

**Annual Report FY 2020-2021**

**PPFAS Asset Management Private Limited**  
(Investment Manager to PPFAS Mutual Fund)



Annual Report FY 2020 - 2021

Board of Directors

Neil Parag Parikh	Chairman and Whole Time Director
Rajeev Thakkar	Whole Time Director
Shashi Kataria	Whole Time Director
Kamlesh Somani	Independent Director
Rajesh Bhojani	Independent Director
Arindam Ghosh	Independent Director

Key Managerial Personnel

Neil Parag Parikh	Chief Executive Officer & Whole Time Director
Rajeev Thakkar	Chief Investment Officer & Whole Time Director
Shashi Kataria	Chief Financial Officer & Whole Time Director
Priya Hariani	Company Secretary & Compliance Officer

Statutory Auditors

CVK & Associates, Chartered Accountants
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Bankers

HDFC Bank Limited
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Registered and Corporate Office: 81/82, 8 <sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point- 400 021
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## PPFAS Asset Management Private Limited

CIN: U65100MH2011PTC220623

Regd. & Corp. Office: - 81/82, 8<sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point,  
Mumbai 400 021.

Tel: 91 22 6140 6555 Fax: 91 22 6140 6590

Email: compliance\_amc@ppfas.com Website: www.amc.ppfas.com

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### NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of PPFAS Asset Management Private Limited will be held on Friday, 30<sup>th</sup> July, 2021 at 3.00 p.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following businesses:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for Financial year ended 31st March, 2021, together with the Report of Board of Directors' and Auditor's thereon.
2. To appoint director in place of Mr. Neil Parag Parikh (DIN: 00080269), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint director in place of Mr. Rajeev Navinkumar Thakkar (DIN-00227548), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

4. **Appointment of Mr. Ramesh Venkateswaran (DIN- 02329427) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee and the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Rules framed thereunder read with Schedule IV to the Act, and SEBI (Mutual Funds) Regulations, 1996, including the circulars, notifications and guidelines framed thereunder, as amended and notified from time to time, Mr. Ramesh Venkateswaran (DIN- 02329427) being eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five (5) consecutive years, with effect from June 25, 2021 up to June 24, 2026 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and are hereby authorised to file the relevant forms, documents and returns with the office of the Registrar of Companies as per the applicable provisions of the Companies Act, 2013 and to do all acts, deeds, matters and things as may be required or considered necessary, appropriate or expedient in this regard to give effect to the above resolution.”

5. **To approve revision in remuneration of Mr. Neil Parag Parikh (DIN-00080269), Whole Time Director & Chief Executive Officer (CEO) of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time

being in force and as may be enacted from time to time) read with section II, Part II of Schedule V of the said act and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to the revision in the remuneration of Mr. Neil Parag Parikh (DIN-00080269), Whole Time Director & CEO of the Company on following terms & conditions effective from 1<sup>st</sup> November, 2020 till 31<sup>st</sup> October, 2023:

#### **A. Salary**

##### **FIXED**

Salary: Rs. 700,000 per month with such yearly increments upto a maximum of Rs.5,000,000 per month as may be decided by the Board from time to time on recommendation of the Nomination and Remuneration Committee based on merit and taking into account the Company's performance for the year. The said amount will include allowances such as House Rent Allowance, Leave Travel Allowance, Managerial Allowance etc.

##### **VARIABLE**

Performance related bonus: As recommended by the Nomination and Remuneration Committee and/or the Board based on merit and taking into account the Company's performance for the year.

#### **B. Perquisites**

- i. Mediclaim Insurance Policy as per the rules of the Company.
- ii. Use of Company's car along with Chauffer for official as well as partially for private purposes.
- iii. Reimbursement of travel, entertainment expenses incurred in the course of business of the Company.
- iv. Telephone and other communication facilities as per rules of the Company.
- v. Re-imburement of all other actual expenses or charges incurred for and on behalf of Company, in furtherance of its business and objects.

Perquisites mentioned above shall not exceed twice the amount of fixed salary for the year mentioned in point A. Perquisites shall be valued as per Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

#### **C. Other Benefits**

- i. Company's contribution to provident fund to the extent not taxable under the Income Tax Act.
- ii. Gratuity as per the rules of the Company.
- iii. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.

#### **D. Other terms and conditions:**

The overall remuneration payable to Mr. Neil Parag Parikh shall be such amount as fixed by the Board from time to time on the recommendation of the Nomination & Remuneration Committee but not exceeding Rs. 20 crores during the aforementioned period and that the terms and conditions of the said Whole Time Director & CEO be varied/altered/revised within the said overall limit in such manner as may be required.

**“RESOLVED FURTHER THAT** in the event of continuation of inadequacy of profit or no profit, the remuneration and perquisites as mentioned shall be paid as minimum remuneration to Mr. Neil Parag Parikh subject to the limit specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any other applicable provisions for the time being in force.

**“RESOLVED FURTHER THAT** any one of Board of Directors of the Company or the Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to this resolution.”

6. **To approve revision in remuneration of Rajeev Navinkumar Thakkar (DIN-00227548), Whole Time Director and Chief Investment Officer (CIO) of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with section II, Part II of Schedule V of the said act and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to the revision in the remuneration of Rajeev Navinkumar Thakkar (DIN-00227548), Whole Time Director and CIO of the Company on following terms & conditions effective from 1<sup>st</sup> November, 2020 till 31<sup>st</sup> October, 2023:

**A. Salary**

**FIXED**

Salary: Rs. 882,000 per month with such yearly increments upto a maximum of Rs. 5,000,000 per month as may be decided by the Board from time to time on recommendation of the Nomination and Remuneration Committee based on merit and taking into account the Company's performance for the year. The said amount will include allowances such as House Rent Allowance, Leave Travel Allowance, Managerial Allowance etc.

**VARIABLE**

Performance related bonus: As recommended by the Nomination and Remuneration Committee and/or the Board based on merit and taking into account the Company's performance for the year.

**B. Perquisites**

- i. Mediclaim Insurance Policy as per the rules of the Company.
- ii. Use of Company's car along with Chauffer for official as well as partially for private purposes.
- iii. Reimbursement of travel, entertainment expenses incurred in the course of business of the Company.
- iv. Telephone and other communication facilities as per rules of the Company.
- v. Re-imburement of all other actual expenses or charges incurred for and on behalf of Company, in furtherance of its business and objects.
- vi. Perquisites in respect to the Employee Stock Option Schemes (ESOPs).

Perquisites mentioned above shall not exceed twice the amount of fixed salary for the year mentioned in point A. Perquisites shall be valued as per Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

**C. Other Benefits**

- i. Company's contribution to provident fund to the extent not taxable under the Income Tax Act.
- ii. Gratuity as per the rules of the Company.
- iii. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.

**D. Other terms and conditions:**

The overall remuneration payable to Mr. Rajeev Navinkumar Thakkar shall be such amount as fixed by the Board from time to time on the recommendation of the Nomination & Remuneration Committee but not exceeding Rs. 20 crores during the aforementioned period and that the terms and conditions of the said Whole Time Director and CIO be varied/altered/revised within the said overall limit in such manner as may be required.

**“RESOLVED FURTHER THAT** in the event of continuation of inadequacy of profit or no profit, the remuneration and perquisites as mentioned shall be paid as minimum remuneration to Mr. Rajeev Navinkumar Thakkar subject to the limit specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any other applicable provisions for the time being in force.

**“RESOLVED FURTHER THAT** any one of Board of Directors of the Company or the Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to this resolution.”

7. **To approve revision in remuneration of Mr. Shashi Menghraj Kataria (DIN-07983714), Whole Time Director and Chief Financial Officer (CFO) of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with section II, Part II of Schedule V of the said act and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to the revision in the remuneration of Shashi Menghraj Kataria (DIN-07983714), Whole Time Director and CFO of the Company on following terms & conditions effective from 1<sup>st</sup> November, 2020 till 31<sup>st</sup> October, 2023:

**A. Salary**

**FIXED**

Salary: Rs. 198,250 per month with such yearly increments upto a maximum of Rs.1,500,000 per month as may be decided by the Board from time to time on recommendation of the Nomination and Remuneration Committee based on merit and taking into account the Company's performance for the year. The said amount will include allowances such as House Rent Allowance, Leave Travel Allowance, Managerial Allowance etc.

**VARIABLE**

Performance related bonus: As recommended by the Nomination and Remuneration Committee and/or the Board based on merit and taking into account the Company's performance for the year.

**B. Perquisites**

- i. Reimbursement of travel, entertainment expenses incurred in the course of business of the Company.
- ii. Telephone and other communication facilities as per rules of the Company.
- iii. Re-imburement of all other actual expenses or charges incurred for and on behalf of Company, in furtherance of its business and objects.
- iv. Perquisites in respect to the Employee Stock Option Schemes (ESOPs).

Perquisites mentioned above shall not exceed twice the amount of fixed salary for the year mentioned in point A. Perquisites shall be valued as per Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

**C. Other Benefits**

- i. Company's contribution to provident fund to the extent not taxable under the Income Tax Act.
- ii. Gratuity as per the rules of the Company.
- iii. Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.

**D. Other terms and conditions:**

The overall managerial remuneration payable to Mr. Shashi Menghraj Kataria shall be such amount as fixed by the Board from time to time on the recommendation of the Nomination & Remuneration Committee but not exceeding Rs. 5 crores during the aforementioned period and that the terms and conditions of the said Whole Time Director and CFO be varied/altered/revised within the said overall limit in such manner as may be required.

**“RESOLVED FURTHER THAT** in the event of continuation of inadequacy of profit or no profit, the remuneration and perquisites as mentioned shall be paid as minimum remuneration to Mr. Shashi Menghraj Kataria subject to the limit specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any other applicable provisions for the time being in force.

**“RESOLVED FURTHER THAT** any one of Board of Directors of the Company or the Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to this resolution.”

For and on behalf of the Board of Directors of

**PPFAS Asset Management Private Limited**

Sd/-

Sd/-

**Neil Parikh**

Director

(DIN: 00080269)

**Rajeev Thakkar**

Director

(DIN: 00227548)

Place: Mumbai.

Date: 25<sup>th</sup> June, 2021

## Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular no. 02/2021 dated January 13, 2021 and Circular no. 20/2020 dated May 5, 2020 read with nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and the MCA Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. **Proxy:** Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. **Corporate Members:** Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board Resolution authorizing its representative to attend the AGM through VC / OAVM on its behalf. The said Resolution/Authorization shall be sent to the Company at [compliance\\_amc@ppfas.com](mailto:compliance_amc@ppfas.com) through its registered email address.
4. **Ratification of Appointment of Auditors:** At the 6th Annual General Meeting of the Company, held on 23rd August, 2017, the members approved appointment of M/s. CVK & Associates, Chartered Accountants (having Firm’s Registration Number: 101745W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 11th Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by members at every Annual General Meeting. Vide notification dated 7th May, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 10th Annual General Meeting.
5. **Inspection of Records:** Members seeking any information with regard to the any matter to be placed at the AGM or inspection of any of the supporting documents through electronic mode, are requested to write to the Company at [compliance\\_amc@ppfas.com](mailto:compliance_amc@ppfas.com). The same will be replied by the Company suitably.  
  
For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, folio number, email id, mobile number at [compliance\\_amc@ppfas.com](mailto:compliance_amc@ppfas.com) and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
6. **Voting:** In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
7. **Green initiative:** In compliance with the aforesaid MCA Circulars, the Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company’s website [www.amc.ppfas.com](http://www.amc.ppfas.com). Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014 of the Companies Act, 2013, those Members who are desirous to receive the Notice of the Meeting and service of other documents through electronic mode are requested to register their email address with the Company.
8. **Quorum:** Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. **Route Map:** Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.



**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through Video conferencing by using 'Google Meet'. The link to the meeting would be shared to the members having a registered email address in the records of the Company.
2. The members having an existing google account can join the meeting after clicking on the link shared. The members that are not google accounts holders would be required to enter their Full Name when prompted to and then click on 'Ask to join'. The member would then be granted access to join the meeting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned above.
4. Members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. The helpline number for joining the Meeting through Electronic Mode will be provided in along with the Notice of the AGM which will be sent to all Members having registered email addresses.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

**Item No. 4**

As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder and subject to the SEBI (Mutual Funds) Regulations, 1996, an Independent Director can be appointed for a first term of 5 (five) consecutive years by obtaining approval of the shareholders by a way of special resolution and on disclosure of such appointment in the Board's Report. The Board of Directors of the Company in its meeting dated 25<sup>th</sup> June, 2021 have appointed Mr. Ramesh Venkateswaran (DIN- 02329427) as an Additional Director (Non-Executive & Independent). Mr. Ramesh Venkateswaran has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and has given an intimation in Form DIR-8 in terms of Companies (Appointment & Qualifications of Directors) Rules 2014, to the effect that he is not disqualified under Section 164 of the Companies Act 2013. In the opinion of the Board, Mr. Ramesh Venkateswaran (DIN- 02329427) fulfills the conditions provided in the Act and the Rules made thereunder for appointment as Independent Director and is independent of the management and he is thus proposed to be appointed as an Independent director for a term of 5 (five) years subject to the approval from the shareholders in the annual general meeting.

The Board of Directors are of the opinion that Mr. Ramesh Venkateswaran (DIN- 02329427) possesses requisite skills, experience and knowledge and his qualification and experience was suitable for the Company and the Board would derive immense value from his guidance and rich work experience and hence they recommend the Special Resolution for your approval.

None of the Directors/Key Managerial Personnel or their relatives are interested except. Mr. Ramesh Venkateswaran.

**Item No. 5**

The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on 29th October, 2020 passed a resolution for appointment of Mr. Neil Parag Parikh (DIN-00080269) as a Whole Time Director for a period of 3 years, with effect from 1st November 2020. The same was subsequently approved by the members at the Extraordinary general meeting held on 15th February, 2021.

Further considering the contribution by Mr. Neil Parag Parikh and the progress made by the Company under his leadership and guidance and as per the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 29th April, 2021 approved the revision in remuneration of Mr. Neil Parag Parikh for his period of appointment ie. 1st November, 2020 till 31st October, 2023 on the terms and conditions enumerated in the resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Neil Parag Parikh as decided by the Board is required to be approved by the members at their meeting due to inadequacy of profits.

Except Mr. Neil Parag Parikh none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise in the resolution except to the extent to their shareholding in the Company, if any.

The Board recommends the special resolution set out at Item No. 5 of the Notice for approval by the members.

#### **Item No. 6**

The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on 29th October, 2020 passed a resolution for appointment of Mr. Rajeev Navinkumar Thakkar (DIN-00227548) as a Whole Time Director for a period of 3 years, with effect from 1st November 2020. The same was subsequently approved by the members at the Extraordinary general meeting held on 15th February, 2021.

Further considering the contribution by Mr. Rajeev Navinkumar Thakkar and the progress made by the Company under his leadership and guidance and as per the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 29th April, 2021 approved the revision in remuneration of Mr. Rajeev Navinkumar Thakkar for his period of appointment ie. 1st November, 2020 till 31st October, 2023 on the terms and conditions enumerated in the resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Rajeev Navinkumar Thakkar as decided by the Board is required to be approved by the members at their meeting due to inadequacy of profits.

Except Mr. Rajeev Navinkumar Thakkar, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise in the resolution except to the extent to their shareholding in the Company, if any.

The Board recommends the special resolution set out at Item No. 6 of the Notice for approval by the members.

#### **Item No. 7**

The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on 29th October, 2020 passed a resolution for appointment of Mr. Shashi Menghraj Kataria (DIN-07983714) as a Whole Time Director for a period of 3 years, with effect from 1st November 2020. The same was subsequently approved by the members at the Extraordinary general meeting held on 15th February, 2021.

Further considering the contribution by Shashi Menghraj Kataria and the progress made by the Company under his leadership and guidance and as per the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 29th April, 2021 approved the revision in remuneration of Shashi Menghraj Kataria for his period of appointment ie. 1st November, 2020 till 31st October, 2023 on the terms and conditions enumerated in the resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Shashi Menghraj Kataria as decided by the Board is required to be approved by the members at their meeting due to inadequacy of profits.

Except Mr. Shashi Menghraj Kataria, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise in the resolution except to the extent to their shareholding in the Company, if any.

The Board recommends the special resolution set out at Item No. 7 of the Notice for approval by the members.

**For Item no 5 to 7 the following additional information as required under Schedule V of the Companies Act, 2013 is given below:**

#### **I. General Information:**

**1. Nature of Industry:** Investment Management (Mutual Funds).

**2. Date or expected date of commencement of commercial production:** 08<sup>th</sup> August, 2011 (Date of Incorporation).

**3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

**4. Financial Performance based on given indicators:**

<b>Particulars</b>	<b>For the year ended March 31, 2021 (Rs. in Lakhs)</b>	<b>For the year ended March 31, 2020 (Rs. in Lakhs)</b>
Operating Income	3,264.56	1,832.12
Other Income	34.99	189.64
Total Income	3,299.55	2,021.76
Profit before Depreciation, Tax and Exceptional & Extraordinary items	1,468.16	638.29
Exceptional Items: Prior period expenses/(Income)	2.45	0.25
Profit Before Depreciation, Extra Ordinary Items and Tax	1,465.71	638.04
Extraordinary items	Nil	32.86
Profit before Depreciation and Tax	1,465.71	605.18
Depreciation	167.98	158.07
Profit before tax	1,297.73	447.11
Current Tax	365.93	75.12
Deferred Tax Income	14.17	25.98
Profit/ (Loss) after tax	917.63	346.01
Share Capital	3,573.00	3,573.00
Reserves & Surplus	3,978.79	3,061.16

**5. Foreign Investments and Collaborations:**

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

**II. Information about the Appointees:**

**1. Background Details:**

**a) Mr. Neil Parag Parikh:** Neil Parag Parikh is the Chairman, Chief Executive Officer and Whole Time Director of the Company. He has been a part of the Capital Market for over a decade with experience across wealth management, research, Institutional desk, marketing, operations, broking, key client management to name a few. He has been a part of Parag Parikh Financial Advisory Services Limited since July 2004 in various capacities. At PPFAS Mutual Fund, apart from handling key client relationships, he is also entrusted with the fulfillment of strategic responsibilities. He holds a Master's in Business Administration from IESE Business School, Spain and a BA in Economics from University of North Carolina at Chapel Hill.

**b) Mr. Rajeev Navinkumar Thakkar:** He is designated as the Chief Investment Officer (CIO) and Whole Time Director of the Company. He possesses relevant experience of over two decades in various segments of the Capital Markets such as investment banking, corporate finance, securities broking and managing clients' investments in equities. His tenure at PPFAS Limited (The Sponsor of PPFAS Mutual Fund), began in 2001. He was heading the Research division at PPFAS and was soon appointed as the Fund Manager for the flagship scheme of the Portfolio Management Service, titled "Cognito" in 2003. He holds a B.Com degree along with being a Chartered Accountant, Grad ICWA and CFA Charterholder.

**c) Mr. Shashi Menghraj Kataria:** He is designated as the Chief Financial Officer (CFO) and Whole Time Director of the Company and is responsible for taking care of day for day accounting & ensuring statutory compliance of various government dues. He was previously associated with DSP Blackrock Investment Managers Private Limited as a Manager-Finance. He had also worked on assignment basis in various companies like Cargotec India Private Limited, Redbull India Private Limited, UTV Software Limited, UCB Pharmaceuticals Limited, Cravatex Limited while he was associated with Ganesh Jagadeesh & Co., Chartered Accountants. He is commerce graduate from Mumbai University & a fellow member of Institute of Chartered Accountants of India (ICAI).

## **2. Past remuneration:**

During the financial year ended March 31, 2021, the remuneration paid to Mr. Neil Parag Parikh was Rs. 17,130,824/-, Mr. Rajeev Navinkumar Thakkar was Rs. 22,724,764/- and Mr. Shashi Menghraj Kataria was Rs. 4,428,329/-.

**3. Recognition and Awards:** Mr. Rajeev Navinkumar Thakkar has been ranked as the Best Fund Manager-Multi Cap Fund category in the year 2020 and ranked as Fourth in the same category in the year 2019 by The Economic Times Wealth.

**4. Job profile Suitability:** a) Mr. Neil Parag Parikh possesses rich and varied experience of over a decade in various segments of the Capital Markets such as wealth management, research, operations, broking, key client management etc. He is also currently designated as the Chief Executive Officer (CEO) and Whole Time Director of the Company. He holds a Masters in Business Administration from IESE Business School, Spain and a BA in Economics from University of North Carolina at Chapel Hill.

b) Mr. Rajeev Navinkumar Thakkar possesses extensive experience of over two decades in various segments of the Capital Markets such as investment banking, corporate finance, securities broking and fund management. He was heading the research in Parag Parikh Financial Advisory Services Ltd (Holding Company) and was also appointed as Fund Manager for the flagship scheme of the Portfolio Management Service, titled "Cognito" in 2003. He is designated as the Chief Investment Officer (CIO) and Whole Time Director of the Company currently. He is B.com graduate from the University of Mumbai, a Chartered Accountant, Grad ICWA and CFA Charterholder.

c) Mr. Shashi Menghraj Kataria: He is designated as the Chief Financial Officer (CFO) and Whole Time Director of the Company and is responsible for taking care of day-to-day accounting & ensuring statutory compliance of various government dues. He was previously associated with DSP Blackrock Investment Managers Private Limited as an Manager Finance. He is commerce graduate from Mumbai University & a fellow member of Institute of Chartered Accountants of India (ICAI).

**5. Remuneration proposed:** As given in the Resolutions.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Neil Parag Parikh, Mr. Rajeev Navinkumar Thakkar and Mr. Shashi Menghraj Kataria, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:** Mr. Neil Parag Parikh is designated as the Chairman & Chief Executive Officer of the Company w.e.f May, 2015, Mr. Rajeev Navinkumar Thakkar is designated as the Chief Investment Officer (CIO) w.e.f January, 2012 and Mr. Shashi Menghraj Kataria is acting as the Chief Financial Officer (CFO) of the Company from March, 2015.

### III. Other Information:

**1. Reasons of loss or inadequate profits:** There has been a severe fall in the equity markets given the fear and uncertainty around the COVID-19 disease and its impact on the economy and corporate performance. Also, the Company had taken steps to expand its geographical reach by launching branches in Delhi, Bengaluru, Pune & Chennai till the date of this report. The Company is also planning expansion to Kolkata, Hyderabad and Ahmedabad in the financial year. The set up and operating costs incurred due to expansion have resulted into lower revenues for the period under review.

**2. Steps taken or proposed to be taken for improvement:** Through measured steps, Both the Government and RBI (Reserve Bank of India) have responded to the COVID 19 situation by announcing a string of fiscal and monetary measures to counter the impact of the lockdown on the economy. The Company has also made investments in people, hardware and software during the year. This will help improve the efficiency and at the same time improve customer service. Also, the geographical expansion will help in exposure to newer markets and broader reach which will in turn help boost revenues in the longer run.

**3. Expected increase in productivity and profits in measurable terms:** The large liquidity infusion by RBI, rate cuts and the announced fiscal measures will likely aid the revival of the economy albeit at a slow and steady pace. These measures are expected to stabilize the financial system and boost liquidity in the credit markets. The management is cautiously optimistic towards the external economic environment coupled with the geographical expansion and expects revenues to become more consistent and robust in the current financial year.

### III Disclosures:

1. The remuneration package of the managerial persons is given in the respective resolutions.
2. The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

### Information Pertaining to Director seeking appointment as mentioned under the applicable Secretarial Standards is as follows:

<b>Name of Director</b>	Mr. Ramesh Venkateswaran (DIN- 02329427)	Mr. Neil Parag Parikh (DIN- 00080269)	Mr. Rajeev Navinkumar Thakkar (DIN-00227548)	Mr. Shashi Menghraj Kataria (DIN-07983714)
<b>Age</b>	60	39	48	43
<b>Qualification</b>	B.A, Global Business Management from ESADE Barcelona, Advanced Management Programme from IIM Bangalore	MBA from IESE Business School, Spain, BA Economics from University of North Carolina at Chapel Hill	B.com, Chartered Accountant, Grad ICWA and CFA Charterholder	B.com, Chartered Accountant
<b>Experience</b>	Mr. Ramesh has more than three decades of experience in the Mutual Funds industry and around 7 years in the banking industry. He held the position as MD & CEO for MF Utilities India Pvt. Ltd (MFU). during the period starting from April 2014 to May 2021. He initiated, implemented and led MFU on behalf of the industry. Prior to joining MF Utilities, he held the position as Deputy CEO for Association of Mutual Funds in	As given in the Section II. Information about the Appointees hereinabove.	As given in the Section II. Information about the Appointees hereinabove.	As given in the Section II. Information about the Appointees hereinabove.

	India (AMFI) from October 2010 to March 2014. His responsibility in AMFI was to ensure functioning of the Mutual Fund Industry with effective relationships with all stakeholders, including SEBI and other regulators. He was actively involved in Policy making at Mutual Fund Industry Level.			
<b>Terms and Conditions of Appointment / Reappointment</b>	As per the resolution item no.4 of the Notice convening Annual General Meeting read with explanatory statement thereto, Mr. Ramesh Venkateswaran (DIN- 02329427) is proposed to be appointed as an Independent Director of the Company for a term of five years i.e. from June 25, 2021 to June 24, 2026.	As per resolution no. 5 of the Notice of this meeting read with explanatory statement thereto, remuneration to be paid for his role as Whole Time Director & CEO is to be revised for a period of 3 years with effect from 1st November, 2020.	As per resolution no. 6 of the Notice of this meeting read with explanatory statement thereto, remuneration to be paid for his role as Whole Time Director & CIO is to be revised for a period of 3 years with effect from 1st November, 2020.	As per resolution no. 7 of the Notice of this meeting read with explanatory statement thereto, remuneration to be paid for his role as Whole Time Director & CFO is to be revised for a period of 3 years with effect from 1st November, 2020
<b>Remuneration last drawn</b>	Nil	Rs. 17,130,824/-	Rs. 22,724,764/-	Rs. 4,428,329/-
<b>Remuneration proposed to be paid</b>	No remuneration other than sitting fees for attending board/committee meetings.	As given in the resolution.	As given in the resolution.	As given in the resolution.
<b>Date of first Appointment on the Board</b>	25/06/2021	05/05/2015	08/08/2011	15/11/2017
<b>No. of Shares Held in the Company</b>	Nil	1 share(as a nominee of Parag Parikh Financial Advisory Services Limited)	1 share(as a nominee of Parag Parikh Financial Advisory Services Limited)	Nil
<b>Relationship with other Directors / Key Managerial Personnel</b>	None	None	None	None
<b>No. of Meetings of Board attended during the year</b>	Not Applicable	6	6	6

<b>2020-21</b>				
<b>Directorship of Other Companies</b>	1. Blubricks Consulting Private Limited	1. Parag Parikh Financial Advisory Services Limited (Holding Company)  2. Empeegee Portfolio Management Services Pvt. Ltd.	1. Parag Parikh Financial Advisory Services Limited (Holding Company)	1. Parag Parikh Financial Advisory Services Limited (Holding Company)
<b>Chairmanship / Membership of Committees of other Companies</b>	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors of

**PPFAS Asset Management Private Limited**

Sd/-

**Neil Parikh**  
Director  
(DIN: 00080269)

Sd/-

**Rajeev Thakkar**  
Director  
(DIN: 00227548)

Place: Mumbai.  
Date: 25<sup>th</sup> June, 2021

## PPFAS Asset Management Private Limited

CIN: U65100MH2011PTC220623

Regd. & Corp. Office: - 81/82, 8<sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point,  
Mumbai 400 021.

Tel: 91 22 6140 6555 Fax: 91 22 6140 6590

Email: compliance\_amc@ppfas.com Website: www.amc.ppfas.com

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### DIRECTORS' REPORT

Dear Member(s),

We are pleased to present our Tenth Annual Report on the business operations of the Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS AND OVERVIEW OF OPERATIONS

The Financial Results of the Company for the year ended 31st March 2021 is as under:

Particulars	For the year ended March 31, 2021 (Rs. in Lakhs)	For the year ended March 31, 2020 (Rs. in Lakhs)
Operating Income	3,264.56	1,832.12
Other Income	34.99	189.64
Total Income	3,299.55	2,021.76
Profit before Depreciation, Tax and Exceptional & Extraordinary items	1,468.16	638.29
Exceptional Items: Prior period expenses/(Income)	2.45	0.25
Profit Before Depreciation, Extra Ordinary Items and Tax	1,465.71	638.04
Extraordinary items	Nil	32.86
Profit before Depreciation and Tax	1,465.71	605.18
Depreciation	167.98	158.07
Profit before tax	1,297.73	447.11
Current Tax	365.93	75.12
Deferred Tax Income	14.17	25.98
Profit/ (Loss) after tax	917.63	346.01
Share Capital	3,573.00	3,573.00
Reserves & Surplus	3,978.79	3,061.16



## Dividend

Your Directors do not recommend any dividend for the year ended March 31, 2021.

## Reserves

There was no amount transferred to the General Reserves of your Company for the financial year 2020-21.

## Deposits

The Company has neither accepted nor invited any deposits during the financial year pursuant to the provisions of Chapter V of the Companies Act, 2013.

There were no unclaimed or unpaid deposits as on March 31, 2021.

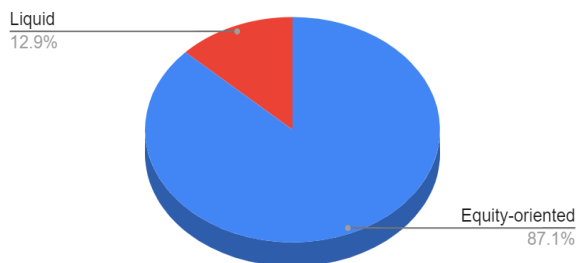
## State of the Company's Affairs & Industry Outlook

### Mutual Fund Activity:

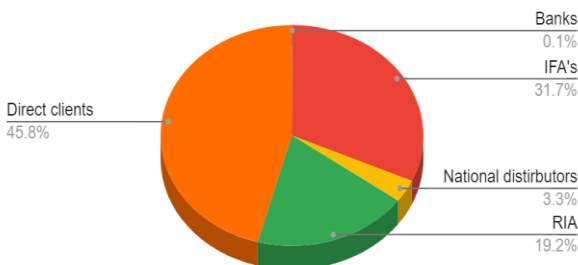
The Company is functioning as an investment manager to PPFAS Mutual Fund. The Company generates its operating income from management fees which it charges on Asset Under Management of the schemes of PPFAS Mutual Fund. Assets Under Management (AUM) of the schemes of PPFAS Mutual Fund has increased from Rs. 2,871.87 crores as on March 31, 2020 to Rs. 9,619.90 crores as on March 31, 2021. Investment in the schemes through Systematic Investment Plan (SIP) registration is also growing at a gradual pace and it's a good sign as it provides stable and predictable inflow of funds. This increase in AUM is due to incremental inflows into the schemes and capital appreciation of the existing portfolio.

**The breakup of the AUM for the Schemes of PPFAS MF as on March 31, 2021 is as follows:**

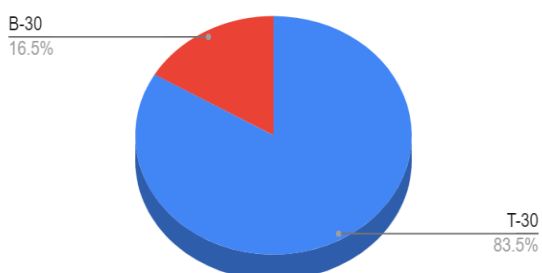
Segment-wise break up of AUM(%)



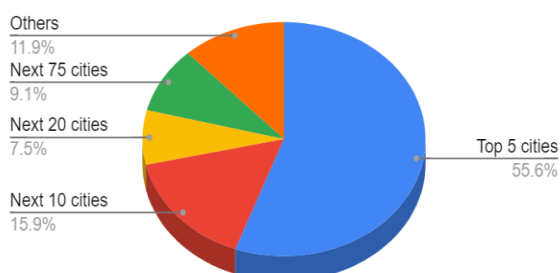
Channel-wise break up of AUM (%)



T-30 and B-30 cities breakup of AUM(%)



Geography-wise break up of AUM(%)



PPFAS Mutual Fund offers the following three schemes as on March 31, 2021:-

i)Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)

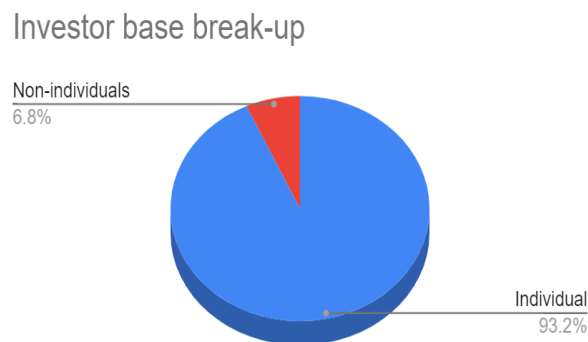
ii)Parag Parikh Tax Saver Fund

iii) Parag Parikh Liquid Fund

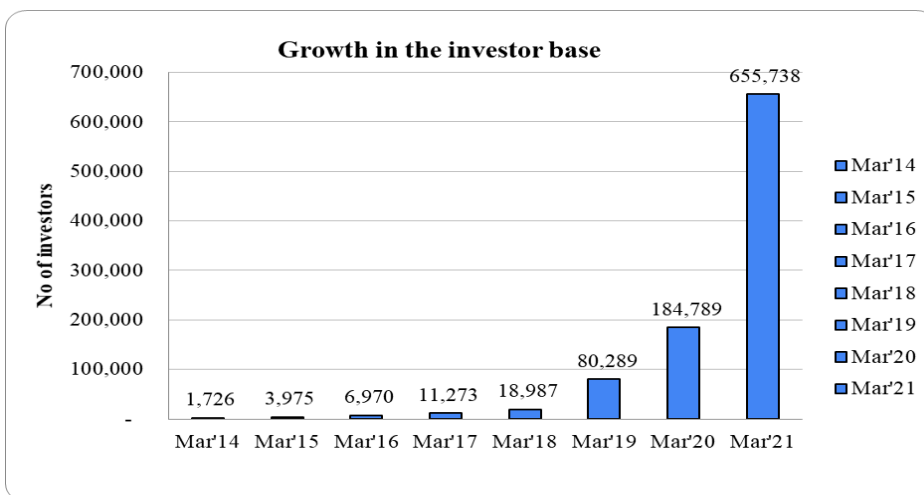
The details of performance of the Schemes of PPFAS Mutual Fund can be obtained from the website [amc.ppfas.com](http://amc.ppfas.com).

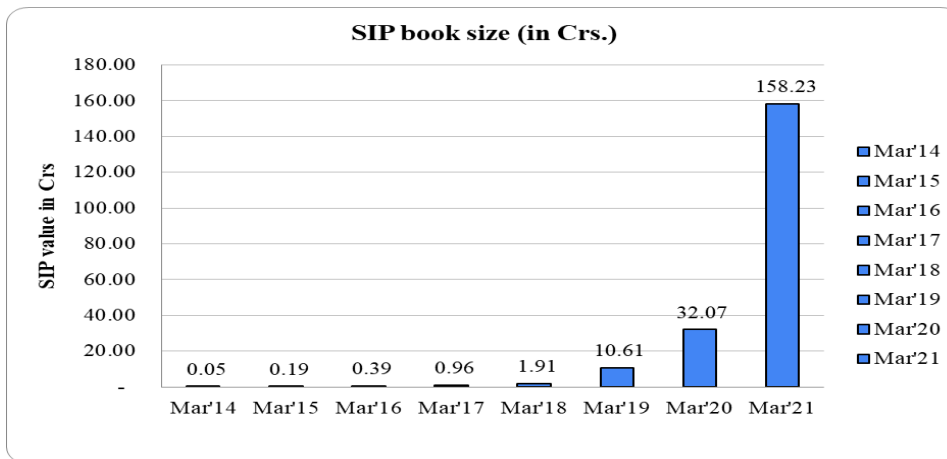
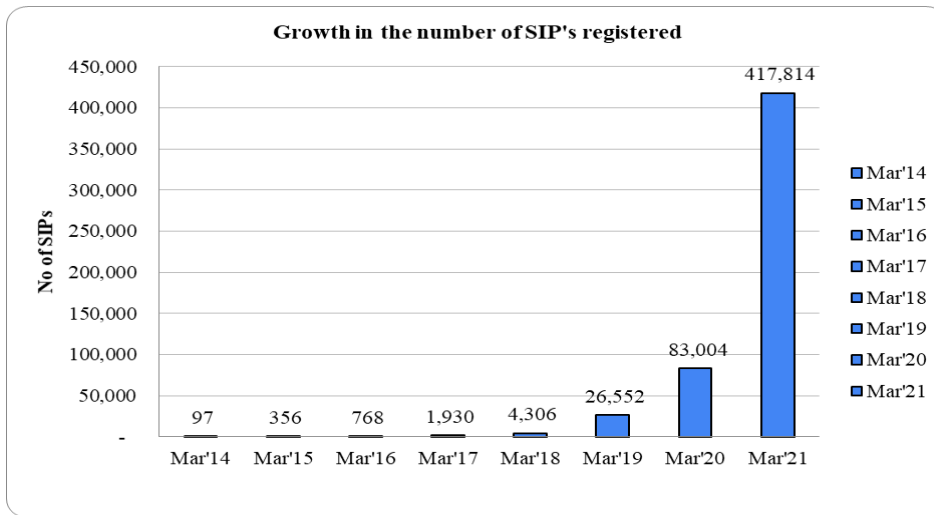
The number of investors in the schemes of PPFAS Mutual Fund have increased from 184,789 in FY 2019-20 to 655,738 in FY 2020-21. A well-defined product portfolio with a differentiated strategy, stability in the organisation culture and approach and reasonable investment performance have resulted in a rapid growth in client numbers and assets.

**The details of investor base breakup of PPFAS MF is as follows:**

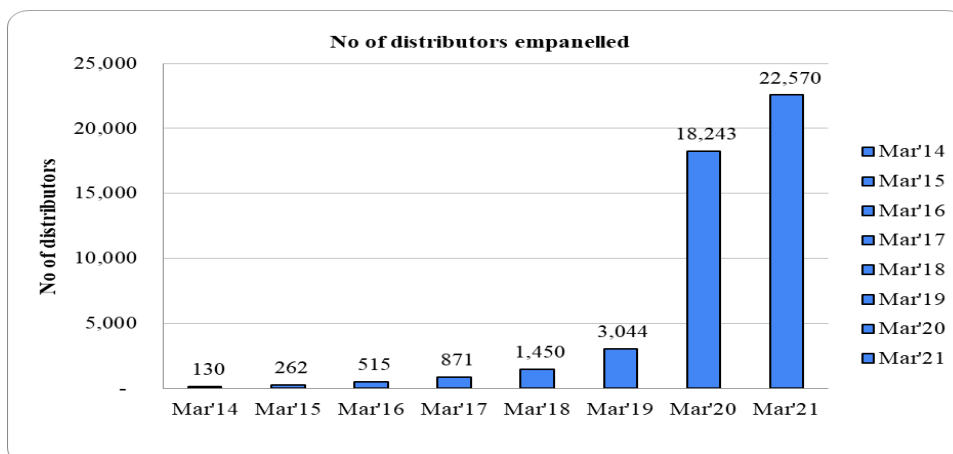


**The Year on Year (YOY) progress of PPFAS MF is as follows:**





**The details of the Distributors empanelled by PPFAS MF is as follows:**



The operations of the Company are 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.

## **Environment in the capital markets**

There was a severe fall in the equity markets around the end of FY 2019-20 on account of the fear and uncertainty around the COVID-19 disease and its impact on the economy and corporate performance. This has given way to fresh record all-time highs in FY 2020-21 in equity indices given the huge fiscal and monetary support given by governments and central banks the world over. Even on the disease front there is optimism given that there are multiple vaccines available and it is now more of a production and logistical challenge to vaccinate large portions of the population rather than a scientific problem.

In the pandemic, some of the pre-existing trends around digital advertising, cloud computing, e-commerce, streaming entertainment, remote working and collaboration etc. got accelerated and benefited some of our portfolio companies. Our limited exposure to financial stocks is also helping in protecting the portfolio in the environment of a second Covid wave in India in the months of March and April 2021.

We continue to be mindful of the valuation parameters while investing in equity and are also keeping in mind the tough economic environment and will not chase momentum while making investments. As always PPFAS is focusing on individual companies on a bottom-up stock selection process.

Parag Parikh Liquid Fund continues to be very focused on the safety for unit-holders and we have a large allocation to Tri Party Repo and Sovereign Paper which is credit risk free and highly liquid. Even where we have Commercial Paper and Certificate of Deposit investments, we are keeping individual exposures minimal and at the same time doing our own credit analysis and not just relying on the Credit Ratings.

Both the approaches in the Equity and Debt markets have helped PPFAS stand out in the marketplace and clients and distribution partners have appreciated this.

## **Network expansion**

The Company has physical presence via the corporate office in Mumbai and Branches in Bengaluru, Chennai, New Delhi and Pune as on the date of this report. It has also completed recruitment for its Ahmedabad, Hyderabad and Kolkata Branches, with the staff having begun interactions with clients, advisors and Distribution Partners. While the set-up of these three Branches got a little delayed on account of the Covid situation, we aim to formally inaugurate them in FY 2021-22.

## **Expense Ratio Reduction**

The Company periodically reduces the expense ratio charged to the Schemes in line with the growth in the Assets Under Management.

## **Technology infrastructure**

A lot of investments have been made in people, hardware and software in the IT department of the Company. This will help us to improve the security and efficiency of our IT resources and at the same time improve customer service and delight. PPFAS started offering UPI as a payment option for subscribing to the mutual fund schemes. We are working on improving the back-end systems by working with multiple payment gateways to speed up the fund collection and allotment of units to clients and also to reduce the associated costs.

The Company has also started campaigns to create awareness around phishing scams in order to protect clients.

## **Investor Relations**

The Company has an in-house investor relations department which addresses investor queries. Apart from maintaining a dedicated in-house team, the Company has outsourced the handling of investor queries/services to CAMS' Call Centre which addresses all investor queries and is also supported by CAMS' Investor Service Centres.

PPFAS Mutual Fund has appointed CAMS as its Registrar and Transfer Agent since its inception in 2013.

## **Finances**

The Company has invested its funds in schemes of Mutual Funds and other permissible securities. A certain amount of the surplus funds is also invested in its own Schemes. The Company does not charge management fees on the amount invested by it in the schemes of PPFAS Mutual Fund as per the provisions of the SEBI (Mutual Funds) Regulations, 1996. Details of the investments made by the company are provided in the '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.

## **Human Resources**

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

## **Future Outlook**

During financial year 2020-21 we witnessed decent growth in Assets Under Management (AUM) for schemes of PPFAS Mutual Fund (i.e. AUM grew from 2,871.87 crores as on March 31, 2020 to Rs. 9,619.90 crores as on March 31, 2021). Parag Parikh Flexi Cap Fund has completed 8 years of operations in the month of May 2021. We continue with the same investment focus, to buy meaningful stakes in well run businesses, for the long term.

A New Fund Offer (NFO) of Parag Parikh Conservative Hybrid Fund was made from May 7, 2021 to May 21, 2021. With this, PPFAS Mutual Fund has an equity offering (Flexi Cap Fund), Debt offering (Conservative Hybrid Fund), Liquid Fund and an Equity Linked Savings Scheme (ELSS) in the form of Parag Parikh Tax Saver Fund. With these four funds, most of the investment needs of investors can be adequately met without adding too much complexity.

Going forward, our focus will be to manage these four schemes of PPFAS Mutual Fund. We are investing in enhancing our research and execution capabilities and to make our operations more robust.

On the client acquisition and servicing side our focus in the near term will be on the 8 locations of Mumbai, Delhi, Bengaluru, Chennai, Pune, Kolkata, Ahmedabad and Hyderabad to service Direct clients, Advisors and Distributors.

## **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 2020-2021.

## **Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year**

The Board consists of Mr. Neil Parag Parikh, Mr. Rajeev Thakkar, Mr. Shashi Kataria, Mr. Kamlesh Somani, Mr. Rajesh Bhojani and Mr. Arindam Ghosh as on 31<sup>st</sup> March, 2021.

However, it is to be noted that Mr. Arindam Ghosh has resigned from the directorship of the Company on April 06, 2021. Mr. Ramesh Venkateswaran (DIN- 02329427) has been appointed as Additional Director (Non-Executive & Independent) of the Company w.e.f June 25, 2021.

Mr. Neil Parag Parikh, Mr. Rajeev Thakkar and Mr. Shashi Kataria have been appointed as Whole Time Directors of the Company w.e.f 1<sup>st</sup> November, 2020 for a period of 3 (Three) years. There is no other change in the Key Managerial Personnel of the Company.

## **Independent Directors**

The Board re-appointed Mr. Rajesh Chunilal Bhojani (DIN- 01804482) as an Independent Director of the Company for a second term commencing from 6<sup>th</sup> July, 2020 up to 5<sup>th</sup> July, 2025 in terms of the Companies Act, 2013, the rules made thereunder and the SEBI (Mutual Funds) Regulations, 1996 which was approved by the members of the Company through special resolution at the 9<sup>th</sup> AGM. The Board is of the opinion that the Independent Director re-appointed during the year possesses integrity, vast knowledge, expertise and relevant experience required.

Also, in terms of the regulatory requirements providing for establishment of an online database of Independent Directors by Indian Institute of Corporate Affairs, all the Independent Directors of the Company have enrolled their names in the said database. Also, the online proficiency self-assessment test as mandated will be undertaken by those Independent Directors of the Company who are not exempted within the prescribed timelines.

### **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. In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Companies Act, 2013, the Rules made thereunder and are independent of the management.

### **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 are stated below: -

#### **i. Policy on Appointment of Directors:**

The Company is functioning as an Investment Manager to the schemes 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 as well as the Companies Act, 2013 and the rules made thereunder. In Broader terms, the Company follows below mentioned guiding rules for appointment of Director (including Independent Directors).

#### **ii. 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 regulations 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.

#### **iii. 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.

#### **iv. 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.

### **Board Evaluation**

Pursuant to the Provisions of the Companies Act, 2013, the Board has carried out an Annual Evaluation of its own performance, that of its Committee and the Directors individually. Directors were evaluated on various aspects, including inter alia active participation, specialization on subject and expressing views, dissemination of information and explanation or response on various queries in the meeting. The performance evaluation of Non-Independent Directors, Chairman cum Managing Director and the Board as a whole was carried out by Independent Directors. The performance evaluation of Independent Directors was carried out by the entire Board, excluding Directors being evaluated.

### **The Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year**

During the year under review, the Company does not have any subsidiary or associate company and hence comments and information as required under Section 129 of the Companies Act, 2013 is not applicable and not required.

### **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. DBS Bank (India) Limited is appointed as the Custodian and SBI-SG Global Securities Services Private Limited as the Fund Accountant for schemes of PPFAS Mutual Fund for the financial year under review. CAMS is the RTA for schemes of PPFAS Mutual Fund since inception.

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 departments ensure that agreed processes and checklists are kept up-to date to ensure all activities are 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.

## Board Meetings

During the financial year 2020-2021, 6 (Six) Board meetings were held in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose. In addition to this, 1(One) meeting of the Independent Directors was also conducted February 26, 2021 in terms of applicable provisions of the Companies Act, 2013.

The details of Board meetings held are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present
28 <sup>th</sup> May, 2020	6	6
30 <sup>th</sup> July, 2020	6	6
30 <sup>th</sup> September, 2020	6	5
29 <sup>th</sup> October, 2020	6	6
29 <sup>th</sup> December, 2020	6	6
26 <sup>th</sup> February, 2021	6	6
26 <sup>th</sup> February, 2021 (Independent Directors Meeting)	3	3

## Committees of the Board

To enable better and more focused attention on the affairs of the Company, the Board has constituted Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee. The Board has also constituted some committees at management level of the Company which includes Risk Committee, Investment Committee, Valuation Committee, PMLA Committee etc. required as per the SEBI Rules and Regulations.

### i) Audit Committee

In line with the section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014, Audit Committee of the Board of Directors of the Company, was constituted by the Board of Directors of your Company on 25<sup>th</sup> September, 2020.

As on March 31, 2021, the Audit Committee consists of the following Directors as members:

1. Mr. Shashi Menghraj Kataria- Chairman & Member
2. Mr. Arindam Haraprasad Ghosh- Member
3. Mr. Rajesh Chunilal Bhojani-Member

During the Financial Year, the following Audit Committee Meetings were held:

Date of Committee Meeting	Name of the Committee	No. of Directors eligible to attend meeting	No. of Directors Present
29 <sup>th</sup> September, 2020	Audit Committee	3	2
24 <sup>th</sup> February, 2021	Audit Committee	3	3



## ii) Nomination & Remuneration Committee

A Nomination and Remuneration Committee of the Board of Directors has been constituted on 25th September, 2020, to comply with the section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

As on March 31, 2021, the Nomination and Remuneration Committee consisted of the following directors:

1. Mr. Kamlesh Mafatlal Somani - Chairman & Member
2. Mr. Rajesh Chunilal Bhojani- Member
3. Mr. Arindam Haraprasad Ghosh -Member

During the Financial Year, the following Nomination and Remuneration Committee meetings were held:

Date of Committee Meeting	Name of the Committee	No. of Directors eligible to attend meeting	No. of Directors Present
29 <sup>th</sup> September, 2020	Nomination and Remuneration Committee	3	2
28 <sup>th</sup> October, 2020	Nomination and Remuneration Committee	3	3
10 <sup>th</sup> December, 2020	Nomination and Remuneration Committee	3	3

The Company has also uploaded the Nomination and Remuneration policy as approved by the Board of directors on [amc.ppfas.com](http://amc.ppfas.com).

## iii) Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility) Rules, 2014. The Company is vigilant to its responsibility towards the society as a corporate citizen. During the financial year 2020-21, Company has spent Rs. 1,025,087/- towards its CSR activities. The details of CSR expenditure for financial year 2020-21 is annexed herewith vide **Annexure III** and forms an integral part of this Board Report.

Company has constituted a committee as per the provisions of the Companies Act, 2013 and has framed its CSR policy and has also displayed a list of projects approved by the Board for the F.Y. 2020-21 on the website of the company i.e. [www.amc.ppfas.com](http://www.amc.ppfas.com).

CSR Committee consists of following Directors:

Neil Parag Parikh - Chairman & Member

Rajeev Thakkar - Member

Kamlesh Somani - Member

During the Financial Year, the following CSR Committee meetings were held:

Date of Committee Meeting	Name of the Committee	No. of Directors eligible to attend meeting	No. of Directors Present
30 <sup>th</sup> July, 2020	CSR Committee	3	3

10 <sup>th</sup> December, 2020	CSR Committee	3	3
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### 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, 2021, 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, 2021 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 arm's length basis. Related party transactions were subject to approval of the Board of Directors and members of the Company (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: -

<b>Name of the employee</b>	Mr. Rajeev Thakkar	Mr. Neil Parikh
<b>Designation of the employee</b>	Whole Time Director & Chief Investment Officer	Whole Time Director & Chief Executive Officer
<b>Remuneration received</b>	₹ 22,724,764	₹ 17,130,824
<b>Nature of employment, whether contractual or otherwise</b>	Mr. Rajeev Thakkar is the Whole Time Director, Fund Manager, Chief Investment Officer of the Company.  He is a permanent employee of the Company.	Mr. Neil Parikh is the Chairman, Whole Time Director, Chief Executive Officer of the Company.  He is a permanent employee of the Company.
<b>Qualifications and experience of the employee</b>	B. Com. (Bombay University), Chartered  Accountant, CFA Charter Holder, Grad ICWA.	MBA from IESE Business School, Spain.  B.A in Economics from University of North Carolina at Chapel Hill.

<b>Date of commencement of employment</b>	14 <sup>th</sup> January 2012	5 <sup>th</sup> May, 2015
<b>Age of such employee</b>	48	39
<b>The last employment held by such employee before joining the Company</b>	Parag Parikh Financial Advisory Services Limited.	Parag Parikh Financial Advisory Services Limited
<b>Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)</b>	He holds one equity share as a nominee of Parag Parikh Financial Advisory Services Limited (Sponsor)	He holds one equity share as a nominee of Parag Parikh Financial Advisory Services Limited (Sponsor)
<b>Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager</b>	No.	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 recognizes 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 Rs. 942,168 (\$12,087)

Foreign exchange earnings during the year were NIL.

#### **Particulars of Loans, Advances & Guarantees given or Investment made or Securities Provided:**

Particulars of investments made by Company during the Financial year 2020-21 are stated in the Notes to Accounts of the Audited Statements of the Company which forms part and parcel of this Annual Report. The Company has neither given any guarantee nor provided any Security or granted any loans or advances during the reporting period.

#### **Changes in Share Capital of the Company during the year**

During the year, there is no change in the share capital of the Company.

#### **Extract of Annual Return**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as “**Annexure - II**” to the Director's Report.

## **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 financial year 2020-21.

## **Risk Management**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatments plans in its strategy, business and operational plans.

## **Statutory Auditors**

M/s. CVK & Associates, Chartered Accountants (Firm Registration No. 101745W) were appointed, in the Annual General Meeting held on 23rd August, 2017, for a term of five consecutive years from the conclusion of 6th Annual General Meeting till the Conclusion of 11th Annual General Meeting (subject to ratification by the members at every subsequent Annual General Meeting).

However, vide notification dated 7th May, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 10th Annual General Meeting.

The Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company.

## **Explanations or Comments by the Board on Every Qualification, Reservation or Adverse Remark or Disclaimer made by the Auditor in their Report:**

The observations made by the Statutory Auditors in their Audit Report read with the relevant notes thereof as stated in the Notes to the Audited Financial Statements of Company for the financial year ended 31st March, 2021 are self-explanatory and being devoid of any reservation(s), qualification(s) or adverse remark(s) etc does not call for any further explanation(s)/ information(s) or comment(s) from the Board under Section 134(3)(f)(i) of the Companies Act, 2013. Also for the Financial year 2020-21 Auditor has not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

## **Transfer to IEPF**

Your Company did not have any funds lying unpaid for a period of seven years. Therefore, there were no funds which required to be transferred to Investor Education and Protection Fund (IEPF).

## **Compliance of Secretarial Standards:**

The Company has complied with the Secretarial Standards applicable to the Company.

## **Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013**

The Company does not fall within the ambit of the above section.

## **Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.**

The Company does not have any application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

**Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.**

Not applicable.

**Acknowledgement**

The Directors wish to acknowledge guidance of the Securities and Exchange Board of India (SEBI) and Association of Mutual Funds in India (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 acknowledges the support and wishes to place on record its sincere thanks to the unitholders of the Schemes 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**

Sd/-

**Neil Parikh**  
Director  
(DIN: 00080269)

Sd/-

**Rajeev Thakkar**  
Director  
(DIN: 00227548)

Place: Mumbai.  
Date: 25<sup>th</sup> June, 2021

## 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 arm's 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 Ltd. (Holding Company)	Synage Software Pvt. Ltd
(b)	Nature of contracts/arrangements/transactions	Lease Agreement	Shared services agreement	Software Maintenance
(c)	Duration of the contracts / arrangements/transactions	12 months	12 months	12 months
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rental is Rs. 10,000 p.m.  Deposit amount for this lease agreement is Rs. 1.40 crores.	Monthly fees of Rs. 7.70 Lakhs for the first 10 months and as increased to 9.00 Lakhs p.m. w.e.f. 01/02/2021 paid under shared service agreement.	Monthly fees of Rs. 3.33 Lakhs paid as per the agreement.

(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 facilities & services of the skilled employees made available to the Company by its holding company. Fees paid is towards usage of these facilities.	Company uses services for enhancing the IT infrastructure and facilitating smooth operations of the Mobile and Web App of PPFAS Mutual Fund.
(f)	Date(s) of approval by the Board	23 <sup>rd</sup> February 2018	23 <sup>rd</sup> February 2018	18 <sup>th</sup> December, 2018
(g)	Amount paid as advances, if any:	Rs. 1.40 crores are 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	NA	NA	NA
(i)	Compensation paid for FY 2020-2021 (in INR)	Rs. 120,000/-	Rs. 9,500,000/-	Rs. 4,002,000/-

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

as on the financial year ended on March 31, 2021

*[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: - 81/82, 8<sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021.

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	Investment manager to PPFAS Mutual Fund	66301	100.00%

**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 Limited  81/82, 8 <sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021	U67190MH1992 PLC068970	Holding	100	Section 2(46)





g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non- Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>35,730,009</b>	<b>35,730,009</b>	<b>100</b>	-	<b>35,730,009</b>	<b>35,730,009</b>	<b>100</b>	-

\*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 Limited. This is to ensure compliance with provisions of minimum number of members.

**(ii) Shareholding of Promoters**

S.I No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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 Limited (including 6 Registered Owners* (Nominees) of Parag Parikh Financial Advisory Services Limited (Promoter)	35,730,009	100	Nil	35,730,009	100	Nil	Nil
	Total	35,730,009	100	Nil	35,730,009	100	Nil	Nil

\*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 Limited. This is to ensure compliance with provisions of minimum number of members.

**(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	35,730,009	100	35,730,009	100
	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):				No change in the Shareholding during the Financial year.
	At the End of the year	-	-	35,730,009	100

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 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):** Not Applicable (Parag Parikh Financial Advisory Services Ltd. holds 100% shareholding in the company, details of the nominee are provided in the table above).

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	NA	NA	NA	NA
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change in Shareholding Pattern for the F.Y. 2020-2021			
	At the End of the year ( or on the date of separation, if separated during the year)	NA	NA	NA	NA

**(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
	<b>For Each of the Directors and KMP</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	* Rajeev Thakkar (Director) and Neil Parikh(Director) hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services Limited. This is to ensure compliance with provisions of minimum number of members.		* Rajeev Thakkar (Director) and Neil Parikh (Director) hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services 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 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

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Neil Parag Parikh (Whole Time Director)	Rajeev Thakkar (Whole Time Director)	Shashi Kataria (Whole Time Director)	
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. 17,091,224	Rs. 22,685,164	Rs. 4,055,029	Rs. 43,831,417/-
		Rs. 39,600	Rs. 39,600	Nil	Rs. 79,200/-
2	Stock Option	Nil	Nil	Rs. 373,300	Rs. 373,300/-
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. 17,130,824/-	Rs. 22,724,764/-	Rs. 4,428,329/-	Rs. 44,283,917/-
	Ceiling as per the Act	The Company at its general meeting held on February 15, 2021 has by passing a special resolution approved the payment of remuneration paid to above-mentioned Whole-Time Directors in excess of the limits mentioned in the Section 196 of the Companies Act, 2013.			

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Director			Total Amount
		Kamlesh Somani	Rajesh Bhojani	Arindam Ghosh	
	<b>1. Independent Directors</b> • Fee for attending board / committee meetings • Commission • Others, please specify	Rs. 60,000/-  Nil	Rs. 60,000/-  Nil	Rs. 50,000/-  Nil	Rs. 170,000/-  Nil
	<b>Total (1)</b>	Rs. 60,000/-	Rs. 60,000/-	Rs. 50,000/-	Rs. 170,000/-
	<b>2. Other Non-Executive Directors</b> • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil
	<b>Total (B)= (1+2)</b>	Rs. 60,000/-	Rs. 60,000/-	Rs. 50,000/-	Rs. 170,000/-
	<b>Total Managerial Remuneration</b>	Rs. 60,000/-	Rs. 60,000/-	Rs. 50,000/-	Rs. 170,000/-
	<b>Overall Ceiling as per the Act</b>	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 (Priya Hariani)	CFO (Shashi Kataria)	
1	Gross salary	Rs. 17,091,224	Rs. 14,65,745	Rs. 4,055,029	Rs. 22,611,998/-
	(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	Rs. 39,600	Nil	Nil	Rs. 39,600/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Rs. 186,650	Rs. 373,300	Rs. 559,950/-
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	– as % of profit	Nil	Nil	Nil	Nil
	– others, specify...				
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	Rs. 17,130,824/-	Rs. 1,652,395 /-	Rs. 4,428,329/-	Rs. 23,211,548/-
	Ceiling as per the Act	The Company at its general meeting held on February 15, 2021 has by passing a special resolution approved the payment of remuneration paid to above-mentioned Whole-Time Directors in excess of the limits mentioned in the Section 196 of the Companies Act, 2013.			



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</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

For and on behalf of the Board of Directors

**PPFAS Asset Management Private Limited**

Sd/-

**Neil Parikh**  
Director  
(DIN: 00080269)

Sd/-

**Rajeev Thakkar**  
Director  
(DIN: 00227548)

Place: Mumbai  
Date: 25<sup>th</sup> June, 2021

**REPORT ON CSR ACTIVITIES UNDERTAKEN DURING F. Y. 2020-21**

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

The Company has adopted CSR Policy which encompasses wide range of activities enumerated vide Schedule VII to the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which is primarily comprised of:

- i. Eradicating hunger, poverty and malnutrition
- ii. Promoting health care including preventive health care
- iii. Education
- iv. Disaster Management
- v. Promoting Gender Equality etc.

- 2. The composition of the CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Neil Parikh	CEO & Whole Time Director	2	2
2.	Rajeev Thakkar	CIO & Whole Time Director	2	2
3.	Kamlesh Somani	Independent director	2	2

- 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** <https://amc.ppfas.com/statutory-disclosures/>
- 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not applicable
- 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** NIL
- 6. Average Net Profit of the Company for last three financial years:** Rs. 51,254,324 /-
- 7. (a) Two percent of average net profit of the company as per section 135(5):** Rs. 1,025,086 /-
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
- c) Amount required to be set off for the financial year, if any:** NIL
- d) Total CSR obligation for the financial year (7a+7b- 7c):** Rs. 1,025,086 /-
- 8. (a) CSR amount spent or unspent for the financial year:**



(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (In Rs.)	Mode of Implementation – Direct (Yes/No).	Mode of Implementation Through Agency	
				State	District			Name	CSR Registration number.
1.	Feed all in Need project	Disaster management, including relief, rehabilitation and reconstruction activities	Yes	Maharashtra	Mumbai	75,000	No	Rotary Club of Bombay Queens Necklace Charitable Trust	--
2.	Ramkrishna Mission Hospital project	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Maharashtra	Mumbai	150,000	No	Bombay Mid-Town Rotary Trust	--
3.	Little Hearts Surgery project	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Maharashtra	Mumbai	100,000	No	Bombay Mid-Town Rotary Trust	--
4.	Malnutrition project	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Maharashtra	Mumbai	100,000	No	Bombay Mid-Town Rotary Trust	--
5.	Donation to Saifee Hospital	Eradicating hunger, poverty and malnutrition,	Yes	Maharashtra	Mumbai	50,000	No	Bombay Mid-Town	--

		["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.						Rotary Trust	
6	Donation to National Association for the Blind	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Maharashtra	Mumbai	25,000	No	Bombay Mid-Town Rotary Trust	--
7.	Eye Cataract Surgery Project	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Maharashtra	Mumbai	75,000	No	Bombay Mid-Town Rotary Trust	--
8.	Utavali Village project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Palghar	225,000	No	Bombay Mid-Town Rotary Trust	--
9.	Pothkal Baste Village Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Palghar	75,000	No	Bombay Mid-Town Rotary Trust	--
10.	Umeed Child Development Centre Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women,	Yes	Maharashtra	Mumbai	50,000	No	Bombay Mid-Town Rotary Trust	--

		elderly and the differently abled and livelihood enhancement projects.							
11.	Underprivileged students' scholarship fund	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Gujarat	Gandevi	100,087	No	Sir C.J. New High School Trust	--

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 1,025,087 /-

(g) Excess amount for set off, if any

S. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 1,025,086
(ii)	Total amount spent for the Financial Year	Rs. 1,025,087
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. no.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of Fund	Amount (in Rs.)	Date of transfer	
	NA	NA	NA	NA	NA	NA	NA

Note- There is no unspent CSR amount for the preceding three financial years.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project – Completed/ Ongoing.
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).:** Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sd/-

**Neil Parikh**  
Chairman & Member  
(CSR Committee)

Sd/-

**Rajeev Thakkar**  
Member  
(CSR Committee)

Place: Mumbai

Date: 25<sup>th</sup> June, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Members of PPFAS Asset Management Private Limited

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying financial statements of PPFAS Asset Management Private Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows, for the year then ended, a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the “Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2021, its Profit and its cash flow for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of



Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

**Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The boards of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

A further description of the auditor's responsibilities for the audit of the financial statements is included in Annexure A. This description forms part of our auditor's report.

### **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 B 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 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 31st, March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The matters specified in Section 143(3)(i) regarding Internal Financials Control over Financials Reporting have been specifically commented in Annexure C.

(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 standalone 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*

Sd/-

**CA K. P. Chaudhari**

*Partner*

*Membership No.: 031661*

Place: Mumbai

Date: 25th June, 2021

UDIN: 21031661AAAABN3711

**Annexure A to Independent Auditor's Report**  
**Auditor's Responsibilities For Audit Of Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

**For CVK & Associates**

*Chartered Accountants*

*Firm Regn No.: 101745W*

Sd/-

**CA K. P. Chaudhari**

*Partner*

*Membership No: 031661*

Place: Mumbai

Date: 25th June, 2021

UDIN: 21031661AAAABN3711

**Annexure B to the Independent Auditor's Report**

**Report under Companies Auditor's Report Order, 2016 ( The Order )**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of PPFAS Asset Management Private Limited)

We report that:

- (i)
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - b) The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - c) The title deeds of all the immovable properties are held in the name of the company.
- (ii) There are no physical inventories held by the company since it is providing investment related services.
- (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 maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

- (iv) In respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the companies act have been compiled with.
- (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, Duty of Customs, Goods and Service Tax and any other statutory dues with the appropriate authorities. As per the records of the Company, there were no arrears of outstanding statutory dues.
  - b) According to the information and explanations given to us, there are no outstanding dues of income tax, custom duty, goods and service tax, or any other; on account of any dispute.
- (viii) As per the documents and records produced before us, the company has not defaulted in repayment of loans or borrowing to any financial institution or bank or Government or debenture holders.



- (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.
- (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) In our opinion and according to information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The company is not a Nidhi Company. Thus paragraph 3(xii) of the Order is not applicable to the company.
- (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 to the company.

(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*

**CA K. P. Chaudhari**

*Partner*

*Membership No.: 031661*

Place: Mumbai

Date: 25th June, 2021

UDIN: 21031661AAAABN3711

**Annexure C to the Independent Auditor's Report**

**Report on the Internal Financial Controls over financial reporting 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 as of 31st March, 2021 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 Board of directors of company 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 conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, 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 31st March, 2021, 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*

Sd/-

**CA K. P. Chaudhari**

*Partner*

*Membership No.: 031661*

Place: Mumbai

Date: 25th June, 2021

UDIN: 21031661AAAABN3711

<b>PPFAS ASSET MANAGEMENT PRIVATE LIMITED</b>			
<b>Standalone Balance Sheet as at 31st March , 2021</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March , 2021 (in Rs.)</b>	<b>As at 31st March, 2020 (in Rs.)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	357,300,090	357,300,090
Reserves And Surplus	4	397,878,813	306,116,287
	<b>(a)</b>	<b>755,178,903</b>	<b>663,416,377</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	5	8,733,242	7,315,950
	<b>(b)</b>	<b>8,733,242</b>	<b>7,315,950</b>
<b>Current Liabilities</b>			
Trade Payables	6	2,522,320	1,204,274
Other Current Liabilities	7	13,256,938	4,713,899
Short Term Provisions	8	5,643,485	4,190,687
	<b>(c)</b>	<b>21,422,743</b>	<b>10,108,861</b>
<b>Total Equity &amp; Liabilities</b>	<b>(a+b+c)</b>	<b>785,334,888</b>	<b>680,841,188</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment			
(i) Tangible Assets	9A	187,702,018	198,377,518
(ii)Intangible Assets	9B	4,112,215	4,999,657
(iii)Intangible Assets Under Development	9C	150,000	150,000
	<b>(d)</b>	<b>191,964,233</b>	<b>203,527,175</b>
Non-Current Investments	10	491,731,109	401,199,117
Long Term Loans & Advances	11	33,892,972	50,439,617
	<b>(e)</b>	<b>525,624,081</b>	<b>451,638,734</b>
<b>Current Assets</b>			
Trade Receivables	12	54,668,657	17,422,264
Cash & Cash Equivalents	13	4,874,954	2,810,533
Short-Term Loans & Advances	14	4,546,875	3,967,493
Other Current Assets	15	3,656,088	1,474,989
	<b>(f)</b>	<b>67,746,574</b>	<b>25,675,279</b>
<b>Total Assets</b>	<b>(d+e+f)</b>	<b>785,334,888</b>	<b>680,841,188</b>
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			
<b>For CVK &amp; Associates</b>		<b>For and on behalf of the Board of Directors of</b>	
<i>Chartered Accountants</i>		<b>PPFAS Asset Management Private Limited</b>	
<i>Firm Registration No:101745W</i>			
Sd/-	Sd/-	Sd/-	
<b>CA K P Chaudhari</b>	<b>Neil Parikh</b>	<b>Rajeev Thakkar</b>	
<i>Partner</i>	<i>Director</i>	<i>Director</i>	
<i>Membership no.: 031661</i>	<i>DIN : 00080269</i>	<i>DIN : 00227548</i>	
	Sd/-	Sd/-	
	<b>Shashi Kataria</b>	<b>Priya Hariani</b>	
	<i>Chief Financial Officer</i>	<i>Company Secretary</i>	
Place: Mumbai			
Date: 25th June, 2021			

**PPFAS ASSET MANAGEMENT PRIVATE LIMITED**

**Standalone Statement of Profit and Loss For The Year Ended 31st March , 2021**

Particulars	Note No.	For the year ended 31st March , 2021 (in Rs.)	For the year ended 31st March, 2020 (in Rs.)
<b>Income</b>			
Revenue from operations	16	326,456,408	183,212,433
Other Income	17	3,499,107	18,963,342
<b>Total Revenue</b>		<b>329,955,515</b>	<b>202,175,775</b>
<b>Expenses</b>			
Employee Benefits Expenses	18	114,988,626	69,384,005
Depreciation & Amortization Expenses	19	16,797,476	15,806,878
Other Expenses	20	68,150,850	68,963,092
<b>Total Expenses</b>		<b>199,936,952</b>	<b>154,153,975</b>
<b>Profit Before Tax &amp; Prior period Items</b>		<b>130,018,563</b>	<b>48,021,800</b>
Prior period expenses	21	245,492	24,565
<b>Profit Before Extra Ordinary Items and Tax</b>		<b>129,773,071</b>	<b>47,997,235</b>
Extra Ordinary Items	22	-	3,286,144
<b>Profit Before Tax</b>		<b>129,773,071</b>	<b>44,711,091</b>
<b>Tax Expense</b>			
Current Tax	23	36,593,253	7,511,782
Deferred Tax	24	1,417,292	2,598,162
Total Tax Expense		38,010,545	10,109,944
<b>Profit for the year</b>		<b>91,762,526</b>	<b>34,601,147</b>
Earning Per Equity Share			
Basic		2.57	0.97
Diluted		2.57	0.97

Summary of significant accounting polices 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*

Sd/-

**CA K P Chaudhari**

*Partner*

*Membership no.: 031661*

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

Sd/-

**Neil Parikh**

*Director*

*DIN : 00080269*

Sd/-

**Rajeev Thakkar**

*Director*

*DIN : 00227548*

Sd/-

**Shashi Kataria**

*Chief Financial Officer*

Sd/-

**Priya Hariani**

*Company Secretary*

Place: Mumbai

Date: 25th June, 2021



<b>PPFAS ASSET MANAGEMENT PRIVATE LIMITED</b>				
<b>Standalone Cash Flow Statement For The Year Ended 31st March , 2021</b>				
<b>Particulars</b>	<b>For the year ended 31st March , 2021</b>		<b>For the year ended 31st March, 2020</b>	
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Cash flow from Operating Activities</b>				
<b>Profit before tax</b>		<b>129,773,071</b>		<b>44,711,091</b>
<b>Add : Non Operating Expenses/Items</b>				
Depreciation on Fixed Assets	14,096,481		13,779,106	
Amortization of Fixed Assets	2,700,995	16,797,476	2,027,772	15,806,878
<b>Less : Non - Operating Income/Items</b>		<b>146,570,547</b>		<b>60,517,969</b>
Short Term Capital Gain on Mutual Fund	(3,131,992)		(5,769,784)	
Long Term Capital Gain on Mutual Fund	-		(12,052,485)	
Other Income	(361,091)	(3,493,083)	(1,141,073)	(18,963,343)
<b>Operating Profit before Working Capital Changes</b>		<b>143,077,464</b>		<b>41,554,626</b>
<b>Adjustment for Movement in working capital:</b>				
Increase in Trade Payables & Other Current Liabilities	9,861,084		(306,131)	
Increase in Short Term Provisions	1,452,798		1,225,923	
Increase in Trade Receivables	(37,246,393)		(3,804,946)	
Increase in Deferred Tax Assets/Decrease in Deferred tax liabilities				
Decrease in Long Term Loans & Advances	4,832,061		(2,162,195)	
Increase in Short-Term Loans & Advances	(579,382)		(433,414)	
Increase in Other Current Assets	(2,181,099)	(23,860,931)	1,891,719	(3,589,044)
Cash Generated from operations		119,216,533		37,965,582
Less : Taxes Paid		(25,124,161)		(18,321,242)
<b>Cash from operating activities before Exception Item</b>		<b>94,092,372</b>		<b>19,644,340</b>
Add : Prior period expenses/Income		245,492		24,565
<b>Cash from operating activities before Exception Item</b>		<b>94,337,864</b>		<b>19,668,905</b>
Add/Less : Extra Ordinary Items		-		3,286,144
<b>Cash from operating activities</b>		<b>94,337,864</b>		<b>22,955,049</b>
<b>Cash flow from Investing Activities</b>				
Purchase of Fixed Assets	(5,234,534)		(7,885,254)	
Purchase/Sale of Investments - Non Current	(90,531,992)		(36,060,173)	
Short Term Capital Gain on Mutual Fund	3,131,992		5,769,784	
Long Term Capital Gain on Mutual Fund	-		12,052,485	
Other Income	361,091		1,141,073	
<b>Net Cash from investing activities</b>		<b>(92,273,443)</b>		<b>(24,982,085)</b>
<b>Cash Flow from Financing Activities</b>				
Issue of shares	-		-	
<b>Net Cash from financing activities</b>		<b>-</b>		<b>-</b>
<b>Net increase/decrease in cash &amp; cash equivalents</b>		<b>2,064,421</b>		<b>(2,027,036)</b>

Particulars	For the year ended 31st March , 2021		For the year ended 31st March, 2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Add: Cash &amp; Cash Equivalents at the start of the year</b>				
Cash in Hand	78,711		54,064	
Bank Accounts	2,731,822	2,810,533	4,783,505	4,837,569
<b>Cash &amp; Cash Equivalents at the end of the year</b>				
Cash in Hand	78,711		78,711	
Bank Accounts	4,796,243	4,874,954	2,731,822	2,810,533
As per Our Audit Report of even date				
<b>For CVK &amp; Associates</b>		<b>For and on behalf of the Board of Directors of</b>		
<i>Chartered Accountants</i>		<b>PPFAS Asset Management Private Limited</b>		
<i>Firm Registration No:101745W</i>				
Sd/-		Sd/-	Sd/-	
<b>CA K P Chaudhari</b>		<b>Neil Parikh</b>	<b>Rajeev Thakkar</b>	
<i>Partner</i>		<i>Director</i>	<i>Director</i>	
<i>Membership no.: 031661</i>		<i>DIN : 00080269</i>	<i>DIN : 00227548</i>	
		Sd/-	Sd/-	
		<b>Shashi Kataria</b>	<b>Priya Hariani</b>	
		<i>Chief Financial Officer</i>	<i>Company Secretary</i>	
Place: Mumbai				
Date: 25th June, 2021				

# **PPFAS ASSET MANAGEMENT PRIVATE LIMITED**

## **NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

### **NOTE 1: CORPORATE INFORMATION**

#### **Background:**

PPFAS Asset Management Private Limited was incorporated on 8<sup>th</sup> August, 2011. The company is a subsidiary of Parag Parikh Financial Advisory Services Limited (formerly known as Parag Parikh Financial Advisory Services Private Limited). The company's corporate office is located in Mumbai. This is the tenth 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 13<sup>th</sup> May, 2013, the company started its functions as an Investment Manager & thus started earning Management Fees as its primary source of income.

During the year under review, the holding company got converted from a private limited company to a public limited company due to which this company has also become a deemed public limited company.

#### **Impact of Covid 19 Pandemic:**

The company has taken into account the possible impact of Covid 19 while preparing these financial statements. The company continues to believe that the impact of Covid 19 on the company will be only short term in nature and there would be no medium to long term risk regarding continuity, liquidity, realisability of assets or on any other count. However, the situation is continuously changing and the eventual impact may vary from the estimates made by the company.

### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

#### **i. 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.

**ii. 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.

**iii. Cash Flow Statement**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method as set out in Accounting Standard (AS) -3 "Cash Flow Statement".

Under the indirect method, the net profit is adjusted for the effects of:

- a. transactions of a non-cash nature
- b. any deferrals or accruals of past or future operating cash receipts or payments and
- c. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and are reflected as such in the cash flow statement. Cash equivalents

are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**iv. Property, Plant & Equipment**

Property, Plant and Equipment 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 Property, Plant and Equipment 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.

**v. Intangible 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.

**vi. Depreciation**

The company has adopted Straight Line Method of Depreciation on the Property, Plant and Equipment as per the requirements of the Companies Act, 2013, applying rates based on useful life as prescribed in the Companies Act, 2013.

**vii. Impairment**

Property, Plant and Equipment 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.

**viii. Current / Non Current Classification**

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

- a. it is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle;
- b. it is expected to be realized or settled within twelve months from the reporting date;
- c. 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;
- d. 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.

**ix. 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.

**x. Cash & Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**xi. Inventories**

Inventories are assets held for sale in the ordinary course of business.

Inventories are valued at lower of cost or net realizable value of inventories. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**xii. Borrowing Costs**

Borrowing costs include Interest and other incidental costs.

Borrowing costs that are directly attributable to the acquisition, construction, production or development of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one which takes substantial amount of time to get ready for use.

To the extent that funds are borrowed specifically in relation to the qualifying asset, the actual amount of borrowing costs less any income on temporary investments made from those borrowings is capitalised.

In case of general borrowings, the borrowing costs are capitalised as per the Accounting Standard 16.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted and is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Borrowing costs which are not directly attributable to the acquisition, construction production or development of a qualifying asset are recognised as an expense in the period in which they are incurred.

**xiii. Government Grants**

Government Grants are not recognized until there is reasonable assurance that the Company will comply with conditions attached to them and the grants will be received. In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset. Government Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.

**xiv. 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 chargeable 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**

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.

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.

**xv. Revenue Recognition**

Income is recorded on accrual basis. The amount recognized is exclusive of GST.

Interest income is recognised on an accrual basis.

Dividend income is accounted in the period in which the right to receive the same is established.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When the uncertainty relating to collectability arises subsequent to the time of sale or the rendering of the service, it is more appropriate to make a separate provision to reflect the uncertainty rather than to adjust the amount of revenue originally

recorded. When recognition of revenue is postponed due to the effect of uncertainties, it is considered as revenue of the period in which it is properly recognized.

**xvi. Expenditure**

Expenses are accounted on accrual basis.

**xvii. 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 realized 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 realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realization.

**xviii. 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.

**xix. 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.

**xx. Foreign Currency Transactions**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss as the provisions of AS 11.

**xxi. 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.

Diluted earnings per share is calculated by dividing the profits after tax for the year attributable to equity shareholders by the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**xxii. Share Transactions**

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

<b>NOTE 3 : SHARE CAPITAL</b>				
	<b>As at 31st March , 2021</b>		<b>As at 31st March, 2020</b>	
	<b>Rs.</b>		<b>Rs.</b>	
<b>AUTHORISED</b> 50,000,000 Equity Shares of Rs.10/- each	500,000,000		500,000,000	
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b> 3,57,30,009 Equity Shares of Rs.10/- each fully paid	357,300,090		357,300,090	
	<b>357,300,090</b>		<b>357,300,090</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 , 2021</b>		<b>As at 31st March, 2020</b>	
	<b>Number</b>	<b>(Rs)</b>	<b>Number</b>	<b>(Rs)</b>
At the beginning of the period	35,730,009	357,300,090	35,730,009	357,300,090
<b>At the end of the period</b>	<b>35,730,009</b>	<b>357,300,090</b>	<b>35,730,009</b>	<b>357,300,090</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 Limited (Formerly known as Parag Parikh Financial Advisory Services Private Limited )	35,730,009	100.00	35,730,009	100.00
<b>NOTE 4: RESERVES &amp; SURPLUS</b>				
	<b>As at 31st March , 2021</b>		<b>As at 31st March, 2020</b>	
<b>Surplus/(deficit) in the statement of Profit and Loss</b>				
Share Premium	32,939,906		32,939,906	
<b>Profit &amp; Loss Account</b>				
At the Beginning of the Accounting Period	273,176,381		238,575,234	
Additions During the Year	91,762,526		34,601,147	
<b>Profit / (Loss) At the End of the Accounting Period</b>	<b>364,938,907</b>		<b>273,176,381</b>	
	<b>397,878,813</b>		<b>306,116,287</b>	
<b>NOTE 5: DEFERRED TAX LIABILITIES</b>				
	<b>As at 31st March , 2021</b>		<b>As at 31st March, 2020</b>	
Opening Balance	7,315,950		4,717,788	
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	1,467,481		2,227,001	
Leave Encashment : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law	(95,435)		(20,478)	
Gratuity : Impact of difference between income / expense charged as per Company Law & claimed as per Taxation Law	45,246		391,639	
	<b>8,733,242</b>		<b>7,315,950</b>	
<b>NOTE 6: TRADE PAYABLES</b>				
	<b>As at 31st March , 2021</b>		<b>As at 31st March, 2020</b>	
Trade Payables				
(A) Total outstanding dues of Micro, Small and Medium Enterprises				
(i) Principal Amount due to Micro , Small and Medium Enterprises	173,775		-	
(ii) Interest due to Micro , Small and Medium Enterprises	-		-	
(B) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	2,348,545		1,204,274	
	<b>2,522,320</b>		<b>1,204,274</b>	

<b>NOTE 7: OTHER CURRENT LIABILITIES</b>		
	<b>As at 31st March , 2021</b>	<b>As at 31st March, 2020</b>
GST Payable	7,838,358	2,392,086
GST Payable - RCM	13,732	20,202
Salary Payable to Employees	2,551,405	-
TDS Payable	2,189,097	1,725,684
Provident Fund Payable	557,518	542,891
ESIC Payable	6,808	-
Profession Tax Payable	400	10,000
Reimbursement of Expenses	99,620	23,036
	<b>13,256,938</b>	<b>4,713,899</b>
<b>NOTE 8: SHORT TERM PROVISIONS</b>		
	<b>As at 31st March , 2021</b>	<b>As at 31st March, 2020</b>
Provision for Expenses	3,186,465	2,075,146
Provision for Leave Encashment	1,948,270	1,620,541
Provision for Auditor's Remuneration	508,750	495,000
	<b>5,643,485</b>	<b>4,190,687</b>

**NOTE 9: PROPERTY, PLANT & EQUIPMENT**

Sr. No	Asset	Gross Block				Depreciation					Net Block	
		Gross Block as at 01/04/2020	Additions during the year	Deductions during the year	Gross Block as at 31/03/2021	Provision for Depreciation up to 01/04/2020	Depreciation for the period	Accumulated Depreciation on Discard of Assets	Accumulated Depreciation Adjustment	Total depreciation up to 31/03/2021	Net Block as at 31/03/2021	Net Block as at 31/03/2020
<b>A.</b>	<b>Tangible Assets</b>											
1	Office Premises	189,722,893			189,722,893	19,867,713	7,546,009	-	-	27,413,722	162,309,171	169,855,180
2	Computer	9,271,720	2,966,626	1,213,678	11,024,668	5,485,371	2,492,674	1,200,492	3,035	6,774,518	4,250,150	3,786,349
3	Electrical Installation	2,584,975			2,584,975	721,246	252,101	-	(144)	973,491	1,611,484	1,863,729
4	Office Equipments	4,487,011	647,528	744,321	4,390,218	2,402,842	828,457	663,307	390	2,567,602	1,822,616	2,084,169
5	Motor Car	12,714,499			12,714,499	5,465,764	1,185,412	-	1,462	6,649,714	6,064,785	7,248,735
6	Office Furniture	18,344,634	-	387,434	17,957,200	4,805,278	1,791,828	284,686	(968)	6,313,388	11,643,812	13,539,356
	<b>TOTAL</b>	<b>237,125,732</b>	<b>3,614,154</b>	<b>2,345,433</b>	<b>238,394,453</b>	<b>38,748,214</b>	<b>14,096,481</b>	<b>2,148,485</b>	<b>3,775</b>	<b>50,692,435</b>	<b>187,702,018</b>	<b>198,377,518</b>
<b>B.</b>	<b>Intangible Assets</b>											
1	Computer software	11,469,675	1,863,021	201,039	13,131,657	6,470,018	2,700,995	149,402	2,169	9,019,442	4,112,215	4,999,657
	<b>TOTAL</b>	<b>11,469,675</b>	<b>1,863,021</b>	<b>201,039</b>	<b>13,131,657</b>	<b>6,470,018</b>	<b>2,700,995</b>	<b>149,402</b>	<b>2,169</b>	<b>9,019,442</b>	<b>4,112,215</b>	<b>4,999,657</b>
<b>C.</b>	<b>Intangible Assets Under Development</b>											
1	Computer software under development	150,000	-	-	150,000	-	-	-	-	-	150,000	150,000
	<b>TOTAL</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>
	<b>TOTAL (A+B+C)</b>	<b>248,745,407</b>	<b>5,477,175</b>	<b>2,546,472</b>	<b>251,676,110</b>	<b>45,218,232</b>	<b>16,797,476</b>	<b>2,297,887</b>	<b>5,944</b>	<b>59,711,877</b>	<b>191,964,233</b>	<b>203,527,175</b>
	<i>Previous Year Total</i>	<i>241,659,191</i>	<i>8,075,493</i>	<i>989,277</i>	<i>248,745,407</i>	<i>30,358,184</i>	<i>15,659,088</i>	<i>953,499</i>	<i>154,460</i>	<i>45,218,233</i>	<i>203,527,175</i>	<i>211,301,009</i>

**NOTE 10 : NON CURRENT INVESTMENTS**

Particulars	No of	Cost for	MKT. Rate	MKT. Value on	No of	Cost for
	shares/units	31/03/2021	31/03/2021	31/03/2021	shares/units	31/03/2020
<b><u>Investment in Mutual Funds</u></b>						
Parag Parikh Flexi Cap Fund	12,105,265.31	289,100,389	39.93	483,351,139	12,105,265.31	289,100,389
Parag Parikh Tax Saver Fund	2,500,000.00	25,000,000	14.89	37,232,750	2,500,000.00	25,000,000
Parag Parikh Liquid Fund (Direct Growth Plan)	155,395.94	177,129,720	1,153.13	179,191,178	78,214.82	86,597,728
<b>Total (i)</b>		<b>491,230,109</b>		<b>699,775,066</b>		<b>400,698,117</b>
<b><u>Investments in Equity</u></b>						
<b>Unquoted Investments:</b>						
MF Utilities India Private Limited	500,000	500,000			500,000	500,000
Sakhar Bhavan Premises Co-op. Society Limited.	2	1,000			2	1,000
<b>Total (ii)</b>		<b>501,000</b>				<b>501,000</b>
<b>Grand Total (i+ii)</b>		<b>491,731,109</b>				<b>401,199,117</b>

<b>NOTE 11: LONG TERM LOANS &amp; ADVANCES</b>		
	<b>As at 31st March , 2021</b>	<b>As at 31st March, 2020</b>
Deposits	16,010,780	16,249,780
Income Tax Refund Receivable	10,844,681	5,142,822
MAT Credit Available	3,755,410	17,641,334
Advance Tax & TDS (Net of Provision of Taxation)	2,390,752	10,844,681
PPFAS Mutual Fund - Tax Deposit	500,000	500,000
Deposit with Government Authorities	391,349	61,000
	<b>33,892,972</b>	<b>50,439,617</b>
<b>NOTE 12: TRADE RECEIVABLES</b>		
	<b>As at 31st March , 2021</b>	<b>As at 31st March, 2020</b>
(1) Debts outstanding for a period exceeding six months from the date they are due	-	-
(2) Other Debts (Receivables from PPFAS Mutual fund - Unsecured , considered good )	54,668,657	17,422,264
	<b>54,668,657</b>	<b>17,422,264</b>
<b>NOTE 13: CASH &amp; CASH EQUIVALENTS</b>		
	<b>As at 31st March , 2021</b>	<b>As at 31st March, 2020</b>
(i) Balances with Banks	4,796,243	2,731,822
(ii) Cash on Hand	78,711	78,711
	<b>4,874,954</b>	<b>2,810,533</b>
<b>NOTE 14: SHORT TERM LOANS AND ADVANCES</b>		
	<b>As at 31st March , 2021</b>	<b>As at 31st March, 2020</b>
Prepaid Expense	4,357,875	3,511,746
Loan & Advance to Employees	189,000	455,747
	<b>4,546,875</b>	<b>3,967,493</b>
<b>NOTE 15: OTHER CURRENT ASSETS</b>		
	<b>As at 31st March , 2021</b>	<b>As at 31st March, 2020</b>
GST Input Credit	2,133,554	1,082,986
Advance to Creditors	1,100,293	115,716
Gratuity Fund	422,241	266,862
Employees Reimbursement of Expenses	-	9,425
	<b>3,656,088</b>	<b>1,474,989</b>



<b>NOTE 16: REVENUE FROM OPERATIONS</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
Management Fees	326,456,408	183,212,433
	<b>326,456,408</b>	<b>183,212,433</b>
<b>NOTE 17: OTHER INCOME</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
Long Term Capital Gain on Mutual Fund	-	12,052,485
Short Term Capital Gain on Mutual Fund	3,131,992	5,769,784
Interest On Income Tax Refund	205,712	209,823
Notional Income on Gratuity Fund	155,379	-
Adjustment of Fixed Assets	6,024	-
Other Income	-	931,250
	<b>3,499,107</b>	<b>18,963,342</b>
<b>NOTE 18: EMPLOYEE BENEFIT EXPENSES</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
<b>Salary and Wages</b>		
Office Staff Salary	107,296,785	61,907,923
<b>Contribution to Provident Fund and other funds</b>		
Provident Fund	3,070,585	3,209,809
Employees State Insurance Fund	36,257	-
Gratuity Fund	-	1,620,379
Maharashtra Labour welfare Fund	2,070	1,320
Provision for Leave Encashment	327,729	73,609
NPS Employer Contribution	554,111	1,218,840
<b>Other Expenses</b>		
Employee Benefit expenses - ESOP	3,462,358	-
Staff Welfare	238,731	1,352,125
	<b>114,988,626</b>	<b>69,384,005</b>
<b>NOTE 19: DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
Depreciation of Tangible Assets	14,096,481	13,631,316
Amortization of Intangible Assets	2,700,995	2,027,772
Adjustment of Fixed Assets	-	147,790
	<b>16,797,476</b>	<b>15,806,878</b>
<b>NOTE 20: OTHER EXPENSES</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
Professional Charges	21,202,578	14,061,384
Computer Maintenance & Software Subscriptions	11,739,492	10,750,751
Shared Service Cost	9,500,000	8,470,000
Printing & Stationery	4,378,311	8,133,311
Rents, Rates & Taxes	3,273,298	3,897,131
Insurance Charges	2,377,761	1,841,067
Postage & Courier Charges	2,031,001	3,190,204
Society Maintenance Expenses	1,620,414	1,505,703
Conveyance Charges	1,408,129	1,353,457
Electricity Expenses	1,260,217	1,519,882
Business Promotion Expenses	1,223,629	4,801,913
Telephone / Communication	1,193,980	679,748

<b>NOTE 20: OTHER EXPENSES</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
<b>Cont...</b>		
Contributions Towards CSR	1,025,087	1,190,521
Advertising Expenses	1,024,870	1,290,929
Membership & Subscription	964,801	708,111
Miscellaneous Expenses	781,623	1,340,946
Auditors Remuneration	643,000	610,000
Motor Car Expenses	519,923	558,377
Repairs & Maintenance	457,010	698,017
Annual Fees to SEBI	390,083	250,000
Internet charges	279,535	333,466
Filing Fees	252,700	17,277
Loss on Discard of Assets	217,768	-
Director's Fees (Sitting Fees)	170,000	150,000
Director / Employee Education	122,621	430,697
Brokerage On Rental Property	33,898	249,680
Bank Charges	23,144	30,519
Loss on sale of Assets	15,039	4,999
Travelling Expenses	9,728	876,212
Professional Tax - Company	8,000	2,000
Books & Periodicals	3,210	16,790
	<b>68,150,850</b>	<b>68,963,092</b>
<b>NOTE 21: PRIOR PERIOD EXPENSE</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
GST ITC reversal	134,128	25,526
Other Expenses	111,364	(960)
	<b>245,492</b>	<b>24,565</b>
<b>NOTE 22: EXTRA-ORDINARY ITEM</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
Reimbursement to schemes	-	3,286,144
	<b>-</b>	<b>3,286,144</b>
<b>NOTE 23: CURRENT TAX EXPENSE</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
Current Tax	36,593,360	7,822,078
MAT Credit Income	(13,886,031)	(345,524)
MAT Credit Entitlement	13,886,031	345,524
MAT Credit Income of prior year	(107)	(310,296)
	<b>36,593,253</b>	<b>7,511,782</b>
<b>NOTE 24: DEFERRED TAX</b>		
	<b>For the year ended 31st March , 2021</b>	<b>For the year ended 31st March, 2020</b>
Deferred tax	1,417,292	2,598,162
	<b>1,417,292</b>	<b>2,598,162</b>

**NOTE 25: SUPPLEMENTARY INFORMATION****a. Particulars of Directors' Remuneration**

<b>Director's Name</b>	<b>Expenses Head</b>	<b>FY 2020-2021</b>	<b>FY 2019-2020</b>
Neil Parikh	Employee Benefit Expenses	Rs 17,130,824	Rs 9,117,624
Rajeev Thakkar	Employee Benefit Expenses	Rs 22,724,764	Rs 12,136,464
Shashi Kataria	Employee Benefit Expenses	Rs 4,055,029	Rs 2,764,466
Shashi Kataria	ESOPs Perquisites	Rs 373,300	-
Arindam Ghosh	Sitting Fees	Rs 50,000	Rs 50,000
Kamlesh Somani	Sitting Fees	Rs 60,000	Rs 40,000
Rajesh Bhojani	Sitting Fees	Rs 60,000	Rs 60,000

**b. Particulars of Auditors Remuneration**

<b>Particulars</b>	<b>FY 2020-2021</b>	<b>FY 2019-2020</b>
As Statutory Auditors	5,50,000	5,50,000
For Other Services	93,000	60,000
<b>Total</b>	<b>6,43,000</b>	<b>6,10,000</b>

**c. Value of Imports**

There were no import of goods carried out during the year.

**d. Expenditure in Foreign Currency**

<b>Particulars</b>	<b>FY 2020-2021</b>		<b>FY 2019-2020</b>	
	<b>In \$</b>	<b>In INR</b>	<b>In \$</b>	<b>In INR</b>
Subscription payment for Website & Mobile Application Maintenance (USD)	\$ 8,587	Rs 662,631	\$ 5,536	Rs 409,495
Email Purchase/Services & Web App Hosting	\$ 3,280	Rs 262,437	\$ 4,257	Rs 310,615
Business Promotion	\$ 220	Rs 17,100	-	-
Advertisement (USD)	-	-	\$ 207	Rs 15,107

Particulars	FY 2020-2021		FY 2019-2020	
	In Other International Currency	In INR	In Other International Currency	In INR
Subscription payment for Website & Mobile Application Maintenance	-	-	(€ 150)	Rs 12,320
Foreign Trip for Business Promotion	-	-	Mauritius Rupee 13,822	Rs 26,204

**e. Earnings in Foreign Currency**

There were no earnings in foreign currency during the year.

**NOTE 26: 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:

**Related Party Transaction:**

Related Party Name	Relationship	Nature of transaction	FY 2020-2021	FY 2019-2020
Empeegee Portfolio Management Services Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	120,000	120,000
Neil Parikh	Director who is able to exercise significant influence	Employee Benefit Expense	17,130,824	9,117,624
Rajeev Thakkar	Director who is able to exercise significant influence	Employee Benefit Expense	22,724,764	12,136,464

<b>Related Party Name</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>FY 2020-2021</b>	<b>FY 2019-2020</b>
Shashi Kataria	Director who is able to exercise significant influence	Employee Benefit Expense	4,055,029	2,764,466
Shashi Kataria	Director who is able to exercise significant influence	ESOPS Perquisites	373,300	-
Synage Software Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence	Software Maintenance	4,002,000	3,968,500
Parag Parikh Financial Advisory Services Limited. (Formerly known as Parag Parikh Financial Advisory Services Private Limited.	Holding Company	Shared Service Cost	9,500,000	8,470,000

**Related Party Balances:**

<b>Related Party Name</b>	<b>Relationship</b>	<b>Nature of balances</b>	<b>FY 2020-2021</b>	<b>FY 2019-2020</b>
Empeegee Portfolio Management Services Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Interest on Electricity Deposit	5,537	10,716

**NOTE 27: ESOPS OF HOLDING COMPANY**

Employees of the Company were entitled to ESOPs of its holding company viz. Parag Parikh Financial Advisory Services Ltd (Formerly known as Parag Parikh Financial Advisory Services Pvt Ltd) under ESOP 2018 and ESOP 2019 schemes of the said holding company. The Exercise Price for ESOP 2018 was Rs. 100 per share and the Exercise Price for ESOP 2019 was Rs. 150 per share, while the Fair Value of the said shares as computed by an independent valuer was Rs. 137.33 at the relevant date, The difference of Rs. 37.33 per share for ESOP 2018 has been borne by the Company and is accounted under 'Employee Benefit Expenses', the details of which are as follows:

<b>Particulars</b>	<b>Number Of Shared Involved</b>	<b>Employee Benefit Expenses</b>
ESOP 2018	92,750	3,462,358
ESOP 2019	111,100	NIL

**NOTE 28: CONTINGENT LIABILITIES**

<b>Contingent Liabilities</b>	<b>FY 2020-2021 (Amt in Rs. Lakhs)</b>	<b>FY 2019-2020 (Amt in Rs. Lakhs)</b>
Income Tax Case – Appeals in High Court AY 2013-14	41.73	41.73
Income Tax Case – CIT Appeals AY 2017-18	-	3.85

In Current year, there is no Contingent Liability for Income Tax AY 2017-18 of Rs 3.85 lakhs since company had opted for Vivad Se Vishwas Scheme and the same is accepted by the department. Order under section 250 is also received from department.

**NOTE 29: EARNINGS PER SHARE**

<b>Particulars</b>	<b>FY 2020-2021</b>	<b>FY 2019-2020</b>
Profit attributable to equity shareholders	Rs 91,762,526	Rs 34,601,147
Weighted Average number of Equity Share Outstanding during the year	35,730,009	35,730,009
Basic EPS	Rs 2.57	Rs 0.97
Diluted EPS	Rs 2.57	Rs 0.97
Nominal value per share	10	10

**NOTE 30: MAJOR COMPONENTS OF DEFFERED TAX**

<b>Particulars</b>	<b>Amounts</b>		
<b>I. Opening Balance Deferred Tax Liabilities</b>			<b>7,315,950</b>
<b>II Changes during the Year</b>			
(a) Timing Difference in Depreciation			
As per Accounts	16,797,476		
As per Income tax Act	21,836,903		
Undercharged for tax purpose	5,039,427		
Deferred Tax @ 29.12% on depreciation		1,467,481	
(b) Timing Difference due to Provision for Leave Encashment			
As per Accounts	1,948,270		
As per Income Tax Act	1,620,541		
Overcharged for tax purpose	327,729		
Deferred Tax @ 29.12%		(95,435)	

(c) Timing Difference due to Gratuity			
As per Accounts	(155,379)		
As per Income Tax Act	-		
Over accrued for tax purpose	155,379		
Deferred Tax @ 29.12%		45,246	
<b>III. Deferred Tax Expense recognized in Statement of Profit &amp; Loss</b>			<b>1,417,292</b>
<b>IV. Net Deferred tax Liabilities as per Balance Sheet (I + III)</b>			<b>8,733,242</b>

#### NOTE 31: EMPLOYEE BENEFITS

The amounts recognized in the Company's financial statements as at year end are as under:

Particulars		Gratuity (Funded)	
		(Amount in Rs.)	
		Current Year	Previous Year
<b>i)</b>	<b>Change in Present Value of Obligation</b>		
	Present value of the obligation at the beginning of the year	6,387,558	4,950,983
	Interest Cost	427,966	386,177
	Current Service Cost	918,474	787,793
	Liability Transferred In/Acquisition	60,492	-
	Liability Transferred Out/ Divestments	(59,391)	(207,176)
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-	(2,551)
	Actuarial (Gain) / Loss on Obligation	815,233	(146,271)
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(822,052)	618,603



	Present value of the obligation at the end of the year	<b>7,728,280</b>	<b>6,387,558</b>
<b>ii)</b>	<b>Change in Plan Assets</b>		
	Fair value of Plan Assets at the beginning of the year	6,654,420	3,543,224
	Expected return on Plan Assets	445,846	276,371
	Contributions by the Employer	-	3,295,000
	Assets Transferred In/Acquisition	60,492	-
	Assets Transferred Out/ Divestments	(59,391)	(207,176)
	Actuarial Gain / (Loss) on Plan Assets	1,049,154	(252,999)
	Fair value of Plan Assets at the end of the year	<b>8,150,521</b>	<b>6,654,420</b>
<b>iii)</b>	<b>Amounts Recognised in the Balance Sheet:</b>		
	Present value of Obligation at the end of the year	(7,728,280)	(6,387,558)
	Fair value of Plan Assets at the end of the year	8,150,521	6,654,420
	Net (Liability)/Asset Recognized in the Balance Sheet	<b>422,241</b>	<b>266,862</b>
<b>iv)</b>	<b>Amounts Recognised in the statement of Profit and Loss:</b>		
	Current Service Cost	918,474	787,793
	Net Interest Cost	(17,880)	109,806
	Actuarial (Gains)/Losses	(1,055,973)	722,780
	Net Cost Included in Employee Benefit Expenses	<b>(155,379)</b>	<b>1,620,379</b>

<b>v)</b>	<b>Actual Return on Plan Assets</b>	<b>1,495,000</b>	<b>23,372</b>
<b>vii)</b>	<b>Major categories of Plan Assets as a % of total Plan Assets</b>		
	i) Insurer Managed Funds	100%	<i>100%</i>
<b>viii)</b>	<b>Actuarial Assumptions</b>		
	i) Discount Rate	6.57% P.A.	<i>6.70% P.A.</i>
	ii) Expected Rate of Return on Plan Assets	6.57% P.A.	<i>6.70% P.A.</i>
	iii) Salary Escalation Rate	10% P.A.	<i>8% P.A.</i>
	iv) Employee Turnover	10% P.A.	<i>10% P.A.</i>
	v) Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	<i>Indian Assured Lives Mortality (2006-08)</i>

**NOTE 32: PREVIOUS YEAR FIGURES**

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

**Signatures to Notes 1 to 32**

As per Our Audit Report of even date

**For CVK & Associates**

*Chartered Accountants*

*Firm Registration No:101745W*

Sd/-

**CA K P Chaudhari**

*Partner*

*Membership No.: 031661*

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

**PPFAS Asset Management Private Limited**

Sd/-

**Neil Parikh**

*Director*

*DIN : 00080269*

Sd/-

**Rajeev Thakkar**

*Director*

*DIN : 00227548*

Sd/-

**Shashi Kataria**

*Chief Financial Officer*

Sd/-

**Priya Hariani**

*Company Secretary*

Place: Mumbai

Date: 25<sup>th</sup> June, 2021