

Annual Report FY 2018-2019

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



Annual Report FY 2018 - 2019

Board of Directors

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

Key Managerial Persons

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

Statutory Auditors

CVK & Associates, Chartered Accountants
--

Bankers

HDFC Bank Limited

Registered and Corporate Office: 81/82, 8 th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point- 400 021

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 Eighth Annual General Meeting of the members of PPFAS Asset Management Private Limited will be held on Friday, 27th September, 2019 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, 2019, together with the Report of Board of Directors' and Auditor's thereon.

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

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

Sd/-
Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai

Date: 26th June, 2019

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 8th 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. **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.
6. **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.
7. **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.

8. **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 8th Annual General Meeting and the Company's Annual Report 2018-19 will be available on the Company's website, www.amc.ppfas.com.

9. **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.

PPFAS Asset Management Private Limited

CIN: U65100MH2011PTC220623

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

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

DIRECTORS' REPORT

Dear Member(s),

We are pleased to present our Eighth Annual Report on the business operations of the Company and the Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS AND OVERVIEW OF OPERATIONS

The Financial Results of the Company for the year ended 31st March 2019 is as under:

Particulars	For the year ended March 31, 2019 (Rs. in Lakhs)	For the year ended March 31, 2018 (Rs. in Lakhs)
Operating Income	1538.31	1425.69
Other Income	482.42	348.07
Total Income	2020.73	1773.76
Profit before Depreciation, Tax and Exceptional items	618.53	639.78
Exceptional Items: Prior Period Income	(3.75)	-
Profit before Depreciation and Tax	622.28	639.78
Depreciation	130.41	74.00
Profit before tax	491.87	565.78
Current Tax	95.40	112.59
Deferred Tax Expenses	23.76	46.27
MAT Credit Income	(92.59)	(76.78)
Profit/ (Loss) after tax	465.31	483.70

Dividend

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

Reserves

The Board proposes to carry forward Rs. 465.31 Lakhs to Profit and Loss Account.

Deposits

The Company has neither accepted nor invited any deposits during the financial year pursuant to the provisions of Chapter V of the Companies Act, 2013.

There were no unclaimed or unpaid deposits as on March 31, 2019.

State of the Company's Affairs & Industry Outlook

Mutual Fund Activity:

The Company is functioning as an investment manager to PPFAS Mutual Fund. Company generates its operating income from management fees which it charges on Asset Under Management of the schemes of PPFAS Mutual Fund. AUM of the schemes of PPFAS Mutual Fund has increased from Rs. 989.76 crores as on March 31, 2018 to Rs. 1961.5 crores as on March 31, 2019. Investment in the schemes through Systematic Investment Plan (SIP) registration is also growing at a gradual pace and it's a good sign as it provides stable and predictable inflow of funds. This increase in AUM is due to incremental inflows into the schemes and capital appreciation of the existing portfolio.

During the financial year, the Fund launched its second scheme after completion of 5 years of its operations in the Mutual Fund Industry. The second new scheme launched in May 2018 was Parag Parikh Liquid Fund (An open-ended Liquid Scheme) to cater to the needs of the investors and to facilitate the STP into the existing Equity Scheme. Also, in the month of July 2019 the Mutual Fund will launch its third scheme Parag Parikh Tax Saver Fund (PPTSF) to enable investors to save on tax while earning equity linked returns.

Number of investors have increased from 19,033 in FY 2017-18 to 80,289 in FY 2018-19. Stability and wider acceptability for the schemes of PPFAS Mutual Fund helps company to earn its operating income (i.e. management fees). Operations of the Company is in compliance with the applicable statutes. The Company has implemented required risk control procedures. Board members are of the view that functioning of the Company is satisfactory and Company is in good financial health.

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

Environment in the capital markets

There has been a severe fall in the small and mid-cap stocks and indices as well as some fancied sectors like Non-Bank Finance Companies (NBFCs). In the midst of all the turmoil, Parag Parikh Long Term Equity Fund (Formerly known as Parag Parikh Long Term Value Fund) preserved capital quite well on the downside. Low growth in corporate sales and earnings is creating challenges for delivering returns to equity investors. We continue to be guided by valuation parameters while investing in equity and will not chase momentum while making investments. As always PPFAS is focussing on individual companies on a bottom up stock selection process.

Even in the debt funds, there was quite a bit of turmoil given the troubles at IL&FS and some other corporate groups where the Mutual Funds had invested funds from the debt schemes. Parag Parikh liquid fund is very focused on the safety for unit-holders and has a large allocation to Triparty Repo and Sovereign Paper which is credit risk free and highly liquid. Even where we have Commercial Paper and Certificate of Deposit investments, we are keeping individual exposures minimal and at the same time doing our own credit analysis and not just relying on the Credit Ratings.

Both the approaches in the Equity and in Debt markets have helped us stand out in the market place and clients and distribution partners have appreciated this.

Network expansion

The Company has taken the initial steps to expand its geographical reach. We have representatives in Delhi NCR and Bengaluru and the formal launch of the branches there is expected soon. We are also planning expansion to Pune and Chennai shortly.

Expense Ratio Reduction

There have been various regulatory reductions in the fees that can be charged to the clients by Mutual Funds. This has had some adverse impact on the growth of revenue for the company.

Technology infrastructure

A lot of investments have been made in people, hardware and software in the IT department of the Company. This will help us to improve the security and efficiency of our IT resources and at the same time improve customer service and delight.

Investor Relations

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

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

Finances

The Company has invested its funds received in schemes of Mutual Funds and other permissible securities. A certain amount of the surplus funds is invested in the scheme, Parag Parikh Long Term Equity Fund (Formerly known as Parag Parikh Long Term Value Fund) and Parag Parikh Liquid Fund. The Company does not charge management fees on the amount invested by it in the schemes of PPFAS Mutual Fund as per the provisions of the SEBI (Mutual 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 eighth 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 2018-19 we witnessed decent growth in Assets Under Management (AUM) for schemes of PPFAS Mutual Fund (i.e. AUM grew from Rs. 989.76 crores to Rs. 1961.5 crores). Scheme of PPFAS Mutual Fund- Parag Parikh Long Term Equity Fund (Formerly known as Parag Parikh Long Term Value Fund) has completed 6 years of operations in the month of May, 2019. 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 2018-19.

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

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

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

Statement on Declaration given by Independent Directors

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

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

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

i. Policy on Appointment of Directors:

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

ii. Educational and Professional background:

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

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

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

iii. Positive attributes of Director:

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

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

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

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

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

iv. Policy Relating to Remuneration of Directors:

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

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

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

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

During the year under review, the Company does not have any subsidiary or associate company and hence comments and information as required under Section 129 of the Companies Act, 2013 is not applicable and not required.

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

None.

Internal Control System, its Adequacy and Compliance

The Company is functioning as an investment manager to PPFAS Mutual Fund. Custody, Fund Accounting and RTA are critical functions of a mutual fund. DBS Bank Limited is appointed as the Custodian and Sundaram BNP Paribas Fund Services Limited as the Fund Accountant for schemes of PPFAS Mutual Fund for the financial year under review. CAMS is the RTA for schemes of PPFAS Mutual Fund.

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

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

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

Accounts, taxation and compliance 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 2018-2019, 6 Board meetings and 2 Committee meeting was held in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose. Meetings of Board of Directors includes meeting of Independent Directors held in terms of applicable provisions of the Companies Act, 2013.

The details of Board meetings held are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present
23 rd April, 2018	6	5
25 th June, 2018	6	6
18 th September, 2018	6	5
26 th October, 2018	6	5
18 th December, 2018	6	6
25 th February, 2019	6	5

The details of the Committee meeting held is as follows:

Date of Committee Meeting	Board Strength	No. of Directors Present
18 th December, 2018	3	3
25 th February, 2019	3	3

Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts for the financial year ended 31st March, 2019, 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, 2019 on a 'going concern' basis.
- e. that the directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

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

Particulars of employees

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

Name of the employee	Rajeev Thakkar
Designation of the employee	Chief Investment Officer
Remuneration received	₹ 1,30,14,874
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	47

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 12.81 Lakhs

Foreign exchange earnings during the year was NIL.

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

Particulars of investments made by Company during the Financial year 2018-19 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 2018-19, Company has spent Rs. 12,09,000 /- towards its CSR activities. The details of CSR expenditure for financial year 2018-19 is annexed herewith vide **Annexure III** and forms an integral part of this Board Report.

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

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

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

Risk Management

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

Statutory Auditors

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

However, vide notification dated 7th May, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 8th Annual General Meeting.

The Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company.

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

The observations made by the Statutory Auditors in their Audit Report read with the relevant notes thereof as stated in the Notes to the Audited Financial Statements of Company for the financial year ended 31st March, 2019 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 2018-19.

Transfer to IEPF

Your Company did not have any funds lying unpaid for a period of seven years. Therefore, there were no funds which required to be transferred to Investor Education and Protection Fund (IEPF).

Compliance of Secretarial Standards:

The Company has complied with the Secretarial Standards applicable to the Company.

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act,

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

Acknowledgement

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

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

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

For and on behalf of the Board of Directors of

PPFAS Asset Management Private Limited

Sd/-

Neil Parikh

Director

(DIN: 00080269)

Sd/-

Rajeev Thakkar

Director

(DIN:00227548)

Place: Mumbai.

Date: 26th June, 2019

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	12 months	12 months
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rental is Rs. 10,000 p.m. Deposit amount for this lease agreement is Rs. 1.40 crores.	Monthly fees of Rs. 4.25 Lakhs for 6 months and increased to 5.00 Lakhs p.m. w.e.f 01/10/2019 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 facilities & 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	23 rd February 2018	23 rd February 2018
(g)	Amount paid as advances, if any:	Rs. 1.40 crores are provided as security deposit.	Nil
(h)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	NA	NA
(i)	Compensation paid for FY 2018-2019 (in INR)	1,20,000/-	55,50,000/-

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 Private Limited	U67190MH1992PTC068970	Holding	100	Section 2(46)

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) = (A)(1)+(A)(2)	0	3,57,30,009	3,57,30,009	100	0	3,57,30,009	3,57,30,009	100	0
Total shareholding	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	3,57,30,009	100	Nil	Nil
	Total	3,57,30,009	100	Nil	3,57,30,009	100	Nil	Nil

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

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,57,30,009	100	3,57,30,009	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				No change in the Shareholding during the Financial year.
	At the End of	-	-	3,57,30,009	100

	the year				
--	----------	--	--	--	--

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. 2018-2019			
	At the End of the year (or on the date of separation, if separated during the year)	NA	NA	NA	NA

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year specifying the	* Rajeev Thakkar (Director) and Neil Parikh(Director) hold 1 Equity		* Rajeev Thakkar (Director) and Neil Parikh (Director) hold 1 Equity	

	reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	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.		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

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. 88,77,254/-	Rs. 1,30,14,874/-	Rs. 2,18,92,128 /-
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. 88,77,254/-	Rs. 1,30,14,874/-	Rs. 2,18,92,128 /-
	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 <ul style="list-style-type: none">• Fee for attending board / committee meetings• Commission• Others, please specify	Rs. 60,000/-	Rs. 40,000/-	Rs. 60,000/-	Rs. 1,60,000/-
		Nil	Nil	Nil	Nil
	Total (1)	Rs. 60,000/-	Rs. 40,000/-	Rs. 60,000/-	Rs. 1,60,000/-
	4. Other Non-Executive Directors <ul style="list-style-type: none">• Fee for attending board / committee meetings• Commission• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)= (1+2)	Rs. 60,000/-	Rs. 40,000/-	Rs. 60,000/-	Rs. 1,60,000/-
	Total Managerial Remuneration	Rs. 60,000/-	Rs. 40,000/-	Rs. 60,000/-	Rs. 1,60,000/-
	Overall Ceiling as per the Act	Non-Executive directors are paid only sitting fees.			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO (Neil Parag Parikh)	Company Secretary (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. 88,77,254/-	Rs.10,52,340/-	Rs.27,10,190/ -	Rs.1,26,39,784/-
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. 88,77,254/-	Rs.10,52,340/-	Rs.27,10,190/ -	Rs.1,26,39,784/-
	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

Sd/-

Neil Parag Parikh
Director
(DIN: 00080269)

Sd/-

Rajeev Thakkar
Director
(DIN:00227548)

Place: Mumbai

Date: 26th June 2019

REPORT ON CSR ACTIVITIES UNDERTAKEN DURING F. Y. 2018-19

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

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

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

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

2. The composition of the CSR Committee:

Neil Parikh - Chairman

Rajeev Thakkar - Member

Kamlesh Somani - Member

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

3. Average Net Profit of the Company for last three financial years: Rs. 60,438,307
4. Prescribed CSR Expenditure (2% of the amount as per item 3 above): Rs. 12,08,766
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year: Rs. 12,08,766
 - (b) Amount unspent if any: NIL
 - (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Location of the Project/ Program	Amount outlay (Budget)	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects and programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Kerala Relief Fund	Promoting health care including preventive health care and sanitation	Kerala	Rs. 1,00,000/-	Rs. 1,00,000/-	Rs. 1,00,000/-	Bombay Mid-Town Rotary Trust
2	Education aid	Promoting education, including special education	Mumbai	Rs. 30,000/-	Rs. 30,000/-	Rs. 30,000/-	I-watch
3	Aid to Cancer patients	Contribution to hospitals for medical diagnostic equipment across India, conducting cancer screening camps and financially aiding patients in their journey through cancer.	Panvel, Navi Mumbai	Rs.25,000/-	Rs.25,000/-	Rs.25,000/-	Nargis Dutt Foundation
4	Inner Wheel Project	Promoting education, including special education, health care, sanitation and other similar activities	Panvel, Navi Mumbai	Rs. 2,00,000/-	Rs. 2,00,000/-	Rs. 2,00,000/-	Bombay Mid-Town Rotary Trust

5	Toilet Building Project	Promoting health care including preventive health care and sanitation	Panvel, Navi Mumbai	Rs. 1,00,000/-	Rs. 1,00,000/-	Rs. 1,00,000/-	Bombay Mid-Town Rotary Trust
6	Bharat Ke Veer	Contribution for Indian armed forces	New Delhi	Rs. 2,00,000/-	Rs. 2,00,000/-	Rs. 2,00,000/-	Bharat Ke Veer
7	Education Aid to Physically challenged Children	Promoting education, including special education	Mumbai	Rs. 2,00,000/-	Rs. 2,00,000/-	Rs. 2,00,000/-	Smt. Kamla Mehta Dadar School for the Blind
8	Aarogyam project	Providing nourishment to underprivileged children and promoting health care	Mumbai	Rs. 2,00,000/-	Rs. 2,00,000/-	Rs. 2,00,000/-	Sir C.J. New High School Trust
9	Hand pump project	Promoting health care including preventive health care and sanitation	Mumbai	Rs. 1,54,000/-	Rs. 1,54,000/-	Rs. 1,54,000/-	Bombay Mid-Town Rotary Trust

6. Details of the Implementing Agency:

- i. Rotary Club of Bombay is the Sponsor of Rotary Club of Bombay Mid-Town which received its Charter on 12th November, 1968.
- ii. I-watch is a nonprofit think tank and foundation established since 1992 working in the field of Education, Vocational training, Water, Health, Agriculture, Renewable energy & the Environment.
- iii. Nargis Dutt Foundation is a registered, charitable organization working in the areas of Health & Education since 1981.
- iv. Bharat Ke Veer is a fund-raising initiative launched in April 2017 by the Ministry of Home Affairs, Government of India on behalf of members of the Indian paramilitary

Forces. The monetary contributions made go to the support of the families of the jawans who were martyred in the line of duty.

- v. The Kamla Mehta School for The Blind founded in 1900 provides shelter and education to visually impaired girls.
- vi. Sir C. J. New High School, Gandevi established in the year 2000 provides value education to students and undertakes various projects for the enhancement of children.

7. Our CSR Responsibilities

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

Sd/-
Neil Parikh
Chairman
(CSR Committee)

Sd/-
Rajeev Thakkar
Member
(CSR Committee)

Place: Mumbai
Date: 26th June, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of PPFAS Asset Management Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of PPFAS Asset Management Private Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2019, its profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to

our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Responsibility of Management for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The boards of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is included in Annexure A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st, March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The matters specified in Section 143(3)(i) have not been commented upon, as they are not applicable.
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

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

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements.
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses).
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company).

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 26th June 2019

Annexure A to the Independent Auditors Report
Auditor's Responsibilities For Audit Of Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 26th June 2019

PPFAS ASSET MANAGEMENT PRIVATE LIMITED			
Balance Sheet as at 31st March, 2019			
Particulars	Note No.	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	357,300,090	357,300,090
Reserves And Surplus	4	271,515,140	224,984,521
	(a)	628,815,230	582,284,611
Non-Current Liabilities			
Deferred Tax Liabilities	5	4,717,788	2,341,857
	(b)	4,717,788	2,341,857
Current Liabilities			
Trade Payables	6	931,250	1,404,792
Other Current Liabilities	7	5,293,054	7,926,444
Short Term Provisions	8	2,964,765	5,018,817
	(c)	9,189,069	14,350,052
Total Equity & Liabilities	(a+b+c)	642,722,087	598,976,520
ASSETS			
Non-Current Assets			
Property, Plant & Equipments			
(i) Tangible Assets	9A	209,415,014	211,380,902
(ii) Intangible Assets	9B	1,885,995	1,027,756
	(d)	211,301,009	212,408,658
Non-Current Investments	10	365,138,944	336,708,192
Long Term Loans & Advances	11	40,926,461	30,595,582
	(e)	406,065,405	367,303,774
Current Assets			
Trade Receivables	12	13,617,318	13,350,637
Cash & Cash Equivalents	13	4,837,568	3,395,684
Short-Term Loans & Advances	14	6,785,536	2,377,145
Other Current Assets	15	115,251	140,622
	(f)	25,355,673	19,264,088
Total Assets	(d+e+f)	642,722,087	598,976,520
Summary of significant accounting policies		2	
The accompanying notes are an integral part of the financial statements			
As per Our Audit Report of even date			
For CVK & Associates		For and on behalf of the Board of Directors of	
<i>Chartered Accountants</i>		PPFAS Asset Management Private Limited	
<i>Firm Registration No: 101745W</i>			
Sd/-	Sd/-	Sd/-	
K P Chaudhari	Neil Parikh	Rajeev Thakkar	
<i>Partner</i>	<i>Director</i>	<i>Director</i>	
<i>Membership no.: 031661</i>	<i>DIN : 00080269</i>	<i>DIN : 00227548</i>	
	Sd/-	Sd/-	
	Shashi Kataria	Priya Hariani	
	<i>Chief Financial Officer</i>	<i>Company Secretary</i>	
Place: Mumbai			
Date: 26th June 2019			

PPFAS ASSET MANAGEMENT PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March , 2019

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income			
Revenue from operations	16	153,830,825	142,568,582
Other Income	17	48,242,657	34,807,071
Total Revenue		202,073,482	177,375,653
Expenses			
Employee Benefits Expenses	18	66,422,838	52,981,382
Depreciation & Amortization Expenses	19	13,040,886	7,399,899
Other Expenses	20	73,797,875	60,416,237
Total Expenses		153,261,599	120,797,518
Profit Before Exceptional Items and Tax		48,811,883	56,578,135
Exceptional Items			
Prior period expenses/(Income)	21	(375,719)	-
Profit Before Extra Ordinary Items and Tax		49,187,602	56,578,135
Extra Ordinary Items		-	-
Profit Before Tax		49,187,602	56,578,135
Tax Expense			
Current Tax	22	281,052	3,580,944
Deferred Tax	-	2,375,931	4,627,314
Total Tax Expense		2,656,983	8,208,258
Profit/(Loss) for the Period		46,530,619	48,369,877
Earning Per Equity Share			
Basic		1.30	1.35
Diluted		1.30	1.35

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

Chartered Accountants

Firm Registration No:101745W

Sd/-

K P Chaudhari

Partner

Membership no.: 031661

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

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Rajeev Thakkar

Director

DIN : 00227548

Sd/-

Shashi Kataria

Chief Financial Officer

Sd/-

Priya Hariani

Company Secretary

Place: Mumbai

Date: 26th June 2019

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

Cash Flow Statement for the year ended 31st Mar, 2019

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Cash flow from Operating Activities				
Profit Before tax expenses		48,811,883		56,578,135
Adjustments :				
Add : Non Operating Expenses/Items				
Depreciation on Fixed Assets	12,272,875		6,962,135	
Amortization of Fixed Assets	768,011	13,040,886	437,764	7,399,899
Less : Non - Operating Income/Items		61,852,769		63,978,034
Interest on Tax free Bonds	(22,418)		(1,047,243)	
Short Term Capital Gain on Mutual Fund	(6,857,542)		(4,587,678)	
Long Term Capital Gain on Mutual Fund	(29,255,812)		(26,622,108)	
Long Term Capital Gain Equity	(10,212,916)		-	
Long Term Capital Gains on Bonds	(657,406)		(1,747,156)	
Dividend on Shares	-		(484,396)	
Profit on Sale of Car	(475,136)		(318,490)	
Other Income	(761,428)	(48,242,658)	-	(34,807,071)
Operating Profit before Working Capital Changes		13,610,111		29,170,963
Decrease in Trade Payables & Other Current Liabilities	(3,106,931)		1,411,277	
Decrease in Short Term Provisions	(2,054,052)		(334,884)	
Increase in Trade Receivables	(266,681)		(2,202,761)	
Increase in Long Term Loans & Advances	5,208,440		-	
Increase in Short-Term Loans & Advances	(4,408,391)		(688,635)	
Decrease in Other Current Assets	25,371	(4,602,244)	863,477	(951,526)
Cash Generated from operations		9,007,867		28,219,437
Less : Taxes Paid		(15,444,651)		(14,256,858)
Cash from operating activities before Exception Item		(6,436,784)		13,962,579
Cash flow from Investing Activities				
Purchase of Fixed Assets	(11,458,102)		(26,801,710)	
Purchase/Sale of Investments - Non Current	(28,430,752)		(23,035,678)	
Interest on Tax free Bonds	22,418		1,047,243	
Short Term Capital Gain on Mutual Fund	6,857,542		4,587,678	
Long Term Capital Gain on Mutual Fund	29,255,812		26,622,108	
Long Term Capital Gains on Bonds	657,406		1,747,156	
Dividend on Shares	-		484,396	
Long Term Capital Gain Equity	10,212,916		-	
Other Income	761,428		-	
Net Cash from investing activities		7,878,668		(15,348,807)
Cash Flow from Financing Activities				
Issue of shares	-		-	
Net Cash from financing activities		-		-
Net increase/decrease in cash & cash equivalents		1,441,884		(1,386,228)
Add: Cash & Cash Equivalents at the start of the year				
Cash in Hand	42,936		112,913	
Bank Accounts	3,352,748	3,395,684	4,668,999	4,781,912
Cash & Cash Equivalents at the end of the year				
Cash in Hand	54,064		42,936	
Bank Accounts	4,783,504	4,837,568	3,352,748	3,395,684

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

Sd/-

K P Chaudhari
Partner
Membership no. 031661

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

Sd/-

Neil Parikh
Director
DIN : 00080269

Sd/-

Rajeev Thakkar
Director
DIN : 00227548

Sd/-

Shashi Kataria
Chief Financial Officer

Sd/-

Priya Hariani
Company Secretary

Place: Mumbai

Date: 26th June 2019

PPFAS ASSET MANAGEMENT PRIVATE LIMITED

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31ST MARCH, 2019**

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 eighth year of operations of the company. The Company is incorporated to function as an investment manager to PPFAS Mutual Fund and earns Management Fees as its primary source of Income.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Basis Of Preparation

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

b. Use of Estimates

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

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

c. Current / Non Current Classification

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

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

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

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

d. Tangible fixed assets

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

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

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

e. Intangible fixed assets

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

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

f. Depreciation

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

g. Impairment

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

h. Investments

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

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

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

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

i. Employee Benefits

A) Short Term Employee Benefits:

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

B) Post-employment benefits:

a) Provident Fund scheme

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

b) Gratuity scheme

i. The company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods.

ii. The present value of the obligation is determined based on the actuarial valuation. This amount is funded through an employee gratuity trust managed by HDFC Standard Life Insurance.

j. Revenue Recognition

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

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

Interest income is recognised on time proportion basis.

k. Taxes on Income

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

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

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

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

l. Provision

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

m. Contingent Liabilities

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

n. Foreign Currency Transactions

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

o. Earnings per share

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

p. Share transactions

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

NOTE 3 : SHARE CAPITAL				
Particulars	As at 31st March, 2019		As at 31st March, 2018	
	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, 2019		As at 31st March, 2018	
	Number	(Rs)	Number	(Rs)
At the beginning of the Period	35,730,009	357,300,090	35,730,009	357,300,090
Issued during the period	-	-	-	-
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, 2019		As at 31st March, 2018	
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	192,044,615		143,674,738	
Additions During the Year	46,530,619		48,369,877	
Profit / (Loss) At the End of the Accounting Period	238,575,234		192,044,615	
Total	271,515,140		224,984,521	
NOTE 5: DEFFERED TAX LIABILITIES				
	As at 31st March, 2019		As at 31st March, 2018	
Opening Balance	2,341,857		(2,285,457)	
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	2,822,894		4,490,926	
Filing Fees : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law	185,003		183,224	
Leave Encashment : Impact of difference between expense charged as per Company Law & claimed as per Taxation Law	(240,327)		(46,836)	
Provision for Gratuity : Impact of Provision for Gratuity	(391,639)		-	
	4,717,788		2,341,857	

NOTE 6: TRADE PAYABLES		
	As at 31st March, 2019	As at 31st March, 2018
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	931,250	1,404,792
	931,250	1,404,792
NOTE 7: OTHER CURRENT LIABILITIES		
	As at 31st March, 2019	As at 31st March, 2018
TDS Payable	3,394,088	7,352,109
Profession Tax Payable	8,000	-
Gratuity Payable	1,407,760	
Provident Fund Payable	473,799	271,454
GST Payable	-	277,506
GST Payable - Reverse Charge	9,407	25,374
	5,293,054	7,926,444
NOTE 8: SHORT TERM PROVISIONS		
	As at 31st March, 2019	As at 31st March, 2018
Provision for Expenses	922,803	3,840,750
Provision for Auditor's Remuneration	495,000	495,000
Provision for Employee Benefits		
Leave Encashment	1,546,962	683,067
	2,964,765	5,018,817

NOTE 9: PROPERTY, PLANT & EQUIPMENTS

Sr. No	Asset	Gross Block			Depreciation				Net Block		
		Gross Block as at 01/04/2018	Additions during the year	Deductions during the year	Gross Block as at 31/03/19	Provision for Depreciation upto 01/04/2018	Depreciation for the period	Accumulated Depreciation on Sold Assets	Total depreciation upto 31/03/19	Net Block as at 31/03/19	Net Block as at 31/03/18
A.	Tangible Assets										
1	Office Premises	189,723,893	-	1,000	189,722,893	4,758,171	7,550,121	-	12,308,292	177,414,602	184,965,722
2	Computer	4,108,909	2,922,354	-	7,031,263	2,237,027	1,207,950	-	3,444,977	3,586,286	1,871,882
3	Electrical Installation	2,584,975		-	2,584,975	216,614	252,167	-	468,781	2,116,195	2,368,361
4	Office Equipments	3,724,053	433,381	-	4,157,435	751,550	731,195	-	1,482,745	2,674,689	2,972,503
5	Motor Car	7,976,294	7,302,523	2,564,318	12,714,499	5,755,174	736,405	2,214,047	4,277,532	8,436,964	2,221,120
6	Office Furniture	18,190,528		-	18,190,528	1,209,214	1,795,037	-	3,004,251	15,186,278	16,981,314
	TOTAL	226,308,652	10,658,258	2,565,318	234,401,592	14,927,750	12,272,875	2,214,047	24,986,578	209,415,014	211,380,902
B.	Intangible Assets										
1	Computer Software	5,631,349	1,626,250	-	7,257,599	4,603,593	768,011	-	5,371,604	1,885,995	1,027,756
	TOTAL	5,631,349	1,626,250	-	7,257,599	4,603,593	768,011	-	5,371,604	1,885,995	1,027,756
	TOTAL (A+B)	231,940,001	12,284,509	2,565,318	241,659,191	19,531,343	13,040,886	2,214,047	30,358,182	211,301,009	212,408,658
	<i>Total Of Previous Year</i>	<i>205,560,044</i>	<i>27,966,709</i>	<i>1,586,752</i>	<i>231,940,001</i>	<i>12,871,686</i>	<i>7,399,899</i>	<i>740,242</i>	<i>19,531,343</i>	<i>212,408,658</i>	<i>192,688,358</i>

NOTE 10: NON-CURRENT INVESTMENTS

Particulars	No of shares/units	Cost for 31/03/2019	MKT. Rate 31/03/2019	MKT. Value on 31/03/2019	No of shares/units	Cost for 31/03/2018
<u>Investment in Bonds</u>						
IREDA Bonds	-	-	-	-	10,218	10,218,000
Total (i)		-		-	-	10,218,000
<u>Investment in Mutual Funds</u>						
Birla SunLife Cash Manager Fund Growth	-	-		-	198,138	81,421,757
Parag Parikh Long Term Equity Fund	12,065,881.50	276,110,000	25.7309	310,465,990	11,210,744	225,660,000
Parag Parikh Liquid Fund (Direct Growth Plan)	85,359.84	88,527,944	1,057.4263	90,261,737		
Total (ii)		364,637,944		400,727,727		307,081,757
<u>Investments in Equity</u>						
<u>Unquoted Investments:</u>						
MF Utilities India Private Limited	500,000	500,000	-	-	500,000	500,000
Sakhar Bhavan Premises Co-op. Society Ltd.	2	1,000				
Total (iii)		501,000			-	500,000
<u>Quoted Investments:</u>						
Maharashtra Scooters Limited	-	-	-	-	9,170	12,350,448
IL&FS Investment Managers Limited	-	-	-	-	348,826	6,557,986
Total (iv)		-		-		18,908,434
Grand Total (i+ii+iii+iv)		365,138,944		400,727,727		336,708,192

NOTE 11: LONG TERM LOANS & ADVANCES		
	As at 31st March, 2019	As at 31st March, 2018
Income Tax Refund receivable	2,997,527	4,854,641
MAT Credit Available	17,676,557	8,417,165
Advance Tax & TDS (Net of Provision of Taxation)	5,142,822	2,997,527
Other Deposits	15,109,555	14,326,250
	40,926,461	30,595,583
NOTE 12: TRADE RECEIVABLES		
	As at 31st March, 2019	As at 31st March, 2018
(1) Debts outstanding for a period exceeding six months from the date they are due	-	-
(2) Other Debts (Unsecured , considered good)	13,617,318	13,350,637
	13,617,318	13,350,637
NOTE 13: CASH & CASH EQUIVALENTS		
	As at 31st March, 2019	As at 31st March, 2018
On Current Accounts	4,783,504	3,352,748
Cash in hand and as Imprest	54,064	42,936
	4,837,568	3,395,684
NOTE 14: SHORT TERM LOANS AND ADVANCES		
	As at 31st March, 2019	As at 31st March, 2018
Prepaid Expenses	3,454,079	2,355,525
Advances	3,251,457	21,620
Loan to Employees	80,000	-
	6,785,536	2,377,145
NOTE 15: OTHER CURRENT ASSETS		
	As at 31st March, 2019	As at 31st March, 2018
GST Credit	115,251	-
Interest accrued on Fixed Deposits & Bonds	-	140,622
	115,251	140,622

NOTE 16: REVENUE FROM OPERATIONS		
	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
Management Fees	153,830,825	142,568,582
	153,830,825	142,568,582
NOTE 17: OTHER INCOME		
	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
Short Term Capital Gain on Mutual Fund	6,857,542	4,587,678
Long Term Capital Gain Equity	10,212,916	-
Long Term Capital Gain on Mutual Fund	29,255,812	26,622,108
Long Term Capital Gains on Bonds	657,406	1,747,156
Dividend on Shares	-	484,396
Profit on sale of Motor Car	475,136	318,490
Interest on Tax free Bonds	22,418	1,047,243
Interest on Refund	761,428	-
	48,242,657	34,807,071
NOTE 18: EMPLOYEE BENEFIT EXPENSES		
	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
Salary and Wages		
Office Staff Salary	58,914,763	48,756,610
Contribution to Provident Fund and other funds		
Provident Fund	2,385,666	1,640,454
Gratuity Fund	1,407,760	526,034
Maharashtra Labour welfare Fund	1,152	1,728
Provision for Leave Encashment	1,546,962	683,067
NPS Employer Contribution	938,543	293,370
Other Expenses		
Staff Welfare	1,227,992	1,080,119
	66,422,838	52,981,382
NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES		
	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
Depreciation of Tangible Assets	12,272,875	6,962,135
Amortization of Intangible Assets	768,011	437,764
	13,040,886	7,399,899

NOTE 20: OTHER EXPENSES		
	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
Professional Charges	21,058,715	20,567,718
Printing & Stationery	8,334,557	4,308,952
Distributor Commission	6,398,074	6,809,757
Computer Maintainence	5,990,609	2,301,771
Shared Service Cost	5,550,000	3,600,000
Business Promotion Expenses	4,993,478	3,042,438
Advertising Expenses	3,385,519	6,025,477
Postage & Courier charges	3,348,552	1,593,285
Rents, Rates & Taxes	1,497,349	982,070
Electricity Expenses	1,428,945	1,358,503
Insurance Charges	1,327,550	1,193,540
Contributions Towards CSR	1,209,000	1,126,524
Society Maintenance Expenses	1,184,354	823,565
Conveyance Charges	1,063,081	770,276
Miscellaneous expenses	997,757	715,300
Travelling Expenses	756,020	489,639
Motor car expenses	754,287	226,042
Membership & Subscription	751,902	408,114
Telephone/communication	626,377	522,845
Auditors Remuneration	550,000	550,000
Repairs & Maintenance	534,898	375,185
Transaction Charges	524,980	162,392
Bank Charges	331,776	469,610
Internet charges	294,820	378,828
Annual Fees to SEBI	250,000	250,000
Filing Fees	211,574	224,848
Director/employee Education	209,035	21,992
Director's Fees (Sitting Fees)	160,000	150,000
STT, Service Tax & other charges on Share Investment	29,177	-
Books & Periodicals	25,549	84,577
Interest on Taxes	17,941	2,966
Professional tax - company	2,000	2,000
Trustee Fees	-	878,023
	73,797,875	60,416,237
NOTE 21:PRIOR PERIOD INCOME		
	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
Prior period Income	375,719	-
	375,719	-
NOTE 22:CURRENT TAX		
	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
Current tax	10,301,830	11,259,330
MAT Credit Entitlement	(9,347,145)	(7,678,386)
Excess Tax Provision for previous year	(761,386)	-
MAT Credit Entitlement for previous year	87,753	-
	281,052	3,580,944

NOTE 23: SUPPLEMENTARY INFORMATION**a. Particulars of Directors' Remuneration**

Director's Name	For the year ended 31st March, 2019	<i>For the year ended 31st March, 2018</i>	Head of Expenses
Neil Parikh	88,77,254	41,92,567	Employee Benefits Expenses
Rajeev Thakkar	1,30,14,874	1,20,09,547	Employee Benefits Expenses
Shashi Kataria	27,10,190	24,61,738	Employee Benefits Expenses
Arindam Ghosh	60,000	40,000	Sitting Fees
Kamlesh Somani	60,000	50,000	Sitting Fees
Rajesh Bhojani	40,000	60,000	Sitting Fees

b. Particulars of Auditors Remuneration

Particulars	For the year ended 31st March, 2019	<i>For the year ended 31st March, 2018</i>
As Statutory Auditors	5,50,000/-	5,50,000/-
TOTAL	5,50,000/-	5,50,000/-

c. Value of Imports

Particulars	For the year ended 31st March, 2019	<i>For the year ended 31st March, 2018</i>
Value of Imports	NIL	NIL

d. Expenditure in Foreign Currency

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Subscription payment for Website & Mobile Application Maintenance (USD)	Rs 8,61,300/- (\$ 11,702)	Rs 3,23,372/- (\$ 4,827.67)
Advertisement (USD)	Rs 87,304/- (\$ 1,218)	Rs 77,276/- (\$ 1,167.08)
Subscription payment for Website & Mobile Application Maintenance (Euros)	Rs 13,068/- (€150)	-
Email Purchase /Services & Web app hosting	Rs 3,19,049/- (\$ 4,468)	-

e. Earnings in Foreign Currency

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Earnings in Foreign Exchange (USD)-Advisory services	NIL	NIL

NOTE 24: 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 Transaction	Amount (Rs.)
Empeegee Portfolio Management Services Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent & Interest on electricity deposit	1,40,523/-

Rajeev Thakkar	Director who is able to exercise significant influence	Employee Benefits Expenses	1,30,14,874/-
Neil Parikh	Director who is able to exercise significant influence	Employee Benefits Expenses	88,77,254/-
Shashi Kataria	Director who is able to exercise significant influence	Employee Benefits Expenses	27,10,190/-
Parag Parikh Financial Advisory Services Private Limited.	Holding Company	Shared Service Cost	55,50,000/-

NOTE 25: CONTINGENT LIABILITIES

Contingent Liabilities	For the year ended 31stMarch, 2019 (Amount in Rs. Lakhs)	<i>For the year ended 31st March, 2018 (Amount in Rs. Lakhs)</i>
MF Utilities India Pvt. Ltd.	-	11.20
Income Tax Case Appeal in High Court (AY 2013-14)	41.73	-

NOTE 26: EARNINGS PER SHARE

Particulars	For the year ended 31st March, 2019	<i>For the year ended 31st March, 2018</i>
Profit attributable to equity shareholders	Rs. 4,65,30,619/-	Rs. 4,83,69,877/-
Weighted Average number of Equity Share Outstanding during the year	3,57,30,009	3,57,30,009
Basic & Diluted EPS	Rs.1.30	Rs. 1.35
Nominal value per share	10/-	10/-

NOTE 27: MAJOR COMPONENTS OF DEFFERED TAX

Deferred Tax Assets	(Amount in Rs.)		
I. Opening Balance Deferred Tax Liability			23,41,857
II Changes during the Year			
a. Timing Difference in Depreciation			
As per Accounts	1,30,40,886		
As per Income tax Act	2,31,87,880		
Overcharged for tax purpose	1,01,46,994		
Deferred Tax @ 27.82%		28,22,894	
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 @ 27.82%		1,85,003	
c. Timing Difference due to Provision for Leave Encashment			
As per Accounts	15,46,932		
As per Income tax Act	6,83,067		
Undercharged for tax purpose	(8,63,865)		
Deferred Tax @ 27.82%		(2,40,327)	
d. Timing Difference due to Provision for Gratuity			
As per Accounts	14,07,760		
As per Income tax Act	-		
Undercharged for tax purpose	14,07,760	(3,91,639)	
Deferred Tax @ 27.82%			
III. Deferred Tax Income recognized in Statement of Profit & Loss			23,75,931
IV. Net Deferred tax Liability as per Balance Sheet.			47,17,788

NOTE 28:

The amount payable to the Small Scale Undertaking is NIL.

NOTE 29: 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	38,14,775	26,35,684
	Interest Cost	3,00,223	2,11,118
	Current Service Cost	670,446	7,28,297
	Past Service Cost – Vested Benefit Incurred During the Period	-	529,698
	Benefits Paid from the fund	-	(81,000)
	Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	1,556	-
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	25,422	89,853
	Actuarial (Gain) / Loss on Obligation	1,38,561	(2,98,875)
	Present value of the obligation at the end of the year	4,950,983	38,14,775
ii)	Change in Plan Assets		
	Fair value of Plan Assets at the beginning of the year	27,66,081	20,92,722
	Expected return on Plan Assets	2,17,691	167,627
	Contributions by the Employer	5,18,996	5,50,000
	Benefits Paid from the fund	-	(81,000)
	Actuarial Gain / (Loss) on Plan Assets	40,455	36,732
	Fair value of Plan Assets at the end of the year	35,43,223	27,66,081
iii)	Amounts Recognised in the Balance		

	Sheet:			
	Present value of Obligation at the end of the year		49,50,983	38,14,775
	Fair value of Plan Assets at the end of the year		35,43,223	27,56,755
	Net (Liability)/Asset Recognized in the Balance Sheet		(14,07,760)	(10,58,020)
iv)	Amounts Recognised in the statement of Profit and Loss:			
	Current Service Cost		6,70,446	7,28,297
	Net Interest Cost		82,532	43,491
	Actuarial (Gains)/Losses		1,25,084	(245,754)
	Past Service Cost - Vested Benefit Recognized During the Period		-	529,698
	Net Cost Included in Employee Benefit Expenses		8,78,062	10,55,732
v)	Actual Return on Plan Assets		2,58,147	2,04,359
vii)	Major categories of Plan Assets as a % of total Plan Assets			
	i)	Insurer Managed Funds	100%	100%
viii)	Actuarial Assumptions			
	i)	Discount Rate	7.80%	7.87% P.A.
	ii)	Expected Rate of Return on Plan Assets	7.80%	7.87% P.A.
	iii)	Salary Escalation Rate	10% P.A.	10% P.A.
	iv)	Employee Turnover	9% P.A.	1% P.A.
	v)	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

NOTE 30: PREVIOUS YEAR FIGURES

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

Signatures to notes 1 to 30

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No: 101745W

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

Sd/-

K P Chaudhari

Partner

Membership No: 031661

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Rajeev Thakkar

Director

DIN : 00227548

Place: Mumbai

Date: 26th June 2019

Sd/-

Shashi Kataria

Chief Financial officer

Sd/-

Priya Hariani

Company Secretary

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 8th Annual General Meeting of the company, to be held on Friday, 27th September, 2019 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 31st March, 2019

Signed this..... day of..... 2019

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 8th Annual General Meeting of the Company at 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230 Nariman Point, Mumbai-400021 on Friday, 27th September, 2019 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.

