

Annual Report FY 2019-2020

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



Annual Report FY 2019 - 2020

Board of Directors

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

Key Managerial Persons

| | |
|-------------------|-------------------------|
| Neil Parag Parikh | Chief Executive Officer |
| Shashi Kataria | Chief Financial Officer |
| Priya Hariani | Company Secretary |

Statutory Auditors

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|--|
| CVK & Associates, Chartered Accountants |
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Bankers

| |
|-------------------|
| HDFC Bank Limited |
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| Registered and Corporate Office: 81/82, 8 th 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, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point,
Mumbai 400 021.

Tel: 91 22 6140 6555 Fax: 91 22 6140 6590 Website: www.amc.ppfas.com

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the members of PPFAS Asset Management Private Limited will be held on Monday, **September 28, 2020** at **2.00 p.m.** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS:

To receive, consider and adopt the Audited Financial Statements of the Company for Financial year ended 31st March, 2020, together with the Report of Board of Directors' and Auditor's thereon.

SPECIAL BUSINESS:

2. RE-APPOINTMENT OF MR. RAJESH CHUNILAL BHOJANI (DIN- 01804482) 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 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, as amended and notified from time to time, Mr. Rajesh Chunilal Bhojani (DIN- 01804482), who was appointed as an Independent Director of the Company for a term up to 5th July, 2020, being eligible for re-appointment as an Independent Director 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 re-appointed as an Independent Director of the Company for a second term of five (5) consecutive years, with effect from 6th July, 2020 up to 5th July, 2025 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 is 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.”

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

Sd/-

Neil Parag Parikh
Director
(DIN: 00080269)

Sd/-

Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai
Date: 30th July, 2020

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (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.
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 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 9th 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. 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 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 2019-20 will also be available on the Company’s website 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. 2

Mr. Rajesh Chunilal Bhojani (DIN- 01804482) was appointed as an Independent Director of the company in the financial year 2015 for the period of five years. 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 reappointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by a way of special resolution and on disclosure of such re-appointment in the Board's Report. The Board of Directors of the Company in its meeting dated 30th July, 2020 have re-appointed Mr. Rajesh Chunilal Bhojani as the Independent Director for a second term of 5 (five) years subject to the subsequent approval from the shareholders in a general meeting. Schedule IV of the Companies Act, 2013 provides for performance evaluation by the Board before extending the term of Independent Director. Mr. Rajesh Chunilal Bhojani 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 Sub-section(2) of Section 164 of the Companies Act 2013. In the opinion of the Board, Mr. Rajesh Chunilal Bhojani fulfills the conditions provided in the Act and the Rules made thereunder for re-appointment as Independent Director and is independent of the management.

The Board of Directors are of the opinion that considering the vast experience, knowledge and the possession of relevant expertise by Mr. Rajesh Chunilal Bhojani (DIN- 01804482) his continued association would be of immense benefit to the Board and recommend the Special Resolution for your approval.

None of the Directors/Key Managerial Personnel or their relatives are interested except. Mr. Rajesh Chunilal Bhojani.

Information Pertaining to Director seeking re-appointment as mentioned under the applicable Secretarial Standards:

| | |
|--|---|
| Name of Director | Rajesh Chunilal Bhojani |
| Age | 60 |
| Date of First Appointment on the Board | 06/07/2015 |
| Qualifications | MMS, B.com |
| Experience (including expertise in specific functional area)/ Brief Resume | <p>Mr. Rajesh Chunilal Bhojani is a senior professional with over 30 years' experience in financial services and education sectors. He was earlier the Senior Vice President at Birla Sun Life where he has worked for the Mutual Fund, Insurance and Wealth Management companies of Aditya Birla Group. He was associated with Birla Mutual Fund since its inception.</p> <p>He is a former President of Sales at UTI Mutual Fund where he headed a large team of marketing and sales professionals. He was also the Chief Marketing Officer at Zurich India Mutual Fund.</p> <p>He has also been associated with the financial planning movement and was associated with the Financial Planning Standards Board which awards the CFP qualification.</p> |
| Terms and Conditions of Appointment / | As per the resolution item no. 2 of the Notice convening Annual |

| | |
|--|---|
| Re-appointment | General Meeting read with explanatory statement thereto, Mr. Rajesh Chunilal Bhojani is proposed to be re-appointed as an Independent Director of the Company for the second term of five years i.e. from 6 th July, 2020 to 5 th July, 2025. |
| Number of Shares held in Equity Capital of the Company | NIL |
| Remuneration last drawn (including sitting fees, if any) | Rs. 60,000/- |
| Remuneration proposed to be paid | No remuneration other than sitting fee for attending board/committee meetings |
| Number of meetings of the Board attended during the year | 6 |
| Directorships held in other Companies as on March 31, 2020 | NMIMS Business School Alumni Association |
| Membership / Chairmanship of Committees of other Boards as on March 31, 2020 | NIL |
| Disclosure of relationships between Directors/KMP inter-se | None. |

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

Sd/-
Neil Parag Parikh
Director
(DIN: 00080269)

Sd/-
Rajeev Thakkar
Director
(DIN:00227548)

PPFAS Asset Management Private Limited

CIN: U65100MH2011PTC220623

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

Tel: 91 22 6140 6555 Fax: 91 22 6140 6590 Website: www.amc.ppfas.com

DIRECTORS' REPORT

Dear Member(s),

We are pleased to present our Ninth Annual Report on the business operations of the Company and the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS AND OVERVIEW OF OPERATIONS

The Financial Results of the Company for the year ended 31st March 2020 is as under:

| Particulars | For the year ended March 31, 2020 (Rs. in Lakhs) | For the year ended March 31, 2019 (Rs. in Lakhs) |
|--|---|---|
| Operating Income | 1,832.12 | 1,538.31 |
| Other Income | 189.58 | 482.42 |
| Total Income | 2,021.71 | 2,020.73 |
| Profit before Depreciation, Tax and Exceptional & Extraordinary items | 638.29 | 618.53 |
| Exceptional Items: Prior period expenses/(Income) | 1.72 | (3.76) |
| Profit Before Depreciation, Extra Ordinary Items and Tax | 636.57 | 622.28 |
| Extraordinary items | 32.86 | - |
| Profit before Depreciation and Tax | 603.70 | 622.28 |
| Depreciation | 156.60 | 130.41 |
| Profit before tax | 447.11 | 491.88 |
| Current Tax | 75.12 | 2.81 |
| Deferred Tax Income | 25.98 | 23.76 |
| Profit/ (Loss) after tax | 346.01 | 465.31 |
| Share Capital | 3,573.00 | 3,573.00 |
| Reserves & Surplus | 3,061.16 | 2,715.15 |

Dividend

Board of Directors of the company do not recommend any dividend. This will help company to build its reserves to desirable level.

Reserves

The Board proposes to carry forward Rs. 346.01 Lakhs to Profit and Loss Account.

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, 2020.

State of the Company's Affairs & Industry Outlook

Mutual Fund Activity:

The Company is functioning as an investment manager to PPFAS Mutual Fund. Company generates its operating income from management fees which it charges on Asset Under Management of the schemes of PPFAS Mutual Fund. AUM of the schemes of PPFAS Mutual Fund has increased from Rs. 1,961.51 crores as on March 31, 2019 to Rs. 2,871.87 crores as on March 31, 2020. 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 Fund launched its third scheme in July 2019, Parag Parikh Tax Saver Fund (PPTSF) to enable investors to save on tax while earning equity linked returns. PPTSF is an open-ended Equity Linked Savings Scheme, offering income tax benefits up to Rs 1.50 lakh under section 80C with a mandatory lock-in period of 3 years. The scheme aims to generate long-term capital appreciation through a portfolio of equity and equity-related securities.

Number of investors have increased from 80,289 in FY 2018-19 to 1,84,789 in FY 2019-20. Stability and wider acceptability for the schemes of PPFAS Mutual Fund helps company to earn its operating income (i.e. management fees). Operations of the Company is in compliance with the applicable statutes. The Company has implemented required risk control procedures. Board members are of the view that functioning of the Company is satisfactory and Company is in good financial health.

Details of performance of the schemes of PPFAS Mutual Fund can be obtained from the website of PPFAS Mutual Fund, www.amc.ppfas.com.

Environment in the capital markets

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. Given the somewhat elevated level in the past, Parag Parikh Long Term Equity Fund and Parag Parikh Tax Saver Fund were holding some cash. This was gainfully deployed in the fall and the subsequent recovery in the equity markets helped us. The importance of global diversification also came vividly to the fore as the US equity markets and especially the technology related space bounced back smartly on the back of fiscal and monetary measures announced in the country. In the midst of all the turmoil, Parag Parikh Long Term Equity Fund and Parag Parikh Tax Saver Fund preserved capital quite well on the downside and have recovered smartly in the subsequent months. 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.

Even in the debt funds, there was quite a bit of turmoil given the difficult economic environment and the drying up of liquidity in lower rated papers. 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 taken steps to expand its geographical reach by launching branches in Delhi, Bengaluru and Pune during the year. The Company is also planning expansion to Chennai, Hyderabad and Ahmedabad shortly.

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

Investor Relations

Company has in-house investor relations department which addresses all the investor queries. Apart from maintaining a dedicated in-house investor relations department; the Company has outsourced the handling of investor queries/services to CAMS Call centre which addresses all investor queries.

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

Finances

The Company has invested its funds received in schemes of Mutual Funds and other permissible securities. A certain amount of the surplus funds is invested in its schemes. 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 investments made by the company are provided in 'investment schedule' which forms part of the financials.

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

Human Resource

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

Future Outlook

During financial year 2019-20 we witnessed decent growth in Assets Under Management (AUM) for schemes of PPFAS Mutual Fund (i.e. AUM grew from Rs. 1,961.51 crores to Rs. 2,871.87 crores). Scheme of PPFAS Mutual Fund- Parag Parikh Long Term Equity Fund has completed 7 years of operations in the month of May 2020. We continue with the same investment focus, to buy meaningful stakes in well run businesses, for the long term.

Going forward, our focus is to guide PPFAS AMC to build its distribution channel which will serve investors of PPFAS Mutual Fund coming from direct as well as distributor channel and ensure operations of PPFAS Mutual Fund and PPFAS AMC are in compliance with applicable SEBI regulations.

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 2019-20.

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.

There is no change in the Key Managerial Persons of the Company.

Statement on Declaration given by Independent Directors

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

Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of a Director as per applicable provisions

PPFAS Asset Management Private Limited has formulated a policy for appointment and remuneration of directors of the Company as per applicable provisions. The salient features of the policy 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. 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 regulation for appointment as a Director of the Company;

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

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

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

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.

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

The meetings of the Board of Directors are normally held at the Company's Registered office in Mumbai. During the financial year 2019-2020, 6 Board meetings and 3 Committee meetings was 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. Meetings of Board of Directors includes meeting of Independent Directors held 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 |
|------------------------------|----------------|--------------------------|
| 22 nd April, 2019 | 6 | 5 |
| 26 th June, 2019 | 6 | 5 |

| | | |
|---------------------------------|---|---|
| 30 th August, 2019 | 6 | 5 |
| 24 th October, 2019 | 6 | 6 |
| 23 rd December, 2019 | 6 | 5 |
| 27 th February, 2020 | 6 | 6 |

The details of the Committee meetings held is as follows:

| Date of Committee Meeting | Board Strength | No. of Directors Present |
|---------------------------------|----------------|--------------------------|
| 26 th June, 2019 | 3 | 3 |
| 23 rd December, 2019 | 3 | 2 |
| 27 th February, 2020 | 3 | 3 |

Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the annual accounts for the financial year ended 31st March, 2020 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: -

| | |
|-----------------------------|--------------------------|
| Name of the employee | Rajeev Thakkar |
| Designation of the employee | Chief Investment Officer |

| | |
|---|---|
| Remuneration received | ₹ 1,21,36,464 |
| Nature of employment, whether contractual or otherwise | Rajeev Thakkar is Fund Manager and Chief Investment Officer of the Company. He is a permanent employee of the Company. |
| Qualifications and experience of the employee | B. Com. (Bombay University), Chartered Accountant, CFA Charter Holder, Grad ICWA. |
| Date of commencement of employment | 14 th January 2012 |
| Age of such employee | 48 |
| The last employment held by such employee before joining the company | CEO of Parag Parikh Financial Advisory Services Private Limited. |
| Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) | He holds one equity share as a nominee of Parag Parikh Financial Advisory Services Private Limited (Sponsor) |
| Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager | No. |

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

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

a) Conservation of Energy

As the Company is engaged in rendering professional services, electricity cost is not a major component of total cost. The Company 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 7.74 Lakhs

Foreign exchange earnings during the year was NIL.

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

Particulars of investments made by Company during the Financial year 2019-20 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.

Corporate Social Responsibility (CSR)

The Company is vigilant to its responsibility towards the society as a corporate citizen. During the financial year 2019-20, Company has spent Rs. 1,190,521/- towards its CSR activities. The details of CSR expenditure for financial year 2019-20 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 which is displayed on the website of the company i.e. www.amc.ppfas.com.

Policy on Prevention of Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013

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

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 9th 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, 2020 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, no fraud has been reported for the Financial year 2019-20.

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,

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

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: 30th July, 2020

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 Pvt. 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. 7.00 Lakhs for the first 11 months and as increased to 7.70 Lakhs p.m. w.e.f. 01/03/2020 paid under shared service agreement. | Monthly fees of Rs. 3.00 lakhs for April 2019 and increased to 3.33 Lakhs w.e.f. 01/05/2019 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 rd February 2018 | 23 rd February 2018 | 18 th 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 2019-2020 (in INR) | Rs. 1,20,000/- | Rs. 84,70,000/- | Rs. 39,68,500/- |

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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, 8th 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 | Company is authorized by the SEBI to act as an 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 Private Limited 81/82, 8 th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021 | U67190MH1992 PTC068970 | Holding | 100 | Section 2(46) |

| | | | | | | | | | |
|--|---|--------------------|--------------------|------------|---|--------------------|--------------------|------------|---|
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 3,57,30,009 | 3,57,30,009 | 100 | - | 3,57,30,009 | 3,57,30,009 | 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 Private Limited. This is to ensure compliance with provisions of minimum number of members.

(ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | 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 Private Limited (including 6 Registered Owners* (Nominees) of Parag Parikh Financial Advisory Services Private Limited (Promoter) | 3,57,30,009 | 100 | Nil | 3,57,30,009 | 100 | Nil | Nil |
| | Total | 3,57,30,009 | 100 | Nil | 3,57,30,009 | 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 Private 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 | 3,57,30,009 | 100 | 3,57,30,009 | 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 | - | - | 3,57,30,009 | 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 Private Limited. This is to ensure compliance with provisions of minimum number of members.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable (Parag Parikh Financial Advisory Services Pvt. 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 |
| | For Each of the Top 10 Shareholders | | | | |
| | 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. 2019-2020 | | | |
| | 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 |
| | For Each of the Directors and KMP | | | | |
| | 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 Private 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 Private Limited. This is to ensure compliance with provisions of minimum number of members. | |
| | At the End of the year | Nil | Nil | Nil | Nil |

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---------|-----------------------------|-------------------------|----------------|--------------|
| | | Neil Parag Parikh | Rajeev Thakkar | |

| | | | | |
|---|--|---|-------------------|--------------------|
| 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. 91,17,624/- | Rs. 1,21,36,464/- | Rs. 2,12,54,088 /- |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission- as % of profit - others, specify... | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil |
| | Total (A) | Rs. 91,17,624/- | Rs. 1,21,36,464/- | Rs. 2,12,54,088 /- |
| | Ceiling as per the Act | Being Private Limited Company, ceiling specified under sub section (4) of Section 196 of the Companies Act 2013 is not applicable to the Company. | | |

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration | Name of Director | | | Total Amount |
|---------|--|------------------|----------------|---------------|----------------|
| | | Kamlesh Somani | Rajesh Bhojani | Arindam Ghosh | |
| | 3. Independent Directors | | | | |
| | • Fee for attending board / committee meetings | Rs. 40,000/- | Rs. 60,000/- | Rs. 50,000/- | Rs. 1,50,000/- |
| | • Commission | Nil | Nil | Nil | Nil |
| | • Others, please specify | | | | |
| | Total (1) | Rs. 40,000/- | Rs. 60,000/- | Rs. 50,000/- | Rs. 1,50,000/- |
| | 4. Other Non-Executive Directors | | | | |
| | • Fee for attending board / committee meetings | Nil | Nil | Nil | Nil |

| | | | | | |
|--|--|---|--------------|--------------|----------------|
| | • Commission • Others, please specify | | | | |
| | Total (2) | Nil | Nil | Nil | Nil |
| | Total (B)= (1+2) | Rs. 40,000/- | Rs. 60,000/- | Rs. 50,000/- | Rs. 1,50,000/- |
| | Total Managerial Remuneration | Rs. 40,000/- | Rs. 60,000/- | Rs. 50,000/- | Rs. 1,50,000/- |
| | Overall Ceiling as per the Act | Non-Executive directors are paid only sitting fees. | | | |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|--|----------------------------|--------------------------------------|-------------------------|-----------------|
| | | CEO (Neil Parag Parikh) | Company Secretary (Priya Hariani) | CFO (Shashi Kataria) | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Rs.91,17,624/- | Rs. 9,09,044/- | Rs. 27,64,466/ - | Rs.12,791,134/- |
| 2 | Stock Option | Nil | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil | Nil |
| 4 | Commission – as % of profit – others, specify... | Nil | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil | Nil |

| | | | | | |
|--|------------------------|---|----------------|-----------------|-----------------|
| | Total (A) | Rs.91,17,624/- | Rs. 9,09,044/- | Rs. 27,64,466/- | Rs.12,791,134/- |
| | Ceiling as per the Act | Being Private Limited Company, ceiling specified under sub section (4) of Section 196 of the Companies Act 2013 is not applicable to the Company. | | | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|--|------------------------------|-------------------|---|------------------------------|------------------------------------|
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| <p>For and on behalf of the Board of Directors</p> <p>PPFAS Asset Management Private Limited</p> <p>Sd/- Neil Parag Parikh Director (DIN: 00080269)</p> <p>Sd/- Rajeev Thakkar Director (DIN: 00227548)</p> <p>Place: Mumbai Date: 30th July, 2020</p> | | | | | |

REPORT ON CSR ACTIVITIES UNDERTAKEN DURING F. Y. 2019-20

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:

1. Health
2. Education
3. Sanitation Facilities
4. Environmental Sustainability
5. Promoting Gender Equality
6. Improving vocational skills

Company's CSR policy is available at: www.amc.ppfas.com

2. The composition of the CSR Committee:

Neil Parikh - Chairman

Rajeev Thakkar - Member

Kamlesh Somani - Member

The Committee has met twice during the year to discuss the CSR Projects.

3. Average Net Profit of the Company for last three financial years: Rs. 59,526,037/-
4. Prescribed CSR Expenditure (2% of the amount as per item 3 above): Rs. 1,190,521/-
5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 1,190,521/-

(b) Amount unspent if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered | Location of the Project/ Program | Amount outlay (Budget) | Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects and programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
|---------|------------------------------------|--|----------------------------------|------------------------|--|---|---|
| 1 | E-learning Project | Promoting education, including special education | Mumbai | Rs. 1,00,000/- | Rs. 1,00,000/- | Rs. 1,00,000/- | Bombay Mid-Town Rotary Trust |

| | | | | | | | |
|----|---|--|-------------------|----------------|----------------|----------------|--|
| 2 | Education aid | Promoting education, including special education | Mumbai | Rs. 50,000/- | Rs. 50,000/- | Rs. 50,000/- | I-watch |
| 3 | Education aid | Promoting education, including special education | Palanpur, Gujarat | Rs. 1,00,000/- | Rs. 1,00,000/- | Rs. 1,00,000/- | Chandisar Madhyamik Education Society |
| 4 | Water Handpump Project | Promoting sanitation and healthcare | Maharashtra | Rs. 1,80,000/- | Rs. 1,80,000/- | Rs. 1,80,000/- | Bombay Mid-Town Rotary Trust |
| 5 | Inner Wheel Project | Promoting education, including special education, health care, sanitation and other similar activities | Mumbai | Rs. 1,00,000/- | Rs. 1,00,000/- | Rs. 1,00,000/- | Bombay Mid-Town Rotary Trust |
| 6 | Potkhal Baste Village Education Project | Promoting education, including special education | Mumbai | Rs. 1,20,000/- | Rs. 1,20,000/- | Rs. 1,20,000/- | Bombay Mid-Town Rotary Trust |
| 7 | Aarogyam project | Providing nourishment to underprivileged children and promoting health care | Mumbai | Rs. 2,00,000/- | Rs. 2,00,000/- | Rs. 2,00,000/- | Sir C.J. New High School Trust |
| 8 | Cataract Surgery Project | Promoting health care including preventive health care | Mumbai | Rs. 1,00,000/- | Rs. 1,00,000/- | Rs. 1,00,000/- | Bombay Mid-Town Rotary Trust |
| 9 | Aid to the Physically challenged | Aid and Appliances to physically and mentally challenged | Mumbai | Rs. 1,00,521/- | Rs. 1,00,521/- | Rs. 1,00,521/- | Fellowship of the Physically Handicapped |
| 10 | Umeed Project | Promoting education including special education for the physically | Mumbai | Rs. 40,000/- | Rs. 40,000/- | Rs. 40,000/- | Bombay Mid-Town Rotary Trust |

| | | | | | | | |
|----|------------------|--|--------|----------------|----------------|----------------|------------------------------|
| | | and mentally challenged | | | | | |
| 11 | Covid 19 Project | Contribution towards fight against pandemic COVID 19 | Mumbai | Rs. 1,00,000/- | Rs. 1,00,000/- | Rs. 1,00,000/- | Bombay Mid-Town Rotary Trust |

6. Details of the Implementing Agency:

- i. Rotary Club of Bombay is the Sponsor of Rotary Club of Bombay Mid-Town which received its Charter on 12th November, 1968.
- ii. I-watch is a nonprofit think tank and foundation established since 1992 working in the field of Education, Vocational training, Water, Health, Agriculture, Renewable energy & the Environment.
- iii. Sir C. J. New High School, Gandevi established in the year 2000 provides value education to students and undertakes various projects for the enhancement of children.
- iv. Chandisar Madhyamik Education Society works towards the providing value education to students and undertakes various projects for the enhancement of children.
- v. Fellowship of the Physically Handicapped works for the welfare and rehabilitation of the differently abled people of the Society.

7. Our CSR Responsibilities

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

Sd/-
Neil Parikh
Chairman
(CSR Committee)

Sd/-
Rajeev Thakkar
Member
(CSR Committee)

Place: Mumbai
Date: 30th July, 2020

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, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 (“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, 2020, its profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing 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 Companies Act, 2013 ("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 Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st, March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The matters specified in Section 143(3)(i) have not been commented upon, as they are not applicable.
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 30th July 2020

UDIN: 20031661AAAAAV7511

Annexure A to the Independent Auditors Report
Auditor's Responsibilities for Audit of Financial Statements

As part of an audit in accordance with 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: 30th July 2020

UDIN: 20031661AAAAAV7511

Annexure B to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the PPFAS Asset Management Private Limited on the standalone financial statements for the year ended 31 March, 2020, we report that:

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties are held in the name of the company.

- (ii) The Company is a service company, primarily rendering Asset Management services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

- (iv) In respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Companies Act, 2013 have been complied 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, Sales-Tax, Service-tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. As per the records of the Company, there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no outstanding dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax, value added tax, or cess; on account of any dispute.
- (viii) The company did not have any loans or borrowings from any financial institution, bank, government or debenture holders during the year. Thus, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and the explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Thus, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the company by officers or employees has been noticed or reported during the course of our audit.
- (xi) The company is a private company and section 197 of the Companies Act is not applicable to it. Thus, paragraph 3(xi) of the Order is not applicable.
- (xii) The company is not a Nidhi Company. Thus paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Thus, Paragraph 3(xiv) of the Order is not applicable.

- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 30th July 2020

UDIN: 20031661AAAAAV7511

| PPFAS ASSET MANAGEMENT PRIVATE LIMITED | | | |
|---|--------------------------------|---|--|
| Balance Sheet As At 31st March, 2020 | | | |
| Particulars | Note No. | As at 31st March, 2020 (in Rs.) | As at 31st March, 2019 (in Rs.) |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 357,300,090 | 357,300,090 |
| Reserves And Surplus | 4 | 306,116,287 | 271,515,140 |
| | (a) | 663,416,377 | 628,815,230 |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 5 | 7,315,950 | 4,717,788 |
| | (b) | 7,315,950 | 4,717,788 |
| Current Liabilities | | | |
| Trade Payables | 6 | 1,204,274 | 931,250 |
| Other Current Liabilities | 7 | 3,748,835 | 5,293,054 |
| Short Term Provisions | 8 | 4,190,687 | 2,964,765 |
| | (c) | 9,143,796 | 9,189,069 |
| Total Equity & Liabilities | (a+b+c) | 679,876,123 | 642,722,087 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | | | |
| (i) Tangible Assets | 9A | 198,377,517 | 209,415,014 |
| (ii) Intangible Assets | 9B | 4,999,657 | 1,885,995 |
| (iii) Intangible Assets Under Development | 9C | 150,000 | - |
| | (d) | 203,527,174 | 211,301,009 |
| Non-Current Investments | 10 | 401,199,117 | 365,138,944 |
| Long Term Loans & Advances | 11 | 50,439,617 | 40,926,461 |
| | (e) | 451,638,734 | 406,065,405 |
| Current Assets | | | |
| Trade Receivables | 12 | 17,422,264 | 13,617,318 |
| Cash & Cash Equivalents | 13 | 2,810,533 | 4,837,569 |
| Short-Term Loans & Advances | 14 | 3,967,493 | 3,534,079 |
| Other Current Assets | 15 | 509,925 | 3,366,707 |
| | (f) | 24,710,215 | 25,355,673 |
| Total Assets | (d+e+f) | 679,876,123 | 642,722,087 |
| Summary of significant accounting policies 2 | | | |
| The accompanying notes are an integral part of the financial statements | | | |
| As per Our Audit Report of even date | | | |
| For CVK & Associates | | For and on behalf of the Board of Directors of | |
| <i>Chartered Accountants</i> | | PPFAS Asset Management Private Limited | |
| <i>Firm Registration No: 101745W</i> | | | |
| Sd/- | Sd/- | Sd/- | |
| CA K P Chaudhari | Neil Parikh | Rajeev Thakkar | |
| <i>Partner</i> | <i>Director</i> | <i>Director</i> | |
| <i>Membership no.: 031661</i> | <i>DIN : 00080269</i> | <i>DIN : 00227548</i> | |
| | Sd/- | Sd/- | |
| | Shashi Kataria | Priya Hariani | |
| | <i>Chief Financial Officer</i> | <i>Company Secretary</i> | |
| Place: Mumbai | | | |
| Date: 30th July, 2020 | | | |

| PPFAS ASSET MANAGEMENT PRIVATE LIMITED | | | |
|---|----------|---|--|
| Statement of Profit and Loss For The Year Ended 31st March, 2020 | | | |
| Particulars | Note No. | For the year ended 31st March, 2020 (in Rs.) | For the year ended 31st March, 2019 (in Rs.) |
| Income | | | |
| Revenue from operations | 16 | 183,212,433 | 153,830,825 |
| Other Income | 17 | 18,958,343 | 48,242,657 |
| Total Revenue | | 202,170,776 | 202,073,482 |
| Expenses | | | |
| Employee Benefits Expenses | 18 | 69,384,005 | 66,422,838 |
| Depreciation & Amortization Expenses | 19 | 15,659,088 | 13,040,886 |
| Other Expenses | 20 | 68,958,092 | 73,797,875 |
| Total Expenses | | 154,001,185 | 153,261,599 |
| Profit Before Tax & Prior period Items | | 48,169,591 | 48,811,883 |
| Prior period expenses / (Income) | 21 | 172,356 | (375,719) |
| Profit Before Extra Ordinary Items and Tax | | 47,997,235 | 49,187,602 |
| Extra Ordinary Items | 22 | 3,286,144 | - |
| Profit Before Tax | | 44,711,091 | 49,187,602 |
| Tax Expense | | | |
| Current Tax | 23 | 7,511,782 | 281,053 |
| Deferred Tax | 24 | 2,598,162 | 2,375,930 |
| Total Tax Expense | | 10,109,944 | 2,656,983 |
| Profit(Loss) for the Period | | 34,601,147 | 46,530,619 |
| Earning Per Equity Share | | | |
| Basic | | 0.97 | 1.30 |
| Diluted | | 0.97 | 1.30 |
| Summary of significant accounting policies | | 2 | |
| The accompanying notes are an integral part of the financial statements | | | |
| As per Our Audit Report of even date | | | |
| For CVK & Associates | | For and on behalf of the Board of Directors of | |
| <i>Chartered Accountants</i> | | PPFAS Asset Management Private Limited | |
| <i>Firm Registration No:101745W</i> | | | |
| Sd/- | | Sd/- | Sd/- |
| CA K P Chaudhari | | Neil Parikh | Rajeev Thakkar |
| <i>Partner</i> | | <i>Director</i> | <i>Director</i> |
| <i>Membership no.: 031661</i> | | <i>DIN : 00080269</i> | <i>DIN : 00227548</i> |
| | | Sd/- | Sd/- |
| | | Shashi Kataria | Priya Hariani |
| | | <i>Chief Financial Officer</i> | <i>Company Secretary</i> |
| Place: Mumbai | | | |
| Date: 30th July, 2020 | | | |

PPFAS ASSET MANAGEMENT PRIVATE LIMITED
Cash Flow Statement For The Year Ended 31st March , 2020

| Particulars | For the year ended 31st March , 2020 | | For the year ended 31st March, 2019 | |
|---|---|---------------------|--|--------------------|
| | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| Cash flow from Operating Activities | | | | |
| Profit before tax | | 44,711,091 | | 49,187,602 |
| Add : Non Operating Expenses/Items | | | | |
| Depreciation on Fixed Assets | 13,631,316 | | 12,272,875 | |
| Amortization of Fixed Assets | 2,027,772 | 15,659,088 | 768,011 | 13,040,886 |
| Less : Non - Operating Income/Items | | 60,370,178 | | 62,228,488 |
| Interest on Tax free Bonds | - | | (22,418) | |
| Short Term Capital Gain on Mutual Fund | (5,769,784) | | (6,857,542) | |
| Long Term Capital Gain on Mutual Fund | (12,052,485) | | (29,255,812) | |
| Long Term Capital Gain Equity | - | | (10,212,915) | |
| Long Term Capital Gains on Bonds | - | | (657,406) | |
| Profit on Sale of Fixed Asset | 4,999 | | (475,135) | |
| Other Income | (1,141,073) | (18,958,343) | (761,428) | (48,242,657) |
| Operating Profit before Working Capital Changes | | 41,411,835 | | 13,985,831 |
| Adjustment for Movement in working capital: | | | | |
| Decrease in Trade Payables & Other Current Liabilities | (1,271,195) | | (3,106,931) | |
| Increase in Short Term Provisions | 1,225,923 | | (2,054,052) | |
| Increase in Trade Receivables | (3,804,946) | | (266,681) | |
| Increase in Long Term Loans & Advances | (2,162,195) | | 5,208,440 | |
| Increase in Short-Term Loans & Advances | (433,414) | | (4,408,391) | |
| Decrease in Other Current Assets | 2,856,783 | (3,589,045) | 25,371 | (4,602,245) |
| Cash Generated from operations | | 37,822,790 | | 9,383,587 |
| Less : Taxes Paid | | (18,321,242) | | (15,444,652) |
| Cash from operating activities before Exception Item | | 19,501,548 | | (6,061,065) |
| Add : Prior period expenses/Income | | 172,356 | | (375,719) |
| Item | | 19,673,904 | | (6,436,784) |
| Add/Less : Extra Ordinary Items | | 3,286,144 | | - |
| Cash from operating activities | | 22,960,048 | | (6,436,784) |
| Cash flow from Investing Activities | | | | |
| Purchase of Fixed Assets | (7,890,253) | | (11,458,101) | |
| Purchase/Sale of Investments - Non Current | (36,060,173) | | (28,430,752) | |
| Interest on Tax free Bonds | - | | 22,418 | |
| Short Term Capital Gain on Mutual Fund | 5,769,784 | | 6,857,542 | |
| Long Term Capital Gain on Mutual Fund | 12,052,485 | | 29,255,812 | |
| Long Term Capital Gains on Bonds | - | | 657,406 | |
| Long Term Capital Gain Equity | - | | 10,212,916 | |
| Other Income | 1,141,073 | | 761,428 | |
| Net Cash from investing activities | | (24,987,084) | | 7,878,669 |
| Cash Flow from Financing Activities | | | | |
| Issue of shares | - | | - | |
| Net Cash from financing activities | | - | | - |
| Net increase/decrease in cash & cash equivalents | | (2,027,036) | | 1,441,885 |

| | | | | |
|--|-----------|------------------|-----------|------------------|
| Add: Cash & Cash Equivalents at the start of the year | | | | |
| Cash in Hand | 54,064 | | 42,936 | |
| Bank Accounts | 4,783,505 | 4,837,569 | 3,352,748 | 3,395,684 |
| Cash & Cash Equivalents at the end of the year | | | | |
| Cash in Hand | 78,711 | | 54,064 | |
| Bank Accounts | 2,731,822 | 2,810,533 | 4,783,505 | 4,837,569 |
| | | | | |

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K P Chaudhari

Partner

Membership no. - 031661

Place: Mumbai

Date: 30th July, 2020

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

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Shashi Kataria

Chief Financial Officer

Sd/-

Rajeev Thakkar

Director

DIN : 00227548

Sd/-

Priya Hariani

Company Secretary

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 1: CORPORATE INFORMATION

Background:

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

Impact of Covid 19 Pandemic:

The company management is live to the worldwide unprecedented economic disruption caused by the pandemic Covid 19 and its effect on different business activities. Accordingly, the company has assessed the impact of the said pandemic on the economic environment in general as also on the viability, uncertainties and operational as well as financial risks that different businesses are facing and are likely to face in the times to come. It is observed that the risks arise mainly due to possible constraints on the delivery of goods and services under the changed circumstances, wide fluctuation in commodity prices, customers cancelling or postponing their discretionary spend and credit losses spiraling from the financial difficulties faced by their customers.

In this background, the management has made initial assessment of likely adverse impact on company's business, and believes that the impact is likely to be only short term in nature. The management does not perceive any medium to long term risks in ensuing operations, or meeting other operational parameters, financial

liquidity. None of the asset balances require any adjustment to their carrying values and the company has neither received nor served any 'force majeure' notice.

None the less, the Company acknowledges that the Company's business is also likely to be affected because of the pandemic, to some extent or the other. Expansion plans have been kept on hold and cost cutting measures have been implemented on all fronts. The Company is also closely monitoring the circumstances as they evolve.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Basis Of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of Estimates

The preparation of financial statements, in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Current / Non-Current Classification

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

1. it is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle;
2. it is expected to be realized or settled within twelve months from the reporting date;
3. 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;
4. in the case of a liability, the company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

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

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

d. Tangible fixed assets

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

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

e. Intangible fixed assets

Intangible fixed 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 fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f. Depreciation

Depreciation on fixed assets is provided on Straight Line Method (SLM) applying rates/useful lives as prescribed in the Companies Act.

g. Impairment

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

h. Investments

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

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

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

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

i. Employee Benefits

A) Short Term Employee Benefits:

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

B) Post-employment benefits:

a) Provident Fund scheme

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

b) Gratuity scheme

- i. The company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods.
- ii. The present value of the obligation is determined based on the actuarial valuation. This amount is funded through an employee gratuity trust managed by HDFC Standard Life Insurance.

j. Revenue Recognition

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

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

Interest income is recognised on time proportion basis.

k. Taxes on Income

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

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

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

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

l. Provision

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

m. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be

required to settle the obligation or a reliable estimate of the amount cannot be made.

n. Foreign Currency Transactions

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

o. Earnings per share

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

p. Share transactions

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

| NOTE 3 : SHARE CAPITAL | | | | |
|---|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| | | As at 31st March, 2020 | | As at 31st March, 2019 |
| | | Rs. | | Rs. |
| AUTHORISED 50,000,000 Equity Shares of Rs.10/- each | | 500,000,000 | | 500,000,000 |
| ISSUED, SUBSCRIBED AND PAID UP CAPITAL 3,57,30,009 Equity Shares of Rs.10/- each fully paid | | 357,300,090 | | 357,300,090 |
| | | 357,300,090 | | 357,300,090 |
| a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period. | | | | |
| | As at 31st March, 2020 | | As at 31st March, 2019 | |
| | Number | (Rs) | Number | (Rs) |
| At the beginning of the period | 35,730,009 | 357,300,090 | 35,730,009 | 357,300,090 |
| Outstanding at the end of the period | 35,730,009 | 357,300,090 | 35,730,009 | 357,300,090 |
| b. Details of Shareholders holding more than 5 % of Ordinary Shares | | | | |
| Name of the Shareholders | Number | % of Holding | Number | % of Holding |
| Parag Parikh Financial Advisory Services Private Limited | 35,730,009 | 100.00 | 35,730,009 | 100.00 |
| NOTE 4: RESERVES & SURPLUS | | | | |
| | | As at 31st March, 2020 | | As at 31st March, 2019 |
| Surplus/(deficit) in the statement of Profit and Loss | | | | |
| Share Premium | | 32,939,906 | | 32,939,906 |
| Profit & Loss Account | | | | |
| At the Beginning of the Accounting Period | | 238,575,234 | | 192,044,615 |
| Additions During the Year | | 34,601,147 | | 46,530,619 |
| Profit / (Loss) At the End of the Accounting Period | | 273,176,381 | | 238,575,234 |
| | | 306,116,287 | | 271,515,140 |
| NOTE 5: DEFERRED TAX LIABILITIES | | | | |
| | | As at 31st March, 2020 | | As at 31st March, 2019 |
| Opening Balance | | 4,717,788 | | 2,341,857 |
| Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law | | 2,227,001 | | 2,822,893 |
| Filing Fees : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law | | - | | 185,003 |
| Leave Encashment : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law | | (20,478) | | (240,327) |
| Provision for Gratuity : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law | | 391,639 | | (391,639) |
| | | 7,315,950 | | 4,717,788 |
| NOTE 6: TRADE PAYABLES | | | | |
| | | As at 31st March, 2020 | | As at 31st March, 2019 |
| Trade Payables | | | | |
| (A) Total outstanding dues of Micro, Small and Medium Enterprises | | | | |
| (i) Principal Amount due to Micro , Small and Medium Enterprises | | - | | - |
| (ii) Interest due to Micro , Small and Medium Enterprises | | - | | - |
| (B) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | | 1,204,274 | | 931,250 |
| | | 1,204,274 | | 931,250 |

NOTE 7: OTHER CURRENT LIABILITIES

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------|-----------------------------------|-----------------------------------|
| TDS Payable | 1,725,684 | 3,394,088 |
| GST Payable | 1,427,021 | - |
| GST Payable - RCM | 20,202 | 9,407 |
| Provident Fund Payable | 542,891 | 473,799 |
| Profession Tax Payable | 10,000 | 8,000 |
| Gratuity Payable | - | 1,407,760 |
| Reimbursement of Expenses | 23,036 | - |
| | 3,748,835 | 5,293,054 |

NOTE 8: SHORT TERM PROVISIONS

| | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Provision for Expenses | 2,075,146 | 922,803 |
| Provision for Auditor's Remuneration | 495,000 | 495,000 |
| Provision for Leave Encashment | 1,620,541 | 1,546,962 |
| | 4,190,687 | 2,964,765 |

NOTE 9: PROPERTY, PLANT & EQUIPMENT

| | | Gross Block | | | | Depreciation | | | | | Net Block | |
|-----------|--|------------------------------|---------------------------|----------------------------|------------------------------|---|-----------------------------|---|-------------------------------------|-------------------------------------|----------------------------|--------------------------|
| Sr. No | Asset | Gross Block as at 01/04/2019 | Additions during the year | Deductions during the year | Gross Block as at 31/03/2020 | Provision for Depreciation up to 01/04/2019 | Depreciation for the period | Accumulated Depreciation on Sold Assets | Accumulated Depreciation Adjustment | Total depreciation up to 31/03/2020 | Net Block as at 31/03/2020 | Net Block as at 31/03/19 |
| A. | Tangible Assets | | | | | | | | | | | |
| 1 | Office Premises | 189,722,893 | - | - | 189,722,893 | 12,308,292 | 7,566,684 | - | (7,263) | 19,867,713 | 169,855,180 | 177,414,601 |
| 2 | Computer | 7,031,263 | 2,274,306 | 33,850 | 9,271,720 | 3,444,977 | 2,046,843 | 6,671 | 222 | 5,485,371 | 3,786,349 | 3,586,286 |
| 3 | Electrical Installation | 2,584,975 | - | - | 2,584,975 | 468,781 | 252,722 | - | (257) | 721,246 | 1,863,728 | 2,116,194 |
| 4 | Office Equipments | 4,157,435 | 353,754 | 24,177 | 4,487,011 | 1,482,745 | 773,480 | 16,509 | 163,126 | 2,402,842 | 2,084,170 | 2,674,690 |
| 5 | Motor Car | 12,714,499 | - | - | 12,714,499 | 4,277,534 | 1,188,660 | - | (430) | 5,465,764 | 7,248,734 | 8,436,966 |
| 6 | Office Furniture | 18,190,528 | 154,106 | - | 18,344,634 | 3,004,251 | 1,802,926 | - | (1,899) | 4,805,278 | 13,539,356 | 15,186,277 |
| | TOTAL | 234,401,592 | 2,782,166 | 58,027 | 237,125,732 | 24,986,580 | 13,631,316 | 23,180 | 153,499 | 38,748,215 | 198,377,517 | 209,415,014 |
| B. | Intangible Assets | | | | | | | | | | | |
| 1 | Computer software | 7,257,599 | 5,143,326 | 931,250 | 11,469,675 | 5,371,604 | 2,027,772 | 930,319 | 961 | 6,470,018 | 4,999,657 | 1,885,995 |
| | TOTAL | 7,257,599 | 5,143,326 | 931,250 | 11,469,675 | 5,371,604 | 2,027,772 | 930,319 | 961 | 6,470,018 | 4,999,657 | 1,885,995 |
| C. | Intangible Assets Under Development | | | | | | | | | | | |
| 1 | Computer software under development | - | 150,000 | - | 150,000 | - | - | - | - | - | 150,000 | - |
| | TOTAL | - | 150,000 | - | 150,000 | - | - | - | - | - | 150,000 | - |
| | TOTAL (A+B+C) | 241,659,191 | 8,075,493 | 989,277 | 248,745,407 | 30,358,184 | 15,659,088 | 953,499 | 154,460 | 45,218,233 | 203,527,174 | 211,301,009 |
| | <i>Previous Year Total</i> | <i>231,940,001</i> | <i>12,284,509</i> | <i>2,565,318</i> | <i>241,659,191</i> | <i>19,531,343</i> | <i>13,040,886</i> | <i>2,214,047</i> | <i>-</i> | <i>30,358,182</i> | <i>211,301,009</i> | <i>212,408,658</i> |

NOTE 10 : NON CURRENT INVESTMENTS

| Particulars | No of | Cost for | MKT. Rate | MKT. Value on | No of | Cost for |
|--|---------------|--------------------|------------|--------------------|---------------|--------------------|
| | shares/units | 31/03/2020 | 31/03/2020 | 31/03/2020 | shares/units | 31/03/2019 |
| <u>Investment in Mutual Funds</u> | | | | | | |
| Parag Parikh Long Term Equity Fund | 12,105,265.31 | 289,100,389 | 21.86 | 264,605,363 | 12,065,881.50 | 276,110,000 |
| Parag Parikh Tax Saver Fund | 2,500,000.00 | 25,000,000 | 8.42 | 21,060,750 | - | - |
| Parag Parikh Liquid Fund (Direct Growth Plan) | 78,214.82 | 86,597,728 | 1,117.01 | 87,366,754 | 85,359.84 | 88,527,944 |
| Total (i) | | 400,698,117 | | 373,032,867 | | 364,637,944 |
| <u>Investments in Equity</u> | | | | | | |
| Unquoted Investments: | | | | | | |
| 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 |
| Total (ii) | | 501,000 | | | | 501,000 |
| Grand Total (i+ii) | | 401,199,117 | | | | 365,138,944 |

| NOTE 11: LONG TERM LOANS & ADVANCES | | |
|---|-----------------------------------|-----------------------------------|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| MAT Credit Available | 17,641,334 | 17,676,557 |
| Deposits | 16,249,780 | 15,109,555 |
| Advance Tax & TDS (Net of Provision of Taxation) | 10,844,681 | 5,142,822 |
| Income Tax Refund receivable | 5,142,822 | 2,997,527 |
| Deposit with Government Authorities | 61,000 | - |
| PPFAS Mutual Fund - Tax Deposit | 500,000 | - |
| | 50,439,617 | 40,926,461 |
| NOTE 12: TRADE RECEIVABLES | | |
| | As at 31st March, 2020 | As at 31st March, 2019 |
| (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) | 17,422,264 | 13,617,318 |
| | 17,422,264 | 13,617,318 |
| NOTE 13: CASH & CASH EQUIVALENTS | | |
| | As at 31st March, 2020 | As at 31st March, 2019 |
| On Current Accounts | 2,731,822 | 4,783,505 |
| Cash in hand and as Imprest | 78,711 | 54,064 |
| | 2,810,533 | 4,837,569 |
| NOTE 14: SHORT TERM LOANS AND ADVANCES | | |
| | As at 31st March, 2020 | As at 31st March, 2019 |
| Prepaid Expense | 3,511,746 | 3,454,079 |
| Loan & Advance to Employees | 455,747 | 80,000 |
| | 3,967,493 | 3,534,079 |
| NOTE 15: OTHER CURRENT ASSETS | | |
| | As at 31st March, 2020 | As at 31st March, 2019 |
| Advance to Creditors | 115,716 | 3,251,456 |
| Excess Gratuity Paid | 266,862 | - |
| GST Input Credit | 117,921 | 115,251 |
| Employees Reimbursement of Expenses | 9,425 | - |
| | 509,925 | 3,366,707 |

| NOTE 16: REVENUE FROM OPERATIONS | | |
|--|--|--|
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Management Fees | 183,212,433 | 153,830,825 |
| | 183,212,433 | 153,830,825 |
| NOTE 17: OTHER INCOME | | |
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Long Term Capital Gain on Mutual Fund | 12,052,485 | 29,255,812 |
| Short Term Capital Gain on Mutual Fund | 5,769,784 | 6,857,542 |
| Interest On Income Tax Refund | 209,823 | 761,428 |
| Other Income | 931,250 | - |
| Profit on sale of Fixed Asset | (4,999) | 475,136 |
| Long Term Capital Gain on Equity Shares | - | 10,212,916 |
| Long Term Capital Gains on Bonds | - | 657,406 |
| Interest on Tax free Bonds | - | 22,418 |
| | 18,958,343 | 48,242,657 |
| NOTE 18: EMPLOYEE BENEFIT EXPENSES | | |
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Salary and Wages | | |
| Office Staff Salary | 61,907,923 | 58,914,763 |
| Contribution to Provident Fund and other funds | | |
| Provident Fund | 3,209,809 | 2,385,666 |
| Gratuity Fund | 1,620,379 | 1,407,760 |
| Maharashtra Labour welfare Fund | 1,320 | 1,152 |
| Provision for Leave Encashment | 73,609 | 1,546,962 |
| NPS Employer Contribution | 1,218,840 | 938,543 |
| Other Expenses | | |
| Staff Welfare | 1,352,125 | 1,227,992 |
| | 69,384,005 | 66,422,838 |
| NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES | | |
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Depreciation of Tangible Assets | 13,631,316 | 12,272,875 |
| Amortization of Intangible Assets | 2,027,772 | 768,011 |
| | 15,659,088 | 13,040,886 |
| NOTE 20: OTHER EXPENSES | | |
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Professional Charges | 14,121,384 | 21,058,715 |
| Computer Maintenance & Software Subscriptions | 10,750,751 | 5,990,609 |
| Shared Service Cost | 8,470,000 | 5,550,000 |
| Printing & Stationery | 8,133,311 | 8,334,557 |
| Business Promotion Expenses | 4,801,913 | 4,993,478 |
| Rents, Rates & Taxes | 3,897,131 | 1,497,349 |
| Postage & Courier charges | 3,190,204 | 3,348,552 |
| Insurance Charges | 1,841,067 | 1,327,550 |
| Electricity Expenses | 1,519,882 | 1,428,945 |
| Society Maintenance Expenses | 1,505,703 | 1,184,354 |
| Conveyance Charges | 1,353,457 | 1,063,081 |
| Miscellaneous expenses | 1,340,945 | 1,044,875 |
| Advertising Expenses | 1,290,929 | 3,385,519 |
| Contributions Towards CSR | 1,190,521 | 1,209,000 |
| Travelling Expenses | 876,212 | 756,020 |
| Membership & Subscription | 708,111 | 751,902 |

| | | |
|--------------------------------|-------------------|-------------------|
| Repairs & Maintenance | 698,017 | 534,898 |
| Telephone/communication | 679,748 | 626,377 |
| Motor car expenses | 558,377 | 754,287 |
| Auditors Remuneration | 550,000 | 550,000 |
| Director/employee Education | 430,697 | 209,035 |
| Internet charges | 333,466 | 294,820 |
| Annual Fees to SEBI | 250,000 | 250,000 |
| Brokerage On Rental Property | 249,680 | - |
| Director's Fees (Sitting Fees) | 150,000 | 160,000 |
| Bank Charges | 30,519 | 331,776 |
| Filing Fees | 17,277 | 211,574 |
| Books & Periodicals | 16,790 | 25,549 |
| Professional tax - company | 2,000 | 2,000 |
| Distributor Commission | - | 6,398,074 |
| Transaction Charges | - | 524,980 |
| | 68,958,092 | 73,797,875 |

NOTE 21: PRIOR PERIOD EXPENSE

| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|----------------------------|--|--|
| GST ITC reversal | 25,526 | (336,128) |
| Adjustment of depreciation | 147,790 | 409 |
| Other Expenses | (960) | (40,000) |
| | 172,356 | (375,719) |

NOTE 22: EXTRA-ORDINARY ITEM

| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--------------------------|--|--|
| Reimbursement to schemes | 3,286,144 | - |
| | 3,286,144 | - |

NOTE 23: CURRENT TAX EXPENSE

| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--|--|--|
| Current Tax | 7,476,554 | 10,301,830 |
| MAT Credit Entitlement | 345,524 | (9,259,391) |
| MAT Credit Income relating to P.Y. | (310,296) | - |
| Excess Tax Provision for Previous year | - | (761,386) |
| | 7,511,782 | 281,053 |

NOTE 24: DEFERRED TAX

| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--------------|--|--|
| Deferred tax | 2,598,162 | 2,375,930 |
| | 2,598,162 | 2,375,930 |

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

| Director's Name | Amount in Rs. | Head of Expenses |
|------------------------|----------------------|----------------------------|
| Neil Parikh | Rs. 91,17,624 | Employee Benefits Expenses |
| Rajeev Thakkar | Rs. 1,21,36,464 | Employee Benefits Expenses |
| Shashi Kataria | Rs. 27,64,466 | Employee Benefits Expenses |
| Arindham Ghosh | Rs. 50,000 | Sitting Fees |
| Kamlesh Somani | Rs. 40,000 | Sitting Fees |
| Rajesh Bhojani | Rs. 60,000 | Sitting Fees |

b. Particulars of Auditors Remuneration

| Particulars | For the year ended 31st March, 2020 | <i>For the year ended 31st March, 2019</i> |
|-----------------------|--|---|
| As Statutory Auditors | 5,50,000 | 5,50,000 |
| TOTAL | 5,50,000 | 5,50,000 |

c. Value of Imports

| Particulars | For the year ended 31st March, 2020 | <i>For the year ended 31st March, 2019</i> |
|--------------------|--|---|
| Value of Imports | NIL | NIL |

d. Expenditure in Foreign Currency

| Particulars | For the year ended 31st March, 2020 | <i>For the year ended 31st March, 2019</i> |
|---|--|---|
| Subscription payment for Website & Mobile Application Maintenance (USD) | Rs 4,09,495/- (\$ 5,536) | <i>Rs 8,61,300/- (\$ 11,702)</i> |
| Advertisement (USD) | Rs. 15,107/- (\$ 207) | <i>Rs 87,304/- (\$ 1,218)</i> |
| Subscription payment for Website & Mobile Application Maintenance | Rs 12,320/- (€ 150) | <i>Rs 13,068/- (€ 150)</i> |
| Email Purchase /Services & Web app hosting | Rs. 3,10,615/- (\$ 4,257) | <i>Rs 3,19,049/- (\$ 4,468)</i> |
| Foreign Trip for Business Promotion | Rs. 26,204/- (Mauritius Rupee 13,822) | - |

e. Earnings in Foreign Currency

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|------------------------------|--|--|
| Earnings in Foreign Exchange | NIL | NIL |

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:

| Name of the Related Party | Relationship | Nature of Payment | Amount (Rs.) |
|---|--|----------------------------|---------------------|
| Empeegee Portfolio Management Services Private Limited | Enterprise over which Key Managerial Personnel are able to exercise significant influence. | Rent | 1,20,000 |
| Rajeev Thakkar | Director who is able to exercise significant influence | Employee Benefits Expenses | 1,21,36,464 |
| Neil Parikh | Director who is able to exercise significant influence | Employee Benefits Expenses | 91,17,624 |
| Shashi Kataria | Director who is able to exercise significant influence | Employee Benefits Expenses | 27,64,466 |
| Synage Software Private Limited | Enterprise over which Key Managerial Personnel are able to exercise significant influence. | Software Maintenance | 39,68,500 |
| Parag Parikh Financial Advisory Services Private Limited. | Holding Company | Shared Service Cost | 84,70,000 |

NOTE 27: CONTINGENT LIABILITIES

| Contingent Liabilities | For the year ended 31st March, 2020 (Amount in Rs. Lakhs) | For the year ended 31st March, 2019 (Amount in Rs. Lakhs) |
|--|--|--|
| Income tax Case – Appeals in High Court AY 2013-14 | 41.73 | 41.73 |
| Income tax Case - CIT Appeals AY 2017-18 | 3.85 | - |

NOTE 28: EARNINGS PER SHARE

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Profit attributable to equity shareholders | Rs. 3,46,01,147 | Rs. 4,65,30,619 |
| Weighted Average number of Equity Share Outstanding during the year | 3,57,30,009 | 3,57,30,009 |
| Basic & Diluted EPS | Rs. 0.97 | Rs. 1.30 |
| Nominal value per share | 10 | 10 |

NOTE 29: MAJOR COMPONENTS OF DEFERRED TAX

| Deferred Tax Assets | (Amount in Rs.) | | |
|--|------------------------|-----------|-----------|
| I. Opening Balance Deferred Tax Liability | | | 47,17,788 |
| II Changes during the Year | | | |
| a. Timing Difference in Depreciation | | | |
| As per Accounts | 1,56,59,088 | | |
| As per Income tax Act | 2,36,64,123 | | |
| Under charged for tax purpose | 80,05,035 | | |
| Deferred Tax @ 27.82% | | 22,27,001 | |
| b. Timing Difference due to Provision for Leave Encashment | | | |
| As per Accounts | 16,20,541 | | |
| As per Income tax Act | 15,46,932 | | |
| Over charged for tax purpose | 73,609 | | |
| Deferred Tax @ 27.82% | | (20,478) | |
| | | | |

| | | | |
|---|-----------|----------|-----------|
| C. Timing Difference due to Provision for Gratuity | | | |
| As per Accounts | 30,28,139 | | |
| As per Income tax Act | 16,20,379 | | |
| Over charged for tax purpose reversed | 14,07,760 | | |
| Deferred Tax @ 27.82% | | 3,91,639 | |
| III. Deferred Tax Income recognized in Statement of Profit & Loss | | | 25,98,162 |
| | | | |
| IV. Net Deferred tax Liability as per Balance Sheet. | | | 73,15,950 |

NOTE 30: SMALL-SCALE UNDERTAKING

The amount payable to the Small-Scale Undertaking is NIL

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 |
| i) | Change in Present Value of Obligation | | |
| | Present value of the obligation at the beginning of the year | 49,50,983 | 38,14,775 |
| | Interest Cost | 3,86,177 | 3,00,223 |
| | Current Service Cost | 7,87,793 | 670,446 |
| | (Liability Transferred Out/ Divestments) | (2,07,176) | - |
| | Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | (2,551) | 1,556 |
| | Actuarial (Gain) / Loss on Obligation | (1,46,271) | 25,422 |
| | Actuarial (Gains)/Losses on Obligations - Due to Experience | 6,18,603 | 1,38,561 |
| | Present value of the obligation at the end of the year | 63,87,558 | 49,50,983 |
| | | | |
| ii) | Change in Plan Assets | | |
| | Fair value of Plan Assets at the beginning of the year | 35,43,224 | 27,66,081 |
| | Expected return on Plan Assets | 2,76,371 | 2,17,691 |
| | Contributions by the Employer | 32,95,000 | 5,18,996 |
| | (Assets Transferred Out/ Divestments) | (207,176) | - |
| | Actuarial Gain / (Loss) on Plan Assets | (2,52,999) | 40,455 |

| | | | |
|--------------|--|--|--|
| | Fair value of Plan Assets at the end of the year | 66,54,420 | 35,43,223 |
| iii) | Amounts Recognised in the Balance Sheet: | | |
| | Present value of Obligation at the end of the year | (63,87,558) | (49,50,983) |
| | Fair value of Plan Assets at the end of the year | 66,54,420 | 35,43,223 |
| | Net (Liability)/Asset Recognized in the Balance Sheet | 2,66,862 | (14,07,760) |
| iv) | Amounts Recognised in the statement of Profit and Loss: | | |
| | Current Service Cost | 7,87,793 | 6,70,446 |
| | Net Interest Cost | 1,09,806 | 82,532 |
| | Actuarial (Gains)/Losses | 7,22,780 | 125,084 |
| | Net Cost Included in Employee Benefit Expenses | 16,20,379 | 8,78,062 |
| v) | Actual Return on Plan Assets | 23,372 | 2,58,147 |
| vii) | Major categories of Plan Assets as a % of total Plan Assets | | |
| | i) Insurer Managed Funds | 100% | 100% |
| viii) | Actuarial Assumptions | | |
| | i) Discount Rate | 6.70% P.A. | 7.80% P.A. |
| | ii) Expected Rate of Return on Plan Assets | 6.70% P.A. | 7.80% P.A. |
| | iii) Salary Escalation Rate | 8% P.A. | 10% P.A. |
| | iv) Employee Turnover | 10% P.A. | 9% P.A. |
| | v) Mortality Rate During Employment | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

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

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

Sd/-
CA K P Chaudhari
Partner
Membership no.: 031661

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: 30th July, 2020