

Annual Report FY 2016-2017

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



Annual Report FY 2016-2017

Board of Directors

Mr. Neil Parag Parikh	Chairman and Director
Mr. Rajeev Thakkar	Director
Mr. Kamlesh Somani	Independent Director
Mr. Rajesh Bhojani	Independent Director
Mr. Arindam Ghosh	Independent Director

Key Managerial Persons

Mr. Neil Parag Parikh	Chief Executive Officer
Ms. Priya Hariani	Company Secretary
Mr. Shashi Kataria	Chief Financial Officer

Statutory Auditors

CVK & Associates Chartered Accountants

Bankers

HDFC Bank Ltd.

Registered Office: 103 Veena Chambers, 21 Dalal Street, Fort, Mumbai-400001.	Corporate Office: 1 st Floor, Great Western Building, Shahid Bhagat Singh Road, opposite Lion Gate, Fort, Mumbai- 400001.
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PPFAS Asset Management Private Limited

Registered Office:- 103, Veena Chambers, 21 Dalal Street, Mumbai 400 001.

CIN: U65100MH2011PTC220623

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the members of PPFAS Asset Management Private Limited will be held on Wednesday, 23rd August, 2017 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 businesses:

1. ADOPTION OF ACCOUNTS:

To receive, consider and adopt the audited Financial Statements of the Company for year ended 31st March, 2017, together with the Report of Board of Directors' and Auditor's thereon.

2. RE-APPOINTMENT OF AUDITORS:

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

“**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, the retiring auditors, M/s. CVK & Associates , Chartered Accountants, (Firm Registration No. 101745W), be and are hereby appointed as Auditors of the Company to hold office for a term of 5 years from the conclusion of this Sixth Annual General Meeting until the conclusion of the Eleventh Annual General Meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter and that the Board of Directors of the Company be and are hereby authorised to fix such remuneration as may be determined in consultation with the auditors.”

For and on behalf of the Board of Directors of

PPFAS Asset Management Private Limited

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

Sd/-
Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai

Date: 22nd June 2017.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PROXY/ PROXIES SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying Voting Rights. A member holding more than ten percent of the total share capital of the Company carrying Voting Rights may appoint a single person as proxy for his entire shareholding and such person cannot act as a proxy for any other person or shareholder. If a person is appointed as proxy for more than fifty Members, then such proxy should choose any fifty Members out of total such members who have given him proxy and confirm the same to company before commencement of specified period for inspection. Proxies in order to be effective, should be deposited at the Corporate Office of the Company, duly completed and signed, not less than 48 hours before the time of commencement of the Meeting. A Proxy Form (viz. Form MGT-11) is attached with this Annual Report. Proxies submitted on behalf of the Companies, Societies, Body Corporates, Institutions etc., must be supported by an appropriate resolution/authority, as applicable

1. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signature(s) duly attested and authorizing their representative(s) to attend and vote on their behalf at the Meeting.

2. Members/Proxy Holders are requested to produce at the entrance, the attached Admission Slip for admission to the meeting hall.

3. In case of Joint Holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. The Register of Directors and Key Managerial personnel (KMPs) and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements, in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 shall be available for inspection by the Members at the Annual General Meeting (AGM).

5. 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 Annual Report, Notice and service of other documents through electronic mode are requested to register their e-mail address with the Company.

6. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.

7. The Annual Report of the Company circulated to the members of the Company, will be made available on the Company's website at www.amc.ppfas.com

8. All documents referred to in the accompanying Notice and Explanatory Statement (including the Articles) are open for inspection at the Corporate Office of the Company on all working days between 11.00 a.m. and 3.00 p.m upto the date of the Annual General Meeting.

PPFAS Asset Management Private Limited
Directors' Report

To the Shareholders:

We are pleased to present our Sixth Annual Report on the business operations of the Company and the audited financial statements for the period ended 31st March, 2017.

FINANCIAL RESULTS AND OVERVIEW OF OPERATIONS

The financial results of the company for the year ended 31st March 2017 is as under:

Particulars	For the year ended March 31, 2017 (Rs. in Lakhs)	For the year ended March 31, 2016 (Rs. in Lakhs)
Operating Income	1265.78	1184.98
Other Income	506.26	210.70
Total Income	1772.04	1395.68
Profit before depreciation and tax	761.71	562.17
Depreciation	33.53	42.93
Profit before tax	728.18	519.24
Current Tax	132.00	133.00
Deferred Tax Income	(1.73)	(3.72)
MAT Credit Income	(7.39)	-
Profit/ (Loss) after tax	605.24	389.96

Operating income of the Company (management fees) has shown growth of 6.82% on proportionate basis for the period ended on 31st March, 2017. This growth in operating income is due to increase in Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Company earns 1.78% as management fees on Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Profit before tax on proportionate basis has posted an increase of 40.23% Increase for profit after tax on proportionate basis is 55.05%.

For the period under consideration, we need to take note that the company redeemed mutual fund investments and this resulted in long term capital gain of Rs. 140.16 Lakhs. Company has also sold its investment in Bonds and this resulted in long term capital gain of Rs. 209.19 Lakhs.

These two items resulted in increase in Total Income. Whereas Operating Income for the period under consideration has increased proportionately.

Dividend

Your Directors do not recommend any dividend for the year.

Reserves

The Board proposes to carry forward Rs. 605.24 Lakhs to Profit and Loss Account.

Deposits

The Company has not accepted any deposits pursuant to the provisions of Chapter V of the Companies Act, 2013.

The State of the Company's Affairs

The Company is functioning as an investment manager to PPFAS Mutual Fund. Company generates its operating income from management fees which it charges on Asset Under Management of the scheme(s) of PPFAS Mutual Fund. AUM of the scheme(s) of PPFAS Mutual Fund has increased from Rs. 650 crores to Rs. 726.14 crores. This increase in AUM is due to capital appreciation as well as additional inflow from existing and new investors. Scheme of PPFAS Mutual Fund- Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund) has completed 4 years of operations. Agencies which review performance of mutual fund schemes have started reviewing Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund). This has helped us in gaining wider visibility. This has resulted in more number of investors investing in Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund). Number of investors have increased from 6,983 in FY 2015-2016 to 11,297 in FY 2016-2017. Stability and wider acceptability for the scheme(s) of PPFAS Mutual Fund helps company to earn its operating profits (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.

Indian economy overview and Environment in the capital markets

The macro factors relating to the Indian economy have broadly been favourable. With the easing of oil prices, government subsidies have been reigned in and it has helped on the trade deficit front. Inflation has been under control giving RBI the flexibility to consider cutting interest rates. However, export oriented sectors like IT services and Pharmaceuticals have been under pressure.

Overall while macro indicators have been favourable, corporate earnings have been somewhat subdued. Rising stock prices at a time where corporate earnings are muted have increased the valuation metrics for companies.

As always PPFAS is focussing on individual companies on a bottom up stock selection process. We continue to be guided by valuation parameters and will not chase momentum.

Operations of the Company

The Company is functioning as an investment manager to PPFAS Mutual Fund. Company generates its operating income from management fees which it charges on Asset Under Management of the scheme(s) of PPFAS Mutual Fund. AUM of the scheme(s) of PPFAS Mutual Fund has increased from Rs. 650 crores to 726.14 crores. This increase in AUM is due to capital appreciation as well as additional inflow from existing and new investors. Investment in the scheme(s) through Systematic Investment Plan (SIP) registration is also growing at a gradual pace and its a good sign as it provides stable and predictable inflow of funds.

Operating income of the Company (management fees) has shown growth of 6.82% on proportionate basis for the period ended on 31st March, 2017. This growth in operating income is due to increase in Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Company earns 1.78% as management fees on Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Profit before tax on proportionate basis has posted an increase of 40.23% Increase for profit after tax on proportionate basis is 55.21%.

Investor Relations

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

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

Finances

The Company has invested its funds received in scheme(s) of Mutual Funds, tax free Bonds and other permissible securities. A certain amount of the surplus funds are invested in the scheme, Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund). The Company does not charge management fees on the amount invested by it in the scheme of PPFAS Mutual Fund as per the provisions of the SEBI (Mutual Fund) Regulations, 1996. Details of investments made by the company are provided in 'investment schedule' which forms part of the financials.

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

Parag Parikh Financial Advisory Services Private Limited (Holding Company) has invested Rs. 4,66,40,000/- in the equity shares of the Company. Infusion of equity capital in the company is with primary purpose of increasing net worth of Company to ensure compliance with net worth requirement as prescribed by the SEBI. Details of capital infusion by Holding Company is provided separately.

Human Resource

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

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

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

Future Outlook

During financial year 2016-17 we witnessed descent growth in Assets Under Management (AUM) for scheme(s) of PPFAS Mutual Fund (i.e. AUM grew from Rs. 650 crores to Rs. 726.14 crores). Scheme of PPFAS Mutual Fund- Parag Parikh Long Term Value Fund (Formerly Known as PPFAS Long Term Value Fund) has completed 4 years of operations. Agencies which review performance of mutual fund schemes have started reviewing PPFAS Long Term Value Fund. This has helped us in gaining wider visibility. This has resulted in more number of investors have invested in Parag Parikh Long Term Value Fund (Formerly Known as PPFAS Long Term Value Fund). Number of investors have increased from 6,983 in FY 2015-2016 to 11,297 in FY 2016-2017.

Going forward, Company desires to build its distribution channel which will serve investors of PPFAS Mutual Fund coming from direct as well as distributor channel. Focus is also to build a strong SIP book, which will provide stable inflow in the scheme(s) of PPFAS Mutual Fund.

Risks and challenges

During management discussions, challenges faced by the company were discussed at length;

(a) We are moving towards building online empanelment of Distributors by taking paperless approach. We have enabled the process of offering a new facility to our Distributors by giving them Commission pay-out in the form of units of scheme(s) of PPFAS Mutual Fund.

(b) Reduction in scheme expense ratio (i.e. management fees that can be charged to a mutual fund scheme): It is clear from various communication of the regulator that it desires to bring down cost to the investors by reducing management fees that can be charged to a mutual fund scheme. Recently, we have reduced the management fees on both the plans-Direct and Regular. At this moment company charges 1.73% management fees on AUM of scheme(s) of PPFAS Mutual Fund. We need to plan our future growth considering reduced rate of management fees on AUM. Board Members have considered this probable change and initiated steps in the form of increased efforts to widen reach and visibility of PPFAS Mutual Fund and also keeping lean cost structure for the company.

Note: Certain statements in management discussion and future outlook are forward looking. The future results of the company may be affected by many factors, which could be different from what the directors envisage in terms of future outlook for the company.

The Change in the nature of Business, if any

The Company is incorporated to act as an investment manager to PPFAS Mutual Fund. There has been no change in the nature of business in the financial year 2016-17.

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

The Board consists of Mr. Neil Parag Parikh, Mr. Rajeev Thakkar, Mr. Kamlesh Somani, Mr. Rajesh Bhojani and Mr. Arindam Ghosh.

Mr. Swapnil Walimbe resigned from the post of Director and Company Secretary of the Company w.e.f. 8th December 2016.

Ms. Priya Hariani has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 9th December 2016.

Statement on Declaration given by Independent Directors

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

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

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

Policy on Appointment of Directors

The Company is functioning as an Investment Manager to the scheme(s) of PPFAS Mutual Fund. A candidate is considered for appointment as Director who fulfills SEBI regulations for appointment as Director of an Asset Management Company. In Broader terms, the Company follows below mentioned guiding rules for appointment of Director (including Independent Directors).

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.

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.

Policy Relating to Remuneration of Directors

- (a) Executive Directors are paid remuneration based on their core functional responsibilities.
- (b) Non-Executive Directors are paid sitting fees.
- (c) The Board of Directors consider the trends prevalent in the mutual fund industry, keeping in view the nature and size of business of the Company, performance of Directors based on their core functional responsibilities before finalising the annual remuneration.

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

The Company has no subsidiary or associate company.

The Details of Significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's Operations in Future

None.

Internal Control System, its Adequacy and Compliance.

The Company is functioning as an investment manager to PPFAS Mutual Fund. Custody, Fund Accounting and RTA are critical functions of a mutual fund. Stock Holding Corporation of India Limited is appointed as the Custodian and Sundaram BNP Paribas Fund Services Limited as the Fund Accountant for scheme(s) of PPFAS Mutual Fund. CAMS is the RTA for scheme(s) of PPFAS Mutual Fund.

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

The Company has adopted applicable accounting policies of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, are effected in consultation with the Auditors.

In addition to these checks all critical activities of PPFAS Mutual Fund operations are subject to Internal Audit Process by Independent Auditors.

Accounts, taxation and compliance department ensure that agreed processes and checklists are kept up-to date to ensure all activities are carried out as per set process. The company has laid down Internal Financial Controls that includes, risk based framework to ensure orderly conduct of business activities, safeguarding of assets and correctness of records and financial information.

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

The Management periodically reviews the financial performance of the Company.

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

None.

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 normally held at the Company's corporate office in Mumbai. During the financial year 2016-2017, 10 Board meetings were held. 1 Committee meeting was held. Meetings of Board of Directors includes meeting of Independent Directors held in terms of applicable provisions of the Companies Act, 2013.

Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the annual accounts for the financial year ended 31st March, 2017 on a 'going concern' basis.
- e. that the directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

All related party transactions entered during the year were on arm's length basis. Related party transactions were subject to approval of the Board of Directors of the Company and General Meeting (wherever applicable). Details of related party transactions are provided separately in format prescribed by the Companies Act, 2013 in AOC-2, **Annexure I**.

Particulars of employees

The statement of particulars of employees pursuant to Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been furnished as under: -

Name of the employee	Rajeev Thakkar
Designation of the employee	Chief Investment Officer
Remuneration received	Rs. 1,17,25,585/-

Nature of employment, whether contractual or otherwise	Rajeev Thakkar is Fund Manager and Chief Investment Officer of the Company. He is a permanent employee of the Company.
Qualifications and experience of the employee	B. Com. (Bombay University), Chartered Accountant, CFA Charter Holder, Grad ICWA.
Date of commencement of employment	14 th January 2012
Age of such employee	44
The last employment held by such employee before joining the company	CEO of Parag Parikh Financial Advisory Services Private Limited.
Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	He holds one equity share as a nominee of Parag Parikh Financial Advisory Services Private Limited (Sponsor)
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No.

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

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

a) Conservation of Energy

As the Company is engaged in rendering professional services, electricity cost is not a major component of total cost. The Company recognizes the need and importance of conservation of energy. The Company uses energy efficient electrical and electronic equipment.

b) Technology absorption, adoption and innovation

Company adopts technology and its usage is in accordance with its line of operations.

c) Foreign exchange earnings and outgo

Foreign exchange outgo during the year was 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 Investment under section 186 of the Companies Act, 2013

The Company has not granted any loan or extended any security during this financial year. Details of investments made during this financial year are provided in **Annexure II**.

Changes in Share Capital of the Company during the year

During the year, the Company altered the Authorised Share Capital from Rs. 50,00,00,000/- (Rupees Fifty Crore) divided into 3,50,00,000 (Rupees Three Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and Rs. 1,50,00,000 (One Crore Fifty Lakhs) Preference Shares of Rs. 10 each to Rs. 50,00,00,000 (Fifty Crore) divided into 5,00,00,000 (Five Crores) Equity shares of Rs. 10 each pursuant to Special resolution passed at Last Annual General Meeting of the Company.

The Issued, Subscribed and Paid-up Capital increased from 3.22 Crore to 3.57 crore during the year pursuant to the Right issue of 35,20,000 Equity shares.

Details of investment made by holding company in the equity shares of the Company are provided in table given below;

Name of Subscriber	No. of shares	Type of Shares	Distinctive Nos.		Nominal Value Rs.	Certificate No.	Folio No
			From	To			
Parag Parikh Financial Advisory Services Private Limited	35,20,000	Equity Shares	3,22,10,010	3,57,30,009	10	12	001

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

There are no instances of any material changes and commitments affecting the financial position of the company.

Corporate Social Responsibility (CSR)

The Company is vigilant to its responsibility towards the society as a corporate citizen. During the financial year 2016-17, Company has spent Rs.7,85,450/- towards its CSR activities. The details of CSR expenditure for financial year 2016-17 is annexed herewith vide **Annexure III** and forms an integral part of this Board Report.

Company has constituted a committee as per the provisions of the Companies Act, 2013 and has framed its CSR policy which is displayed on the website of the company i.e. www.amc.ppfas.com

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT 9 are provided in **Annexure IV**

Risk Management

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

Statutory Auditors:

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder from time to time, the Board decided to appoint M/s. CVK & Associates, Chartered Accountants (having Firm's Registration Number: 101745W) as the auditors of the Company, to hold office for a term of 5 years from the conclusion of Sixth Annual General Meeting till the conclusion of the Eleventh Annual General Meeting (subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) in respect of the financial years beginning April 1, 2017 and ending March 31, 2022.

Acknowledgement:

The Directors wish to acknowledge guidance of the Securities and Exchange Board of India (SEBI) and AMFI.

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

The Directors also acknowledge the response of the investors for the flagship scheme of PPFAS Mutual Fund and we look forward for their continued support.

For and on behalf of the Board of Directors of

PPFAS Asset Management Private Limited.

Sd/-
Neil Parikh
Director
(DIN: 00080269)

Sd/-
Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai.
Date: 22nd June, 2017

Annexure I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	None
(b)	Nature of contracts/arrangements/transactions	None
(c)	Duration of the contracts / arrangements/transactions	None
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	None
(e)	Justification for entering into such contracts or arrangements or transactions	None
(f)	date(s) of approval by the Board	None
(g)	Amount paid as advances, if any:	None
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	None

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Empeegee Portfolio Management Services Private Limited	Parag Parikh Financial Advisory Services Pvt. Ltd. (Holding Company)
(b)	Nature of contracts/arrangements/transactions	Lease Agreement	Shared services agreement
(c)	Duration of the contracts / arrangements/transactions	60 months	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rental is Rs. 88,000/- per month (with incremental clause which permits annual increase in lease rental up to 10% year-on-year basis). Deposit amount for this lease agreement is Rs. 1.40 crores.	Monthly fees of Rs. 3.00 Lakhs are paid under shared service agreement.
(e)	Justification for entering into such contracts or arrangements or transactions	Company occupies premises made available by Empeegee Portfolio Management Services Private Limited.	Company uses infrastructural facilities made available to the Company by its holding company. Fees paid is towards usage of these facilities.
(f)	Date(s) of approval by the Board	11 th August 2015	11 th August 2015
(g)	Amount paid as advances, if any:	Rs. 1.40 crores is provided as security deposit.	Nil
(h)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	8 th September 2015.	NA
(i)	Compensation paid for FY 2016-2017(in INR)	9,92,000/-	28,00,000/-

Annexure II

Particulars	No of shares/units	Cost for 31/3/2017	MKT. Rate 31/3/2017	MKT. Value on 31/3/2017	No of shares/units	Cost for 31/3/2016
Investment in Bonds						
Indian Infrastructure Finance Company Limited	-	-	-	-	20,000	20,000,000
National Highway Authority of India	-	-	-	-	50,000	52,815,500
National Housing Bank	-	-	-	-	1,444	7,220,000
Indian Railway Finance Corporation Limited	-	-	-	-	50,000	52,505,075
NTPC Limited	-	-	-	-	6,333	6,333,000
PFC Limited	2,054	2,054,000	1,080.01	2,218,341	2,054	2,054,000
Indian Railway Finance Corporation Limited II	6,040	6,040,000	1,071.01	6,468,900	6,040	6,040,000
IREDA Bonds	10,218	10,218,000	1,102.60	11,266,367	10,218	10,218,000
HUDCO Taxfee Bonds	2,803	2,803,000	1,091.00	3,058,073	2,803	2,803,000
NHAI Bonds 2015	4,626	4,626,000	1,294.00	5,986,044	4,626	4,626,000
IRFC Tax Free Bonds 2015	2,939	2,939,000	1,073.50	3,155,017	2,939	2,939,000
Total (i)		28,680,000		32,152,741		167,553,575
Investment in Mutual Funds						
Birla SunLife Cash Manager Fund Growth	171,338.307	66,634,080	392.1808	67,195,594	132,904	49,517,803
PPFAS Long Term Value Fund	11,207,340.135	198,950,000	19.9376	223,447,465	9,057,540	146,920,000
Total (ii)		265,584,080		290,643,059		196,437,803
Investments in Equity						
Unquoted Investments:						
MF Utilities India Private Limited	50,000	500,000			50,000	500,000
Total (iii)		500,000				500,000
Quoted Investments:						
Maharashtra Scooters Limited	9,170	12,350,448	1,876.95	17,211,632	9,170	12,350,448
Noida Toll Bridge Company Limited	-	-	-	-	333,750	8,496,462
IL&FS Investment Managers Limited	348,826	6,557,986	13.81	4,817,287	348,826	6,557,986
Total (iv)		18,908,434		22,028,919		27,404,896
Grand Total (i+ii+iii)		313,672,514		344,824,719		391,896,274

Annexure III

REPORT ON CSR ACTIVITIES UNDERTAKEN DURING F. Y. 2016-17

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

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

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

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

2. The composition of the CSR Committee:

Neil Parikh - Chairman

Rajeev Thakkar - Member

Kamlesh Somani - Member

3. Average Net Profit of the Company for last three financial years: Rs. 392,72,478/-

4. Prescribed CSR Expenditure (2% of the amount as per item 3 above): Rs. 7,85,450/-

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 7,85,450/-

(b) Amount unspent if any: NIL

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

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Location of the Project/ Program	Amount outlay (Budget)	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects and programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Improve the quality of education in rural schools.	Promoting education	Coimbatore, TamilNadu	Rs.1,20,000/-	Rs. 1,20,000/-	Rs. 1,20,000/-	Isha Foundation
2	Toilet Building Project	Promoting health care	Mumbai	Rs. 2,82,725/-	Rs. 2,82,725/-	Rs. 2,82,725/-	Rotary Club of Bombay

		including preventive health care and sanitation					Midtown
3	Developing the vocational skill	Enhancing vocation skills especially among children, women, elderly, and the differently abled	Mumbai	Rs. 2,82,725/-	Rs. 2,82,725/-	Rs. 2,82,725/-	Rotary Club of Bombay Midtown
4	Aid to Cancer patients	Promoting health care including preventive health care and sanitation	Mumbai	Rs. 50,000/-	Rs. 50,000/-	Rs. 50,000/-	NASEOH
5	Distribution of wheelchair	Livelihood enhancement projects	Mumbai	Rs. 50,000/-	Rs. 50,000/-	Rs. 50,000/-	NASEOH

6. Details of the Implementing Agency:

- i. Isha Foundation is a [non-profit, spiritual](#) organization founded in 1992 by [Sadhguru Jaggi Vasudev](#).
- ii. Rotary Club of Bombay is the Sponsor of Rotary Club of Bombay Mid-Town which received its Charter on 12th November, 1968.
- iii. NASEOH (National Society for Equal Opportunities for the Handicapped) focuses on creation of comprehensive rehabilitation opportunities for the differently-abled persons so as to facilitate integration into the mainstream of society, and to enrich the life of differently-abled persons as well as the interfacing individuals and community.

7. Our CSR Responsibilities

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

Sd/-
Neil Parikh
Chairman
(CSR Committee)

Sd/-
Rajeev Thakkar
Director

Place: Mumbai
Date: 22nd June, 2017

Annexure IV

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

as on the financial year ended on March 31, 2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i) CIN: - U65100MH2011PTC220623

ii) Registration Date: - 08/08/2011

iii) Name of the Company: - PPFAS Asset Management Private Limited

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

v) Address of the registered office and contact details: - 103, Veena Chambers, 21 Dalal Street, Fort, Mumbai-400001. Tel No: - (022) 6140 6555; Fax No: - (022) 6140 6590

vi) Whether listed company: - No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: - Not Applicable.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Company is authorised by the SEBI to act as an investment manager to PPFAS Mutual Fund.	66301	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Parag Parikh Financial Advisory Services Private Limited 103, Veena Chambers, 21 Dalal Street, Fort, Mumbai-400001.	U67190MH1992 PTC068970	Holding	100	Section 2(46)

Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B) (2):-		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B) (2)									
C. Shares held by Custodian for GDRs & ADRs		0	0	0		0	0	0	0
Grand Total (A+B+C)		3,22,10,009	3,22,10,009	100		3,57,30,009	3,57,30,009	100	10.92%

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

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	
1	Parag Parikh Financial Advisory Services Private Limited	3,22,10,009	100	Nil	35,73,0009	100	Nil	10.92%*
	Total	3,22,10,009	100	Nil	35,73,0009	100	Nil	10.92%

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

*This change is due to equity shares issued by the company to its holding company on right basis during the financial year.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,22,10,009	100	35,73,0009	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):				Increase in Promoters Shareholding due to allotment of 35,20,000 shares on November 03,2016.
	At the End of the year	-	-	35,73,0009	100

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

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	Nil*	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

*Additional equity shares are allotted to Parag Parikh Financial Advisory Services Private Limited (Holding Company) on right basis. There is no change in shareholding pattern due to this allotment of shares.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	* Rajeev Thakkar (Director) and Neil Parag Parikh hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services		* Rajeev Thakkar (Director) and Neil Parikh hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services Private	

		Private Limited. This is to ensure compliance with provisions of minimum number of members.		Limited. This is to ensure compliance with provisions of minimum number of members.	
	At the End of the year	Nil	Nil	Nil	Nil

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Neil Parag Parikh	Rajeev Thakkar	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 37,08,400/-	Rs. 1,17,25,585/-	Rs. 1,54,33,985
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission- as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	Rs. 37,08,400/-	Rs. 1,17,25,585/-	Rs. 1,54,33,985 /-
	Ceiling as per the Act	As per applicable provisions of the Companies Act, 2013.		

B. Remuneration to other directors:

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

	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Rs. 60,000/-	Rs. 50,000/-	Rs. 50,000/-	Rs. 1,60,000/-
	Total Managerial Remuneration	Rs. 60,000/-	Rs. 50,000/-	Rs. 50,000/-	Rs. 1,60,000/-
	Overall Ceiling as per the Act	Non-Executive directors are paid only sitting fees.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO (Neil Parag Parikh)	Company Secretary (Swapnil Walimbe- Ceased to be a CS w.e.f. 08.12.2016)	Company Secretary (Priya Hariani)	CFO (Shashi Kataria)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 37,08,400/-	Rs.10,47,604 /-	Rs.4,16,935/-	Rs.21,26,793/ -	Rs.72,99,732 /-
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil	Nil

	<ul style="list-style-type: none"> - as % of profit - others, specify... 					
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	Rs. 37,08,400/-	Rs.10,47,604 /-	Rs. 4,16,935/-	Rs. 21,26,793/ -	Rs.72,99,732 /-
	Ceiling as per the Act		As per applicable provisions of the Companies Act, 2013			

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

C. OTHER OFFICERS IN DEFAULT

Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors of

PPFAS Asset Management Private Limited.

Sd/-

Neil Parag Parikh
Director
(DIN: 00080269)

Sd/-

Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai

Date: 22nd June 2017

INDEPENDENT AUDITOR'S REPORT

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 (“the Company”), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that

give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates

made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit

procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

For CVK & Associates

Chartered Accountants
Firm Regn No.: 101745W

Sd/-

K.P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 22nd June 2017

Annexure I to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties are held in the name of the company.
- (ii) The Company is a service company, primarily rendering Asset Management services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public, so as to attract the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76

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or any other provisions of The Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii)

a) As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Service-tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. As per the records of the Company, there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no outstanding dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax, value added tax, or cess; on account of any dispute other than the following:

Assessment Year	Pending with (concerned Authority)	Amount (Rs.)	Issue Involved	Remarks / Status
I. Income Tax Act, 1961				
2013-14	CIT (Appeals)	41,73,300	Disallowance of all the expenses debited to Profit & Loss Account citing the reason that those are not Business Expenses and only Income earned during the year is Non Business Income.	The company has filed an appeal with CIT (Appeals) against the demand raised.

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

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

For CVK & Associates

Chartered Accountants

Firm Registration No.:101745W

Sd/-

K.P. Chaudhari

Partner

M. No.: 031661

Place: Mumbai

Date: 22nd June 2017

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18, Udyog Mandir No. 1,
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PPFAS ASSET MANAGEMENT PRIVATE LIMITED

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	357,300,090	322,100,090
Reserves And Surplus	4	176,614,644	104,650,410
	(a)	533,914,734	426,750,500
Current Liabilities			
Other Current Liabilities	5	6,995,035	7,357,397
Short Term Provisions	6	6,278,624	2,860,319
	(b)	13,273,659	10,217,716
Total Equity & Liabilities	(a+b)	547,188,393	436,968,216
ASSETS			
Non-Current Assets			
Fixed Assets			
(i)Tangible Assets	7A	191,005,300	2,714,361
(ii)Intangible Assets	7B	843,058	1,036,619
(iii)Capital Work-in-Progress	7C	840,000	-
	(c)	192,688,358	3,750,980
Non-Current Investments	8	313,672,514	391,896,274
Long Term Loans & Advances	9	5,593,417	2,970,836
Deferred Tax Assets (Net)	10	2,285,457	2,112,376
	(d)	321,551,388	396,979,486
Current Assets			
Trade Receivables	11	11,147,876	10,686,943
Cash & Cash Equivalents	12	4,781,912	4,483,417
Short-Term Loans & Advances	13	16,014,760	15,600,800
Other Current Assets	14	1,004,099	5,466,590
	(e)	32,948,647	36,237,750
Total Assets	(c+d+e)	547,188,393	436,968,216
Summary of significant accounting polices 2			
The accompanying notes are an integral part of the financial statements			
As per Our Audit Report of even date			
For CVK & Associates		For and on behalf of the Board of Directors of	
<i>Chartered Accountants</i>		PPFAS Asset Management Private Limited	
<i>Firm Registration No:101745W</i>			
Sd/-	Sd/-	Sd/-	
K P Chaudhari	Neil Parikh	Rajeev Thakkar	
<i>Partner</i>	<i>Director</i>	<i>Director</i>	
<i>Membership no.: 031661</i>	<i>DIN : 00080269</i>	<i>DIN : 00227548</i>	
	Sd/-	Sd/-	
	Shashi Kataria	Priya Hariani	
	<i>Chief Financial Officer</i>	<i>Company Secretary</i>	
Place: Mumbai			
Date: 22nd June, 2017			

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income			
Revenue from operations	15	126,578,016	118,498,432
Other Income	16	50,625,755	21,069,551
Total Revenue		177,203,771	139,567,983
Expenses			
Employee Benefits Expenses	17	51,015,091	47,904,225
Depreciation & Amortization Expenses	18	3,352,611	4,293,091
Other Expenses	19	50,023,695	35,812,922
Total Expenses		104,391,397	88,010,238
Profit Before Tax & Exceptional Items		72,812,374	51,557,745
Exceptional Items			
Prior period expenses/(Income)	20	-	(366,667)
Profit Before Tax		72,812,374	51,924,412
Tax Expense			
Current Tax		13,200,000	13,300,000
Less : MAT Credit Income		(738,779)	-
Deferred Tax		(173,081)	(371,547)
Total Tax Expense		12,288,140	12,928,453
Profit(Loss) for the Period		60,524,234	38,995,959
Earning Per Equity Share			
Basic		1.80	1.38
Diluted		1.80	1.38

Summary of significant accounting polices 2

The accompanying notes are an integral part of the financial statements

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

K P Chaudhari

Partner

Membership no.: 031661

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

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Rajeev Thakkar

Director

DIN : 00227548

Sd/-

Shashi Kataria

Chief Financial Officer

Sd/-

Priya Hariani

Company Secretary

Place: Mumbai

Date: 22nd June, 2017

PPFAS ASSET MANAGEMENT PRIVATE LIMITED					
Cash Flow Statement for the year ended 31.03.2017					
		2016-17		2015-16	
Particulars		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a.	Cash flow from Operating Activities				
	Profit Before tax expenses		72,812,374		51,924,412
	Adjustments :				
	Add : Non Operating Expenses/Items				
	Depreciation on Fixed Assets	2,198,104		3,074,672	
	Amortization of Fixed Assets	1,154,507	3,352,611	1,218,419	4,293,091
	Less : Non - Operating Income/Items				
	Interest on Tax free Bonds	(20,919,772)		(11,753,868)	
	Short Term Capital Gain on Mutual Fund	(14,016,630)		(6,785,538)	
	Long Term Capital Gain on Mutual Fund	(7,393,860)			
	Long Term Capital Gains on Bonds	(7,376,277)			
	Interest on Fixed Deposit	-		(1,203,425)	
	Dividend on Shares	-		(775,725)	
	Profit on Sale of Car	-		(333,706)	
	Short Term Gain/Loss on Sale of Shares	(3,751,168)		-	
	Other Income		(53,457,707)	(217,289)	(21,069,551)
	Operating Profit before Working Capital Changes		22,707,278		35,147,952
	Adjustment for Movement in working capital				
	Decrease in Other Current Liabilities	(362,362)		1,987,165	
	Increase in Short Term Provisions	3,418,303		637,661	
	Increase in Trade Receivables	(460,934)		(720,601)	
	Increase in Deferred Tax Assets/Decrease in Deferred tax liabilities	(173,082)		(371,547)	
	Increase in Long Term Loans & Advances	(2,056,695)		26,964	
	Increase in Short-Term Loans & Advances	(413,960)		(13,368,373)	
	Decrease in Other Current Assets	4,462,491	4,413,761	(437,692)	(12,246,423)
	Cash Generated from operations		27,121,039		22,901,529
	Less : Taxes Paid		(12,854,026)		(15,426,990)
	Net Cash from operating activities		14,267,013		7,474,539
b.	Cash flow from Investing Activities				
	Purchase of Fixed Assets	(192,289,989)		(5,941,825)	
	Sale of Fixed Assets	-		385,000	
	Purchase of Investments - Non Current	-		(120,170,434)	
	Sale of Investments - Non Current	78,223,760			
	Interest on Tax free Bonds	20,919,772		11,753,868	
	Short Term Capital Gain on Mutual Fund	14,016,630		6,785,538	
	Long Term Capital Gain on Mutual Fund	7,393,860			
	Long Term Capital Gains on Bonds	7,376,277			
	Dividend on Shares	-		775,725	
	Interest on Fixed Deposit			1,083,082	
	Short Term Gain/Loss on Sale of Shares	3,751,168			
	Other Income			217,289	
	Net Cash from investing activities		(60,608,519)		(105,111,757)
c.	Cash Flow from Financing Activities				
	Issue of shares	46,640,000		73,999,996	
	Net Cash from financing activities		46,640,000		73,999,996
	Net increase/decrease in cash & cash equivalents		298,495		(23,637,223)

Add: Cash & Cash Equivalents at the start of the year				
Cash in Hand	46,059		13,433	
Bank Accounts	4,437,358		8,107,207	
Fixed Deposits with maturity less than 12 months	-	4,483,417	20,000,000	28,120,640
Cash & Cash Equivalents at the end of the year				
Cash in Hand	112,913		46,059	
Bank Accounts	4,668,999		4,437,358	
Fixed Deposits with maturity less than 12 months	-	4,781,912	-	4,483,417

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

K P Chaudhari

Partner

Membership no. 031661

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

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Rajeev Thakkar

Director

DIN : 00227548

Sd/-

Shashi Kataria

Chief Financial Officer

Sd/-

Priya Hariani

Company Secretary

Place: Mumbai

Date: 22nd June, 2017

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 1: CORPORATE INFORMATION

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Basis Of Preparation

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

b. Use of Estimates

The preparation of financial statements, in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates

are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Current / Non Current Classification

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

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

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

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

d. Tangible fixed assets

Tangible fixed assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the

purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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

e. Intangible fixed assets

Intangible fixed assets are stated at cost of acquisition less accumulated amortization and accumulated impairment loss, if any.

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

f. Depreciation

Depreciation on the fixed assets is provided on Written down Value Method applying rates/ useful lives as prescribed in the Companies Act.

g. Impairment

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

h. Investments

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

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

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

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

i. Employee Benefits

A) Short Term Employee Benefits:

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

B) Post-employment benefits:

a) Provident Fund scheme

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

b) Gratuity scheme

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

j. Revenue Recognition

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

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

Interest income is recognised on time proportion basis.

k. Taxes on Income

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

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

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

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

l. Provision

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

m. Contingent Liabilities

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

n. Foreign Currency Transactions

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

o. Earnings per share

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

p. Share transactions

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

NOTE 3 : SHARE CAPITAL				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Rs.		Rs.	
AUTHORISED				
50,000,000 Equity Shares of Rs.10/- each	500,000,000		500,000,000	
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
3,57,30,009 Equity Shares of Rs.10/- each fully paid (Previous year - 3,22,10,009 Equity Shares of Rs.10/- each fully paid)	357,300,090		322,100,090	
	357,300,090		322,100,090	
a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.				
	As at 31st March, 2017		As at 31st March, 2016	
	Number	(Rs)	Number	(Rs)
At the beginning of the Period	32,210,009	322,100,090	26,063,830	260,638,300
Issued during the period	3,520,000	35,200,000	6,146,179	61,461,790
Outstanding at the end of the period	35,730,009	357,300,090	32,210,009	322,100,090
b. Details of Shareholders holding more than 5 % of Ordinary Shares				
Name of the Shareholders	Number	% of Holding	Number	% of Holding
Parag Parikh Financial Advisory Services Pvt Ltd	35,730,009	100.00	32,210,009	100.00
NOTE 4: RESERVES & SURPLUS				
	As at 31st March, 2017	As at 31st March, 2016		
Securities Premium	32,939,906	21,499,906		
Surplus/(deficit) in the Statement of Profit and Loss				
At the Beginning of the Accounting Period	83,150,504	44,154,545		
Additions During the Year	60,524,234	38,995,959		
At the End of the Accounting Period	143,674,738	83,150,504		
Total	176,614,644	104,650,410		
NOTE 5: OTHER CURRENT LIABILITIES				
	As at 31st March, 2017	As at 31st March, 2016		
TDS - Salaries	6,196,005	6,625,600		
TDS - Professional Fees	503,344	388,063		
TDS - Rent	8,800	24,000		
TDS - Contractor	25,486	47,752		
Provident Fund Payable	253,200	263,907		
Profession Tax Payable	8,200	8,075		
	6,995,035	7,357,397		
NOTE 6: SHORT TERM PROVISIONS				
	As at 31st March, 2017	As at 31st March, 2016		
Sundry Creditors	924,923	931,250		
Provision for Expenses	3,802,660	1,149,286		
Provision for Audit Fees	495,000	495,000		
Provision for Employee Benefits				
Gratuity	542,962	-		
Leave Encashment	513,079	284,783		
	6,278,624	2,860,319		
NOTE 9: LONG TERM LOANS & ADVANCES				
	As at 31st March, 2017	As at 31st March, 2016		
Previous year Taxes Receivable	3,596,836	2,278,920		
MAT Credit Available	738,779	-		
Advance Tax & TDS (Net of Provision of Taxation)	1,257,802	691,916		
	5,593,417	2,970,836		

NOTE 7: FIXED ASSETS

Sr. No	Asset	Gross Block			Depreciation				Net Block		
		Gross Block as at 01/04/2016	Additions during the year	Deductions during the year	Gross Block as at 31/03/17	Provision for Depreciation upto 01/04/2016	Depreciation for the period	Accumulated Depreciation on Sold Assets	Total depreciation upto 31/03/17	Net Block as at 31/03/17	Net Block as at 31/03/16
A. Tangible Assets											
1	Computer	1,483,367	548,059	-	2,031,426	1,045,440	662,816	-	1,708,256	323,170	437,927
2	Electrical Installation	72,760	-	-	72,760	55,276	9,085	-	64,361	8,399	17,484
3	Office Equipments	298,358	656,749	-	955,107	264,021	258,468	-	522,489	432,618	34,337
4	Motor Car	6,961,070	-	-	6,961,070	5,064,938	1,103,025	-	6,167,963	793,107	1,896,132
5	Office Furniture	406,559	-	-	406,559	78,078	164,710	-	242,788	163,771	328,481
6	Office Premises	-	189,284,235	-	189,284,235	-	-	-	-	189,284,235	-
	TOTAL	9,222,114	190,489,043	-	199,711,157	6,507,753	2,198,104	-	8,705,857	191,005,300	2,714,361
B. Intangible Assets											
1	Computer software	4,047,941	960,946	-	5,008,887	3,011,322	1,154,507	-	4,165,829	843,058	1,036,619
	TOTAL	4,047,941	960,946	-	5,008,887	3,011,322	1,154,507	-	4,165,829	843,058	1,036,619
C. Capital Work-in-Progress											
1	Office Furniture W.I.P.	-	840,000	-	840,000	-	-	-	-	840,000	-
	TOTAL	-	840,000	-	840,000	-	-	-	-	840,000	-
	TOTAL (A+B+C)	13,270,055	192,289,989	-	205,560,044	9,519,075	3,352,611	-	12,871,686	192,688,358	3,750,980
	Total Of Previous Year	7,960,251	5,772,179	-	13,100,409	5,806,711	4,252,852	-	9,478,836	3,621,573	2,153,540

Note 8 : Non Current Investments

Particulars	No of shares/units	Cost for 31/3/2017	MKT. Rate 31/3/2017	MKT. Value on 31/3/2017	No of shares/units	Cost for 31/3/2016
Investment in Bonds						
Indian Infrastructure Finance Company Limited	-	-	-	-	20,000	20,000,000
National Highway Authority of India	-	-	-	-	50,000	52,815,500
National Housing Bank	-	-	-	-	1,444	7,220,000
Indian Railway Finance Corporation Limited	-	-	-	-	50,000	52,505,075
NTPC Limited	-	-	-	-	6,333	6,333,000
PFC Limited	2,054	2,054,000	1,080.01	2,218,341	2,054	2,054,000
Indian Railway Finance Corporation Limited II	6,040	6,040,000	1,071.01	6,468,900	6,040	6,040,000
IREDA Bonds	10,218	10,218,000	1,102.60	11,266,367	10,218	10,218,000
HUDCO Taxfee Bonds	2,803	2,803,000	1,091.00	3,058,073	2,803	2,803,000
NHAI Bonds 2015	4,626	4,626,000	1,294.00	5,986,044	4,626	4,626,000
IRFC Tax Free Bonds 2015	2,939	2,939,000	1,073.50	3,155,017	2,939	2,939,000
Total (i)		28,680,000		32,152,741		167,553,575
Investment in Mutual Funds						
Birla SunLife Cash Manager Fund Growth	171,338.307	66,634,080	392.1808	67,195,594	132,904	49,517,803
PPFAS Long Term Value Fund	11,207,340.135	198,950,000	19.9376	223,447,465	9,057,540	146,920,000
Total (ii)		265,584,080		290,643,059		196,437,803
Investments in Equity						
Unquoted Investments:						
MF Utilities India Private Limited	50,000	500,000			50,000	500,000
Total (iii)		500,000				500,000
Quoted Investments:						
Maharashtra Scooters Limited	9,170	12,350,448	1,876.95	17,211,632	9,170	12,350,448
Noida Toll Bridge Company Limited	-	-	-	-	333,750	8,496,462
IL&FS Investment Managers Limited	348,826	6,557,986	13.81	4,817,287	348,826	6,557,986
Total (iv)		18,908,434		22,028,919		27,404,896
Grand Total (i+ii+iii)		313,672,514		344,824,719		391,896,274

NOTE 10: DEFERRED TAX ASSETS (NET)		
	As at 31st March, 2017	As at 31st March, 2015
Opening Balance	2,112,376	1,740,829
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	317,455	497,247
Filing Fees : Impact of difference between charged as per Company Law & claimed as per Taxation Law	(219,849)	(219,849)
Leave Encashment : Impact of Provision for Leave Encashment	75,475	94,149
	2,285,457	2,112,376

NOTE 11: TRADE RECEIVABLES		
	As at 31st March, 2017	As at 31st March, 2016
(1) Debts outstanding for a period exceeding six months from the date they are due	-	-
(2) Other Debts (Unsecured considered good)	11,147,876	10,686,943
	11,147,876	10,686,943

NOTE 12: CASH & CASH EQUIVALENTS		
	As at 31st March, 2017	As at 31st March, 2016
(i) On Current Accounts	4,668,999	4,437,358
(ii) Cash in hand and as Imprest	112,913	46,059
	4,781,912	4,483,417

NOTE 13: SHORT TERM LOANS AND ADVANCES		
	As at 31st March, 2017	As at 31st March, 2016
Prepaid Expense	1,688,510	1,496,300
Deposits	14,326,250	14,102,500
Advances	-	2,000
	16,014,760	15,600,800

NOTE 14: OTHER CURRENT ASSETS		
	As at 31st March, 2017	As at 31st March, 2016
Service Tax Credit	312,796	236,451
Interest accrued on Fixed Deposits & Bonds	691,303	5,230,139
	1,004,099	5,466,590

NOTE 15: REVENUE FROM OPERATIONS		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Management Fees	126,578,016	118,498,432
	126,578,016	118,498,432
NOTE 16: OTHER INCOME		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Long Term Capital Gains on Bonds	20,919,772	-
Long Term Capital Gain on Mutual Fund	14,016,630	-
Interest on Tax free Bonds	7,393,860	11,753,868
Short Term Capital Gain on Mutual Fund	7,376,277	6,785,538
Dividend on Shares	919,216	775,725
Interest on Fixed Deposit	-	1,203,425
Profit on sale of Motor Car	-	333,706
Other Income	-	217,289
	50,625,755	21,069,551
NOTE 17: EMPLOYEE BENEFIT EXPENSES		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salary and Wages		
Office Staff Salary	47,546,204	45,440,430
Contribution to Provident Fund and other funds		
Provident Fund	1,644,846	1,520,436
Gratuity Fund	542,962	-
Maharashtra Labour welfare Fund	1,584	1,260
Other Expenses		
Staff Welfare	1,279,495	942,099
	51,015,091	47,904,225
NOTE 18: DEPRECIATION & AMORTIZATION EXPENSES		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of Tangible Assets	2,198,104	3,074,672
Amortization of Intangible Assets	1,154,507	1,218,419
	3,352,611	4,293,091

NOTE 19: OTHER EXPENSES		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Professional Charges	17,844,083	13,504,068
Short Term Capital Loss on Sale of Shares	3,751,168	-
Advertising Expenses	7,007,974	3,985,537
Distributor Commission	4,490,093	927,497
Printing & Stationery	2,411,671	2,083,907
Business Promotion Expenses	2,365,365	4,201,958
Computer Maintenance	1,440,819	996,010
Insurance Charges	1,272,737	1,302,210
Electricity Expenses	1,233,658	1,399,670
Rents, Rates & Taxes	1,156,159	780,000
Postage & Courier charges	925,871	1,192,458
Conveyance Charges	920,171	1,002,916
Contributions Towards CSR	785,450	-
Statutory Audit fees	550,000	550,000
Motor car expenses	489,195	307,333
Bank Charges	466,236	449,547
Travelling Expenses	427,901	361,286
Internet charges	425,803	148,111
Telephone/communication	416,292	298,871
Membership & Subscription	400,002	352,659
Repairs & Maintenance	252,524	443,472
Annual Fees to SEBI	250,000	250,000
Miscellaneous expenses	192,452	997,431
Director's Fees (Sitting Fees)	160,000	120,200
Director/employee Education	152,017	48,544
Transaction Charges	86,833	-
Filing Fees	79,565	28,457
Interest on Taxes	34,844	6,035
Books & Periodicals	22,008	52,292
Seminar fees	6,000	14,453
STT, Service Tax & other charges on Share Investment	4,804	-
Professional tax - company	2,000	2,000
Donations	-	4,000
Investor Education Expenses	-	2,000
	50,023,695	35,812,922
NOTE 20: PRIOR PERIOD EXPENSES/ (INCOME)		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Excess provision for Professional Fees in FY 2014-15	-	(366,667)
	-	(366,667)

NOTE 21: SUPPLEMENTARY INFORMATION**a. Particulars of Directors' Remuneration**

Director's Name	Amount in Rs.	Head of Expenses
Neil Parikh	37,08,400	Salary
Rajeev Thakkar	1,17,25,585	Salary
Arindham Ghosh	50,000	Sitting Fees
Kamlesh Somani	60,000	Sitting Fees
Rajesh Bhojani	50,000	Sitting Fees

b. Particulars of Auditors Remuneration

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
As Statutory Auditors	3,50,000/-	3,50,000/-
For other Services	2,00,000/-	2,00,000/-
TOTAL	5,50,000/-	5,50,000/-

c. Value of Imports

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Value of Imports	NIL	NIL

d. Expenditure in Foreign Currency

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Travelling Charges	NIL	Rs. 5,49,787 (USD 8,600)

e. Earnings in Foreign Currency

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Earnings in Foreign Exchange (USD)- Advisory services	NIL	NIL

NOTE 22: RELATED PARTY DISCLOSURES

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

Name of the Related Party	Relationship	Nature of Payment	Amount (Rs.)
Empeegee Portfolio Management Services Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	9,92,000/-
Rajeev Thakkar	Director who is able to exercise significant influence	Salary	1,17,25,585/-
Neil Parikh	Director who is able to exercise significant influence	Salary	37,08,400/-
Parag Parikh Financial Advisory Services Private Limited. (Formerly known as Parag Parikh Financial Advisory Services Limited)	Holding Company	Shared Service Cost	28,00,000/-
Parag Parikh Financial Advisory Services Private Limited. (Formerly known as Parag Parikh Financial Advisory Services Limited.)	Holding Company	Issue of Shares to Holding Company	4,66,40,000/-

NOTE 23: CONTINGENT LIABILITIES

Contingent Liabilities	For the year ended 31 st March, 2017 (Amount in Rs. Lakhs)	For the year ended 31 st March, 2016 (Amount in Rs. Lakhs)
Income Tax (A.Y.-2012-13)	-	10.56
MF Utilities India Pvt. Ltd.	22.80*	-
Income Tax (A.Y.-2013-14)	41.73	41.73

* The monthly bill of MF Utilities is much more than agreed upon. Hence, the company is in the process of negotiating the revised bill amount, a reliable estimate of which cannot be made.

NOTE 24: EARNINGS PER SHARE

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit attributable to equity shareholders	Rs. 6,05,24,235/-	Rs.3,89,95,959/-
Weighted Average number of Equity Share Outstanding during the year	3,36,37,297	2,81,91,528
Basic & Diluted EPS	Rs. 1.80	Rs. 1.38
Nominal value per share	10/-	10/-

NOTE 25: MAJOR COMPONENTS OF DEFFERED TAX

Deferred Tax Assets	(Amount in Rs.)		
I. Opening Balance Deferred Tax Assets			21,12,376
II Changes during the Year			
a. Timing Difference in Depreciation			
As per Accounts	33,52,611		
As per Income tax Act	23,92,373		
Undercharged for tax purpose	9,60,238		
Deferred Tax @ 33.06%		3,17,455	
b. Timing Difference due to share issue Expenses			
As per Accounts	-		
As per Income tax Act	6,65,000		
Overcharged for tax purpose	6,65,000		
Deferred Tax @ 33.06%		(2,19,849)	
c. Timing Difference due to Provision for Leave Encashment			
As per Accounts	2,28,296		
As per Income tax Act	-		
Undercharged for tax purpose	2,28,296		
Deferred Tax @ 33.06%		75,475	
III. Deferred Tax Income recognized in Statement of Profit & Loss			1,73,081
IV. Net Deferred tax Assets as per Balance Sheet.			22,85,457

NOTE 26:

The amount payable to the Small Scale Undertaking is NIL.

NOTE 27: EMPLOYEE BENEFITS

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

Particulars	Gratuity (Funded)	
	(Amount in Rs.)	
	Current Period	Previous Year
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	18,33,164	29,04,610
Interest Cost	1,48,853	2,34,402
Current Service Cost	6,72,007	3,78,157
Benefits Paid from the fund	(10,86,958)	(1,76,500)
Actuarial (Gain) / Loss on Obligation	10,68,618	(15,07,505)
Present value of the obligation at the end of the year	26,35,684	18,33,164
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	18,33,164	29,04,610
Expected return on Plan Assets	1,48,853	2,34,402
Benefits Paid from the fund	(10,86,958)	(1,76,500)
Actuarial Gain / (Loss) on Plan Assets	11,97,663	(11,29,348)
Fair value of Plan Assets at the end of the year	20,92,722	18,33,164
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	26,35,684	18,33,164
Fair value of Plan Assets at the end of the year	20,92,722	18,33,164
Net (Liability)/Asset Recognized in the Balance Sheet	(5,42,962)	-
iv) Amounts Recognised in the statement of Profit and Loss:		
Current Service Cost	6,72,007	3,78,157
Actuarial (Gains)/Losses	(1,29,045)	(3,78,157)
Net Cost Included in Employee Benefit Expenses	5,42,962	-
v) Actual Return on Plan Assets	13,46,516	(8,94,946)
vii) Major categories of Plan Assets as a % of total Plan Assets		
i) Insurer Managed Funds	100%	100%
viii) Actuarial Assumptions		
i) Discount Rate	8.01% P.A.	8.12% P.A.
ii) Expected Rate of Return on Plan Assets	8.01% P.A.	8.12% P.A.
iii) Salary Escalation Rate	10% P.A.	10% P.A.
iv) Employee Turnover	1% P.A.	5% P.A.
v) Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

NOTE 28: DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN's	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	59,500	72,854	1,32,354
(+) Permitted receipts	-	4,42,000	4,42,000
(-) Permitted payments	-	3,24,979	3,24,979
(-) Amount deposited in Banks	59,500	-	59,500
Closing cash in hand as on 30.12.2016	-	1,89,875	1,89,875

NOTE 29: PREVIOUS YEAR FIGURES

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

Signatures to notes 1 to 29

As per Our Audit Report of even date

<p>For CVK & Associates Chartered Accountants Firm Registration No:101745W</p> <p>Sd/- K P Chaudhari Partner Membership No: 031661</p>	<p>For & on behalf of the Board of Directors of PPFAS Asset Management Private Limited</p> <p>Sd/- Neil Parikh Director DIN : 00080269</p> <p>Sd/- Rajeev Thakkar Director DIN : 00227548</p> <p>Sd/- Shashi Kataria <i>Chief Financial Officer</i></p> <p>Sd/- Priya Hariani <i>Company Secretary</i></p>
Place: Mumbai	
Date: 22 nd June, 2017	

PROXY FORM

(Form no. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration) Rules, 2014]

CIN: U65100MH2011PTC220623
Name of the company: PPFAS Asset Management Private Limited
Registered office: 103, Veena Chambers, 21 Dalal Street, Mumbai 400 001.

Name of the member (s) :
Registered address :
E-mail Id:
Folio No :

I/We, being the member (s) of shares of the above-named company, hereby appoint

1. Name : Address :
..... E-mail Id :

Signature :....., or failing him

2. Name : Address:
..... E-mail Id :

Signature:....., or failing him

3. Name : Address:.....
..... E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the company, to be held on Wednesday, 23rd August 2017 at 11.00 a.m. At Great Western Building, 130/132, 1st Floor, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1	Adoption of Financial Statements for the year ended 31 st March, 2017
2	Re- appointment of M/s. CVK & Associates, Chartered Accountants as Auditors and fixing their remuneration.

Signed this..... day of..... 20....

Signature of shareholder

Please affix Re.1
Revenue Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Attendance Slip

(To be handed over at the entrance of the Meeting Hall)

CIN : U65100MH2011PTC220623

Name of the company: PPFAS Asset Management Private Limited

Registered office: 103, Veena Chambers, 21 Dalal Street, Mumbai 400 001.

Corporate Office: Great Western Building, 130/132, 1st Floor, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001

Name of the Member(s)/ Proxy (In Block Letters)	
Folio No.	
No. of Shares Held	

I hereby record my presence at the 6th Annual General Meeting of the Company at Great Western Building, 130/132, 1st Floor, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001 on Wednesday, 23rd August 2017 at 11.00 a.m.

Signature of the Member(s)/Proxy

Notes:

1. Members are requested to bring their copies of Annual Report at the AGM.

Road map to AGM Venue

Venue: 1st Floor, Great Western Building, Shahid Bhagat Singh Road, Opposite Lion Gate, Fort, Mumbai- 400001.
Telephone: 022 6140 6555.

Distance from Churchgate Railway Station: around 2 Km.

Distance from Chhatrapati Shivaji Terminus: around 2 Km.

