

**PPFAS Trustee Company Private Limited**  
**Annual Report 2014 – 2015**

**PPFAS Trustee Company Private Limited**

**Directors' Report**

**To the Shareholders:**

We are pleased to present our fourth report on the business operations of the Company and the audited financial statements for the period ended March 31, 2015.

<b>Particulars</b>	<b>For the year ended March 31, 2015 (Rs. In Lakhs)</b>	<b>For the year ended March 31, 2014 (Rs. In Lakhs)</b>
Operating Income	5.87	2.66
Other Income	0.16	0.05
Total Income	6.03	2.71
Profit/ (Loss) before depreciation and tax	3.87	1.25
Depreciation	Nil	Nil
Profit / (Loss) before tax	3.87	1.25
Current Tax	0.68	0.24
Deferred Tax Income	-	-
Provisions for taxation	0.68	0.24
Profit/ (Loss) after tax	3.19	1.01
Share Capital	5	5
Reserves and Surplus	1.26	(1.93)

**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.

**Reserves**

Board decided to transfer Rs. 3.19 lakhs to its free reserves.

**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****Environment in the Capital Markets**

2014-15 has seen an unprecedented growth in valuations in the Indian capital markets. We have reached our all time highs in both value and perhaps expectations as well. Although growth in market value may not necessarily indicate growth in real earnings. Investors have been paying up for quality businesses of all shapes and sizes. However this does not mean that things are going very well beneath the surface and a lot needs to happen on the ground to justify the built in expectations.

Foreign institutional investors have been investing more than ever in the Indian markets. This is a time to be cautious and aware of our invested companies and not get carried away with the soaring value of our investments because the whole world is buying into it.

**Operations of the Company**

The Company is acting as Trustee Company to scheme(s) of PPFAS Mutual Fund. 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. As the AUM grows the Company earns more income by way of Trusteeship fees. Steady income through Trusteeship fees has helped company to wipe out its accumulated losses. For the F.Y. 2014-2015 Company received Rs. 5.87 lakhs as Trusteeship fees. As on March 31, 2015, the corpus of the PPFAS Long Term Value Fund stood at INR 585 Crores.

The Company has invested the funds received in the form of capital with scheduled banks. Expenses incurred during the year were in the nature of Directors' sitting fees and legal expense.

Parag Parikh Financial Advisory Services Private Limited, the Sponsor Company sought the approval of the Members to convert the Company to a private limited company from a public company at the Extraordinary General Meeting held on 23<sup>rd</sup> April, 2015. The Registrar of Companies, Mumbai and the Ministry of Corporate Affairs has approved conversion of Parag Parikh Financial Advisory Services Private Limited from Public Limited Company to Private Limited Company with effect from 22<sup>nd</sup> June 2015. Changes which need to be carried out due to this change will be effected by the company.

**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**

The financial year 2014-15 saw a strong surge in Assets Under Management (AUM) of PPFAS Mutual Fund. We are positive in our out look towards gradual and steady growth in the Assets Under Management (AUM) and number of investors.

**The change in the nature of business, if any**

PPFAS Trustee Company Private Limited has been incorporated to act as trustees to PPFAS Mutual Fund and supervise and monitor the management of the scheme(s) of PPFAS Mutual Fund. The Company earns trusteeship fees for performing it's duties as trustees which is primary source of income for the Company. There is no change in the nature of business of the Company for the financial year 2014-15.

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

Mr. Dhaval Desai is appointed as an Independent Director of the Company with effect from 1<sup>st</sup> May 2015.

Mr. Neil Parikh has resigned from the Board of the Company with effect from 4<sup>th</sup> May 2015.

**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. There is no change in associate companies during the year.

**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.

**The details in respect of adequacy of internal financial controls with reference to the Financial Statements**

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

The Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India.

The Company makes use of Tally, as an accounting software, and maintains its accounting records stored in an electronic form and backed up periodically. The Tally system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account.

The Company gets its accounts audited every quarter by its Auditors.

**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.

**Number of meetings of the Board**

The meetings of the Board of Directors are normally held at the Company's Corporate office in Mumbai. 7 Board meetings are held during the financial year under review.

**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 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March, 2015 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.

#### **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 is not applicable as the Company has no employees.

#### **Matters required to be reported upon as per the Section 134 (1) (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 recognizes the need and importance of conservation of energy. The Company uses energy efficient electrical and electronic equipments.

##### 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 Nil.

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.

#### **A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board**

The Company is functioning as a trustee to PPFAS Mutual Fund. Custody, Fund Accountant and RTA are critical functions of a mutual fund. The Company has appointed Deutsche Bank as its Global Custodian and Fund Accountant. CAMS is the RTA for PPFAS Mutual Fund. For critical functions of the Company "maker-checker" concept is implemented and required supervisory checks are built in place. In addition to these checks all critical activities of PPFAS Mutual Fund are vouched for correctness by the AMC employees and are subject to Internal Audit Process by Independent Auditors of PPFAS Mutual Fund.

For all critical activities the Company and PPFAS Mutual Fund have been documented stating therein areas of risks and required checks for these activities and functions. This list is reviewed and updated on annual basis to ensure the risk profiling of all the activities are upto date and in line with the actual / updated process flow. System audit reports of the service providers are reviewed on periodic basis and if required necessary changes are introduced to the existing process.

#### **Particulars of Investment under Section 186 of the Companies Act, 2013**

Nil

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

None.

## **Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178**

The Company has formulated a policy for appointment and remuneration of directors of the Company as per Section 178 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The salient features of the policy is stated below:-

### **Policy on Appointment of Directors**

The Company is functioning as an Trustees 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 a Trustee Company. In Broader terms the Company follows below mentioned guiding rules for appointment of Director (including Independent Directors) .

### **Educational and Professional background:**

Persons possessing knowledge in the filed of finance, accountancy, law, capital markets, financial services with significant achievements in their profession or business.

Candidate must comply with applicable SEBI regulation for appointment as a Director of the Company

The Independent Directors must possess the qualifications as stated in Section 149 and Schedule IV of the Companies Act, 2013

### **Positive attributes of Director:**

The Director is required to devote sufficient time and attention to the Company's business;

The Director is required to work towards enhancing the brand and image of the Company in the industry;

The Director is required to foster good working relations with the senior management of the Company;

The Director is required to fulfill their fiduciary responsibilities towards the Company, employees, shareholders and unitholders of PPFAS Mutual Fund with integrity and authority.

The Director is required to protect the legitimate interests of the Company, employees, shareholders and unitholders of PPFAS Mutual Fund.

### **Policy Relating To Remuneration of Directors**

The remuneration the directors are fixed by the committee/s and Board of Directors constituted by the Board as per the Companies Act, 2013.

Executive Directors are paid remuneration based on their core functional responsibilities.

Non-Executive Directors are paid sitting fees.

The Committee/s considers the trends prevalent in the mutual fund industry, keeping in view the nature and size of business of the Company, performance of the Directors based on their core functional responsibilities before finalising the annual remuneration.

**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.

**Statutory Auditors:**

CVK & Associates, Chartered Accountants, the auditors of the company will retire at the conclusion of ensuing annual general meeting and being eligible 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 as Statutory Auditors of the company in accordance with applicable rules and regulations.

**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 acknowledge the splendid response by the investors for the flagship scheme of PPFAS Mutual Fund and look forward for their continued support.

For and on behalf of the Board of Directors of

PPFAS Trustee Company Private Limited.

P.A. Balasubramanian	Rajan Mehta
Director	Director
(DIN No. 03152643)	(DIN No. 03548180)

Place: Mumbai.

Date: 24<sup>th</sup> June 2015

**Registered office:**

103, Veena Chambers, Dalal Street,

Fort, Mumbai- 400001.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2015

[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:- U65100MH2011PTC221203

ii) Registration Date:- 24<sup>th</sup> August, 2011

iii) Name of the Company:- PPFAS Trustee Company 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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Activities of Mutual Funds including Unit Trust of India	65991	<b>97.00%</b>

**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 PLC068970	Holding	100	Section 2(46)





Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>		0	0	0		0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		0	0	0		0	0	0	0
<b>Grand Total (A+B+C)</b>		50000	50000	100		50000	50000	100	0

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
1	Parag Parikh Financial Advisory Services Private Limited	50000	100	Nil	50000	100	Nil	0
	Total	50000	100	Nil	50000	100	Nil	0

**(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	50000	100.00%	50000	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):	Nil	Nil	Nil	Nil
	At the End of the year	50000	100.00%	50000	100.00%

There is no change in Promoter's Shareholding for the F.Y. 2014-15.

**(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
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	50000	100	50000	100
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.	No Change in Shareholding Pattern for the F.Y. 2014-15			

	allotment / transfer / bonus / sweat equity etc):				
	At the End of the year ( or on the date of separation, if separated during the year)	50000	100	50000	100

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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	Nil	Nil	Nil	Nil

**V. Indebtedness**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

<b>Change in Indebtedness during the financial year</b> i) Addition ii) Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

## VI. Remuneration of Directors and Key Managerial Personnel

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager: The Company does not have Managing Director, Whole-time Directors or Manager*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	----	
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	-	-	-	-	Nil
2	Stock Option					Nil
3	Sweat Equity					Nil
4	Commission - as % of profit - others, specify...					Nil
5	Others, please specify					Nil
	Total (A)					Nil
	Ceiling as per the Act	The Company does not have Managing Director, Whole-time Directors or Manager				

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
		P A Balasubramanian	Rajan Mehta	Jayesh Dadia	Neil Parikh	
	<b>3. Independent Directors</b>					
	Fee for attending board / committee meetings	40,000	45,000	35,000	Nil	120,000
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify					
	<b>Total (1)</b>	40,000	45,000	35,000	Nil	120,000
	<b>4. Other Non-Executive Directors</b>					
	Fee for attending board / committee meetings					
	Commission					
	Others, please specify					
	<b>Total (2)</b>	Nil	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	40,000	45,000	35,000	Nil	120,000
	<b>Total Managerial Remuneration</b>	40,000	45,000	35,000	Nil	120,000
	<b>Overall Ceiling as per the Act</b>	Directors of the company are paid only sitting fees.				

*C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD : The Company does not have key employee in the capacity as CEO, Company Secretary and CFO.*

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
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	-	-	-	Nil
2	Stock Option	-	-	-	Nil
3	Sweat Equity	-	-	-	Nil
4	Commission of profit specify... - as % - others,	-	-	-	Nil
5	Others, please specify	-	-	-	Nil
	Total (A)	-	-	-	Nil
	Ceiling as per the Act	The Company does not have key employee in the capacity as CEO, Company Secretary and CFO.			

**VII. Penalties / Punishment/ Compounding of offences:**

<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty / Punishment/ Compounding fees imposed</b>	<b>Authority [RD / NCLT/ COURT]</b>	<b>Appeal made, if any (give Details)</b>
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other officers in default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Note:- Provisions of Section 135 of the Companies Act, 2013 related to CSR do not apply to the Company.

**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 Pvt. Ltd.
(b)	Nature of contracts/arrangements/transactions	Lease Agreement
(c)	Duration of the contracts / arrangements/transactions	5 Years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 60,000/- annual rent
(e)	Date(s) of approval by the Board	25 <sup>th</sup> August 2011
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors of

PPFAS Trustee Company Private Limited.

P.A. Balasubramanian      Rajan Mehta

Director                      Director

(DIN No. 03152643)      (DIN No. 03548180)

Place: Mumbai.

Date: 24<sup>th</sup> June 2015.

Registered office:

103, Veena Chambers, Dalal Street,

Fort, Mumbai- 400001.

## INDEPENDENT AUDITOR'S REPORT

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 Private Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2015, 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, 2015, and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. The matters specified in paragraphs 3 and 4 of Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, have not being commented upon, being inapplicable.

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<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For CVK & Associates**

*Chartered Accountants*

*Firm Regn No.: 101745W*

**K.P. Chaudhari**

*Partner*

*Membership No: 031661*

Place: Mumbai

Date: 24<sup>th</sup> June, 2015

**PPFAS TRUSTEE COMPANY PRIVATE LIMITED**

**Balance Sheet as at 31st March, 2015**

Particulars	Note No	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	500,000	500,000
Reserves And Surplus	4	126,362	(192,845)
	<b>(a)</b>	<b>626,362</b>	<b>307,155</b>
<b>Current Liabilities</b>			
Other Current Liabilities	5	3,000	16,214
Short Term Provisions	6	27,706	13,895
	<b>(b)</b>	<b>30,706</b>	<b>30,109</b>
<b>Total Equity and Liabilities</b>	<b>(a+b)</b>	<b>657,068</b>	<b>337,264</b>

**ASSETS**

Long-Term Loans & Advances	7	-	1,305
	<b>(c)</b>	-	<b>1,305</b>
<b>Current Assets</b>			
Cash and Bank Balances	8	627,576	319,777
Short-Term Loans & Advances	9	28,277	16,000
Other Current Assets	10	1,215	182
	<b>(d)</b>	<b>657,068</b>	<b>335,959</b>
<b>Total Assets</b>	<b>(c+d)</b>	<b>657,068</b>	<b>337,264</b>

Summary of significant accounting policies

2

The accompanying notes are an integral part of financials 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 Trustee Company Private Limited**

**K P Chaudhari**

*Partner*

*Membership No:31661*

**Rajan Mehta**

*Director*

*DIN: 03548180*

**P A Balasubramanian**

*Director*

*DIN: 03152643*

*Place: Mumbai*

*Date: 24th June, 2015*

**PPFAS TRUSTEE COMPANY PRIVATE LIMITED**

**Statement of Profit and Loss for the year ended 31st March,2015**

Particulars	Note No	For the year ended 31st March,2015	For the year ended 31st March,2014
<b>REVENUE</b>			
Revenue from operations	11	586,586	266,179
Other Income	12	16,710	5,098
<b>Total Revenue</b>		<b>603,296</b>	<b>271,277</b>
<b>EXPENSES</b>			
Other expenses	13	216,089	148,829
<b>Total Expenses</b>		<b>216,089</b>	<b>148,829</b>
<b>Profit Before Tax &amp; Exceptional Items</b>		<b>387,207</b>	<b>122,448</b>
<b>Exceptional Items</b>			
Prior period expenses/(Income)		-	(2,472)
<b>Profit Before Tax</b>		<b>387,207</b>	<b>124,920</b>
Tax Expense			
Current Tax		68,000	23,803
Deferred Tax		-	-
Total Tax Expenses		68,000	23,803
<b>Profit / (Loss) for the Period</b>		<b>319,207</b>	<b>101,117</b>
Earning Per Equity Share			
Basic		6.38	2.02
Diluted		6.38	2.02

Summary of significant accounting policies 2  
 The accompanying notes are an integral part of 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 Trustee Company Private Limited**

**K P Chaudhari**

*Partner*

*Membership No:31661*

**Rajan Mehta**

*Director*

*DIN: 03548180*

**P A Balasubramanian**

*Director*

*DIN: 03152643*

*Place: Mumbai*

*Date: 24th June, 2015*

<b>PPFAS TRUSTEE COMPANY PRIVATE LIMITED</b>				
<b>Cash Flow Statement for the year ended 31.03.2015</b>				
Particulars	Current year		Previous year	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>a. <u>Cash flow from Operating Activities</u></b>				
Profit Before tax expenses		387,207		124,920
Adjustments :				
<b>Add : Non Operating Expenses/Items</b>	-		-	
<b>Less : Non - Operating Income/Items</b>				
Interest on Fixed Deposit	(16,350)		(5,098)	
Other Income	(360)	(16,710)	-	(5,098)
<b>Operating Profit before Working Capital Changes</b>	(16,710)	370,497		119,822
Adjustment for Movement in working capital				
Increase/(Decrease) in Other Current Liabilities	(13,214)		16,214	
Increase/(Decrease) in Short Term Provisions	-		(2,472)	
(Increase)/Decrease in Long Term Loans & Advances	1,305		(1,305)	
(Increase)/Decrease in Short-Term Loans & Advances	(12,277)		2,000	
(Increase)/Decrease in Other Current Assets	(1,033)	(25,219)	2,263	16,700
Cash Generated from operations		345,278		136,522
Less : Taxes Paid		(52,554)		(27,298)
<b>Net Cash from operating activities</b>		<b>292,724</b>		<b>109,224</b>
<b>b. <u>Cash flow from Investing Activities</u></b>				
Interest on Fixed Deposit	14,715		3,793	
Other Income	360		-	
<b>Net Cash from investing activities</b>		<b>15,075</b>		<b>3,793</b>
<b>c. <u>Cash Flow from Financing Activities</u></b>		<b>NIL</b>		<b>NIL</b>
<b>Net increase/decrease in cash &amp; cash equivalents</b>		<b>307,799</b>		<b>113,017</b>
<b>Add: Cash &amp; Cash Equivalents at the start of the year</b>				
Cash in Hand	404		609	
Bank Accounts	244,373		6,150	
Fixed Deposits with maturity less than 12 months	75,000	<b>319,777</b>	200,000	<b>206,759</b>
<b>Less: Cash &amp; Cash Equivalents at the end of the year</b>				
Cash in Hand	328		404	
Bank Accounts	552,248		244,373	
Fixed Deposits with maturity less than 12 months	75,000	<b>627,576</b>	75,000	<b>319,777</b>

As per Our Audit Report of even date

**For CVK & Associates**

Chartered Accountants

Firm Registration No:101745W

**K P Chaudhari**

Partner

Membership No:31661

Place: Mumbai

Date: 24th June, 2015

**For and on behalf of the Board of Directors of**

**PPFAS Trustee Company Private Limited**

**Rajan Mehta**

Director

DIN: 03548180

**P A Balasubramanian**

Director

DIN: 03152643

## PPFAS TRUSTEE COMPANY PRIVATE LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

#### NOTE 1: CORPORATE INFORMATION

PPFAS Trustee Company Private Limited is incorporated on 24<sup>th</sup> 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 third year of operations of the company. The Company is incorporated to function as trustee to PPFAS Mutual Fund. After the launch of NFO on 13<sup>th</sup> May, 2013, the company has started its functions as Trustee & thus started earning Trusteeship fees as its primary source of Income. The fees received is calculated based on Asset under Management for Mutual Fund.

#### 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. 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.

#### **e. Revenue Recognition**

Revenue from Trusteeship Fees is recognized on accrual basis. The amount recognised therein is exclusive of Service Tax.

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

Interest is recognised on Time Proportion basis.

**f. 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 the 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.

**g. 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.

**h. 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.

**i. 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.

<b>NOTE 3: SHARE CAPITAL</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
<b>AUTHORISED</b>					
50,000 Equity Shares of Rs.10 each			500,000	500,000	
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>					
50,000 Equity Shares of Rs.10 each			500,000	500,000	
			<b>500,000</b>	<b>500,000</b>	
<b>a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.</b>					
		<b>As at 31st March, 2015</b>		<b>As at 31st March, 2014</b>	
		<b>Number</b>	<b>(Rs)</b>	<b>Number</b>	<b>(Rs)</b>
At the beginning of the Period		50,000	500,000	50,000	500,000
Issued during the period		Nil	Nil	Nil	Nil
<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>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 Pvt Ltd	50,000	100.00	50,000	100.00	
<b>c. Details of Shares held by Holding Company</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 Pvt Ltd	50,000	100.00	50,000	100.00	
<b>NOTE 4: RESERVES &amp; SURPLUS</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
<b>Surplus/(deficit) in the statement of Profit and Loss</b>					
At the Beginning of the Accounting Period			(192,845)	(293,962)	
Additions During the Year			319,207	101,117	
(Balance in statement of Profit & Loss a/c)					
At the End of the Accounting Period			<b>126,362</b>	<b>(192,845)</b>	
<b>NOTE 5: OTHER CURRENT LIABILITIES</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
Service Tax Payable			-	16,214	
TDS - Professional Fees			3,000	-	
			<b>3,000</b>	<b>16,214</b>	
<b>NOTE 6: SHORT TERM PROVISIONS</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
Provision For Audit Fees			20,000	20,000	
Provision for Taxation(Net of Advance Tax)			7,706	(6,105)	
			<b>27,706</b>	<b>13,895</b>	
<b>NOTE 7: LONG TERM LOANS &amp; ADVANCES</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
Previous year Taxes Receivable			-	1,305	
			-	<b>1,305</b>	
<b>NOTE 8: CASH AND BANK BALANCES</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
(i) On Current Accounts			552,248	244,373	
(ii) Cash in hand and as Imprest			328	404	
(iii)Fixed Deposits with maturity less than 12 months			75,000	75,000	
			<b>627,576</b>	<b>319,777</b>	
<b>NOTE 9: SHORT TERM LOANS &amp; ADVANCES</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
Advances			14,277	-	
Deposits			10,000	10,000	
Prepaid Expense			4,000	6,000	
			<b>28,277</b>	<b>16,000</b>	
<b>NOTE 10: OTHER CURRENT ASSETS</b>					
			<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
Interest accrued on Fixed Deposits & Bonds			1,215	182	
			<b>1,215</b>	<b>182</b>	

**NOTE 11: REVENUE FROM OPERATIONS**

	<b>For the year ended 31st March, 2015</b>	<i>For the year ended 31st March, 2014</i>
Trustee Fees	586,586	266,179
	<b>586,586</b>	<b>266,179</b>

**NOTE 12: OTHER INCOME**

	<b>For the year ended 31st March 2015</b>	<i>For the year ended 31st March 2014</i>
Interest on Fixed Deposit	16,350	5,098
Other Income	360	-
	<b>16,710</b>	<b>5,098</b>

**NOTE 13: OTHER EXPENSES**

	<b>For the year ended 31st March 2015</b>	<i>For the year ended 31st March 2014</i>
Director's Fees (Sitting Fees)	120,000	55,000
Rent Expenses	60,000	65,562
Statutory Audit fees	20,000	20,000
Filing Fees	7,795	206
Professional Charges	5,500	-
Professional tax - company	2,000	2,000
Miscellaneous expenses	480	480
Bank Charges	225	-
Interest and fine for Taxes	89	581
Legal & Consultancy Charges	-	5,000
	<b>216,089</b>	<b>148,829</b>

**NOTE 14: SUPPLEMENTARY INFORMATION****a. Particulars of Directors' Remuneration**

Director's Name	Amount in Rs.	Head of Expenses
P. A. Balasubramanian	40,000/-	Sitting Fees
Jayesh Dadia	35,000/-	Sitting Fees
Rajan Mehta	45,000/-	Sitting Fees

**b. Particulars of Auditors Remuneration**

Particulars	F.Y.2014-15	F.Y.2013-14
As Statutory Auditors	20,000/-	20,000/-
For other Services	-	-
TOTAL	20,000/-	20,000/-

**c. Value of Imports**

Particulars	F.Y.2014-15	F.Y.2013-14
Value of Imports	NIL	NIL

**d. Expenditure in Foreign Exchange**

Particulars	F.Y.2014-15	F.Y.2013-14
Professional Charges	NIL	NIL
Travelling Charges	NIL	NIL

**e. Foreign Exchange Earnings**

Particulars	F.Y.2014-15	F.Y.2013-14
Earnings in Foreign Exchange (USD)- Advisory services	NIL	NIL

**NOTE 15: 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 Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	60,000

**NOTE 16: EARNINGS PER SHARE**

<b>Particulars</b>	<b>FY 2014-15</b>	<b>FY 2013-14</b>
Profit attributable to equity shareholders	Rs. 3,19,207/-	Rs. 1,01,117/-
Weighted Average number of Equity Share Outstanding during the year	50,000	50,000
Basic & Diluted EPS	Rs. 6.38	Rs. 2.02
Nominal value per share	10/-	10/-

**NOTE 17: MAJOR COMPONENTS OF DEFERRED TAX ASSETS**

NIL

**NOTE 18:**

The amount payable to the Small Scale Undertaking is NIL.

**NOTE 19: PREVIOUS YEAR FIGURES**

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

**Signatures to notes 1 to 19**

As per Our Audit Report of even date

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

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

**K P Chaudhari**  
*Partner*  
*Membership No:31661*

**Rajan Mehta**  
*Director*  
*DIN : 003548180*

**P A Balasubramanian**  
*Director*  
*DIN : 03152643*

Place: Mumbai

Date:24th June, 2015