

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



Annual Report FY 2017 - 2018

Board of Directors

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

Key Managerial Persons

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

Statutory Auditors

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

Bankers

| |
|-------------------|
| HDFC Bank Limited |
|-------------------|

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

CIN: U65100MH2011PTC220623

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

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

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of PPFAS Asset Management Private Limited will be held on Friday, 7th September, 2018 at 11.00 a.m. at 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai 400 021 to transact the following businesses:

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS:

To receive, consider and adopt the Audited Financial Statements of the Company for Financial year ended 31st March, 2018, together with the Report of Board of Directors' and Auditor's thereon.

SPECIAL BUSINESS:

2. REGULARISATION OF ADDITIONAL DIRECTOR, MR. SHASHI KATARIA:

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

“RESOLVED THAT Mr. Shashi Kataria (DIN:07983714), who was appointed as an Additional Director on the Board of Directors ('Board') of the Company with effect from 15th November, 2017, in terms of Section 161 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

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

Neil Parag Parikh
Director
(DIN: 00080269)

Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai

Date: 25th June 2018

Notes:

1. **Proxy:** 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.

2. **Time for Depositing Proxy:** Proxies in order to be effective, should be deposited at the Registered 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.
3. **Ratification of Appointment of Auditors:** At the 6th Annual General Meeting of the Company, held on 23rd August, 2017, the members approved appointment of M/s. CVK & Associates, Chartered Accountants (having Firm's Registration Number: 101745W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 11th Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by members at every Annual General Meeting. Vide notification dated 7th May, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 7th Annual General Meeting.
4. **Corporate Members:** 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.
5. **Profile of Directors:** As required by Para No. 1.2.5 of the Secretarial Standards on General Meetings, brief resume of the Director seeking appointment / re-appointment is annexed hereto.
6. **Attendance Slip:** Members/ proxies / authorised representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. Members are also requested to bring their copies of the Annual Report, as the same shall not be distributed at the Meeting.
7. **Voting:** 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.
8. **Inspection of Records:** The Register of Directors 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).

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

9. **Green initiative:** 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.

Members may also note that the Notice of the 7th Annual General Meeting and the Company's Annual Report 2017-18 will be available on the Company's website, www.amc.ppfas.com.

10. **Queries from members:** 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.

BRIEF RESUME OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO PARA NO. 1.2.5 OF THE SECRETARIAL STANDARDS ON GENERAL MEETINGS:

Item No. 2

Mr. Shashi Kataria was appointed as an Additional Director of the Company with effect from 15th November, 2017 by the Board of Directors under Section 161 of the Act and applicable provisions of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Shashi Kataria holds office upto the date of the forthcoming AGM of the Company but he is eligible for appointment as a Director. Mr. Shashi Kataria has given his consent to the Board to act as director under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualification of Director) Rules, 2014. He further informed that he is also not disqualified from being appointed as a Director in terms of Section 164 of the Act. As required under Secretarial Standards on General Meeting, his brief resume is furnished and forms a part of this Notice.

Mr. Shashi Kataria has more than 15 years of experience in the field of accountancy and auditing. He possesses outstanding exposure in Mutual Fund Operations and Accounting. In the opinion of the Board, Mr. Shashi Kataria fulfills the conditions for his appointment as a Director as specified in the Act and the Rules made thereunder. The Board considers that the proposed appointment of Mr. Shashi Kataria as a Director, given his vast experience and knowledge in diverse areas, will be in the best interest of the Company. The Board recommends the Resolution at Item No. 2 of the accompanying Notice for approval by the members of the Company. Except Mr. Shashi Kataria, none of the Directors, the Key Managerial Personnel of the Company and their relatives, have any concern or interest, financial or otherwise, in this Resolution.

Particulars of the Directors seeking appointment/re-appointment pursuant to Secretarial Standards on General Meetings:

| | |
|----------------------------------|--|
| Name of the Director | Mr. Shashi Kataria |
| Director Identification Number | 07983714 |
| Qualification | B. Com, Chartered Accountant |
| Date of Birth (Age) | 24 th May, 1978 (40 Years) |
| Date of appointment on the Board | 15 th November, 2017 |
| Experience and Expertise | He has more than 15 years of experience in the field of accountancy, auditing and taxation. He possesses outstanding exposure as a Chartered Accountant of varied industries in India. |

| | |
|--|---|
| Number of Meetings of the Board attended during the year | Two |
| List of Directorship / Membership / Chairmanship of Committees of other Board | <p>Directorship:</p> <p>Parag Parikh Financial Advisory Services Private Limited</p> <p>Membership/Chairmanship of Committees of Other Board:</p> <p>None</p> |
| No. of shares held in the Company | None |
| Disclosure of relationship between Directors and Key Managerial Personnel of the Company | He is the Chief Financial Officer and Chief Operating Officer of the Company. |
| Terms and Conditions of appointment or reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person, if applicable. | He is being paid remuneration to discharge his duties as a CFO, COO and is not eligible for any remuneration as a Director. |

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DIRECTORS' REPORT

Dear Member(s),

We are pleased to present our Seventh Annual Report on the business operations of the Company and the Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL RESULTS AND OVERVIEW OF OPERATIONS

The Financial Results of the Company for the year ended 31st March 2018 is as under:

| Particulars | For the year ended March 31, 2018 (Rs. in Lakhs) | For the year ended March 31, 2017 (Rs. in Lakhs) |
|------------------------------------|---|---|
| Operating Income | 1425.69 | 1265.78 |
| Other Income | 348.07 | 506.26 |
| Total Income | 1773.76 | 1772.04 |
| Profit before depreciation and tax | 639.78 | 761.65 |
| Depreciation | 74.00 | 33.53 |
| Profit before tax | 565.78 | 728.12 |
| Current Tax | 112.59 | 132.00 |
| Deferred Tax Income | 46.27 | (1.73) |
| MAT Credit Income | (76.78) | (7.39) |
| Profit/ (Loss) after tax | 483.70 | 605.24 |

Operating income of the Company (management fees) has shown growth of 12.63% on proportionate basis for the period ended on 31st March, 2018. This growth in operating income is due to increase in Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Company earns 1.48% as management fees on Asset Under Management (AUM) for the scheme(s) of PPFAS Mutual Fund. Profit before Tax and Profit after Tax on proportionate basis has posted a decrease of 22.29% and 20.08% respectively.

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. 266.22 Lakhs. Company has also sold its investment in Bonds and this resulted in long term capital gain of Rs. 17.47 Lakhs.

These two items resulted in lower Indirect Income compared to previous year and hence, Total Income has reduced. 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. 483.70 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.

State of the Company's Affairs

Mutual Fund Activity:

The Company is functioning as an investment manager to PPFAS Mutual Fund. Company generates its operating income from management fees which it charges on Asset Under Management of the scheme(s) of PPFAS Mutual Fund. AUM of the scheme(s) of PPFAS Mutual Fund has increased from Rs. 726.14 crores on March 31, 2017 to Rs. 989.76 crores as on March 31, 2018. Investment in the scheme(s) through Systematic Investment Plan (SIP) registration is also growing at a gradual pace and it's a good sign as it provides stable and predictable inflow of funds. This increase in AUM is due to capital appreciation as well as additional inflow from existing and new investors.

The Scheme of PPFAS Mutual Fund- Parag Parikh Long Term Equity Fund has completed 5 years of operation in the May, 2018. Also, in the month of May, 2018, A new open-ended liquid scheme was launched – Parag Parikh Liquid Fund. Agencies which review performance of mutual fund schemes have started reviewing Parag Parikh Long Term Equity Fund. This has helped us in gaining wider visibility. This has resulted in a greater number of investors investing in Parag Parikh Long Term Equity Fund. Number of investors have increased from 11297 in FY 2016-17 to 19033 in FY 2017-18. Stability and wider acceptability for the scheme(s) of PPFAS Mutual Fund helps company to earn its operating income (i.e. Management Fees). Operations of the Company is in compliance with the applicable statutes. The Company has implemented required risk control procedures. Board members are of the view that functioning of the Company is satisfactory and Company is in good financial health.

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

Environment in the capital markets

Rising stock prices at a time where corporate earnings are muted have increased the valuation metrics for companies and indices. Further, in India as well as globally, we seem to be heading towards an environment of lesser liquidity accompanied by somewhat higher interest rates. We continue to be guided by valuation parameters while investing and will not chase momentum while making investments. As always PPFAS is focussing on individual companies on a bottom up stock selection process.

Investor Relations

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

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

Finances

The Company has invested its funds received in scheme(s) of Mutual Funds, Tax free Bonds and other permissible securities. A certain amount of the surplus funds is invested in the scheme, Parag Parikh Long Term Equity Fund (Formerly known as Parag Parikh 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.

Human Resource

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

Future Outlook

During financial year 2017-18 we witnessed decent growth in Assets Under Management (AUM) for scheme(s) of PPFAS Mutual Fund (i.e. AUM grew from Rs. 726.14 crores to Rs. 989.76 crores). Scheme of PPFAS Mutual Fund- Parag Parikh Long Term Equity Fund has completed 5 years of operations in the month of May, 2018. Completing Five years is an important milestone because it includes us in most of the industry rankings & comparisons, but for us it's business as usual. We continue with the same investment focus, to buy meaningful stakes in well run businesses, for the long term.

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

Change in the nature of Business, if any

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 2017-18.

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.

The Board of Directors have recommended and approved the appointment of Mr. Shashi Kataria, as an Additional Director of the Company with effect from 15th November, 2017, whose term of office is up to the date of this Annual General Meeting in accordance with the applicable provisions of the Articles of Association and the Companies Act, 2013.

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

Statement on Declaration given by Independent Directors

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

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

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

i. Policy on Appointment of Directors:

The Company is functioning as an Investment Manager to the 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).

ii. Educational and Professional background:

(a) Persons possessing knowledge in the field of finance, accountancy, law, capital markets, financial services with significant achievements in their profession or business;

(b) Candidate must comply with applicable SEBI regulation for appointment as a Director of the Company;

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

iii. Positive attributes of Director:

(a) The Directors is required to devote sufficient time and attention to the Company's business;

(b) The Director is required to work towards enhancing the brand and image of the Company in the industry;

(c) The Director is required to foster good working relations with the senior management of the Company;

(d) The Director is required to fulfill their fiduciary responsibilities towards the Company, employees, shareholders and unit-holders of PPFAS Mutual Fund with integrity and authority.

(e) The Director is required to protect the legitimate interests of the Company, employees, shareholders and unit-holders of PPFAS Mutual Fund.

iv. Policy Relating to Remuneration of Directors:

(a) Executive Directors are paid remuneration based on their core functional responsibilities.

(b) Non-Executive Directors are paid sitting fees.

(c) The Board of Directors consider the trends prevalent in the mutual fund industry, keeping in view the nature and size of business of the Company, performance of Directors based on their core functional responsibilities before finalising the annual remuneration.

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 during the year.

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

None.

Internal Control System, its Adequacy and Compliance

The Company is functioning as an investment manager to PPFAS Mutual Fund. Custody, Fund Accounting and RTA are critical functions of a mutual fund. DBS Bank 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 Registered office in Mumbai. During the financial year 2017-2018, 7 Board meetings and 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, 2018, 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, 2018 on a 'going concern' basis.
- e. that the directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

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

Particulars of employees

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

| | |
|---|---|
| Name of the employee | Rajeev Thakkar |
| Designation of the employee | Chief Investment Officer |
| Remuneration received | Rs. 1,20,09,547 /- |
| 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 | 46 |
| 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.

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

Particulars of investments made by Company during the Financial year 2017-18 are stated in the Notes to Accounts of the Audited Statements of the Company which forms part and parcel of this Annual Report. The Company has neither given any guarantee nor provided any Security or granted any loans or advances during the reporting period.

Changes in Share Capital of the Company during the year

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

Extract of Annual Return

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

Corporate Social Responsibility (CSR)

The Company is vigilant to its responsibility towards the society as a corporate citizen. During the financial year 2017-18, Company has spent Rs.11,26,524/- towards its CSR activities. The details of CSR expenditure for financial year 2017-18 is annexed herewith vide **Annexure III** and forms an integral part of this Board Report.

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

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

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

Risk Management

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

Statutory Auditors

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

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

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

The observations made by the Statutory Auditors in their Audit Report read with the relevant notes thereof as stated in the Notes to the Audited Financial Statements of Company for the financial year ended 31st March, 2018 are self-explanatory and being devoid of any reservation(s), qualification(s) or adverse remark(s) etc does not call for any further explanation(s)/ information(s) or comment(s) from the Board under Section 134(3)(f)(i) of the Companies Act, 2013. Also, no fraud has been reported for the Financial year 2017-18.

Acknowledgement

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

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

The Directors also acknowledges the support and wishes to place on record its sincere thanks to the unitholders of the Schemes of PPFAS Mutual Fund and we look forward for their continued support.

For and on behalf of the Board of Directors of

PPFAS Asset Management Private Limited

Neil Parikh

Director

(DIN: 00080269)

Rajeev Thakkar

Director

(DIN:00227548)

Place: Mumbai.

Date: 25th June, 2018

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 for 11 months and 10,000 for the month of March 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 services of the skilled employees 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 2017-2018 (in INR) | 9,78,000/- | 36,00,000/- |

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN: - U65100MH2011PTC220623
- ii) Registration Date: - 08/08/2011
- iii) Name of the Company: - PPFAS Asset Management Private Limited
- iv) Category / Sub-Category of the Company: - Company limited by shares / Indian Non-Government Company
- v) Address of the registered office and contact details: - 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021.Tel No: - (022) 6140 6555; Fax No: - (022) 6140 6590
- vi) Whether listed company: - No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: - Not Applicable.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1 | Company is 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 | U67190MH1992PTC068970 | Holding | 100 | Section 2(46) |

| | | | | |
|--|--|--|--|--|
| Private Limited | | | | |
| 81/82, 8 th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021 | | | | |

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|--------------------|--------------------|-------------------|---|--------------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 0 | 3,57,30,003 | 3,57,30,003 | 99.99 | 0 | 3,57,30,003 | 3,57,30,003 | 99.99 | 0 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | 0 | 6* | 6* | 0.01 | 0 | 6* | 6* | 0.01 | 0 |
| Sub-total (A) (1):- | 0 | 3,57,30,009 | 3,57,30,009 | 100 | 0 | 3,57,30,009 | 3,57,30,009 | 100 | 0 |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| (b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| (c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| (d) Banks / FI | - | - | - | - | - | - | - | - | - |
| (e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) | 0 | 3,57,30,009 | 3,57,30,009 | 100 | 0 | 3,57,30,009 | 3,57,30,009 | 100 | 0 |

| | | | | | | | | |
|---|---|-------------|-----|-----|------------|-----|-----|-----|
| 1 | Parag Parikh Financial Advisory Services Private Limited (including 6 Registered Owners* (Nominees) of Parag Parikh Financial Advisory Services Private Limited (Promoter)' | 3,57,30,009 | 100 | Nil | 35,73,0009 | 100 | Nil | Nil |
| | Total | 3,57,30,009 | 100 | Nil | 35,73,0009 | 100 | Nil | Nil |

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

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|--|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 3,57,30,009 | 100 | 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): | | | | No change in the Shareholding during the Financial year. |

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Top 10 Shareholders | | | | |
| | At the beginning of the year | NA | NA | NA | NA |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | No Change in Shareholding Pattern for the F.Y. 2017-2018 | | | |
| | At the End of the year (or on the date of separation, if separated during the year) | NA | NA | NA | NA |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Directors and KMP | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / | * Rajeev Thakkar | | * Rajeev Thakkar | |

| | | | | | |
|--|---|--|-----|---|-----|
| | Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc): | (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. | | (Director) and Neil Parikh (Director) hold 1 Equity share each in the capacity as Nominee of Parag Parikh Financial Advisory Services Private Limited. This is to ensure compliance with provisions of minimum number of members. | |
| | At the End of the year | Nil | Nil | Nil | Nil |

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

V. INDEBTEDNESS

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

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

| | | | | |
|---|-----|-----|-----|-----|
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | Nil | Nil | Nil | Nil |
| i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---------|--|-------------------------|--------------------------|---------------------------|
| | | Neil Parag Parikh | Rajeev Thakkar | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Rs. 41,92,567/- | Rs. 1,20,09,547/- | Rs. 1,62,02,114 /- |
| 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. 41,92,567/- | Rs. 1,20,09,547/- | Rs. 1,62,02,114 /- |

| | |
|------------------------|--|
| 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. 50,000/- | Rs. 60,000/- | Rs. 40,000/- | Rs. 1,50,000/- |
| | • Commission | Nil | Nil | Nil | Nil |
| | • Others, please specify | | | | |
| | Total (1) | Rs. 50,000/- | Rs. 60,000/- | Rs. 40,000/- | Rs. 1,50,000/- |
| | | | | | |
| | 4. Other Non-Executive Directors | | | | |
| | • Fee for attending board / committee meetings | Nil | Nil | Nil | Nil |
| | • Commission | | | | |
| | • Others, please specify | | | | |
| | Total (2) | Nil | Nil | Nil | Nil |
| | Total (B)= (1+2) | Rs. 50,000/- | Rs. 60,000/- | Rs. 40,000/- | Rs. 1,50,000/- |
| | Total Managerial Remuneration | Rs. 50,000/- | Rs. 60,000/- | Rs. 40,000/- | Rs. 1,50,000/- |
| | Overall Ceiling as per the Act | Non-Executive directors are paid only sitting fees. | | | |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|--|----------------------------|---|-------------------------|------------------|
| | | CEO (Neil Parag Parikh) | Company Secretary (Priya Hariani) | CFO (Shashi Kataria) | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Rs. 41,92,567/- | Rs.8,09,201/- | Rs.24,61,738/ - | Rs.74,63,506 /- |
| 2 | Stock Option | Nil | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil | Nil |
| 4 | Commission - as % of profit - others, specify... | Nil | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil | Nil |
| | Total (A) | Rs. 41,92,567/- | Rs.8,09,201/- | Rs. 24,61,738/ - | Rs. 74,63,506 /- |
| | 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 |

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

PPFAS Asset Management Private Limited

Neil Parag Parikh
Director
(DIN: 00080269)

Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai
Date: 25th June 2018

| | | | | | Expenditure on projects and programs (2) Overheads | | |
|---|--|---|-----------------------|---------------|--|----------------|--------------------------------------|
| 1 | Improve the quality of education in rural schools. | Promoting education | Coimbatore, TamilNadu | Rs.2,10,000/- | Rs. 2,10,000/- | Rs. 2,10,000/- | Isha Foundation |
| 2 | Mid-Day Meal Project | Promoting health care including preventive health care and sanitation | Mumbai | Rs. 50,000/- | Rs. 50,000/- | Rs. 50,000/- | Rotary Club of Bombay Midtown |
| 3 | Toilet Building Project | Promoting health care including preventive health care and sanitation | Panvel, Navi Mumbai | Rs.3,00,000/- | Rs. 3,00,000/- | Rs. 3,00,000/- | Rotary Club of Bombay Midtown |
| 4 | Mid-Day Meal Project | Promoting health care including preventive health care and sanitation | Mumbai | Rs.1,61,524/- | Rs. 1,61,524/- | Rs. 1,61,524/- | Rotary Club of Bombay Midtown |
| 5 | EmpowHER Clean water Project | Promoting health care including preventive health care and sanitation | Mumbai | Rs.3,00,000/- | Rs.3,00,000/- | Rs.3,00,000/- | SKS Chakshu Foundation |
| 6 | Mother and Child Care Project | Promoting health care including preventive health care and sanitation | New Delhi | Rs. 5,000/- | Rs. 5,000/- | Rs. 5,000/- | Medecins Sans Frontieres (MSF India) |

| | | | | | | | |
|---|---|--|-------------------|---------------|----------------|----------------|---------------------------------------|
| 7 | Distribution of Benches to the students of the School | Promoting education, including special education | Palanpur, Gujarat | Rs.1,00,000/- | Rs. 1,00,000/- | Rs. 1,00,000/- | Chandisar Madhyamik Education Society |
|---|---|--|-------------------|---------------|----------------|----------------|---------------------------------------|

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. MSF provides medical care to those who need it the most and irrespective of race, religion, gender or political affiliations.

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.

Neil Parikh
Chairman
(CSR Committee)

Rajeev Thakkar
Member
(CSR Committee)

Place: Mumbai
Date: 25th June, 2018

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, which comprise the Balance Sheet as at 31st March, 2018, 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 judgements 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, 2018 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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;
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*

K.P. Chaudhari

*Partner
Membership No: 031661*

Place: Mumbai

Date: 25th June, 2018

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 31st March, 2018, we report that:

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties are held in the name of the company.
- (ii) The Company is a service company, primarily rendering Asset Management services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public, so as to attract the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of The Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) a) As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Service-tax, Duty of Customs, Duty of Excise, Value

Added Tax, Cess and any other statutory dues with the appropriate authorities. As per the records of the Company, there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

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

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

For CVK & Associates
Chartered Accountants
Firm Registration No.: 101745W

K.P. Chaudhari
Partner
M. No.: 031661

Place: Mumbai
Date: 25th June, 2018

| PPFAS ASSET MANAGEMENT PRIVATE LIMITED | | | |
|---|-------------------------|--|----------------------------------|
| Balance Sheet as at 31st March, 2018 | | | |
| Particulars | Note No. | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 357,300,090 | 357,300,090 |
| Reserves And Surplus | 4 | 224,984,521 | 176,614,644 |
| | (a) | 582,284,611 | 533,914,734 |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 5 | 2,341,857 | (2,285,457) |
| | (b) | 2,341,857 | (2,285,457) |
| Current Liabilities | | | |
| Trade Payables | 6 | 1,404,792 | 924,923 |
| Other Current Liabilities | 7 | 7,926,444 | 6,995,035 |
| Short Term Provisions | 8 | 5,018,817 | 5,353,701 |
| | (c) | 14,350,053 | 13,273,659 |
| Total Equity & Liabilities | (a+b+c) | 598,976,521 | 544,902,936 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 9 | | |
| (i)Tangible Assets | A | 211,380,902 | 191,005,300 |
| (ii)Intangible Assets | B | 1,027,756 | 843,058 |
| (iii)Capital Work in Progress | C | - | 840,000 |
| | (d) | 212,408,658 | 192,688,358 |
| Non-Current Investments | 10 | 336,708,192 | 313,672,514 |
| Long Term Loans & Advances | 11 | 30,595,583 | 19,919,667 |
| | (e) | 367,303,775 | 333,592,181 |
| Current Assets | | | |
| Trade Receivables | 12 | 13,350,637 | 11,147,876 |
| Cash & Cash Equivalents | 13 | 3,395,684 | 4,781,912 |
| Short-Term Loans & Advances | 14 | 2,377,145 | 1,688,510 |
| Other Current Assets | 15 | 140,622 | 1,004,099 |
| | (f) | 19,264,088 | 18,622,397 |
| Total Assets | (d+e+f) | 598,976,521 | 544,902,936 |
| Summary of significant accounting policies | | 2 | |
| The accompanying notes are an integral part of the financial statements | | | |
| As per Our Audit Report of even date | | | |
| For CVK & Associates | | For and on behalf of the Board of Directors | |
| Chartered Accountants | | PPFAS Asset Management Private Limited | |
| Firm Registration No:101745W | | | |
| K P Chaudhari | Neil Parikh | Rajeev Thakkar | |
| Partner | Director | Director | |
| Membership no.: 031661 | DIN : 00080269 | DIN : 00227548 | |
| | Shashi Kataria | Priya Hariani | |
| | Chief Financial Officer | Company Secretary | |
| Place: Mumbai | | | |
| Date: 25th June, 2018 | | | |

PPFAS ASSET MANAGEMENT PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2018

| Particulars | Note No. | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|--------------------------------------|----------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 16 | 142,568,582 | 126,578,016 |
| Other Income | 17 | 34,807,071 | 50,625,755 |
| Total Revenue | | 177,375,653 | 177,203,771 |
| Expenses | | | |
| Employee Benefits Expenses | 18 | 52,981,382 | 51,015,091 |
| Depreciation & Amortization Expenses | 19 | 7,399,899 | 3,352,611 |
| Other Expenses | 20 | 60,416,237 | 50,023,695 |
| Total Expenses | | 120,797,518 | 104,391,397 |
| Profit Before Tax | | 56,578,135 | 72,812,374 |
| Tax Expense | | | |
| Current Tax | - | 11,259,330 | 13,200,000 |
| MAT Credit Entitlement | - | (7,678,386) | (738,779) |
| Deferred Tax | - | 4,627,314 | (173,081) |
| Total Tax Expense | | 8,208,258 | 12,288,140 |
| Profit/(Loss) for the Period | | 48,369,877 | 60,524,234 |
| Earning Per Equity Share | | | |
| Basic | | 1.35 | 1.80 |
| Diluted | | 1.35 | 1.80 |

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

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

K P Chaudhari

Partner

Membership no.: 031661

Neil Parikh

Director

DIN : 00080269

Rajeev Thakkar

Director

DIN : 00227548

Shashi Kataria

Chief Financial Officer

Priya Hariani

Company Secretary

Place: Mumbai

Date: 25th June, 2018

| PPFAS ASSET MANAGEMENT PRIVATE LIMITED | | | | |
|--|--|--------------------------------|--|----------------------|
| Cash Flow Statement for the year ended 31st March, 2018 | | | | |
| Particulars | For the year ended 31st March, 2018 | | For the year ended 31st March, 2017 | |
| | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| a. Cash flow from Operating Activities | | | | |
| Profit Before tax expenses | | 5,65,78,135 | | 7,28,12,374 |
| Adjustments : | | | | |
| Add : Non Operating Expenses/Items | | | | |
| Depreciation on Fixed Assets | 69,62,135 | | 21,98,104 | |
| Amortization of Fixed Assets | 4,37,764 | 73,99,899 | 11,54,507 | 33,52,611 |
| Less : Non - Operating Income/Items | | 6,39,78,034 | | 7,61,64,985 |
| Interest on Tax free Bonds | (10,47,243) | | (2,09,19,772) | |
| Short Term Capital Gain on Mutual Fund | (45,87,678) | | (1,40,16,630) | |
| Long Term Capital Gain on Mutual Fund | (2,66,22,108) | | (73,93,860) | |
| Long Term Capital Gains on Bonds | (17,47,156) | | (73,76,277) | |
| Dividend on Shares | (4,84,396) | | - | |
| Profit on Sale of Car | (3,18,490) | | - | |
| Short Term Gain/Loss on Sale of Shares | - | (3,48,07,071) | (37,51,168) | (5,34,57,707) |
| Operating Profit before Working Capital Changes | | 2,91,70,963 | | 2,27,07,278 |
| Adjustment for Movement in working capital | | | | |
| Increase in Trade Payables & Other Current Liabilities | 14,11,277 | | (3,62,362) | |
| Increase in Short Term Provisions | (3,34,884) | | 34,18,303 | |
| Increase in Trade Receivables | (22,02,761) | | (4,60,934) | |
| Increase in Deferred Tax Assets/Decrease in Deferred tax liabilities | - | | | |
| Increase in Long Term Loans & Advances | - | | (6,26,000) | |
| Increase in Short-Term Loans & Advances | (6,88,635) | | (4,13,960) | |
| Decrease in Other Current Assets | 8,63,477 | (9,51,526) | 44,62,491 | 60,17,538 |
| Cash Generated from operations | | 2,82,19,437 | | 2,87,24,816 |
| Less : Taxes Paid | | (1,42,56,858) | | (1,44,57,803) |
| Net Cash from operating activities | | 1,39,62,579 | | 1,42,67,013 |
| b. Cash flow from Investing Activities | | | | |
| Purchase of Fixed Assets | (2,68,01,710) | | (19,22,89,989) | |
| Purchase/Sale of Investments - Non Current | (2,30,35,678) | | 7,82,23,760 | |
| Interest on Tax free Bonds | 10,47,243 | | 2,09,19,772 | |
| Short Term Capital Gain on Mutual Fund | 45,87,678 | | 1,40,16,630 | |
| Long Term Capital Gain on Mutual Fund | 2,66,22,108 | | 73,93,860 | |
| Long Term Capital Gains on Bonds | 17,47,156 | | 73,76,277 | |
| Dividend on Shares | 4,84,396 | | - | |
| Net Cash from investing activities | | (1,53,48,807) | | (6,06,08,519) |
| c. Cash Flow from Financing Activities | | | | |
| Issue of shares | - | | 4,66,40,000 | |
| Net Cash from financing activities | | - | | 4,66,40,000 |
| Net increase/decrease in cash & cash equivalents | | (13,86,228) | | 2,98,495 |
| Add: Cash & Cash Equivalents at the start of the year | | | | |
| Cash in Hand | 1,12,913 | | 46,059 | |
| Bank Accounts | 46,68,999 | 47,81,912 | 44,37,358 | 44,83,417 |
| Cash & Cash Equivalents at the end of the year | | | | |
| Cash in Hand | 42,936 | | 1,12,913 | |
| Bank Accounts | 33,52,748 | 33,95,684 | 46,68,999 | 47,81,912 |
| | | | | |
| For CVK & Associates | For and on behalf of the Board of Directors | | | |
| <i>Chartered Accountants</i> | PPFAS Asset Management Private Limited | | | |
| <i>Firm Registration No:101745W</i> | | | | |
| 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> | |
| Place: Mumbai | | Shashi Kataria | Priya Hariani | |
| Date: 25th June, 2018 | | <i>Chief Financial Officer</i> | <i>Company Secretary</i> | |

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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. The Company's corporate office is located in Mumbai. This is the seventh year of operations of the company. The Company is incorporated to function as an investment manager to PPFAS Mutual Fund. After the launch of its first scheme – Parag Parikh Long Term Equity Fund 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 from time to time) and the relevant provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of Estimates

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

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

c. Current / Non Current Classification

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

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

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

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

d. 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 Straight Line Method (SLM) applying rates/ useful lives as prescribed in the Companies Act. The company has changed its method of depreciation in the current year from Written down value method to Straight Line Method.

The depreciation method used reflects the pattern in which the future economic benefits of the asset are expected to be consumed by the enterprise.

AS-10 {Ref Para 62-64} recognizes such change in method not as a change in accounting policy, but, as change in accounting estimate, which is to be accounted for as per AS-5 . Hence, the effect of change in depreciation has been given prospectively.

This change in accounting estimate has caused a material impact on the profits of the company. The profits on account of charging depreciation as per SLM instead of WDV method has resulted in increase in profits by Rs 2,57,93,974/-

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 as and when received for the sake of convenience, and for want of information regarding its accrual.

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.

q. CSR Activities

As per Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of company has spent atleast 2% of the average net profits of the company made during the 3 immediately preceding Financial Years in pursuance of its corporate social responsibility policy.

| NOTE 3 : SHARE CAPITAL | | | | |
|--|-------------------------------|-------------------------------|-------------------------------|---------------------|
| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
| | Rs. | Rs. | Rs. | Rs. |
| AUTHORISED 50,000,000 Equity Shares of Rs.10/- each | 500,000,000 | | 500,000,000 | |
| ISSUED, SUBSCRIBED AND PAID UP CAPITAL 3,57,30,009 Equity Shares of Rs.10/- each fully paid | 357,300,090 | | 357,300,090 | |
| | 357,300,090 | | 357,300,090 | |
| a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period. | | | | |
| | As at 31st March, 2018 | | As at 31st March, 2017 | |
| | Number | (Rs) | Number | (Rs) |
| At the beginning of the Period | 35,730,009 | 357,300,090 | 32,210,009 | 322,100,090 |
| Issued during the period | | | 3,520,000 | 35,200,000 |
| Outstanding at the end of the period | 35,730,009 | 357,300,090 | 35,730,009 | 357,300,090 |
| b. Details of Shareholders holding more than 5 % of Ordinary Shares | | | | |
| Name of the Shareholders | Number | % of Holding | Number | % of Holding |
| Parag Parikh Financial Advisory Services Private Limited | 35,730,009 | 100.00 | 35,730,009 | 100.00 |
| NOTE 4: RESERVES & SURPLUS | | | | |
| | | As at 31st March, 2018 | As at 31st March, 2017 | |
| Surplus/(deficit) in the statement of Profit and Loss | | | | |
| Securities Premium | | 32,939,906 | 32,939,906 | |
| Profit & Loss Account | | | | |
| At the Beginning of the Accounting Period | | 143,674,738 | 83,150,504 | |
| Additions During the Year | | 48,369,877 | 60,524,234 | |
| Profit / (Loss) At the End of the Accounting Period | | 192,044,615 | 143,674,738 | |
| Total | | 224,984,521 | 176,614,644 | |
| NOTE 5: DEFFERED TAX LIABILITIES | | | | |
| | | As at 31st March, 2018 | As at 31st March, 2017 | |
| Opening Balance | | (2,285,457) | (2,112,376) | |
| Fixed Assets:Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law | | 4,490,926 | (317,455) | |
| Filing Fees : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law | | 183,224 | 219,849 | |
| Leave Encashment : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law | | (46,836) | (75,475) | |
| | | 2,341,857 | (2,285,457) | |
| NOTE 6: TRADE PAYABLES | | | | |
| | | As at 31st March, 2018 | As at 31st March, 2017 | |
| Trade Payables | | | | |
| (A) Total outstanding dues of Micro, Small and Medium Enterprises | | | | |
| (i) Principal Amount due to Micro , Small and Medium Enterprises | | - | - | |
| (ii) Interest due to Micro , Small and Medium Enterprises | | - | - | |
| (B) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | | 1,404,792 | 924,923 | |
| | | 1,404,792 | 924,923 | |
| NOTE 7: OTHER CURRENT LIABILITIES | | | | |
| | | As at 31st March, 2018 | As at 31st March, 2017 | |
| TDS Payable | | 7,352,109 | 6,733,635 | |
| Profession Tax Payable | | - | 8,200 | |
| Provident Fund Payable | | 271,454 | 253,200 | |
| GST Payable | | 302,880 | - | |
| | | 7,926,444 | 6,995,035 | |
| NOTE 8: SHORT TERM PROVISIONS | | | | |
| | | As at 31st March, 2018 | As at 31st March, 2017 | |
| Provision for Expenses | | 4,020,750 | 3,802,660 | |
| Provision for Audit Fees | | 315,000 | 495,000 | |
| Provision for Employee Benefits | | | | |
| Gratuity | | - | 542,962 | |
| Leave Encashment | | 683,067 | 513,079 | |
| | | 5,018,817 | 5,353,701 | |

NOTE 9: FIXED ASSETS

| NOTE 9: FIXED ASSETS | | | | | | | | | | | |
|----------------------|---------------------------------|------------------------------|---------------------------|----------------------------|----------------------------|--|-----------------------------|---|----------------------------------|--------------------------|--------------------------|
| Gross Block | | | | | Depreciation | | | | Net Block | | |
| Sr. No | Asset | Gross Block as at 01/04/2017 | Additions during the year | Deductions during the year | Gross Block as at 31/03/18 | Provision for Depreciation upto 01/04/2017 | Depreciation for the period | Accumulated Depreciation on Sold Assets | Total depreciation upto 31/03/18 | Net Block as at 31/03/18 | Net Block as at 31/03/17 |
| A. | Tangible Assets | | | | | | | | | | |
| 1 | Office Premises | 189,284,235 | 439,658 | - | 189,723,893 | - | 4,758,171 | - | 4,758,171 | 184,965,722 | 189,284,235 |
| 2 | Computer | 2,031,426 | 2,077,483 | - | 4,108,909 | 1,708,256 | 528,771 | - | 2,237,027 | 1,871,882 | 323,170 |
| 3 | Electrical Installation | 72,760 | 2,512,215 | - | 2,584,975 | 64,361 | 152,253 | - | 216,614 | 2,368,361 | 8,399 |
| 4 | Office Equipments | 955,107 | 2,768,946 | - | 3,724,053 | 522,489 | 229,061 | - | 751,550 | 2,972,503 | 432,618 |
| 5 | Motor Car | 6,961,070 | 1,761,976 | 746,752 | 7,976,294 | 6,167,963 | 327,453 | 740,242 | 5,755,174 | 2,221,120 | 793,107 |
| 6 | Office Furniture | 406,559 | 17,783,969 | - | 18,190,528 | 242,788 | 966,426 | - | 1,209,214 | 16,981,314 | 163,771 |
| | TOTAL | 199,711,157 | 27,344,247 | 746,752 | 226,308,652 | 8,705,857 | 6,962,135 | 740,242 | 14,927,750 | 211,380,902 | 191,005,300 |
| B. | Intangible Assets | | | | | | | | | | |
| 1 | Computer software | 5,008,887 | 622,462 | - | 5,631,349 | 4,165,829 | 437,764 | - | 4,603,593 | 1,027,756 | 843,058 |
| | TOTAL | 5,008,887 | 622,462 | - | 5,631,349 | 4,165,829 | 437,764 | - | 4,603,593 | 1,027,756 | 843,058 |
| 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) | 205,560,044 | 27,966,709 | 1,586,752 | 231,940,001 | 12,871,686 | 7,399,899 | 740,242 | 19,531,343 | 212,408,658 | 192,688,358 |
| | Total Of Previous Year | 13,270,055 | 192,289,989 | - | 205,560,044 | 9,519,075 | 3,352,611 | - | 12,871,686 | 192,688,358 | 3,750,980 |

NOTE 10: NON-CURRENT INVESTMENTS

| Particulars | No of shares/units | Cost for 31-Mar-2018 | MKT. Rate 31-Mar-2018 | MKT. Value on 31-Mar-2018 | No of shares/units | Cost for 31-Mar-2017 |
|---|---------------------------|-----------------------------|------------------------------|----------------------------------|---------------------------|-----------------------------|
| <u>Investment in Bonds</u> | | | | | | |
| PFC Limited | - | - | - | - | 2,054 | 2,054,000 |
| Indian Railway Finance Corporation Limited II | - | - | - | - | 6,040 | 6,040,000 |
| IREDA Bonds | 10,218 | 10,218,000 | 1,121.00 | 11,454,378 | 10,218 | 10,218,000 |
| HUDCO Taxfee Bonds | - | - | - | - | 2,803 | 2,803,000 |
| NHAI Bonds 2015 | - | - | - | - | 4,626 | 4,626,000 |
| IRFC Tax Free Bonds 2015 | - | - | - | - | 2,939 | 2,939,000 |
| Total (i) | | 10,218,000 | | 11,454,378 | | 28,680,000 |
| <u>Investment in Mutual Funds</u> | | | | | | |
| Birla SunLife Cash Manager Fund Growth | 198,138.38 | 81,421,757 | 417.5546 | 82,733,593 | 171,338 | 66,634,080 |
| Parag Parikh Long Term Equity Fund | 11,210,744.45 | 225,660,000 | 22.9248 | 257,004,074 | 11,207,340 | 198,950,000 |
| Total (ii) | | 307,081,757 | | 339,737,668 | | 265,584,080 |
| <u>Investments in Equity</u> | | | | | | |
| <u>Unquoted Investments:</u> | | | | | | |
| MF Utilities India Private Limited | 500,000 | 500,000 | - | - | 500,000 | 500,000 |
| Total (iii) | | 500,000 | | | - | 500,000 |
| <u>Quoted Investments:</u> | | | | | | |
| Maharashtra Scooters Limited | 9,170 | 12,350,448 | 2,280.45 | 20,911,727 | 9,170 | 12,350,448 |
| IL&FS Investment Managers Limited | 348,826 | 6,557,986 | 17.10 | 5,964,925 | 348,826 | 6,557,986 |
| Total (iv) | | 18,908,434 | | 26,876,651 | | 18,908,434 |
| Grand Total (i+ii+iii+iv) | | 336,708,192 | | 378,068,697 | | 313,672,514 |

| NOTE 11: LONG TERM LOANS & ADVANCES | | |
|--|-----------------------------------|-----------------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Previous year Taxes Receivable | 4,854,641 | 3,596,836 |
| MAT Credit Available | 8,417,165 | 738,779 |
| Advance Tax & TDS (Net of Provision of Taxation) | 2,997,527 | 1,257,802 |
| Other Deposits | 14,326,250 | 14,326,250 |
| | 30,595,583 | 19,919,667 |
| NOTE 12: TRADE RECEIVABLES | | |
| | As at 31st March, 2018 | As at 31st March, 2017 |
| (1) Debts outstanding for a period exceeding six months from the date they are due | - | - |
| (2) Other Debts (Unsecured , considered good) | 13,350,637 | 11,147,876 |
| | 13,350,637 | 11,147,876 |
| NOTE 13: CASH & CASH EQUIVALENTS | | |
| | As at 31st March, 2018 | As at 31st March, 2017 |
| (i) On Current Accounts | 3,352,748 | 4,668,999 |
| (ii) Cash in hand and as Imprest | 42,936 | 112,913 |
| | 3,395,684 | 4,781,912 |
| NOTE 14: SHORT TERM LOANS AND ADVANCES | | |
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Prepaid Expenses | 2,355,525 | 1,688,510 |
| Advances | 21,620 | - |
| Advance to Employees | - | - |
| | 2,377,145 | 1,688,510 |
| NOTE 15: OTHER CURRENT ASSETS | | |
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Service Tax Credit | - | 312,796 |
| Interest accrued on Fixed Deposits & Bonds | 140,622 | 691,303 |
| | 140,622 | 1,004,099 |

| NOTE 16: REVENUE FROM OPERATIONS | | |
|--|--|--|
| | For the year ended 31st March, 2018 | <i>For the year ended 31st March, 2017</i> |
| Management Fees | 142,568,582 | 126,578,016 |
| | 142,568,582 | 126,578,016 |
| NOTE 17: OTHER INCOME | | |
| | For the year ended 31st March, 2018 | <i>For the year ended 31st March, 2017</i> |
| Interest on Tax free Bonds | 1,047,243 | 7,393,860 |
| Short Term Capital Gain on Mutual Fund | 4,587,678 | 7,376,277 |
| Long Term Capital Gain on Mutual Fund | 26,622,108 | 14,016,630 |
| Long Term Capital Gains on Bonds | 1,747,156 | 20,919,772 |
| Dividend on Shares | 484,396 | 919,216 |
| Profit on sale of Motor Car | 318,490 | - |
| | 34,807,071 | 50,625,755 |
| NOTE 18: EMPLOYEE BENEFIT EXPENSES | | |
| | For the year ended 31st March, 2018 | <i>For the year ended 31st March, 2017</i> |
| Salary and Wages | | |
| Office Staff Salary | 49,733,047 | 47,546,204 |
| Contribution to Provident Fund and other funds | | |
| Provident Fund | 1,640,454 | 1,644,846 |
| Gratuity Fund | 526,034 | 542,962 |
| Maharashtra Labour welfare Fund | 1,728 | 1,584 |
| Other Expenses | | |
| Staff Welfare | 1,080,119 | 1,279,495 |
| | 52,981,382 | 51,015,091 |
| NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES | | |
| | For the year ended 31st March, 2018 | <i>For the year ended 31st March, 2017</i> |
| Depreciation of Tangible Assets | 6,962,135 | 2,198,104 |
| Amortization of Intangible Assets | 437,764 | 1,154,507 |
| | 7,399,899 | 3,352,611 |

| NOTE 20: OTHER EXPENSES | | |
|--|--|--|
| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
| Professional Charges | 20,767,718 | 14,568,623 |
| Distributor Commission | 6,809,757 | 4,490,093 |
| Advertising Expenses | 6,025,477 | 7,007,974 |
| Printing & Stationery | 4,308,952 | 2,411,671 |
| Shared Service Cost | 3,600,000 | 2,800,000 |
| Business Promotion Expenses | 3,042,438 | 2,365,365 |
| Computer Maintainence | 2,301,771 | 1,440,819 |
| Postage & Courier charges | 1,593,285 | 925,871 |
| Electricity Expenses | 1,358,503 | 1,233,658 |
| Insurance Charges | 1,193,540 | 1,272,737 |
| Contributions Towards CSR | 1,126,524 | 785,450 |
| Rents, Rates & Taxes | 982,070 | 1,156,159 |
| Trustee Fees | 878,023 | 675,460 |
| Society Maintenance Expenses | 823,565 | - |
| Conveyance Charges | 770,276 | 920,171 |
| Miscellaneous expenses | 715,300 | 192,452 |
| Statutory Audit fees | 350,000 | 350,000 |
| Telephone/communication | 522,845 | 416,292 |
| Travelling Expenses | 489,639 | 427,901 |
| Bank Charges | 469,610 | 466,236 |
| Membership & Subscription | 408,114 | 400,002 |
| Internet charges | 378,828 | 425,803 |
| Repairs & Maintenance | 375,185 | 252,524 |
| Annual Fees to SEBI | 250,000 | 250,000 |
| Motor car expenses | 226,042 | 489,195 |
| Filing Fees | 224,848 | 79,565 |
| Transaction Charges | 162,392 | 86,833 |
| Director's Fees (Sitting Fees) | 150,000 | 160,000 |
| Books & Periodicals | 84,577 | 22,008 |
| Director/employee Education | 21,992 | 152,017 |
| Interest on Taxes | 2,966 | 34,844 |
| Professional tax - company | 2,000 | 2,000 |
| Short Term Capital Loss on Sale of Shares | - | 3,751,168 |
| Seminar fees | - | 6,000 |
| STT, Service Tax & other charges on Share Investment | - | 4,804 |
| | 60,416,237 | 50,023,695 |

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

| Director's Name | Amount in Rs. | Head of Expenses |
|------------------------|----------------------|----------------------------|
| Neil Parikh | 41,92,567/- | Employee Benefits Expenses |
| Rajeev Thakkar | 1,20,09,547/- | Employee Benefits Expenses |
| Shashi Kataria | 24,61,738/- | Employee Benefits Expenses |
| Arindam Ghosh | 40,000/- | Sitting Fees |
| Kamlesh Somani | 50,000/- | Sitting Fees |
| Rajesh Bhojani | 60,000/- | Sitting Fees |

b. Particulars of Auditors Remuneration

| Particulars | For the year ended 31stMarch, 2018 | <i>For the year ended 31st March, 2017</i> |
|-----------------------|--|---|
| 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 31stMarch, 2018 | <i>For the year ended 31st March, 2017</i> |
|--------------------|--|---|
| Value of Imports | NIL | NIL |

d. Expenditure in Foreign Currency

| Particulars | For the year ended 31st March, 2018 | <i>For the year ended 31st March, 2017</i> |
|---|--|---|
| Subscription payment for Website & Mobile Application Maintenance (USD) | Rs. 3,23,372/- (\$ 4,827.67) | Rs. 2,85,518.80/- (\$ 4,062.46) |
| Advertisement (USD) | Rs. 77,276/- (\$ 1,167.08) | Rs. 2,63,980.53/- (\$ 3,868.35) |
| Advertisement (EURO) | - | Rs 4,765.17/- (€60) |

e. Earnings in Foreign Currency

| Particulars | For the year ended 31st March, 2018 | <i>For the year ended 31st March, 2017</i> |
|------------------------------------|--|---|
| Earnings in Foreign Exchange (USD) | 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 | 9,78,000/- |
| Rajeev Thakkar | Director who is able to exercise significant influence | Employee Benefits Expenses | 120,09,574/- |
| Neil Parikh | Director who is able to exercise significant influence | Employee Benefits Expenses | 41,92,567/- |
| Shashi Kataria | Director who is able to exercise significant influence | Employee Benefits Expenses | 24,61,738/- |
| Parag Parikh Financial Advisory Services Private Limited. | Holding Company | Shared Service Cost | 36,00,000/- |
| PPFAS Trustee Company Private Limited. | Fellow subsidiary | Trustee Fees | 8,78,023/- |

NOTE 23: CONTINGENT LIABILITIES

| Contingent Liabilities | For the year ended 31st March, 2018 (Amount in Rs. Lakhs) | For the year ended 31st March, 2017 (Amount in Rs. Lakhs) |
|-------------------------------|---|---|
| Income Tax (A.Y. - 2013-14) | - | 41.73 |
| MF Utilities India Pvt. Ltd. | 11.20* | 22.80* |

* 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, 2018 | For the year ended 31st March, 2017 |
|--|---|---|
| Profit attributable to equity shareholders | Rs.4,83,69,877/- | Rs. 6,05,24,235/- |
| Weighted Average number of Equity Share Outstanding during the year | 3,57,30,009 | 3,36,37,297 |
| Basic & Diluted EPS | Rs.1.35 | Rs. 1.80 |
| 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 | | | (22,85,457) |
| | | | |
| II. Changes during the Year | | | |
| a. Timing Difference in Depreciation | | | |
| As per Accounts | 73,99,899 | | |
| As per Income tax Act | 2,36,99,423 | | |
| Overcharged for tax purpose | 1,62,99,524 | | |
| Deferred Tax @ 27.5525% | | 44,90,926 | |
| 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 @ 27.5525% | | 1,83,224 | |
| c. Timing Difference due to Provision for Leave Encashment | | | |
| As per Accounts | 6,83,067 | | |
| As per Income tax Act | 5,13,079 | | |
| Undercharged for tax purpose | 1,69,988 | | |
| Deferred Tax @ 27.5525% | | (46,836) | |
| | | | |
| III. Deferred Tax Expense recognized in Statement of Profit & Loss | | | 46,27,314 |
| | | | |
| IV. Net Deferred tax Liability as per Balance Sheet. | | | 23,41,857 |

NOTE 26: 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 | 26,35,684 | 18,33,164 |
| | Interest Cost | 2,11,118 | 1,48,853 |
| | Current Service Cost | 7,28,297 | 6,72,007 |
| | Past Service Cost – Vested Benefit Incurred During the Period | 529,698 | - |
| | Benefits Paid from the fund | (81,000) | (10,86,958) |
| | Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions | - | 205,117 |
| | Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 89,853 | 48,980 |
| | Actuarial (Gain) / Loss on Obligation | (2,98,875) | 8,14,521 |
| | Present value of the obligation at the end of the year | 38,14,775 | 26,35,684 |
| | | | |
| ii) | Change in Plan Assets | | |
| | Fair value of Plan Assets at the beginning of the year | 20,92,722 | 18,33,164 |
| | Expected return on Plan Assets | 167,627 | 1,48,853 |
| | Contributions by the Employer | 5,50,000 | - |
| | Benefits Paid from the fund | (81,000) | (10,86,958) |
| | Actuarial Gain / (Loss) on Plan Assets | 36,732 | 11,97,663 |
| | Fair value of Plan Assets at the end of the year | 27,66,081 | 20,92,722 |
| | | | |
| iii) | Amounts Recognised in the Balance Sheet: | | |
| | Present value of Obligation at the end of the year | 38,14,775 | 26,35,684 |
| | Fair value of Plan Assets at the end of the year | 27,66,081 | 20,92,722 |
| | Net (Liability)/Asset Recognized in the Balance Sheet | (10,48,694) | (5,42,962) |
| | | | |
| iv) | Amounts Recognised in the statement of Profit and Loss: | | |
| | Current Service Cost | 7,28,297 | 6,72,007 |
| | Net Interest Cost | 43,491 | - |
| | Actuarial (Gains)/Losses | (245,754) | (1,29,045) |
| | Past Service Cost - Vested Benefit Recognized During the Period | 529,698 | - |
| | Net Cost Included in Employee Benefit Expenses | 10,55,732 | 5,42,962 |
| | | | |
| v) | Actual Return on Plan Assets | 2,04,359 | 13,46,516 |
| | | | |
| vi) | Major categories of Plan Assets as a % of total Plan Assets | | |
| i) | Insurer Managed Funds | 100% | 100% |
| | | | |
| vii) | Actuarial Assumptions | | |

| | | | | |
|--|------|--|--|--|
| | i) | Discount Rate | 7.87% P.A. | 8.01% P.A. |
| | ii) | Expected Rate of Return on Plan Assets | 7.87% P.A. | 8.01% P.A. |
| | iii) | Salary Escalation Rate | 10% P.A. | 10% P.A. |
| | iv) | Employee Turnover | 1% P.A. | 1% P.A. |
| | v) | Mortality Rate During Employment | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

NOTE 27: PREVIOUS YEAR FIGURES

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

Signatures to notes 1 to 27

As per Our Audit Report of even date

| | |
|---|--|
| <p>For CVK & Associates Chartered Accountants Firm Registration No:101745W</p> <p>K P Chaudhari Partner Membership No: 031661</p> | <p>For and on behalf of the Board of Directors PPFAS Asset Management Private Limited</p> <p>Neil Parikh <i>Director</i> <i>DIN: 00080269</i></p> <p>Rajeev Thakkar <i>Director</i> <i>DIN: 00227548</i></p> <p>Shashi Kataria <i>Chief Financial Officer</i></p> <p>Priya Hariani <i>Company Secretary</i></p> |
| Place: Mumbai | |
| Date:25 th June, 2018 | |

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: 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021

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 7th Annual General Meeting of the company, to be held on Friday, 7th September, 2018 at 11.00 a.m. At 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021 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, 2018 |
| Special Business | |
| 2 | Regularisation of Additional Director, Mr. Shashi Kataria |

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

Regd. & Corp. office: 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021.

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

I hereby record my presence at the 7th Annual General Meeting of the Company at 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021 on Friday, 7th September, 2018 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: Registered Office of the Company. 81/82, 8th Floor, Sakhar Bhavan, 230, Ramnath Goenka Marg, Nariman Point, Mumbai – 400021. Telephone: 022 6140 6555.

Distance from Churchgate Railway Station: around 1.2 Km.

Distance from Chhatrapati Shivaji Terminus: around 2.8 Km.

