<b>1,500</b>	

<b>5</b>	<b>Short term Provisions</b>		
	Provision For Audit Fees	22,472	20,000
		<b>22,472</b>	<b>20,000</b>

<b>6</b>	<b>Current Investments</b>		
	Fixed Deposits with maturity less than 12 months	200,000	-
		<b>200,000</b>	-

<b>7</b>	<b>Cash &amp; Cash Equivalents</b>		
	Cash in hand and as Imprest	609	470
	On Current Accounts	6,150	379,423
		<b>6,759</b>	<b>379,893</b>

<b>8</b>	<b>Short Term Loans and Advances</b>		
	Deposits	10,000	10,000
		<b>10,000</b>	<b>10,000</b>

<b>9</b>	<b>Other Current Assets</b>		
	Prepaid Expenses	8,000	-
	Interest Accrued on Fixed Deposits	2,445	-
	TDS on Interest Accrued on Fixed Deposits	1,305	-
		<b>11,751</b>	-

As per our Report of even date

**For CVK & Associates**

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of  
PPFAS Trustee Company Private Limited**

**K. P. Chaudhari**, Partner

M.No.31661

**P A Balasubramanian**

Director

**Neil Parikh**

Director

Place: Mumbai

Date: June 28th, 2013

**Notes to and forming part of Statement of Profit and Loss for the year ended 31st March, 2013**

<b>Note No</b>	<b>Particulars</b>	<b>For the year ended 31st March,2013</b>	<b>For the year ended 31st March,2012</b>
<b>10</b>	<b>Other Income</b>		
	Interest on Fixed Deposit	13,053	-
	<b>Total</b>	<b>13,053</b>	<b>-</b>

<b>11</b>	<b>Administrative Expenses</b>		
	Rent	67,416	39,850
	Director's Remuneration	65,000	15,000
	Auditors' Remuneration	22,472	20,000
	Professional Fees	13,483	5,515
	Profession Tax	2,000	2,500
	Miscellaneous expenses	1,231	1,129
	Conveyance Expenses	800	-
	Franking Charges	310	-
	Bank Charges	225	-
	Prior Period Expenses	2,472	-
	Preliminary and Preoperative Expenses written off	-	31,500
	Printing & Stationary	-	12,023
	Rates & Taxes	-	4,090
	<b>Total</b>	<b>175,409</b>	<b>131,607</b>

As per our Report of even date

**For CVK & Associates**

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of  
PPFAS Trustee Company Private Limited**

**K. P. Chaudhari**, Partner

M.No.31661

**P A Balasubramanian**

Director

**Neil Parikh**

Director

Place: Mumbai

Date: June 28th, 2013



## General Profile

Registration Details	
Registration No	U65100MH2011PTC221203 - 2011-12
Balance Sheet Date	March 31, 2013
Capital Raised during the year	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
Position of Mobilisation and Deployment of Funds: (Rs. in'000)	
Total Liabilities	229
Total Assets	229
Sources of Funds	
Paid-up Capital	500
Reserves and Surplus	(294)
Non Current Liabilities	-
Current Liabilities	23
Application of Funds	
Net Non Current Assets	-
Non Current Investments	-
Current Assets	229
Net Deferred Tax Assets	-
Miscellaneous Expenditures	-
Accumulated Loss	-

<b>Performance of the Company (Rs. in '000)</b>	
Turnover	13
Total Expenditure (Including Depreciation)	175
Profit/(Loss) Before Tax	(162)
Profit/(Loss) After Tax	(162)
Earnings Per Share (EPS) (In Rs)	(3.25)
Dividend Declared	NIL



**PPFAS Trustee Company Private Limited**

Great Western Building, 130/132, S B S Marg, Opp Lion Gate,  
Fort, Mumbai - 400 001

Tel: 91 22 6140 6555 Fax: 91 22 6140 6555