

Annual Report FY 2019-2020

PPFAS Trustee Company Private Limited
(Trustee to PPFAS Mutual Fund)



Annual Report FY 2019-2020

Board of Directors

Mr. P. A. Balasubramanian	Chairman and Independent Director
Mr. Rajan Mehta	Independent Director
Mr. Dhaval Desai	Independent Director
Mr. Suneel Gautam	Associate Director

Statutory Auditors

CVK & Associates Chartered Accountants

Bankers

HDFC Bank Ltd.

Registered Office:

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

PPFAS Trustee Company Private Limited

CIN: U65100MH2011PTC221203

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 the PPFAS Trustee Company Private Limited will be held on **Monday, September 28, 2020** at **3.00 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. DHAVAL SUMANTRAI DESAI (DIN- 00510044) 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. Dhaval Sumantrai Desai (DIN- 00510044), who was appointed as an Independent Director of the Company for a term up to 30th April, 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 1st May, 2020 up to 30th April, 2025 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER that any one of the Directors 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 Trustee Company Private Limited

Sd/-
Rajan Mehta
Director
(DIN: 03548180)

Sd/-
Suneel Gautam
Director
(DIN:00227484)

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 Annual Report for 2019-20 will

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. Dhaval Sumantrai Desai (DIN- 00510044) 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, 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 28th May, 2020 have re-appointed Mr. Dhaval Sumantrai Desai 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. Dhaval Sumantrai Desai (DIN-00510044) 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 & Qualification of Director) 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. Dhaval Sumantrai Desai 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. Dhaval Sumantrai Desai (DIN-00510044) 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 except Mr. Dhaval Sumantrai Desai is concerned or interested financially or otherwise is in the said Resolution.

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

Name of Director	Dhaval Sumantrai Desai
Age	64
Date of First Appointment on the Board	01/05/2015
Qualifications	CA, B.com
Experience (including expertise in specific functional area)/ Brief Resume	Mr. Dhaval Sumantrai Desai is a qualified Chartered Accountant and has been the Founder member of Clea Advertising and Clea Public Relations. With over 30 years of entrepreneurial and marketing experience; currently he looks after the Concept Group's strategic initiatives along with operational & financial monitoring of few of the Group Companies. He is a Whole Time Director of main company of the Group - Concept Communication Limited.
Terms and Conditions of Appointment / Re-appointment	As per the resolution item no. 2 of the Notice convening Annual General Meeting read with explanatory statement thereto, Mr. Dhaval Sumantrai Desai is proposed to be re-appointed as an Independent Director of the Company for the second term of five years i.e. from 1 st May, 2020 up to 30 th April, 2025.

Number of Shares held in Equity Capital of the Company	NIL
Remuneration last drawn (including sitting fees, if any)	Rs. 40,000/-
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	4
Directorships held in other Companies as on March 31, 2020	1. Mirage Advertising and Marketing Ltd. 2. Korn Consult Group India Private Limited 3. Concept Communication Ltd. 4. Concept Public Relations India Limited [CN] 5. Meet & Greet Gifts Private Limited
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 Trustee Company Private Limited

Sd/-
Rajan Mehta
Director
(DIN: 03548180)

Sd/-
Suneel Gautam
Director
(DIN:00227484)

Place: Mumbai.

Date: 30th July, 2020

PPFAS Trustee Company Private Limited

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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	8.47	8.47
Other Income	0.36	0.17
Total Income	8.83	8.64
Profit/ (Loss) before depreciation and tax	6.40	6.15
Depreciation	Nil	Nil
Profit / (Loss) before tax	6.40	6.15
Current Tax	1.61	1.60
Deferred Tax Income	Nil	Nil
Tax Provision for Previous year	Nil	(0.02)
Profit/ (Loss) after tax	4.79	4.57
Share Capital	5.00	5.00
Reserves and Surplus	22.10	17.31

Dividend

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

Reserves

Board proposes to carry forward Rs. 4.79 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 a Trustee to scheme(s) launched by PPFAS Mutual Fund ('The Fund'). The Company generates its operating income from trusteeship fees which it charges on Asset Under Management of the scheme(s) of PPFAS Mutual Fund. Statement of Additional Information (SAI) of PPFAS Mutual Fund states that, trusteeship fees of 0.01% (subject to maximum of Rs. 10 lakhs) can be charged as annual trusteeship fees. 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 the Fund. 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

PPFAS Asset Management Private Ltd (PPFAS AMC) has taken steps to expand its geographical reach by launching branches in Delhi, Bengaluru and Pune during the year. They are also planning expansion to Chennai, Hyderabad and Ahmedabad shortly.

Expense Ratio Reduction

PPFAS AMC 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 PPFAS Asset Management Private Limited (PPFAS AMC). This will help us to improve the security and efficiency of our IT resources and at the same time improve customer service and delight. PPFAS AMC has also started campaigns to create awareness around phishing scams in order to protect clients.

Human Resource

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

Investor relations

Investors of PPFAS Mutual Fund are serviced by its investment manager, PPFAS Asset Management Private Limited (PPFAS AMC). Apart from maintaining a dedicated in-house investor relations department, PPFAS AMC has outsourced the investor queries/services to CAMS Call centre which addresses all investor queries.

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

Finances

The Company has invested the funds received in the form of Fixed Deposits Receipts with scheduled banks. Details of investments made by the company are provided in the Notes to Accounts of the Audited Financials of the Company and the same form part of this report. Expenses incurred during the year were primarily in the nature of operational and administrative expenses. Post launch of our liquid Scheme, the Company has been investing in the in-house Liquid Mutual Fund Scheme.

Future Outlook

During financial year 2019-20 we witnessed decent growth in Assets Under Management (AUM) for schemes of PPFAS Mutual Fund (AUM grew from Rs. 1,961.51 crores to Rs. 2,871.87 crores).

Going forward, our focus is to guide PPFAS AMC (investment manager) 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

PPFAS Trustee Company Private Limited has been incorporated to act as trustees to PPFAS Mutual Fund and supervise and monitor the management of the schemes of PPFAS Mutual Fund. The Company earns trusteeship fees for performing its duties as trustees which is primary source of income for the Company. There is no change in the nature of business of the Company for the financial year 2019-20.

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

There is no change in the composition of Board of Directors for the financial year 2019-20. The Board of Directors comprises of Mr. P. A. Balasubramanian, Mr. Rajan Mehta, Mr. Dhaval Desai and Mr. Suneel Gautam.

Statement on declaration given by Independent Directors

The Board has received statements from all the Independent Directors declaring that they are satisfying all 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 and other matters provided under sub-section (3) of section 178

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

i. Policy on Appointment of Directors

The Company is functioning as a Trustee to the scheme(s) of PPFAS Mutual Fund. A candidate is considered for appointment as Director who fulfills conditions stated in SEBI regulations for appointment as Director of a Trustee Company. In Broader terms, the Company follows below mentioned guiding rules for appointment of Director (including Independent Directors).

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) Non-Executive Directors are paid sitting fees only.

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 a Trustee to PPFAS Mutual Fund. For PPFAS Mutual Fund, Custody, Fund Accountant and RTA are critical functions. The Company has appointed DBS Bank India Limited as the Custodian and SBI-SG Global Securities Services Private Limited as the Fund Accountant for schemes of PPFAS Mutual Fund. 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.

The company has laid down Internal Financial Controls that includes, risk-based framework to ensure orderly conduct of business activities, safeguarding of assets and correctness of records and financial information.

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

Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report

None.

Annual evaluation of the performance of the Board

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

Board Meetings

The meetings of the Board of Directors are held at the Company's Registered office in Mumbai. 7 Board meetings and 1 Committee Meeting was held during the financial year under review, 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 the Board meetings are given below:

Date	Board Strength	No. of Directors Present
22nd April, 2019	4	3
26th June, 2019	4	3
30th August, 2019	4	2
24th October, 2019	4	3

23rd December, 2019	4	2
27th February, 2020	4	4
27th February, 2020	4	4

The details of the Committee meeting are as given below:

Date	Board Strength	No. of Directors Present
27th 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;

- that in the preparation of the annual accounts for the financial year ended 31st March, 2020 the applicable accounting standards have been followed;
- 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;
- 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;
- that the Directors have prepared the annual accounts for the financial year ended 31st March, 2020 on a 'going concern' basis.
- that the directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems are adequate and operating effectively.

Related Party Transactions

Since there are no Related Party Transactions (RPTs) entered into by the Company, Form AOC -2 is not applicable.

Particulars of employees

The statement of particulars of employees pursuant to Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as the Company has no employees.

Matters required to be reported upon as per the Section 134 (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 Nil.

Foreign exchange earnings during the year was Nil.

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

There is no qualification in the audit report.

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 Note no. 8 to Audited Financial Statements of Company as annexed to this Annual Report. The Company has neither given any guarantee nor provided any Security or granted any loans or advances during the reporting period.

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

The Company has a policy in place for the prevention of sexual harassment of women at workplace. However, there are no employees on its pay roll.

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.

Corporate Social Responsibility (CSR)

In accordance with Section 135 of the Companies Act, 2013; CSR is applicable if the Company is having net worth of Rupees Five Hundred crore or more, or Turnover of Rupees One Thousand crore or more or a Net Profit of Rupees Five crore or more during three preceding Financial years. None of these conditions as stated in Section 135 of the Companies Act, 2013 are met by the Company and accordingly CSR provisions do not apply to 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 - I**” to the Director's Report.

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 consecutive five 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.

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 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 Trustee Company Private Limited

Sd/-

Rajan Mehta
Director
(DIN: 03548180)

Sd/-

Suneel Gautam
Director
(DIN:00227484)

Place: Mumbai.

Date: 30th July, 2020

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 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: - U65100MH2011PTC221203

ii) Registration Date: - 24th August, 2011

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

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

v) Address of the Registered office and contact details: - 81/82, 8th Floor, Sakhar Bhavan, 230, Ramnath Goenka Marg, 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	Trustee to PPFAS Mutual Fund	9971	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, 230, Ramnath Goenka Marg, Nariman Point, Mumbai - 400021.	U67190MH1992PTC068970	Holding	100	Section 2(46)

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
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 - DR	-	-	-	-	-	-	-	-	-
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)	-	50,000	50,000	100	-	50,000	50,000	-	-

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

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change in 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)'	50,000	100	Nil	50,000	100	Nil	Nil
	Total	50,000	100	Nil	50,000	100	Nil	Nil

*Note: Rajeev Thakkar, Khushboo Joshi, Geeta Parikh, Neil Parikh, 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.	Shareholder's Name	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	50,000	100	50,000	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):	Nil	Nil	Nil	Nil
	At the End of the year	50,000	100	50,000	100

There is no change in Promoter's Shareholding for the F.Y. 2019-20.

(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 Share holding 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. 2019-20			
	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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):				
	At the End of the year	Nil	Nil	Nil	Nil

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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
i) Addition				
ii) 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: The Company does not have Managing Director, Whole-time Directors or Manager

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		----	----	----	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	The Company does not have Managing Director, Whole-time Director or Manager.			

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		P. A Balasubramanian	Rajan Mehta	Suneel Gautam	Dhaval Desai	
	<ul style="list-style-type: none"> • Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify 	Rs. 40,000/-	Rs. 50,000/-	NA	Rs. 40,000/-	Rs. 130,000/-
		Nil	Nil	NA	Nil	Nil
	Total (1)	Rs. 40,000/-	Rs. 50,000/-	Nil	Rs. 40,000/-	Rs. 130,000/-
	Other Non-Executive Directors					
	<ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	Nil	Nil	Rs. 40,000/-	Nil	Rs. 40,000/-
	Total (2)	Nil	Nil	Rs. 40,000/-	Nil	Rs. 40,000/-
	Total (B)=(1+2)					
	Total Managerial Remuneration	Rs. 40,000/-	Rs. 50,000/-	Rs. 40,000/-	Rs. 40,000/-	Rs. 170,000/-
	Overall Ceiling as per the Act	Directors of the company are paid only sitting fees.				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	CFO
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-

5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	The Company does not have key employee in the capacity as CEO, Company Secretary and CFO.		

VII. Penalties / Punishment/ Compounding of offences:

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 of PPFAS Trustee Company Private Limited</p> <p>Sd/- Rajan Mehta Director (DIN: 03548180)</p> <p>Sd/- Suneel Gautam Director (DIN:00227484)</p> <p>Place: Mumbai. Date: 30th July, 2020</p>					

INDEPENDENT AUDITOR'S REPORT

To the Members of PPFAS Trustee Company Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of PPFAS Trustee Company 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. The matters specified in paragraphs 3 and 4 of 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, have not been commented upon, as they are not 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 does not have any pending litigations which would impact its financial position
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 30th July, 2020

UDIN : 20031661AAAAAW6350

Annexure A to Independent Auditor's 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 : 20031661AAAAAW6350

PPFAS TRUSTEE COMPANY PRIVATE LIMITED

Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	3	500,000	500,000
Reserves And Surplus	4	2,209,851	1,731,066
	(a)	2,709,851	2,231,066
Current Liabilities:			
Other Current Liabilities	5	131,542	110,062
Short Term Provisions	6	62,775	30,000
	(b)	194,317	140,062
Total Equity and Liabilities	(a+b)	2,904,168	2,371,128
ASSETS			
Non-Current Assets:			
Non-Current Investments	7	1,979,314	1,385,735
Long Term Loans And Advances	8	-	60,101
	(c)	1,979,314	1,445,836
Current Assets:			
Cash & Cash Equivalents	9	5,600	4,038
Short-Term Loans & Advances	10	4,000	6,000
Other Current Assets	11	915,254	915,254
	(d)	924,854	925,292
Total Assets	(c+d)	2,904,168	2,371,128
Summary of significant accounting policies 2			
The accompanying notes are an integral part of financials statements			
As per Our Audit Report of even date			
For CVK & Associates		For and on behalf of the Board of Directors of	
<i>Chartered Accountants</i>		PPFAS Trustee Company Private Limited	
<i>Firm Registration No:101745W</i>			
Sd/-	Sd/-	Sd/-	
CA K P Chaudhari	Rajan Mehta	Suneel Gautam	
<i>Partner</i>	<i>Director</i>	<i>Director</i>	
<i>Membership No:031661</i>	<i>DIN: 03548180</i>	<i>DIN: 00227484</i>	
Place: Mumbai			
Date : 30th July, 2020			

PPFAS TRUSTEE COMPANY PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March ,2020

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March,2019
REVENUE			
Revenue from operations	12	847,458	847,458
Other Income	13	35,987	16,522
Total Revenue		883,445	863,980
EXPENSES			
Other Expenses	14	243,639	249,035
Total Expenses		243,639	249,035
Profit Before Tax		639,806	614,945
Tax Expense			
Current Tax		161,021	159,645
Tax provision for previous year		-	(1,747)
Total Tax Expenses		161,021	157,898
Profit / (Loss) for the Period		478,785	457,047
Earning Per Equity Share			
Basic		9.58	9.14
Diluted		9.58	9.14

Summary of significant accounting policies

2

The accompanying notes are an integral part of financials statements

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

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

Sd/-

CA K P Chaudhari

Partner

Membership No:031661

Sd/-

Rajan Mehta

Director

DIN: 03548180

Sd/-

Suneel Gautam

Director

DIN: 00227484

Place:Mumbai

Date : 30th July, 2020

PPFAS TRUSTEE COMPANY PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2020

Particulars	2019-20		2018-19	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a. Cash flow from Operating Activities				
Profit Before tax expenses		639,806		614,945
Adjustments :				
Add : Non Operating Expenses/Items				
Less : Non - Operating Income/Items				
Interest on Fixed Deposit	-		(4,787)	
Short Term Capital Gain on Mutual Fund	(31,272)		(9,562)	
Other Income	(4,715)	(35,987)	(2,173)	(16,522)
Operating Profit before Working Capital Changes		603,819		598,423
Adjustment for Movement in working capital				
Increase/(Decrease) in Other Current Liabilities	21,480		(15,282)	
Increase/(Decrease) in Short Term Provisions	32,775		(47,986)	
(Increase)/Decrease in Long Term Loans & Advances	60,101		1,747	
(Increase)/Decrease in Short-Term Loans & Advances	2,000		2,000	
(Increase)/Decrease in Other Current Assets	-	116,356	(901,364)	(960,885)
Cash Generated from operations		720,175		(362,462)
Less : Taxes Paid		(161,021)		(219,746)
Net Cash from operating activities		559,154		(582,208)
b. Cash flow from Investing Activities				
Investment in Mutual Fund	(593,579)		(1,385,735)	
Interest on Fixed Deposit	-		4,787	
Short Term Capital Gain on Mutual Fund	31,272		9,562	
Other Income	4,715		2,173	
Net Cash from investing activities		(557,592)		(1,369,213)
c. Cash Flow from Financing Activities				
Net increase/decrease in cash & cash equivalents (a+b+c)		1,562		(1,951,421)
Add: Cash & Cash Equivalents at the start of the year				
Cash in Hand	328		328	
Bank Accounts	3,710		980,131	
Fixed Deposits with maturity less than 12 months	-	4,038	975,000	1,955,459
Less: Cash & Cash Equivalents at the end of the year				
Cash in Hand	328		328	
Bank Accounts	5,272		3,710	
Fixed Deposits with maturity less than 12 months	-	5,600	-	4,038

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K P Chaudhari

Partner

Membership No:031661

For and on behalf of the Board of Directors of

PPFAS Trustee Company Private Limited

Sd/-

Rajan Mehta

Director

DIN: 03548180

Sd/-

Suneel Gautam

Director

DIN: 00227484

Place: Mumbai

Date : 30th July, 2020

PPFAS TRUSTEE COMPANY PRIVATE LIMITED

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

NOTE 1: CORPORATE INFORMATION

Background:

PPFAS Trustee Company Private Limited is incorporated on 24th August, 2011. The Company is subsidiary of Parag Parikh Financial Advisory Services Private Limited. The Company's Registered and corporate office is located in Mumbai. The Company is incorporated to function as trustee to PPFAS Mutual Fund and Trusteeship fees is its primary source of Income. The fees received are calculated based on Asset under Management for Mutual Fund.

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 and 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) from time to time and the relevant provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of Estimates

The preparation of financial statements, in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions,

uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Current/ Non-current Classification

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

- i. it is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
 - it is held primarily for the purpose of providing services; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- iv. in the case of a liability, the company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

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

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

d. Investments

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

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

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

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

e. Revenue Recognition

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

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

Interest is recognised on Time Proportion basis.

f. Taxes on Income

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

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

g. Provision

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

h. Contingent Liabilities

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

i. Earnings per share

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

NOTE 3: SHARE CAPITAL				
	As at 31st March, 2020		As at 31st March, 2019	
AUTHORISED 50,000 Equity Shares of Rs.10 each	500,000		500,000	
ISSUED, SUBSCRIBED & PAID UP CAPITAL 50,000 Equity Shares of Rs.10 each	500,000		500,000	
	500,000		500,000	
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	50,000	500,000	50,000	500,000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	50,000	500,000	50,000	500,000
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	50,000	100.00	50,000	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				
At the Beginning of the Accounting Period	1,731,066		1,274,019	
Additions During the Year (Balance in statement of Profit & Loss a/c)	478,785		457,047	
At the End of the Accounting Period	2,209,851		1,731,066	
NOTE 5: OTHER CURRENT LIABILITIES				
	As at 31st March, 2020		As at 31st March, 2019	
GST Payable	114,382		110,062	
Sundry Creditors	14,160		-	
TDS - Professional Fees	3,000		-	
	131,542		110,062	
NOTE 6: SHORT TERM PROVISIONS				
	As at 31st March, 2020		As at 31st March, 2019	
Provision for Auditor's Remuneration	27,000		30,000	
Provision for Expenses	27,500		-	
Provision of Taxation (Net of Advance Tax & TDS)	8,275		-	
	62,775		30,000	

NOTE 7: NON CURRENT INVESTMENTS

	No of	Cost for	MKT. Rate	MKT. Value on	No of	Cost for
	Units	31/03/2020	31/03/2020	31/03/2020'	Units	31/03/2019
<u>INVESTMENT IN MUTUAL FUNDS</u>						
Birla SunLife Cash Manager Fund Growth	23.847	10,000	468.334	11,168	23.847	10,000
Parag Parikh Liquid Fund (Direct Growth Plan)	1,837.090	1,894,835	1,117.010	2,052,048	1,302.930	1,303,562
Parag Parikh Liquid Fund (Regular Growth Plan)	10.000	10,000	1,114.776	11,148	10.000	10,000
Parag Parikh Liquid Fund (Regular Monthly Dividend Plan)	10.725	10,726	1,003.168	10,759	10.341	10,343
Parag Parikh Liquid Fund (Regular Weekly Dividend Plan)	10.742	10,743	1,001.168	10,755	10.354	10,361
Parag Parikh Liquid Fund (Regular Daily Dividend Plan)	10.701	10,746	1,000.208	10,703	10.330	10,370
Parag Parikh Liquid Fund (Direct Monthly Dividend Plan)	10.742	10,746	1,003.171	10,776	10.354	10,355
Parag Parikh Liquid Fund (Direct Daily Dividend Plan)	10.703	10,760	1,000.208	10,705	10.331	10,377
Parag Parikh Liquid Fund (Direct Weekly Dividend Plan)	10.755	10,758	1,001.171	10,768	10.360	10,367
Total		1,979,314		2,138,830		1,385,735

NOTE 8: LONG TERM LOANS AND ADVANCES		
	As at 31st March, 2020	As at 31st March, 2019
Advance Tax & TDS (Net of Provision of Taxation)	-	60,101
	-	60,101
NOTE 9: CASH & CASH EQUIVALENTS		
	As at 31st March, 2020	As at 31st March, 2019
On Current Accounts	5,272	3,710
Cash in hand and as Imprest	328	328
	5,600	4,038
NOTE 10 : SHORT TERM LOANS & ADVANCES		
	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expense	4,000	6,000
	4,000	6,000
NOTE 11: OTHER CURRENT ASSETS		
	As at 31st March, 2020	As at 31st March, 2019
Trustee Fees Receivable	915,254	915,254
	915,254	915,254
NOTE 12: REVENUE FROM OPERATIONS		
	For the year ended 31st March, 2020	For the year ended 31st March 2019
Trustee Fees	847,458	847,458
	847,458	847,458
NOTE 13: OTHER INCOME		
	For the year ended 31st March, 2020	For the year ended 31st March 2019
Short Term Capital Gain on Mutual Fund	31,272	9,562
Interest on IT Refund	2,409	2,173
Dividend Reinvested	2,306	-
Interest on Fixed Deposit	-	4,787
	35,987	16,522
NOTE 14: OTHER EXPENSES		
	For the year ended 31st March, 2020	For the year ended 31st March 2019
Director's Fees (Sitting Fees)	170,000	210,000
Professional Charges	39,500	6,000
Auditors Remuneration	30,000	30,000
Miscellaneous expenses	2,000	800
Professional tax - company	2,000	2,000
Bank Charges	139	235
	243,639	249,035

NOTE 15: SUPPLEMENTARY INFORMATION

a. Particulars of Directors' Remuneration

Director's Name	Amount in Rs.	Head of Expenses
P. A. Balasubramanian	40,000	Sitting Fees
Rajan Mehta	50,000	Sitting Fees
Dhaval Desai	40,000	Sitting Fees
Suneel Gautam	40,000	Sitting Fees

b. Particulars of Auditors Remuneration

Particulars	F.Y.2019-20	F.Y.2018-19
As Statutory Auditors	30,000	30,000
For other Services	-	-
TOTAL	30,000	30,000

c. Value of Imports

Particulars	F.Y.2019-20	F.Y.2018-19
Value of Imports	NIL	NIL

d. Expenditure in Foreign Exchange

Particulars	F.Y.2019-20	F.Y.2018-19
Professional Charges	NIL	<i>NIL</i>
Travelling Charges	NIL	<i>NIL</i>

e. Foreign Exchange Earnings

Particulars	F.Y.2019-20	F.Y.2018-19
Earnings in Foreign Exchange	NIL	<i>NIL</i>

NOTE 16: EARNINGS PER SHARE

Particulars	F.Y.2019-20	F.Y.2018-19
Profit attributable to equity shareholders	Rs. 4,78,785	<i>Rs. 4,57,047</i>
Weighted Average number of Equity Share Outstanding during the year	50,000	<i>50,000</i>
Basic & Diluted EPS	Rs. 9.58	<i>Rs. 9.14</i>
Nominal value per share	Rs. 10	<i>Rs. 10</i>

NOTE 17: MAJOR COMPONENTS OF DEFERRED TAX ASSETS

NIL

NOTE 18:

The amount payable to the Small Scale Undertaking is NIL.

NOTE 19: PREVIOUS YEAR FIGURES

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

Signatures to notes 1 to 19

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No: 101745W

For and on behalf of the Board of Directors of

PPFAS Trustee Company Private Limited

Sd/-

CA K P Chaudhari

Partner

Membership No: 031661

Sd/-

Rajan Mehta

Director

DIN : 03548180

Sd/-

Suneel Gautam

Director

DIN : 00227484

Place: Mumbai

Date: 30th July, 2020