



**PPFAS Asset Management Private Limited**  
**Annual Report 2012-2013**

**NOTICE**

Notice is hereby given that the Second Annual General Meeting of the members of the PPFAS Asset Management Private Limited will be held on Thursday, 29th August 2013 at 11.00 a.m. At 130-132 Great Western Building, S.B. Singh Road, opposite Lion Gate, Fort, Mumbai- 400001 to transact the following business;

**Ordinary Business:**

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

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

3. To re-appoint Mr. Rajnikant Rao, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. Kamlesh Somani, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS**

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

5. To approve and ratify the compensation paid to Mr. Parag Parikh as a Director of the Company for the financial year 2012-2013.

The Company paid a compensation of Rs. 1,431,467/- to Mr. Parag Parikh for the financial year 2012-2013. Compensation paid to Mr. Parag Parikh has been as per the terms of appointment as approved by the members of the company in the previous Annual General Meeting.

Following resolution is proposed as ordinary resolution for the approval of members of the company.

"Resolved that a compensation of Rs. 1,431,467/- paid to Mr. Parag Parikh as a Director of the company for the financial year 2012-2013 be and is hereby approved."

"Resolved further that any one director of the company be and is hereby authorised to do all such acts including filing requisite form/s with the Registrar of Companies and/ or any other regulatory authority."

6. To approve and ratify the compensation paid to Mr. Rajeev Thakkar as a Director and Fund Manager of the Company for the financial year 2012-2013.

The Company paid a compensation of Rs. 1,630,300/- to Mr. Rajeev Thakkar for the financial year 2012-2013. Compensation paid to Mr. Rajeev Thakkar has been as per the terms of appointment as approved by the members of the company in the previous Annual General Meeting.

Following resolution is proposed as ordinary resolution for the approval of members of the company.

"Resolved that a compensation of Rs. 1,630,300/- paid to Mr. Rajeev Thakkar as a Director of the company for the financial year 2012-2013 be and is hereby approved."

"Resolved further that any one director of the company be and is hereby authorised to do all such acts including filing requisite form/s with the Registrar of Companies and/ or any other regulatory authority."

**Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956:****Item 5**

To approve and ratify the compensation paid to Mr. Parag Parikh as a Director of the Company for the financial year 2012-2013.

Mr. Parag Parikh is acting as a Director and Chairman of the Company. His duties involve providing directions to the operations of the Company and represent the Company in public domain. His vast experience in the field of capital markets and fund management industry is a great asset for the Company.

The Board is of the view that the Compensation offered to Mr. Parag Parikh for the financial year 2012-2013 is inline with his educational background, vast experience of capital markets and fund management industry.

**Item 6**

To approve and ratify the compensation paid to Mr. Rajeev Thakkar as a Director and Fund Manager of the Company for the financial year 2012-2013.

Mr. Rajeev Thakkar is acting as a Chief Investment Officer of the Company. His functions as a Chief Investment Officer involves overlooking the operations of fund management department and drafting investment policies for the PPFAS Mutual Fund.

Board is of the view that the Compensation offered to Mr. Rajeev Thakkar for the financial year 2012-2013 is inline with his educational background, vast experience of capital markets and fund management industry.

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

Place: Mumbai

**Parag Parikh**

**Rajeev Thakkar**

Date: June 28th, 2013

Director

Director

## Notes

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

## Directors' Report

### To the Shareholders:

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

<b>Particulars</b>	<b>For the year ended March 31, 2013 (Rs. In Lakhs)</b>	<b>For the year ended March 31, 2012 (Rs. In Lakhs)</b>
Operating Income	NIL	NIL
Other Income	132.20	78.22
Total Income	132.20	78.22
Profit before depreciation and tax	(55.80)	32.13
Depreciation	11.36	1.04
Profit before tax	(67.16)	31.09
Current Tax	-	8.07
Deferred Tax	0.91	1.54
<b>Profit/ (Loss) after tax</b>	<b>(68.07)</b>	<b>21.47</b>
Share Capital	1500	1500
Reserves and Surplus	(46.59)	21.47

### Dividend

SEBI has registered the Company as an asset management company vide its letter no. MF/069/12/01 dated October 10, 2012. The Company has launched its flagship scheme 'PPFAS Long Value Term Fund' on May 13, 2013.

Board members are of the view to conserve resources and increase net worth of the Company. Capital adequacy is a key factor in the financial markets. Retention of earnings will help the company to provide adequate capital cushioning to the operations of the Company.

Your Directors do not recommend any dividend for the year.

**Directors**

In accordance with the provisions of the Companies Act, 1956, Mr. Rajnikant Rao and Mr. Kamlesh Somani will retire by rotation at this Annual General Meeting. They are eligible for re-appointment and offer themselves for the reappointment as Directors of the Company.

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

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 274 (1) (g) of the Companies Act, 1956.

**Board Meetings**

The meetings of the Board of Directors are held at the Company's corporate office in Mumbai. During the financial year 2012-2013, 5 (five) Board meetings were held.

**Deposits**

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

**Management Discussion and Analysis and Results of operations****Environment in Capital Markets**

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

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

**Operations of the Company**

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

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

**Investor Relations**

Company has in house investor relations department 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 the funds received in the form of capital in Liquid Funds of registered Mutual Funds and parked most of the money in Fixed Deposits Receipts with scheduled banks.

Expenses incurred during the year were in the nature of NFO expenses, Legal expenses, expenses to acquire capital assets. Expenses incurred toward acquisition of assets have been capitalised.

### Human Resource

The Company is recruiting employees at a gradual pace. All employees for the key functions of the company and the support staff have been appointed. As operations of the mutual fund grow, company will employ more employees to support its operations and service unit holders of PPFAS Mutual Fund. Board is of the opinion that it is a very sensible approach.

### Future Outlook

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

### Directors' Responsibility Statement:

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

- a. that in the preparation of the accounts for the financial year ended on 31st March 2013 the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for the year under review;
- 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and any irregularities;
- d. that the Directors have prepared the accounts for the financial year ended on 31st March 2013 on a 'going concern' basis.

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

Employee Name	Designation	Total Remuneration (INR)
None.		



**Audit Committee:**

The composition of audit committee constituted under the provisions of Section 292A of the Companies Act, 1956 is as under:

Rajnikant Rao	Chairman of the Committee
Kamlesh Somani	Member of the Committee
Rajeev Thakkar	Member of the Committee

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

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

**a. Energy consumption**

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

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

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

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

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

**Statutory Auditors**

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

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

**Acknowledgement**

The Directors wish to acknowledge the valuable assistance provided by the Securities and Exchange Board of India which helped the Company launch its first scheme well ahead of time.

The Directors wish to place on record their sincere appreciation to all employees of PPFAS Asset Management Private Limited (which acts as the Investment Manager to PPFAS Mutual Fund) for their dedication and focused attitude.

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

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

Place: Mumbai

**Parag Parikh**

**Rajeev Thakkar**

Date: June 28th, 2013

Director

Director

# Independent Auditors' Report

CVK & Associates  
Chartered Accountants

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

## TO THE MEMBERS OF PPFAS ASSET MANAGEMENT PRIVATE LIMITED

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act,1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For CVK & Associates**  
Chartered Accountants  
(Firm's Registration no.-101745W)

Place: Mumbai  
Date: June 28th, 2013

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

**Annexure referred to in paragraph 3 of our report of even date.**

The Annexure referred to in the Auditors' report to the Members of PPFAS Asset Management Private Limited (the Company) for the year ended 31st March, 2013. 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) There was no disposal of any substantial part of the company's Fixed Assets during the year.
- ii) The company did not have any inventory during the year.
- iii) The Company has neither granted, nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) There is adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of shares, plant & machinery, equipment and other assets and for the sale of securities. No major weakness has been noticed in the internal controls during the course of our audit.
- v)
  - (a) Transactions during the year those need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been duly entered.
  - (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) 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 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business
- viii) Maintenance of cost records has not been prescribed for the company by the Central Government, under section 209 (1) (d) of the Companies Act, 1956.
- ix)
  - (a) As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Service-tax, Wealth 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 dues outstanding of Income Tax, Service Tax and Wealth Tax on account of any dispute.

- x) This Company has not completed 5 years of registration but the Company has incurred cash loss during current year and has earned profit during immediately preceding financial year, being the first year of operation.
- xi) As per the documents and records produced before us, the Company has not defaulted in repayment of dues to institutions, banks or debenture holders.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund, nidhi, mutual benefit fund or society do not apply to the Company.
- xiv) In respect of dealing in Shares, Securities, Debentures and Other Investments, proper records have been maintained by the Company of the transactions and contracts and timely entries have been made therein and the Securities are held by the Company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has not obtained any term loans.
- xvii) The funds raised on short-term basis have not been used by the Company for long-term investment or vice versa.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures.
- xx) The Company has not raised any money by public issue.
- xxi) Any fraud on or by the Company has not been noticed or reported during the year.

**For CVK & Associates**  
Chartered Accountants  
(Firm's Registration no.-101745W)

Place: Mumbai  
Date: June 28th, 2013

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

## Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31st March, 2013 (Rs)	As at 31st March, 2012 (Rs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	150,000,000	150,000,000
(b) Reserves And Surplus	3	(4,659,371)	2,147,405
	<b>(a)</b>	<b>145,340,629</b>	<b>152,147,405</b>
<b>Non Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	245,002	154,387
	<b>(b)</b>	<b>245,002</b>	<b>154,387</b>
<b>Current Liabilities</b>			
(a) Other Current Liabilities	5	-	251,872
(b) Short Term Provisions	6	154,241	1,746,624
	<b>(c)</b>	<b>154,241</b>	<b>1,998,496</b>
<b>Total</b>	<b>(a+b+c)</b>	<b>145,739,872</b>	<b>154,300,288</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	7A	1,311,063	330,612
(ii) Intangibles	7B	1,004,579	1,674,298
	<b>(d)</b>	<b>2,315,642</b>	<b>2,004,910</b>
(b) Non-Current Investments	8	370,376	2,778,639
(c) Long Term Loans & Advances	9	1,230,174	-
	<b>(e)</b>	<b>1,600,550</b>	<b>2,778,639</b>
<b>Current Assets</b>			
(a) Current Investments	10	139,740,000	145,000,000
(b) Cash & Cash Equivalents	11	623,081	154,830
(c) Short-Term Loans & Advances	12	100,000	140,000
(d) Other Current Assets	13	1,360,599	4,221,909
	<b>(f)</b>	<b>141,823,680</b>	<b>149,516,739</b>
<b>Total</b>	<b>(d+e+f)</b>	<b>145,739,872</b>	<b>154,300,288</b>
Notes forming part of accounts	1		

Notes referred to above form an integral part of the Financial Statements

As per our Report of even date

**For CVK & Associates**

Chartered Accountants

(Firm's Registration no.-101745W)

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

**K. P. Chaudhari**, Partner

M.No.31661

Place: Mumbai

Date: June 28th, 2013

**Parag Parikh**  
Director

**Rajeev Thakkar**  
Director

**Swapnil Walimbe**  
Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	For the year ended 31st March, 2013 (Rs)	For the year ended 31st March, 2012 (Rs)
<b>Income</b>			
Revenue from operations		-	-
<b>Other Income</b>	14	13,219,593	7,822,321
<b>Total Revenue</b>		<b>13,219,593</b>	<b>7,822,321</b>
<b>Expenses</b>			
Employee Benefits Expenses	15	12,687,038	2,080,981
Depreciation & Amortization Expenses	16	1,136,166	104,114
Other Expenses	17	6,112,550	2,528,434
<b>Total Expenses</b>		<b>19,935,754</b>	<b>4,713,529</b>
<b>Profit Before Tax</b>		<b>(6,716,161)</b>	<b>3,108,792</b>
Tax Expense			
(i) Current Tax		-	807,000
(ii) Deferred Tax		90,615	154,387
		<b>90,615</b>	<b>961,387</b>
<b>Profit (Loss) for the Period</b>		<b>(6,806,776)</b>	<b>2,147,405</b>
Earning Per Equity Share			
Basic		(0.45)	0.14
Diluted		(0.45)	0.14
Notes Forming part of accounts	1		

Notes referred to above form an integral part of Financial Statements

As per our Report of even date

**For CVK & Associates**

Chartered Accountants

(Firm's Registration no.-101745W)

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

**K. P. Chaudhari**, Partner

M.No.31661

**Parag Parikh**

Director

**Rajeev Thakkar**

Director

**Swapnil Walimbe**

Company Secretary

Place: Mumbai

Date: June 28th, 2013



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

## **Note 1: Note to Accounts**

### **I) Company Information**

The Company PPFAS Asset Management Private Limited is subsidiary of Parag Parikh Financial Advisory Services Limited. It was incorporated on 08.08.2011. This is the Second year of operations of the Company. The Company is incorporated to function as an investment manager to the PPFAS Mutual Fund. The company has not started its operations as an investment manager till the end of the second year of operations hence only source of income was interest income from fixed deposit with bank and capital gain income. After the Launch of the NFO on 13th May 2013, the company has started its functions as Investment Manager & thus had started earning Management fees as its primary source of Income.

### **II) Significant Accounting Policies**

#### **a) Accounting Convention**

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

#### **b) Revenue Recognition**

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

#### **c) Fixed Assets**

Fixed Assets are valued at cost less accumulated depreciation. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its present condition for intended use.

#### **d) Investments**

Investments are valued at their acquisition costs.

#### **e) Depreciation**

Depreciation on Fixed Assets is provided on Written Down Value method (WDV) in the manner prescribed under the Companies Act, 1956 read with Schedule XIV thereto.

#### **f) Share Transactions**

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

**g) Employee Benefits**

(i) 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 for the year when the contribution to the fund is due. There are no other obligations other than the contribution payable to the fund.

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

**h) Provision and Contingent Liabilities**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized in accounts but are only disclosed in the notes to accounts.

**i) Taxes on Income**

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

**j) The amount payable to the Small Scale Undertaking is NIL. (Previous year NIL).****k) Contingent Liabilities: NIL****III) Major Components of Deferred Tax Assets**

<b>Deferred Tax Assets</b>		<b>(Amount in Rs.)</b>
I. Opening Balance		154,387
II Changes during the Year		
a. Timing Difference in Depreciation		
As per Accounts	1,136,166	
As per Income tax Act	1,429,418	
Overcharged for tax purpose	293,252	
Deferred Tax @ 30.90%		90,615
b. Timing difference in Gratuity		NIL
III. Deferred Tax Expense charged to P& L Account	90,615	
IV. Net Deferred tax Assets as per Balance Sheet.		90,615

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

<b>Director Name</b>	<b>Amount in Rs.</b>	<b>Head of Expenses</b>
Parag Parikh	1,431,467/-	Salary and Sitting Fees.
Rajeev Thakkar	1,630,300/-	Salary and Sitting Fees.
Rajnikant Rao	25,000/-	Sitting Fees.
Kamlesh Somani	25,000/-	Sitting Fees.

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

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

**c) Value of Imports**

<b>Particulars</b>	<b>FY 2012-2013.</b>	<b>FY 2011-2012.</b>
Value of Imports	NIL	NIL

**d) Expenditure in Foreign Exchange**

<b>Particulars</b>	<b>FY 2012-2013.</b>	<b>FY 2011-2012.</b>
Expenditure in Foreign Exchange (USD)- Professional Charges	NIL	NIL

**e) Foreign Exchange Earnings**

<b>Particulars</b>	<b>FY 2012-2013.</b>	<b>FY 2011-2012.</b>
Earnings in Foreign Exchange (USD)-Advisory services	NIL	NIL

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

As per Accounting Standard 18, issued by the Institute of Chartered Accounts of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

<b>Name of the Related Party.</b>	<b>Relationship</b>	<b>Nature of Payment</b>	<b>Amount in Rs.</b>
Empeegee Portfolio Management Services Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	600,000/-
Parag Parikh	Director who is able to exercise significant Influence	Salary	1,431,467/-
Rajeev Thakkar	Director who is able to exercise significant Influence	Salary	1,630,300/-

**VI) Earnings/(Loss) per share (EPS)**

<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
Profit attributable to equity shareholders	(6,806,776)	2,147,405
Weighted average number of equity shares Outstanding during the year	15,000,000	15,000,000
Basic & Diluted EPS (Rs)	(0.45)	(0.14)
Nominal value per share (Rs)	10.00	10.00

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

<b>Note No.</b>	<b>Particulars</b>	<b>As at 31st March, 2013</b>		<b>As at 31st March, 2012</b>	
<b>2</b>	<b>Share Capital</b>				
	<b>Authorised:</b>				
	15,000,000 Equity Shares of Rs.10/- each		150,000,000	150,000,000	
	<b>Issued, Subscribed &amp; Paid Up</b>				
	15,000,000 Equity Shares of Rs.10/- each fully paid		150,000,000	150,000,000	
			<b>150,000,000</b>	<b>150,000,000</b>	
	<b>Particulars</b>	<b>As at 31st March, 2013</b>		<b>As at 31st March, 2012</b>	
		<b>Number</b>	<b>(Rs)</b>	<b>Number</b>	<b>(Rs)</b>
	Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.				
	At the beginning of the Period	15,000,000	150,000,000	NIL	NIL
	Issued during the period	NIL	NIL	15,000,000	150,000,000
	<b>Outstanding at the end of the period</b>	<b>15,000,000</b>	<b>150,000,000</b>	<b>15,000,000</b>	<b>150,000,000</b>
	<b>Details of Shareholders holding more than 5 % of Ordinary Shares</b>				
	<b>Name of the Shareholders</b>	<b>Number</b>	<b>% of Holding</b>	<b>Number</b>	<b>% of Holding</b>
Parag Parikh Financial Advisory Services Limited	14,999,999	100	14,999,999	100	

<b>3 Reserves and Surplus</b>		
<b>Surplus/(deficit) in the statement of Profit and Loss</b>		
At the Beginning of the Accounting Period	2,147,405	-
Additions During the Year	(6,806,776)	2,147,405
<b>Profit / (Loss) At the End of the Accounting Period</b>	<b>(4,659,371)</b>	<b>2,147,405</b>

<b>4 Deferred Tax Liability</b>		
Opening Balance	154,387	-
Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	90,615	154,387
<b>Net Deferred Tax Liability</b>	<b>245,002</b>	<b>154,387</b>

<b>5 Other Current Liabilities</b>		
TDS Payable on Rent	-	251,872
	-	<b>251,872</b>

<b>6 Short term Provisions</b>		
PF Payable	100,905	92,924
Provision for Expenses	27,664	21,548
Provision for Audit Fees	22,472	20,000
Profession Tax Payable	3,200	2,800
Professional Charges Payable	-	129,050
Provision For Tax	-	332,632
Salary Payable	-	1,147,670
	<b>154,241</b>	<b>1,746,624</b>

**Note 7**

Sr. No	Asset	Rate of Dep.	Gross Block			Depreciation				Net Block		
			Gross Block as at 01/04/2012	Additions during the year	Deductions during the year	Gross Block as at 31/03/13	Provision for Depreciation upto 31/03/2012	Depreciation for the year 12-13	Accumulated Depreciation on Sold Assets	Total depreciation upto 31/03/13	Net Block as at 31/03/13	Net Block as at 31/03/12
<b>A. Tangible Assets</b>												
1	Computer Hardware	40.00%	224,235	40,968		265,203	20,922	89,778		110,700	154,503	203,313
2	Electrical Fittings	13.91%	34,130	-		34,130	692	4,651		5,343	28,787	33,438
3	Office Equipments	13.91%	97,159	27,157	-	124,316	3,298	15,054		18,352	105,964	93,861
4	Motor Car	25.89%		1,378,773		1,378,773		356,964		356,964	1,021,809	-
	<b>TOTAL</b>		<b>355,524</b>	<b>1,446,898</b>	-	<b>1,802,422</b>	<b>24,912</b>	<b>466,447</b>	-	<b>491,359</b>	<b>1,311,063</b>	<b>330,612</b>
<b>B. Intangible Assets</b>												
	Computer software	40.00%	1,753,500			1,753,500	79,202	669,719		748,921	1,004,579	1,674,298
	<b>TOTAL</b>		<b>1,753,500</b>	-	-	<b>1,753,500</b>	<b>79,202</b>	<b>669,719</b>	-	<b>748,921</b>	<b>1,004,579</b>	<b>1,674,298</b>
	<b>TOTAL (A+B)</b>		<b>2,109,024</b>	<b>1,446,898</b>	-	<b>3,555,922</b>		<b>1,136,166</b>		<b>1,240,280</b>	<b>2,315,642</b>	<b>2,004,910</b>
	<b>Total Of Previous Year</b>			<b>2,109,024</b>	-	<b>2,109,024</b>	-	<b>104,114</b>	-	<b>104,114</b>	<b>2,004,910</b>	-

<b>8</b>	<b>Non Current Investments</b>		
	Investment in Mutual Funds	370,376	2,778,639
		<b>370,376</b>	<b>2,778,639</b>

<b>9</b>	<b>Long Term Loans and Advances</b>		
	Advance Taxes Paid (Net of Provision)	1,205,884	-
	Previous year Taxes Receivable	24,290	-
		<b>1,230,174</b>	-

<b>10</b>	<b>Current Investments</b>		
	Fixed Deposits with maturity less than 12 months	139,740,000	145,000,000
		<b>139,740,000</b>	<b>145,000,000</b>

<b>11</b>	<b>Cash &amp; Cash Equivalents</b>		
	(i) Cash in hand and as Imprest	6,469	8,885
	(ii) On Current Accounts	616,612	145,945
		<b>623,081</b>	<b>154,830</b>

<b>12</b>	<b>Short Term Loans and Advances</b>		
	(i) Deposits	100,000	100,000
	(ii) Advances	-	40,000
		<b>100,000</b>	<b>140,000</b>

<b>13</b>	<b>Other Current Assets</b>		
	Interest accrued on Fixed Deposits	928,360	4,221,909
	Prepaid Expenses	432,239	-
		<b>1,360,599</b>	<b>4,221,909</b>



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

Note No	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>14</b>	<b>Other Income</b>		
	Net Gain/Loss on Sale of Investment	244,479	3,078,639
	Other Non-Operating Income	12,975,114	4,743,682
		<b>13,219,593</b>	<b>7,822,321</b>

<b>15</b>	<b>Employee Benefit Expenses</b>		
	<b>Salary and Wages</b>		
	Office Staff Salary	12,035,352	1,997,753
	<b>Contribution to Provident Fund and other funds</b>		
	Contribution to Provident Fund	650,100	82,540
	<b>Other Expenses</b>		
	Staff Welfare	1,586	688
		<b>12,687,038</b>	<b>2,080,981</b>

<b>16</b>	<b>Depreciation and Amortzation Expense</b>		
	Depreciation of Tangible Assets	466,447	24,912
	Amortization of Intangible Assets	669,719	79,202
		<b>1,136,166</b>	<b>104,114</b>

<b>17</b>	<b>Other Expenses</b>		
	Registration Charges (SEBI)	3,000,000	-
	Repairs & Maintenance	727,641	240,375
	Rent,Rates & Taxes	683,400	426,628
	Professional Charges	665,452	355,615
	Vehicle Expenses	313,233	-
	Communication Expenses	176,268	66,622
	Business Promotion Expenses	173,755	-
	Filing Fees	106,793	-
	Membership & Subscription	68,952	-

<b>17</b>	<b>Other Expenses</b>		
	Director's Fees (Sitting Fees)	50,000	10,000
	Internet Expenses	32,136	5,712
	Interest/fines on Taxes	25,078	-
	Auditor's remuneration	22,472	20,000
	Miscellaneous Expenditure	19,565	25,921
	Travelling Expenses	17,246	-
	Conveyance	10,670	24,922
	Printing & Stationery	13,383	23,072
	Prior Period Expenses	2,472	-
	Professional Tax	2,000	2,500
	Books & Periodicals	1,795	3,953
	Postage & Courier charges	239	-
	Preliminary Expenses Written off	-	1,323,114
	<b>TOTAL</b>	<b>6,112,550</b>	<b>2,528,434</b>

As per our Report of even date

**For CVK & Associates**

Chartered Accountants

(Firm's Registration no.-101745W)

**K. P. Chaudhari**, Partner

M.No.31661

Place: Mumbai

Date: June 28th, 2013

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

**Parag Parikh**

Director

**Rajeev Thakkar**

Director

**Swapnil Walimbe**

Company Secretary

## General Profile

Registration Details	
Registration No	U65100MH2011PTC220623 - 2011-12
Balance Sheet Date	March 31, 2013
Capital Raised during the year	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
Position of Mobilisation and Deployment of Funds: (Rs. in'000)	
Total Liabilities	145,740
Total Assets	145,740
Sources of Funds	
Paid-up Capital	150,000
Reserves and Surplus	(4,659)
Non Current Liabilities	245
Current Liabilities	154
Application of Funds	
Net Non Current Assets	2,316
Non Current Investments	394
Current Assets	143,030
Net Deferred Tax Assets	-
Miscellaneous Expenditures	NIL
Accumulated Loss	NIL

<b>Performance of the Company (Rs. in '000)</b>	
Turnover	13,220
Total Expenditure (Including Depreciation)	19,936
Profit/(Loss) Before Tax	(6,716)
Profit/(Loss) After Tax	(6,807)
Earnings Per Share (EPS) (In Rs)	(0.45)
Dividend Declared	NIL



**PPFAS Asset Management Private Limited**

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