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**PARAG PARIKH FINANCIAL ADVISORY  
SERVICES LIMITED**

Nineteenth Annual Report

2010-2011



# Corporate Information

## Board of Directors

Parag Parikh, Chairman  
Rajeev Thakkar, Chief Executive Officer  
Ashish Shah  
Neil Parikh  
Sahil Parikh  
Sunil Gautam

## Bankers

Axis Bank Limited  
HDFC Bank Limited

## Registered Office

103, Veena Chambers  
21, Dalal Street, Fort  
Mumbai - 400 001.

## Company Secretary

Trupti Shah

## Auditors

CVK & ASSOCIATES,  
Chartered Accountants

## Corporate Office

Great Western Building,  
1st Floor, 130/132, Shahid Bhagat Singh Marg  
Near Lion Gate, Fort  
Mumbai - 400 001.  
Website: [www.ppfas.com](http://www.ppfas.com)

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## Notice

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the members of Parag Parikh Financial Advisory Services Limited will be held on Tuesday 16th August, 2011 at 4.00 pm at Great Western Building, 130/132, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001 to transact the following businesses:

### ORDINARY BUSINESS:

- 1 To receive, consider and adopt the audited Balance Sheet as at March 31st, 2011, the Profit and Loss Account for the year ended on that date, and the Report of the Directors' and Auditor's Report thereon.
- 2 To appoint CVK and Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting, to fix their remuneration and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
  
"RESOLVED THAT M/s. CVK and Associates, Chartered Accountants, be and are hereby reappointed as Statutory Auditors of the Company to hold the office till the conclusion of next Annual general Meeting at the remuneration to be fixed by the Board of Directors."
- 3 To appoint a director in place of Mr. Rajeev Thakkar, who retires by rotation and being eligible offers himself for re-appointment.
- 4 To appoint a director in place of Mr. Sahil Parikh, who retires by rotation and being eligible offers himself for re-appointment.
- 5 To appoint a director in place of Mr. Neil Parikh, who retires by rotation and being eligible offers himself for re-appointment.
- 6 To appoint a director in place of Mr. Ashish Shah, who retires by rotation and being eligible offers himself for re-appointment.

For and on behalf of the board of directors

Place: Mumbai

Date: July 19, 2011

Registered Office:

103, Veena Chambers, 21, Dalal Street, Fort,  
Mumbai – 400 001

Rajeev Thakkar  
Director

Sahil Parikh  
Director

**SPECIAL BUSINESS:**

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

"RESOLVED THAT, pursuant to the provisions of sections 198, 269 and 309 and such other applicable provisions, if any of Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to the approval of members in the General Meeting, Mr. Neil Parikh be and is hereby appointed as a Whole-time Director of the Company for a period of three years with effect from 21st March 2011 on the terms and conditions including remuneration as approved by remuneration committee and set out herein below:

**a. Remuneration:** Rs.45,000/- (Rupees Forty Five Thousand only) on a monthly basis with an authority to Board of Directors to revise the salary as may be approved by the remuneration committee within the limits prescribed under Schedule XIII to the Act.

**b. Perquisites:** In addition to remuneration stated above; Mr. Neil Parikh will be entitled to the reimbursement of the medical bills and telephone bills.

Club fees will be paid by the company, provided these facilities are necessary for the business purpose.

Expenditure with regard to entertainment and traveling expenses incurred in the course of the Company's business will be reimbursed by the Company.

**Contribution to Provident Fund:** Contribution to provident fund to the extent, this is not taxable under the Income Tax Act, 1961.

**Gratuity:** Gratuity shall not exceed half month's salary for each completed year of service and shall not be subject to the maximum amount as may be permitted under the Gratuity Act.

**Performance Linked Incentive:** Such amounts as may be decided by the board of Directors or any committee of the Board from time to time.

Any expenses incurred which in connection with discharging the duties as a Whole-time Director of the Company will not be considered as Perquisites. Provided that the total remuneration paid to the Whole Time Director shall at all the time be within the limits stipulated by the Companies act, 1956.

**RESOLVED FURTHER THAT** In the absence or inadequacy of profits in any year, the remuneration by way of salary, perquisites / allowances and other entitlements will be in accordance with and shall not exceed the limits prescribed under Schedule XIII, Part II, Section II and other applicable provisions of the Companies Act, 1956.

**RESOLVED FURTHER THAT** In the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors are authorized to vary or increase the remuneration including salary, commission, perquisites, allowance, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s), or variation(s) without further reference to the Company in General Meeting. Provided that at all the time care should be taken that the total remuneration that

will be paid to whole time director will be within the limits set forth by Schedule XIII of the Companies Act, 1956 and Company is complying with the Provisions of Section 198, 309, 310 and section 269 of the Companies Act, 1956.

RESOLVED FURTHER THAT Mr. Rajeev Thakkar, Director of the company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

For and on behalf of the board of directors

Place: Mumbai

Date: July 19, 2011

Registered Office:

103, Veena Chambers, 21, Dalal Street, Fort,  
Mumbai – 400 001

Rajeev Thakkar  
Director

Sahil Parikh  
Director

## Notes:

- 1 A member entitled to attend and vote at meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.

Proxies in order to be effective must be deposited at the corporate office of the company not less than 48 hours before the commencement of the meeting.

- 2 Members are requested to bring their copies of the Annual Report while attending the Annual General Meeting.
- 3 Members desirous to obtain any information concerning the Accounts and Operations of the Company are requested to send their queries to the Company at least seven days prior to the date of the meeting, so that the information required by the members may be made available at the meeting.
- 4 Corporate members are requested to bring a certified true copy of a resolution pursuant to Section 187 giving authorisation for attending the meeting.
- 5 An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item no. 7 is annexed hereto and forms part of this Notice.
- 6 Members are requested to notify immediately any change in address to the company.

## Annexure to Notice

**Explanatory Statement:** (Pursuant to Section 173 of the Companies Act, 1956)

### ITEM 7

Considering the efforts put in by Mr. Neil Parikh, Company has paid him Rs. 6,47,740/- for this financial year towards his professional Services. Company seeks the approval from the members for the same. The Board wishes to appreciate the efforts put in by Mr. Neil Parikh by adequately compensating him. The Board proposes to approve the remuneration paid to him for the financial year 2010-11

Mr. Neil Parikh is the Associate Vice President, Marketing of the Company. He has been associated with the company since June 2004. Although he was initially involved in the Research Department, he quickly moved on to the more action-oriented field of Institutional Equity Dealing. His designation was Dealer-Institutional Equities and he liaised with many Mutual Funds and FIs on a daily basis. He took a break in 2008 in order to pursue his MBA from the prestigious IESE Business School in Barcelona, Spain. During this period, he was associated as a Non-Executive Director of the company. Earlier in 2004, he received his Bachelors degree in Economics from the University of North Carolina at Chapel Hill. He rejoined the company on full time basis since July 2010 after completing his MBA. He has over seven years in the Capital Market. He has contributed in the overall growth of the Company. Also his knowledge and expertise will benefit the company.

The Board of Directors in their meeting held on 21st March, 2011 appointed Mr. Neil Parikh as Whole time Director of the company for a period of Three (3) years with effect from 21st March, 2011 on the terms and conditions including remuneration as specified in the resolution recommended for your approval.

The remuneration, benefits, perquisites and amenities payable to Mr. Neil Parikh which are set out herein may be treated as an abstract under Sec 302 of the Companies Act, 1956.

As per the provisions of Section 198, 269 and 309 of the Companies Act, 1956, the appointment of Whole time Director and terms and conditions thereof require the approval of the shareholders in a General Meeting.

The Board of Directors recommends the Resolution at Item No. 7 for your approval.

None of the Directors except Mr. Neil Parikh himself, Mr. Parag Parikh as a father and Mr. Sahil Parikh as a brother are interested in the resolution.

# Director's Report

## To the Shareholders

We are pleased to present our report on the business operations of the Company and the audited financial statements for the year ended March 31, 2011.

## Financial Results

Highlights of the Financial Results for the years 2010-11 and 2009-10 are given below:

Particulars	For the year ended	For the year ended
	31-Mar-11 (Rs. in Lacs)	31-Mar-10 (Rs. in Lacs)
Operating Income	1,236.10	1,214.96
Other Income	117.12	56.28
Total Income	1,353.22	1,271.24
Profit before depreciation and tax	732.74	745.33
Depreciation	24.28	25.71
Profit before tax	708.46	719.62
Prior period items	3.03	(1.32)
Provision for taxation	125.47	112.70
<b>Profit / (Loss) after tax</b>	<b>586.02</b>	<b>600.03</b>
Share Capital	651.48	651.48
Reserves and Surplus	2,308.92	1,722.90

## Dividend

With a view to conserve resources and increase net worth of the Company, no dividend is proposed for the year. Capital adequacy is a key factor in the financial markets. Retention of earnings over the years has helped our net worth cross Rs. 29 crores. This will enable us set up our proposed Asset Management Company.

## Deposits

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

## Management Discussion and Analysis and Results of operations

### Environment in the Capital Markets

The Financial Year ended March 31, 2011 saw volatile though range bound equity indices. This period also saw declining turnover in the equity markets especially in the cash segment on the National Stock Exchange and on BSE.

### Our stance

Based on the valuations prevailing in the markets we have had a somewhat neutral view. We continued to accept investments in our portfolio management services. Deployment of funds has however been slow based on the opportunities available to us.



For the surplus funds of PPFAS, we sold most of our equity investments in the financial year 2010-11. The invested amount in equities as on date is only Rs. 2 crores as compared to Rs. 12.30 crores last year. This sale of investments was driven by our plans to set up an Asset Management Company (AMC) and the fund requirements for the same. The setting up of the AMC is expected in financial year 2011-12.

Our revenue and profitability was strong in the financial year ended March 31, 2011. The net worth of PPFAS at the end of March 31, 2011 has crossed Rs. 29 crores and profit for the just ended financial year was at Rs. 5.86 crores. The profits can be attributed to the strong performance of the Portfolio Management division and to the rebound in brokerage volumes. A part of the profit is on account of the investment gains that were booked during the year.

## Operations of PPFAS

### Portfolio Management Services

The following schemes were operational during the year:

- I) Cognito (Value investment oriented PMS scheme)
- II) Progeny (Management of client investments in mutual funds)
- III) Non-discretionary scheme (management of bank and demat accounts of the client, accounting and audit for the clients investments combined with advice of the portfolio holdings)

Based on the range bound equity markets, Cognito gave moderate absolute investment returns as well relative returns compared to the indices over the last one year. The long term track record remains excellent.

The weighted average performance of the Portfolio Management Scheme across all clients is given below.

#### Performance of Cognito Portfolio Management Scheme

Particulars	PMS Returns	Sensex Returns	Nifty Returns
November 1996 (Inception) to June 30, 2011 (Annualised)	21.29%	18.29%	17.93%
Last 1 Year	4.92%	5.84%	5.66%
Last 3 Years	27.49%	13.35%	13.27%
Last 5 Years	21.20%	13.99%	14.26%

### Asset Management Company

Shareholders will be pleased to know that PPFAS has received an in principle approval from SEBI to set up an Asset Management Company. This will enable PPFAS to scale up its investment management activity by providing access to retail investors, ease of account opening and ease of adherence to Know Your Client (KYC) norms.

In the near term there will be set up costs and a small sacrifice in terms of margins. On the whole however we expect the graduation from being a portfolio manager to being a mutual fund manager to be hugely beneficial to our clients as well as to us.

**Brokerage business**

The retail and institutional brokerage business has seen increasing margin pressure. In the retail space, price (i.e. brokerage rate) and lower risk management margins to be kept with the broker are seen by clients as sole differentiators among different brokers. On the institutional side there is increasing demand for more depth and breadth of research and a focus on getting management meetings to discuss minutiae unrelated to the long term prospects of the investment. This results in increased costs for the broker at a time when volumes traded are falling and brokerage rates have been reduced.

We see the brokerage desk as a pure execution platform ancillary to our financial planning, distribution and investment management activities and will run it as such. We refuse to participate in a rate war for market share.

**Financial Planning**

Financial planning services offered by PPFAS both online as well as offline continue to notch up client satisfaction and word of mouth referrals. For many clients, financial planning is the beginning of long term association with PPFAS.

**Client acquisition efforts**

PPFAS continues to communicate and engage with its existing and potential clients through low cost mediums like the internet. We now have a thriving online and offline community which interacts in seminars, on blogs, youtube, social media like facebook and twitter.

**Finances**

A lot of the surplus funds of the company are invested in money market mutual funds and bank deposits. A portion of the investments of the company will be invested in the Asset Management Company in financial year 2011-12. The debt free status of the Company continues.

**Human Resources**

The camaraderie and commitment of the team at PPFAS remains outstanding. The current financial year 2011-12 will see setting up of the Asset Management Company and consequent change in the roles of some of the team members at PPFAS.

**Future Outlook**

The coming couple of years are expected to be exciting as well as challenging on account of the change in business model and changing environment in capital markets. Setting up of any new business has its initial gestation period. PPFAS has been managing investments since 1996. It is expected that this long track record of 15 years will help it achieve profitability at the earliest.

**Directors**

In accordance with the requirements of the Companies Act, 1956, Mr. Rajeev Thakkar, Mr. Sahil Parikh, Mr. Neil Parikh and Mr. Ashish Shah, will retire by rotation at the Nineteenth Annual General Meeting and being eligible offer themselves for reappointment. The Board recommends their reappointment.

## Directors' Responsibility Statement

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

- a. that in the preparation of the accounts for the financial year ended 31st March, 2011 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

### Particulars of employees

Information as required under section 217(2A) of the Companies Act is given as under:

Mr. Rajeev Thakkar	CEO & Director	Rs. 80,53,567/-
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### Audit Committee

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

Mr. Rajeev Thakkar	Chairman of the Committee
Mr. Sunil Gautam	Member of the Committee
Mr. Sahil Parikh	Member of the Committee

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

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

#### **a) Energy conservation**

As the Company is engaged in rendering professional services, electricity cost is not a major component of total cost. The Company recognises the need and importance of conservation of energy. The electrical and electronic equipments used by the Company are switched off while not in use to conserve energy.

#### **b) Technology absorption, adoption and innovation**

As the Company is not engaged in any manufacturing activities, this section does not apply to the Company. The Company's employees keep upgrading their professional skills and are aware of the latest developments in the financial markets.

**c) Foreign exchange earnings and outgo**

Foreign exchange outgo during the year was 10,344/- USD

Foreign exchange earnings during the year was 1,468/- USD

**Consolidated Financial Statement of PPFAS with its subsidiary**

In accordance with section 212 of the Companies Act, 1956 the audited accounts together with Directors' Report and Auditors' Report of the subsidiary Company is appended and forms part of the Annual Report. The statement pursuant to section 212 of the Companies Act, 1956 also forms part of this report. This annual report also includes consolidated financial statements for the financial year 2010-11.

**Statutory Auditors**

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

**Acknowledgment**

The directors wish to place on record their appreciation for the co-operation given to the Company by its employees, clients, bankers and shareholders.

For and on behalf of the board of directors

Place: Mumbai

Date: July 19, 2011

Registered Office:

103, Veena Chambers, 21, Dalal Street, Fort,  
Mumbai – 400 001

Rajeev Thakkar  
Director

Sahil Parikh  
Director

# Auditor's Report

CVK & Associates  
Chartered Accountants

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

## TO THE MEMBERS OF PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED

- 1 We have audited the attached Balance Sheet of Parag Parikh Financial Advisory Services Limited as at 31st March, 2011, and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
  - c) The Balance Sheet and the Profit & Loss Account dealt with by this report, are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a

Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
- (ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

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

Place: Mumbai  
Date: July 19, 2011

(K.P. CHAUDHARI), Partner  
M.No.31661

## Annexure referred to in paragraph 3 of our report of even date

The Annexure referred to in the Auditors' report to the Members of Parag Parikh Financial Advisory Services Limited (the Company) for the year ended 31st March, 2011. We report that:

- i (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.

(b) The Fixed Assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c) There was no disposal of any substantial part of the company's Fixed Assets during the year.
- ii The company did not have any inventory during the year.
- iii The Company has neither granted, nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv There is adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of shares, plant & machinery, equipment and other assets and for the sale of securities. No major weakness has been noticed in the internal controls during the course of our audit.
- v There are no transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- vi The Company has not accepted any deposits from the public, so as to attract the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- vii In our opinion, the Company has an internal audit system commensurate with the size and nature of its business
- viii Maintenance of cost records has not been prescribed for the company by the Central Government, under section 209(1)(d) of the Companies Act, 1956.
- ix (a) As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Service-tax, Wealth Tax, Cess and any other statutory dues with the appropriate authorities. As per the records of the Company, there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues outstanding of Income Tax, Service Tax and Wealth Tax on account of any dispute except as follows:

Nature of Statute	Nature of Dues	Amount Disputed (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act 1994	Service Tax	2.37	F Y 2001-02	Appellate tribunal (CESTAT)
The Income Tax Act 1961	Income Tax	5.60	A Y 2007-08	Commissioner of Income Tax (Appeal)
The Income Tax Act 1961	Income Tax	8.06	A Y 2008-09	Commissioner of Income Tax (Appeal)

- The Company does not have accumulated losses and has not incurred cash loss during the current financial year;
- As per the documents and records produced before us, the Company has not defaulted in repayment of dues to institutions, banks or debenture holders.
- The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- The provisions of any special statute applicable to the chit fund, nidhi, mutual benefit fund or society do not apply to the company.
- In respect of dealing in Shares, Securities, Debentures and Other Investments, proper records have been maintained by the Company of the transactions and contracts and timely entries have been made therein and the Securities are held by the Company in its own name.
- According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- The Company has not obtained any term loans.
- The funds raised on short-term basis have not been used by the Company for long-term investment or vice versa.
- The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- The Company has not issued any debentures.
- The Company has not raised any money by public issue.
- During the year a fraud on the company by one of its employees was noticed. The said employee had misappropriated Rs. 579,300/- out of this, the company has recovered Rs 300,000/- from the employee and Rs. 217,242/- have been adjusted against his dues. Thus, the net loss to company is only Rs. 62,058/- which has been written off/ provided for in the accounts.

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

Place: Mumbai  
Date: July 19, 2011

(K.P. CHAUDHARI), Partner  
M.No.31661



## Balance Sheet as at 31st March 2011

Schedule		Current Year		Previous Year	
<b>SOURCES OF FUNDS:</b>					
<b>Shareholders' Funds:</b>					
Share Capital	<b>A</b>		65,148,050		65,148,050
Reserves & Surplus	<b>B</b>		230,892,538		172,290,573
			<b>296,040,588</b>		<b>237,438,623</b>
<b>APPLICATION OF FUNDS:</b>					
<b>Fixed Assets:</b>					
Gross Block	<b>C</b>	27,399,878		26,915,218	
Less: Accumulated Depreciation		21,170,866		20,758,829	
Net Block			6,229,012		6,156,389
<b>Investments</b>	<b>D</b>		208,704,206		128,416,214
<b>Deferred Tax Asset</b> (Refer Note No 5 in schedule "Q")			1,235,177		1,046,399
<b>Current Assets, Loans &amp; Advances:</b>					
Sundry Debtors	<b>E</b>	25,417,181		44,143,804	
Cash & Bank Balances	<b>F</b>	45,124,068		50,420,703	
Loans & Advances	<b>G</b>	6,599,871		12,391,303	
Deposits	<b>H</b>	37,144,160		48,585,816	
		114,285,280		155,541,626	
<b>Less: Current Liabilities &amp; Provisions</b>					
Current Liabilities	<b>I</b>	34,016,177		52,957,039	
Provisions	<b>J</b>	396,910		764,966	
		34,413,087		53,722,005	
<b>Net Current Assets</b>			79,872,193		101,819,621
			<b>296,040,588</b>		<b>237,438,623</b>

Notes to Accounts

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As per our Report of even date

For and on behalf of the Board of Directors of PPFAS Ltd

For CVK &amp; Associates

Chartered Accountants

**(Firm's Registration no.-101745W)**Rajeev Thakkar  
CEO & DirectorSahil Parikh  
Director(K.P. CHAUDHARI), Partner  
M.No.31661Trupti Shah  
Company Secretary

Place: Mumbai

Date: July 19, 2011

## Profit & Loss Account for the year ended 31st March 2011

Particulars	Schedule	Current Year	Previous Year
<b>INCOME:</b>			
Brokerage	<b>K</b>	24,611,645	20,383,650
Advisory Services	<b>L</b>	58,844,016	58,324,837
Capital Gains on Investments	<b>M</b>	40,155,213	42,787,919
Other Income	<b>N</b>	11,523,303	5,627,885
Deferred Tax Income		188,778	0
		<b>135,322,955</b>	<b>127,124,291</b>
<b>EXPENDITURE:</b>			
Employees' Remuneration & Benefits	<b>O</b>	39,340,914	32,543,228
Administration & Other Expenses	<b>P</b>	22,707,669	20,047,815
Depreciation	<b>C</b>	2,428,193	2,571,200
		<b>64,476,776</b>	<b>55,162,243</b>
Profit for the year		70,846,179	71,962,048
Add/(Less) : Prior period items		303,775	(132,654)
Profit After Depreciation and Before Tax		71,149,954	71,829,394
Less :Corporate Taxes			
Provision for Income Tax		12,547,989	11,270,000
Provision for Deferred Tax		0	556,241
Profit after Depreciation & Tax		58,601,965	60,003,153
Profit c/f to the Balance Sheet		<b>58,601,965</b>	<b>60,003,153</b>
<b>E.P.S. (Basic &amp; Diluted) (Face value - Rs.10/- per share)</b>		9.00	9.21

Notes to Accounts

Q

As per our Report of even date  
For CVK & Associates  
Chartered Accountants

**(Firm's Registration no.-101745W)**

(K.P. CHAUDHARI), Partner  
M.No.31661

Place: Mumbai  
Date: July 19, 2011

For and on behalf of the Board of Directors of PPFAS Ltd

Rajeev Thakkar  
CEO & Director

Sahil Parikh  
Director

Trupti Shah  
Company Secretary

## Schedules Forming Part of Balance Sheet as at March 31st, 2011

<b>Schedule - A</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Authorized Share Capital</b>		
20,000,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
<b>Total Rs.</b>	<b>200,000,000</b>	<b>200,000,000</b>
Issued, Subscribed & Paid-up Capital :		
6514805 Equity Shares of Rs.10/- each fully paid	65,148,050	65,148,050
(inclusive of 2646805 shares issued to Shareholders of Parag Parikh Securities Ltd.at Par on Amalgamation.)	<b>65,148,050</b>	<b>65,148,050</b>

<b>Schedule - B:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Reserves &amp; Surplus</b>		
General Reserve:	385,000	385,000
<b>Capital Redemption Reserves</b>	10,100,000	10,100,000
Profit & Loss Account:		
Opening Balance	161,805,573	101,802,420
Add: Profit/(loss) for the year	58,601,965	60,003,153
Balance Carried Forward	220,407,538	161,805,573
<b>Total Rs.</b>	<b>230,892,538</b>	<b>172,290,573</b>

SCHEDULE C: Fixed Assets												
Particulars	Rate of Dep.	Gross Block				Depreciation				Net Block		
		Opening Balance as on 01.04.10	Addition during the year	Sold during the year	Closing Balance as on 31-03-11	Opening Balance as on 01.04.10	Addition during the year	Deletion on Asset sold during the year	Closing Balance as on 31-03-11	Closing Balance as on 31-03-11	Closing Balance as on 31.03.10	
Air-conditioners	20.00%	1,702,465	-		1,702,465	104,043	-	1,286,291	416,174	520,217		
Computer	40.00%	8,847,883	6,900		8,854,783	412,039		8,232,756	622,027	1,027,167		
Electrical Fittings	20.00%	324,815	-		324,815	14,866		265,351	59,464	74,330		
Motor Car *	25.89%	5,562,005	2,181,234	2,624,270	5,118,969	822,268	2,016,156	2,144,824	2,974,145	2,223,293		
Office Furniture	20.00%	3,663,520	30,600	-	3,694,120	216,544		2,812,349	881,771	1,067,715		
Telephone Systems	20.00%	1,944,976	25,675		1,970,651	83,756		1,630,813	339,838	397,919		
Electrical Equipment	20.00%	595,194	-		595,194	46,507		409,165	186,029	232,535		
Software Packages	60.00%	4,274,360	864,521		5,138,881	728,170		4,389,317	749,564	613,213		
<b>Total Rs.</b>		<b>26,915,218</b>	<b>3,108,930</b>	<b>2,624,270</b>	<b>27,399,878</b>	<b>2,428,193</b>	<b>2,016,156</b>	<b>21,170,866</b>	<b>6,229,012</b>	<b>6,156,389</b>		
Total Of Previous Year		<b>25,742,441</b>	<b>1,216,410</b>	<b>43,633</b>	<b>26,915,218</b>	<b>2,571,200</b>	<b>43,633</b>	<b>20,758,829</b>	<b>6,156,389</b>			
* Assets Registered in the personal name of Directors.												

Schedule - D: LONG TERM INVESTMENT	No of	Cost for	MKT. Rate	MKT. Value on	No of	Cost for
	shares/units	31/03/2011	31/03/2011	31/03/2011	shares/units	31/03/2010
<b>(I) Quoted Investment:</b>						
<b>"EQUITY SHARES FULLY PAID"</b>						
Aventis Pharma Ltd.	0	0	0	0	4,135	5,272,120
Axis bank Ltd	0	0	0	0	1,850	1,826,468
Bharat Electronics Ltd.	0	0	0	0	1,150	2,231,517
Castrol India Ltd.	0	0	0	0	5,000	3,035,100
Container Corporation of India Ltd.	0	0	0	0	2,310	3,022,270
Crisil	0	0	0	0	1,210	4,758,541
Fulford India	0	0	0	0	2,000	885,000
Glaxo Smithkline Pharmaceuticals Ltd.	0	0	0	0	140	229,898
Gujarat Gas Company Ltd.	0	0	0	0	41,640	5,344,561
ICRA Ltd	0	0	0	0	12,070	8,456,647
IGL	0	0	0	0	57,000	10,458,315
IL & FS Investment Managers Ltd	232,550	10,002,300	31.60	7,348,580	120,000	5,005,800
Maharashtra Scooters Ltd.	0	0	0	0	9,189	2,285,366
Monsanto Industries	0	0	0	0	3,845	6,358,513
Mphasis Ltd.	0	0	0	0	36,100	21,221,070
Novartis India	0	0	0	0	3,000	1,362,120
Noida Toll Bridge Company Ltd	333,750	9,998,982	26.95	8,994,562		
Oracle Financial Services Software Ltd	0	0	0	0	3,650	8,460,810
Petronet LNG	0	0	0	0	135,001	9,892,675
Proctor & Gamble	0	0	0	0	3,652	2,975,658
Sonata Software Ltd.	0	0	0	0	205,859	6,337,626
SSI Ltd (PVP Ventures Ltd)	0	0	0	0	1,528	281,152
VST Industries Ltd.	0	0	0	0	13,001	5,432,574
Wyeth Ltd.	0	0	0	0	3,885	2,814,166
Zicom Electronic Sytem Ltd	0	0	0	0	39,000	5,050,110
<b>Total- (i)</b>		<b>20,001,282</b>		<b>16,343,142</b>		<b>122,998,077</b>
<b>(ii) Unquoted Investments:</b>						
Karrox Technologies Ltd.	50,000	2,000,000	0	0	50,000	2,000,000
Mumbai stock Exchange	11,401	1,140,977	0	0	11,401	1,140,977
PAL Peugeot Ltd.	17,200	318,200	0	0	17,200	318,200
Trent NCD	0	0	0	0	400	200,000
<b>Total- (ii)</b>		<b>3,459,177</b>				<b>3,659,177</b>
<b>(iii) Investment in mutual Fund</b>						
HDFC Mutual Fund	0	0	0	0	101,619	1,018,564
Birla SunLife Cash Manager	18,444,802	184,503,351	10.00	184,503,351	0	0
<b>Total- (iii)</b>		<b>184,503,351</b>		<b>184,503,351</b>		<b>1,018,564</b>
<b>(iv) Subsidiary Company</b>						
Dimension Ventures INC USA	15,000	740,396		0	15,000	740,396
<b>Total- (iv)</b>		<b>740,396</b>		<b>0</b>		<b>740,396</b>
<b>Total- (i)+(ii)+(iii)+(iv)</b>		<b>208,704,206</b>		<b>200,846,493</b>		<b>128,416,214</b>

<b>Schedule - E:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Sundry Debtors:</b>		
1. Outstanding for more than 6 months	Nil	Nil
2. Other-debts considered good		
Secured	Nil	Nil
Unsecured	25,417,181	44,143,804
	<b>25,417,181</b>	<b>44,143,804</b>
Less: Provision for Doubtful Debts	Nil	Nil
<b>Total Rs.</b>	<b>25,417,181</b>	<b>44,143,804</b>
<b>Out of the above:</b>		
II a. Debts due by-		
I) Directors or other officers of the Company	Nil	Nil
II) Concerns in which Directors are interested		
b. The maximum amount due by Directors or other officers of the company at any time during the year	Nil	Nil

<b>Schedule - F:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Cash &amp; Bank Balances:</b>		
I) Cash in Hand	58,078	61,176
II) Balances with Scheduled Banks		
<b>in current account</b>		
AXIS Bank	16,567,255	32,942,634
HDFC Bank	6,133,860	7,107,847
Standard Chartered Grindlays Bank	0	9,161
Vijaya Bank	5,000	5,000
ICICI	478,671	8,713
<b>In Fixed Deposit account</b>		
AXIS Bank	0	7,767,920
AXIS Bank (Against Guarantee/FD OD Limit)	21,038,243	1,347,797
Interest accrued	842,961	1,170,455
<b>Total Rs.</b>	<b>45,124,068</b>	<b>50,420,703</b>

<b>Schedule - G: Loans &amp; Advances:</b>	<b>Current Year</b>	<b>Previous Year</b>
(Unsecured & Considered good)		
<b>I) Advances recoverable in cash or in kind or for value to be received</b>		
Income Tax Refund Due	4,759,922	4,224,888
Pre-paid Expenses	901,351	880,514
Miscellaneous Loans & Advances/Margin	938,598	7,285,901
	<b>6,599,871</b>	<b>12,391,303</b>
<b>Out of the above:</b>		
<b>II) a. Debts due by-</b>		
I) Directors or other officers of the Company	Nil	Nil
II) Concerns in which Directors are interested	Nil	Nil
b. The maximum amount due by Directors or other officers of the company at any time during the year	Nil	Nil

<b>Schedule - H: Deposits:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>i) Deposit with Stock Exchange</b>		
NSE Deposit for Capital Market	4,100,000	4,100,000
NSE Deposit with Clearing Corporation	900,000	900,000
NSE Deposit for Futures & Options	800,000	800,000
NSE Base Capital Adequacy Deposit	1,000,000	4,000,000
NSE Deposit for VSAT-interest free	100,000	100,000
Deposit for Car Parking in BSE Towers	150,000	150,000
BSE Base Capital Adequacy Deposit	1,000,000	2,000,000
BSE Membership Deposit	10,000,000	10,000,000
(i)	18,050,000	22,050,000
<b>ii) Other Deposits:</b>		
NSDL DP Deposit	1,000,000	1,000,000
HCL-Lease line Deposit	0	200,000
Electricity Deposit	228,571	228,571
R S Vatcha & Co	34,700	30,700
Office Deposit	14,000,000	14,000,000
Telephone Deposit	79,341	95,999
U.S.Club Deposit	20,000	20,000
ILFS initial Deposit	3,697,002	10,926,000
NSDL STP Advance	20,000	20,000
Vichare Courier Deposit	630	630
Veena Chambers Condominium	3,416	3,416
Municipal Deposit	500	500
Tech Process Solution	10,000	10,000
(ii)	<b>19,094,160</b>	<b>26,535,816</b>
<b>Total Rs.(i)+(ii)</b>	<b>37,144,160</b>	<b>48,585,816</b>

<b>Schedule - I:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Current Liabilities:</b>		
Trade Creditors	11,657,403	30,604,418
Other liabilities	22,358,774	22,352,621
<b>Total Rs.</b>	<b>34,016,177</b>	<b>52,957,039</b>

<b>Schedule - J:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Provisions:</b>		
Provision for Taxation	130,000	494,966
Auditor's Remuneration	266,910	270,000
<b>Total Rs.</b>	<b>396,910</b>	<b>764,966</b>

**Schedules Forming Part Of Profit & Loss A/c For Year Ended March 31st 2011**

<b>Schedule - K:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Brokerage:</b>		
Capital Market - Brokerage	24,611,645	20,383,650
<b>Total Rs.</b>	<b>24,611,645</b>	<b>20,383,650</b>

<b>Schedule - L:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Advisory Services:</b>		
Portfolio Management Fees	56,182,749	55,424,502
Placement Charges-MF	2,173,533	2,268,191
DP fees	263,145	140,700
Investment Advisory Fees (Others)	224,589	491,444
<b>Total Rs.</b>	<b>58,844,016</b>	<b>58,324,837</b>

<b>Schedule - M:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Capital Gains</b>		
Short Term capital Gain	19,996,219	290,951
Long Term Capital Gain	20,158,994	42,496,968
<b>Total Rs.</b>	<b>40,155,213</b>	<b>42,787,919</b>

<b>Schedule - N:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Other Income</b>		
A. Interest		
Interest on ILFS margin (TDS Rs.43545)	574,177	676,372
Interest on FD with Banks (TDS Rs.105246)	1,052,456	2,790,201
<b>Total Rs.</b>	<b>1,626,633</b>	<b>3,466,573</b>
B. Dividend on Shares	1,781,133	1,798,264
C. Dividend on MF	7,747,514	363,048
D. Other Income (TDS-Rs.7964/-)	109,042	0
E. Profit on sale of motor car	258,981	0
<b>Total A+B+C+D+E</b>	<b>11,523,303</b>	<b>5,627,885</b>



<b>Schedule - O:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Employees' Remuneration &amp; Benefits:</b>		
Salaries	37,098,712	30,086,842
Gratuity	0	666,762
Employer's Contribution to PF	1,444,842	1,088,241
PF Administration Charges	155,784	122,482
Employer's Contribution to ESIC	92,674	32,096
Staff Welfare & Training	548,902	546,805
<b>Total Rs.</b>	<b>39,340,914</b>	<b>32,543,228</b>

<b>Schedule - P: Administration and Other Expenses:</b>	<b>Current Year</b>	<b>Previous Year</b>
Advertisement	1,343,067	25,000
Auditor's remuneration	345,000	300,000
Bank Guarantee Charges	68,938	53,482
Bank Charges	26,177	7,448
Bank Interest on O/D	10,068	148,091
Books & Periodicals	123,445	77,530
Communication Expenses	650,626	676,718
Conveyance	382,935	338,115
DMAT Charges/STP Charges	135,095	274,506
Donation	9,500	29,500
Electricity Charges	1,017,760	1,351,269
Entertainment & Business Promotion	1,562,396	962,344
Franking Charges/Filing Fees	183,088	164,189
General Expenses -BSE/NSE/NSDL	150,423	37,533
Insurance Premiums	197,504	185,961
Internet Charges	169,404	211,964
ILFS Charges	26,666	40,020
Lease Line Charges	280,901	243,423
Membership & Subscriptions	787,364	1,762,700
Maharashtra Labour Welfare Fund	2,936	3,108
Miscellaneous Expenditure	171,214	121,721
Penalty Levied of Exchanges	34,293	20,350
Postage & Courier Charges	254,282	155,763
Printing & Stationery	816,103	384,954
Professional Charges	8,959,823	5,504,149
Professional Tax	2,000	2,000
Loss on Errors	15,633	1,005,593
Loss due to fraud	62,058	0
Rent,Rates & Taxes	732,000	732,000
Repairs & Maintenance	525,791	643,926
Seminar / Education Expenses	76,245	1,246,124
Security Service Charges	145,236	143,753
Software Systems, Trainings & Services	1,044,761	540,145
Service tax, STT & other charges on Share investment	253,057	276,409
Stamp Duty for Capital Market	563,632	727,818
Sub-brokerage-MF	0	7,500
Sundry balances written off	2,282	139,603
Travelling Expenses	622,697	661,480
Transaction Charges	394,353	318,719
Turnover Charges-SEBI	11,339	11,786
Vehicle Maintenance Expenses	437,277	396,782
VSAT Charges	110,300	114,339
<b>Total Rs.</b>	<b>22,707,669</b>	<b>20,047,815</b>

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

## Schedule Q - Notes To Accounts

### **1 Significant Accounting Policies**

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

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

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

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

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

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

#### **d) Investments**

Investments are valued at their acquisition costs.

#### **e) Depreciation**

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

#### **f) Portfolio Management Scheme (PMS)**

The Investments under the PMS are made on behalf of and in the respective names of the Investors. Therefore, the amounts received under PMS and the corresponding Investments made do not get reflected in the Financial Statements of the Company.

#### **g) Share Transactions**

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

#### **h) Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Investments in foreign subsidiaries are recorded in rupees by applying the exchange rate prevailing at the time of making investment.

#### **i) Employee Benefits**

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

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

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

#### **j) Provision and Contingent Liabilities**

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

#### **k) Taxes on Income**

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

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

- 2 The amount payable to the Small Scale Undertaking is NIL. (Previous year Nil).
- 3 Funds received from various investors and invested on their behalf & in their respective names under the Portfolio Management Scheme, as at 31st March, 2011 are Rs. 289.38 crores under 'Cognito Scheme' and Rs. 6.07 crores under 'Progeny Scheme'.

#### **4 Contingent Liabilities**

<b>Contingent Liabilities</b>	<b>(Amt in Lakhs)</b>	
	<b>FY 2010-11</b>	<b>FY 2009-10</b>
* Income Tax (A.Y. 2007-08)	5.60	5.60
Income Tax (A.Y. 2008-09)	8.06	NIL
Service Tax	2.37	2.37
Axis Bank Guarantee (NSE)	25.00	25.00

\* Income Tax case (AY-2007-08)

This relates to the case of Parag Parikh Securities Ltd which has merged with the company effective 1st October 2006

**5 Major Components of Deferred Tax Assets**

<b>Deferred Tax Assets</b>		<b>(Amount in Rs.)</b>
I. Opening Balance		10,46,399
II Changes during the Year		
a. Timing Difference in Depreciation		
As per Accounts	24,28,193	
As per Income tax Act	18,59,884	
Under charged for tax purpose	5,68,309	
Deferred Tax @ 33.2175%		1,88,778
b. Timing difference in Gratuity	0	-
III. Deferred Tax Income charged to P& L Account	<b>1,88,778</b>	
IV. Net Deferred tax Assets as per Balance Sheet.		<b>12,35,177</b>

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

<b>Name</b>	<b>Amount in Rs.</b>	<b>Head of Expenses</b>
* Parag S. Parikh	39,70,000/-	Consultancy Fees
* Rajeev Thakkar	80,53,567/-	Salary
Neil Parikh	6,47,740/-	Salary
Ashish Shah	23,20,667/-	Salary

\* The remuneration of Rs.39,70,000/- paid to Mr. Parag Parikh is towards his professional services and the remuneration of Rs. 80,53,567/- paid to Mr. Rajeev Thakkar has been paid for his services as a fund manager. The remuneration paid to the directors is in line with the industry standards and has been put up for the member's approval.

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

<b>Particulars</b>	<b>FY 2010-11</b>	<b>FY 2009-10</b>
a) As Auditors	1,95,000/-	1,50,000/-
b) For other Services	1,50,000/-	1,50,000/-
TOTAL	3,45,000/-	3,00,000/-

**c) Value of Imports**

<b>Particulars</b>	<b>FY 2010-11</b>	<b>FY 2009-10</b>
Value of Imports	NIL	NIL

**d) Expenditure in Foreign Exchange**

Particulars	FY 2010-11	FY 2009-10
Expenditure in Foreign Exchange (USD) - Professional Charges	10,344/-	12,339/-

**e) Foreign Exchange Earnings**

Particulars	FY 2010-11	FY 2009-10
Earnings in Foreign Exchange (USD)- Advisory services	1,468/-	6,893/-

7 Disclosure as required by Accounting Standard and other announcements issued by ICAI.

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

Name of the Related Party.	Relationship	Nature of Payment	Amount
Empeegee Portfolio Management Services Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	7,20,000/-
Parag Parikh	Director who is able to exercise significant influence	Rent	12,000/-
Parag Parikh	Director who is able to exercise significant influence	Consultancy fees	39,70,000/-
Rajeev Thakkar	Director who is able to exercise significant influence	Salaries	80,53,567/-
Neil Parikh	Director who is able to exercise significant influence	Salaries	6,47,740/-
Ashish Shah	Director who is able to exercise significant influence	Salaries	23,20,667/-

**8 Earnings per share (EPS)**

Particulars	Current year	Previous year
Profit attributable to equity shareholders	58,601,965/-	60,003,153/-
Weighted average number of equity shares Outstanding during the year	6,514,805/-	6,514,805/-
Basic & Diluted EPS	Rs. 9.00/-	Rs. 9.21/-
Nominal value per share	Rs. 10/-	Rs. 10/-

**9) Prior Period Items**

Expenses short provided in the earlier year	Rs. 174,612/-
Excess service tax payment of earlier year	Rs. 167,207/-
Excess provision of stamp duty written back	Rs. 645,594/-

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

As per our Report of even date

For and on behalf of the Board of  
Directors of PPFAS Limited

For CVK & Associates  
Chartered Accountants

**(Firm's Registration no.-101745W)**

Rajeev Thakkar  
CEO & Director

Sahil Parikh  
Director

(K.P. CHAUDHARI), Partner  
M.No.31661

Trupti Shah  
Company Secretary

Place: Mumbai  
Date: July 19, 2011

Place: Mumbai  
Date: July 19, 2011

## General Profile

### Registration Details

Registration No.	11-68970 of 1992
State Code	11.00
Balance Sheet Date	March 31, 2011

### Capital Raised During The Year

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

### Position of Mobilisation and Development of Funds: (Rs. In'000)

Total liabilities	296,040
Total Assets	296,040

### Sources of Funds

Paid-up Capital	65,148
Reserves and Surplus	230,892
Secured Loans	Nil
Unsecured Loans	NIL

### Application of Funds

Net Fixed Assets	6,229
Investments	208,704
Net Current Assets	79,872
Net Deferred Tax Assets	1,235
Miscellaneous Expenditures	NIL
Accumulated losses	NIL



**Performance of the Company: (Rs. In'000)**

Turnover	135,322
Total Expenditure (Including Depreciation.)	64,476
Profit/(Loss) Before Tax	71,149
Profit /(Loss) After Tax	58,602
Earnings Per Share (EPS) (in Rs.)	9.00
Dividend Declared	NIL

**Principle Services rendered by the Company:**

- **Equity Broking**
- **Futures & Options Broking**
- **Portfolio Management Services**
- **Mutual Fund Distribution**
- **Financial Planning**
- **Depository Services**

As per our Report of even date

For and on behalf of the Board of  
Directors of PPFAS Limited

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

Rajeev Thakkar  
CEO & Director

Sahil Parikh  
Director

(K.P. CHAUDHARI), Partner  
M.No.31661

Place: Mumbai  
Date: July 19, 2011

Trupti Shah  
Company Secretary

Place: Mumbai  
Date: July 19, 2011

Statement pursuant to Section 212 of the Companies Act, 1956 PPFAS Limited

Statement pursuant to Section 212 of the Companies Act, 1956 relating to company's interest in subsidiary company:

1	Name of the Subsidiary Company	Dimension Ventures Inc.
2	The Financial Year of the subsidiary company ended on	31st March 2011
3	Date from which it became subsidiary	1st October 2006
4	Number of shares hold by the holding company in the subsidiary company at the end of the financial year of the subsidiary company.	15000 shares of the face value USD 1 fully paid.
5	The net aggregate amount of the subsidiary company's profit/(loss) so far as it concerns the member of the holding company	
	a. Not dealt with in the holding company's accounts	
	i. for the financial year ended on 31st March 2011	Loss of 116303 INR, USD 2599.23
	ii. for the previous financial year of the subsidiary company.	Loss of 84306 INR, USD 1737.19
	b. Dealt with in Holding Company's accounts	
	i. for the financial year ended on 31st March 2011	NIL
	ii. for the previous financial year of the subsidiary company	NIL

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# Board of Directors' Report

To,  
The Shareholders of Dimension Ventures Inc.

Your Directors have pleasure in presenting the Ninth Annual Report together with accounts of the Company for the year ended March 31st, 2011.

**1. Activities:**

The Company is mainly providing consultancy, advisory, web designing and Internet technology services.

**2. Financial Performance:**

During the year the Company has made a net loss of 116,302.55 INR (USD 2599.33) as compared to previous year net loss of 84,306 INR (USD 1737.19)

**3. Dividend:**

Your Directors do not recommend any dividend for the year.

**4. Deposits:**

The Company has not accepted any deposits from the public.

**5. Directors' Responsibilities Statement:**

The Directors state as an averment of their responsibility:

a) that in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to the material departure, if any as far as possible.

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 true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for the year 31st March, 2011.

c) that the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) that the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

**6. Currency:**

All figures appearing in the accounts are in the US Dollars and have been denoted as USD or US\$.

**7. Acknowledgment:**

The Directors wish to place on record their appreciation for the co-operation given to the Company by its employees at all levels, its Bankers, Clients and all other who have directly and / or indirectly contributed to the Company's progress.

For and on behalf of the board  
For Dimension Ventures, Inc.

Place: Mumbai  
Date: July 19, 2011

Sahil Parikh  
Director

# Auditor's Report

**FRANK A. ELMORE, CPA, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANT**

Member:  
American Institute of CPA's  
N.C. Association Of CPA's  
Carolina 27514

123,kingstone Drive,  
Suite 105 Chapel Hill  
North  
Tel: (919) 967-5733  
Fax: (919) 967-1905

To the Board of Directors and Shareholders of:  
Dimension Ventures, Inc.  
Raleigh, NC

We have compiled the accompanying statement of assets, liabilities and equity - cash basis of Dimension Ventures, Inc. as of March 31, 2011, and the related statement of receipts and disbursements - cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of Dimension Ventures, Inc. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Sd/-

Frank A Elmore, CPA, PA  
May 12, 2011

## Balance Sheet as at 31st March 2011

AVERAGE RATE 1 US \$ = 44.745

CLOSING RATE 1 US \$ = 44.65

Particulars	Amount in US \$	Amount in US \$
<b>CURRENT ASSETS</b>		
Checking/Savings		
Wachovia checking	2,798.97	
Wachovia money market account	23,555.50	
<b>TOTAL CHECKING/SAVINGS</b>		26,354.47
Refundable N.C. Corporation taxes		529.00
<b>TOTAL CURRENT ASSETS</b>		26,883.47
<b>FIXED ASSETS</b>		
Office equipment	1,920.53	
Computer equipment	5,335.84	
Furniture & Fixtures	180.82	
Software	1,270.93	
Accumulated Depreciation	(8,655.13)	
<b>TOTAL FIXED ASSETS</b>		52.99
<b>OTHER ASSETS</b>		
Organisational Costs	625.00	
Allowance for amortization	(625.00)	
Total Other Assets		0.00
<b>TOTAL ASSETS</b>		<b>26,936.46</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>EQUITY</b>		
Capital stock		15,000.00
Retained earnings		14,535.69
Net Income / (Loss)		(2,599.23)
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>26,936.46</b>

## Profit & Loss Account as at 31st March 2011

AVERAGE RATE 1 US \$ = 44.745

CLOSING RATE 1 US \$ = 44.65

<b>Particulars</b>	<b>Amount in US \$</b>
<b>EXPENSES</b>	
Depreciation expense	105.99
Professional fees	2,436.00
<b>TAXES</b>	
NC Corporate Franchise tax	44.00
NC Income tax	25.00
<b>TOTAL EXPENSES</b>	<b>2,610.99</b>
Add : Other Income	
Interest income	11.76
<b>Net income / (Loss)</b>	<b>(2,599.23)</b>

Dimension Ventures, Inc.

**Tax Asset Detail 4/01/10 - 3/31/11**

FYE: 3/31/2011

Asset #	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: Computer Equipment</b>												
3	Wireless Ethernet Equipment	2/12/03	278.15	0.00	0.00	278.15	0.00	278.15	0.00	2000DB	5.0	
5	Computer Equipment	3/28/03	1,924.93	0.00	0.00	1,924.93	0.00	1,924.93	0.00	2000DB	5.0	
11	Computer & Accessories	11/01/04	2,212.76	2,212.76	0.00	2,212.76	0.00	2,212.76	0.00	2000DB	5.0	
13	Apple computer and accessories	7/05/06	920.00	0.00	0.00	761.02	105.99	867.01	52.99	2000DB	5.0	
	<b>Computer Equipment</b>		<b>5,335.84</b>	<b>0.00c</b>	<b>0.00</b>	<b>5,176.86</b>	<b>105.99</b>	<b>5,282.85</b>	<b>52.99</b>			
<b>Group: Furniture &amp; Fixtures</b>												
4	Desk, Chair	3/05/03	180.82	0.00	0.00	180.82	0.00	180.82	0.00	2000DB	7.0	
	<b>Furniture &amp; Fixtures</b>		<b>180.82</b>	<b>0.00c</b>	<b>0.00</b>	<b>180.82</b>	<b>0.00</b>	<b>180.82</b>	<b>0.00</b>			
<b>Group: Office Equipment</b>												
6	Fax Machine	3/05/03	156.19	0.00	0.00	156.19	0.00	156.19	0.00	2000DB	5.0	
9	Digital Voice Recorder	8/27/03	106.99	106.99	0.00	106.99	0.00	106.99	0.00	2000DB	5.0	
10	Mobile Phone	3/01/05	787.20	787.20	0.00	787.20	0.00	787.20	0.00	2000DB	7.0	
12	Mobile Phone	2/28/06	870.15	870.15	0.00	870.15	0.00	870.15	0.00	2000DB	7.0	
	<b>Office Equipment</b>		<b>1,920.53</b>	<b>0.00c</b>	<b>0.00</b>	<b>1,920.53</b>	<b>0.00</b>	<b>1,920.53</b>	<b>0.00</b>			
<b>Group: Organization Costs</b>												
1	Organization Costs	4/24/02	625.00	0.00	0.00	625.00	0.00	625.00	0.00	Amort	5.0	
	<b>Organization Costs</b>		<b>625.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>625.00</b>	<b>0.00</b>	<b>625.00</b>	<b>0.00</b>			
<b>Group: Software</b>												
2	Software- Electric Brain	8/06/02	159.00	0.00	0.00	159.00	0.00	159.00	0.00	Amort	3.0	
7	Imac Computer Software	3/28/03	212.93	0.00	0.00	212.93	0.00	212.93	0.00	Amort	3.0	
8	Macromedia/Shockwave Software	4/28/03	899.00	899.00	0.00	899.00	0.00	899.00	0.00	Amort	3.0	
	<b>Software</b>		<b>1,270.93</b>	<b>0.00c</b>	<b>0.00</b>	<b>1,270.93</b>	<b>0.00</b>	<b>1,270.93</b>	<b>0.00</b>			
	<b>Grand Total</b>		<b>9,333.12</b>	<b>0.00c</b>	<b>0.00</b>	<b>9,174.14</b>	<b>105.99</b>	<b>9,280.13</b>	<b>52.99</b>			



# Auditor's Report

CVK & Associates  
Chartered Accountants

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

Auditors Report on the Consolidated Financial Statements of Parag Parikh Financial Advisory Services Limited and  
Its subsidiary Dimension Ventures Inc.

To,  
The Board of Directors of the Parag Parikh Financial Advisory Services Limited.

1) We have examined the attached Balance Sheet of Parag Parikh Financial Advisory Services Limited and Its subsidiary Dimension Ventures Inc. as at 31st March 2011 and also the consolidated Profit & Loss account for the year ended on that date annexed thereto. These consolidated financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India ('ICAI').

4) We further report that in the case of foreign subsidiary of the company viz. Dimension Ventures having total assets of Rs. 12,02,460/- (USD 26936) as at 31st March, 2011 and total revenue of Rs. 527/- (USD 11) for the year ended on that date, the figures used for consolidation are based on management accounts and are therefore unaudited.

5) On the basis of the information and the explanations given to us and on the consideration of the standalone audit report on the financial statements of Parag Parikh Financial Advisory Services Ltd and the compilation of the qualified accountant of its subsidiary Dimension Ventures Inc. we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of consolidated Balance Sheet , of the state of affairs of the company & its subsidiary as at 31st March, 2011 and
- b) in the case of consolidated Profit and loss account, of the profit of the company and its subsidiary for the year ended on that date.

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

Place: Mumbai  
Date: July 19, 2011

(K.P. CHAUDHARI), Partner  
M.No.31661

## Consolidated Balance Sheet as at 31st March 2011

Particulars	Schedule	Current Year		Previous Year	
<b>SOURCES OF FUNDS:</b>					
<b>Shareholders' Funds:</b>					
Share Capital	A		65,148,050		65,148,050
Reserves & Surplus	B		231,354,603		172,875,754
			<b>296,502,653</b>		<b>238,023,804</b>
<b>APPLICATION OF FUNDS:</b>					
<b>Fixed Assets:</b>					
Gross Block	C	27,781,206		27,296,546	
Less: Accumulated Depreciation		21,550,081		21,133,301	
Net Block			6,231,125		6,163,245
<b>Investments</b>	<b>D</b>		207,963,810		127,675,818
<b>Deferred Tax Asset</b>			1,235,177		1,046,399
<b>Current Assets, Loans &amp; Advances:</b>					
Sundry Debtors	E	25,417,181		44,143,804	
Cash & Bank Balances	F	46,300,796		51,715,677	
Loans & Advances	G	6,623,491		12,415,050	
Deposits	H	37,144,160		48,585,816	
			115,485,628		156,860,347
<b>Less: Current Liabilities &amp; Provisions</b>					
Current Liabilities	I	34,016,177		52,957,039	
Provisions	J	396,910		764,966	
		34,413,087		53,722,005	
<b>Net Current Assets</b>			81,072,541		103,138,342
			<b>296,502,653</b>		<b>238,023,804</b>

Notes to Accounts

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As per our Report of even date

For and on behalf of the Board of Directors of PPFAS Ltd

For CVK & Associates  
Chartered Accountants**(Firm's Registration no.-101745W)**Rajeev Thakkar  
CEO & DirectorSahil Parikh  
Director(K.P. CHAUDHARI), Partner  
M.No.31661Place: Mumbai  
Date: July 19, 2011Trupti Shah  
Company Secretary

## Consolidated Profit and Loss Account as at 31st March 2011

Particulars	Schedule	Current Year	Previous Year
<b>INCOME:</b>			
Brokerage	<b>K</b>	24,611,645	20,383,650
Advisory Services	<b>L</b>	58,844,016	58,324,837
Capital Gains on Investments	<b>M</b>	40,155,213	42,787,919
Other Income	<b>N</b>	11,523,830	5,629,494
Deferred Tax Income		188,778	0
		<b>135,323,482</b>	<b>127,125,900</b>
<b>EXPENDITURE:</b>			
Employees' Remuneration & Benefits	<b>O</b>	39,340,914	32,543,228
Administration & Other Expenses	<b>P</b>	22,819,754	20,127,917
Depreciation	<b>C</b>	2,432,936	2,577,013
		<b>64,593,604</b>	<b>55,248,158</b>
Profit for the year		70,729,878	71,877,742
Less: Difference in Foreign Exchange rate		(6,815)	(205,780)
Add /(Less): Prior period items		303,775	(132,654)
Profit After Depreciation and Before Tax		<b>71,026,838</b>	<b>71,539,308</b>
Less :Corporate Taxes			
Provision for Income Tax		12,547,989	11,270,000
Provision for Deferred Tax		0	556,241
Profit after Depreciation & Tax		<b>58,478,849</b>	<b>59,713,067</b>
Profit c/f to the Balance Sheet		<b>58,478,849</b>	<b>59,713,067</b>
<b>E.P.S. (Basic &amp; Diluted)(Face value- Rs.10/- per share)</b>		<b>8.98</b>	<b>9.17</b>

Notes to Accounts

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As per our Report of even date

For and on behalf of the Board of Directors of PPFAS Ltd.

For CVK &amp; Associates

Chartered Accountants

**(Firm's Registration no.-101745W)**

(K.P. CHAUDHARI), Partner

M.No.31661

Place: Mumbai

Date: July 19, 2011

Rajeev Thakkar  
CEO & DirectorSahil Parikh  
DirectorTrupti Shah  
Company Secretary

## Schedules Forming Part of Consolidated Balance Sheet as at March 31st, 2011

<b>Schedule - A</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Authorized Share Capital:</b>		
20,000,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
<b>Total Rs.</b>	<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued, subscribed &amp; Paid-up Capital:</b>		
6514805 Equity Shares of Rs.10/- each fully paid	65,148,050	65,148,050
(Inclusive of 2646805 shares issued to the shareholders of Parag Parikh Securities Ltd at par on Amalgamation)		
	<b>65,148,050</b>	<b>65,148,050</b>

<b>Schedule - B:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Reserves &amp; Surplus:</b>		
General Reserve	385,000	385,000
<b>Capital Redemption Reserves</b>	10,100,000	10,100,000
<b>Profit &amp; Loss Account:</b>		
Opening Balance	162,390,754	102,677,687
Add: Profit/(loss) for the year	58,478,849	59,713,067
Balance Carried Forward	220,869,603	162,390,754
<b>Total Rs.</b>	<b>231,354,603</b>	<b>172,875,754</b>

<b>SCHEDULE C: Fixed Assets</b>														
<b>Particulars</b>	<b>Rate of Dep.</b>	<b>Gross Block</b>				<b>Depreciation</b>				<b>Net Block</b>				
		<b>Opening Balance as On 01.04.10</b>	<b>Addition during the year</b>	<b>Sold during the year</b>	<b>Closing Balance as on 31-03-11</b>	<b>Opening Balance as On 01.04.10</b>	<b>Addition during the year</b>	<b>Deletion of Asset or sold during the year</b>	<b>Closing Balance as on 31-03-11</b>	<b>Opening Balance as On 01.04.10</b>	<b>Addition during the year</b>	<b>Deletion of Asset or sold during the year</b>	<b>Closing Balance as on 31.03.10</b>	
Air-conditioners	20.00%	1,702,465	-		1,702,465	1,182,249	104,043		1,286,292	1,182,249			416,173	520,216
Computer	40.00%	9,061,636	6,900		9,068,536	8,027,572	416,782	(41)	8,444,395	8,027,572			624,141	1,034,064
Electrical Fittings	20.00%	324,815	-		324,815	250,485	14,866		265,351	250,485			59,464	74,330
Motor Car *	25.89%	5,562,005	2,181,234	2,624,270	5,118,969	3,338,712	822,268	2,016,156	2,144,824	3,338,712			2,974,145	2,223,293
Office Furniture	20.00%	3,670,763	30,600	-	3,701,363	2,603,089	216,544	41	2,819,592	2,603,089			881,771	1,067,674
Telephone Systems	20.00%	1,944,976	25,675		1,970,651	1,547,057	83,756		1,630,813	1,547,057			339,838	397,919
Electrical Equipment	20.00%	672,130	-		672,130	439,594	46,507		486,101	439,594			186,029	232,536
Software Packages	60.00%	4,357,756	864,521		5,222,277	3,744,543	728,170		4,472,713	3,744,543			749,564	613,213
<b>Total Rs.</b>		<b>27,296,546</b>	<b>3,108,930</b>	<b>2,624,270</b>	<b>27,781,206</b>	<b>21,133,301</b>	<b>2,432,936</b>	<b>2,016,156</b>	<b>21,550,081</b>	<b>21,133,301</b>			<b>6,231,125</b>	<b>6,163,245</b>
Total Of Previous Year		<b>26,123,769</b>	<b>1,216,410</b>	<b>43,633</b>	<b>27,296,546</b>	<b>18,599,921</b>	<b>2,577,013</b>	<b>43,633</b>	<b>21,133,301</b>	<b>18,599,921</b>			<b>6,163,245</b>	
* Assets Registered in the personal name of Directors.														

Schedule - D: LONG TERM INVESTMENT	No of	Cost for	MKT. Rate	MKT. Value on	No of	Cost for
	shares/units	31/03/2011	31/03/2011	31/03/2011	shares/units	31/03/2010
<b>(I) Quoted Investment:</b>						
<b>"EQUITY SHARES FULLY PAID"</b>						
Aventis Pharma Ltd.	0	0	0	0	4,135	5,272,120
Axis bank Ltd	0	0	0	0	1,850	1,826,468
Bharat Electronics Ltd.	0	0	0	0	1,150	2,231,517
Castrol India Ltd.	0	0	0	0	5,000	3,035,100
Container Corporation of India Ltd.	0	0	0	0	2,310	3,022,270
Crisil	0	0	0	0	1,210	4,758,541
Fulford India	0	0	0	0	2,000	885,000
Glaxo Smithkline Pharmaceuticals Ltd.	0	0	0	0	140	229,898
Gujarat Gas Company Ltd.	0	0	0	0	41,640	5,344,561
ICRA Ltd	0	0	0	0	12,070	8,456,647
IGL	0	0	0	0	57,000	10,458,315
IL & FS Investment Managers Ltd	232,550	10,002,300	31.60	7,348,580	120,000	5,005,800
Maharashtra Scooters Ltd.	0	0	0	0	9,189	2,285,366
Monsanto Industries	0	0	0	0	3,845	6,358,513
Mphasis Ltd.	0	0	0	0	36,100	21,221,070
Novartis India	0	0	0	0	3,000	1,362,120
Noida Toll Bridge Company Ltd	333,750	9,998,982	26.95	8,994,562		
Oracle Financial Services Software Ltd	0	0	0	0	3,650	8,460,810
Petronet LNG	0	0	0	0	135,001	9,892,675
Proctor & Gamble	0	0	0	0	3,652	2,975,658
Sonata Software Ltd.	0	0	0	0	205,859	6,337,626
SSI Ltd (PVP Ventures Ltd)	0	0	0	0	1,528	281,152
VST Industries Ltd.	0	0	0	0	13,001	5,432,574
Wyeth Ltd.	0	0	0	0	3,885	2,814,166
Zicom Electronic Sytem Ltd	0	0	0	0	39,000	5,050,110
<b>Total- (i)</b>		<b>20,001,282</b>		<b>16,343,142</b>		<b>122,998,077</b>
<b>(ii) Unquoted Investments:</b>						
Karrox Technologies Ltd.	50,000	2,000,000	0	0	50,000	2,000,000
Mumbai stock Exchange	11,401	1,140,977	0	0	11,401	1,140,977
PAL Peugeot Ltd.	17,200	318,200	0	0	17,200	318,200
Trent NCD	0	0	0	0	400	200,000
<b>Total- (ii)</b>		<b>3,459,177</b>				<b>3,659,177</b>
<b>(iii) Investment in mutual Fund</b>						
HDFC Mutual Fund	0	0	0	0	101,619	1,018,564
Birla SunLife Cash Manager	18,444,802	184,503,351	10.00	184,503,351	0	0
<b>Total-(iii)</b>		<b>184,503,351</b>		<b>184,503,351</b>		<b>1,018,564</b>
<b>Total- (i)+ (ii)+(iii)</b>		<b>207,963,810</b>		<b>200,846,493</b>		<b>127,675,818</b>

<b>Schedule - E:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Sundry Debtors:</b>		
1.Outstanding for more than 6 months	Nil	Nil
2. Other-debts considered good		
Secured	Nil	Nil
Unsecured	25,417,181	44,143,804
	<b>25,417,181</b>	<b>44,143,804</b>
Less: Provision for Doubtful Debts	Nil	Nil
<b>Total Rs.</b>	<b>25,417,181</b>	<b>44,143,804</b>
<b>Out of the above:</b>		
II a. Debts due by-		
I) Directors or other officers of the Company	Nil	Nil
II) Concerns in which Directors are interested	Nil	Nil
b. The maximum amount due by Directors or other officers of the company at any time during the year	Nil	Nil

<b>Schedule - F:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Cash &amp; Bank Balances:</b>		
I) Cash in Hand	58,078	61,176
II) Balances with Scheduled Banks		
<b>In current account</b>		
AXIS Bank	16,567,255	32,942,634
HDFC Bank	6,133,860	7,107,847
Standard Chartered Grindlays Bank	0	9,161
Vijaya Bank	5,000	5,000
ICICI	478,671	8,713
Foreign Bank accounts	1,176,728	1,294,974
<b>In Fixed Deposit account</b>		
AXIS Bank	0	7,767,920
AXIS Bank (Against Guarantee/FD OD Limit)	21,038,243	1,347,797
Interest accrued	842,961	1,170,455
<b>Total Rs.</b>	<b>46,300,796</b>	<b>51,715,677</b>

<b>Schedule - G: Loans &amp; Advances:</b>	<b>Current Year</b>	<b>Previous Year</b>
(Unsecured & Considered good)		
<b>I) Advances recoverable in cash or in kind or for value to be received</b>		
Income Tax Refund Due	4,759,922	4,224,888
Federal taxes	23,620	23,747
Pre-paid Expenses	901,351	880,514
Miscellaneous Loans & Advances/Margin	938,598	7,285,901
	<b>6,623,491</b>	<b>12,415,050</b>
<b>Out of the above:</b>		
<b>II) a. Debts due by-</b>		
I) Directors or other officers of the Company	Nil	Nil
II) Concerns in which Directors are interested	Nil	Nil
b. The maximum amount due by Directors or other officers of the company at any time during the year	Nil	Nil

<b>Schedule - H: Deposits:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>i) Deposit with Stock Exchange</b>		
NSE Deposit for Capital Market	4,100,000	4,100,000
NSE Deposit with Clearing Corporation	900,000	900,000
NSE Deposit for Futures & Options	800,000	800,000
NSE Base Capital Adequacy Deposit	1,000,000	4,000,000
NSE Deposit for VSAT-interest free	100,000	100,000
Deposit for Car Parking in BSE Towers	150,000	150,000
BSE Base Capital Adequacy Deposit	1,000,000	2,000,000
BSE Membership Deposit	10,000,000	10,000,000
(i)	18,050,000	22,050,000
<b>ii) Other Deposits:</b>		
NSDL DP Deposit	1,000,000	1,000,000
HCL-Lease line Deposit	0	200,000
Electricity Deposit	228,571	228,571
R S Vatcha & Co	34,700	30,700
Office Deposit	14,000,000	14,000,000
Telephone Deposit	79,341	95,999
U.S.Club Deposit	20,000	20,000
ILFS initial Deposit	3,697,002	10,926,000
NSDL STP Advance	20,000	20,000
Vichare Courier Deposit	630	630
Veena Chambers Condominium	3,416	3,416
Municipal Deposit	500	500
Tech Process Solution	10,000	10,000
(ii)	<b>19,094,160</b>	<b>26,535,816</b>
<b>Total Rs.(i)+(ii)</b>	<b>37,144,160</b>	<b>48,585,816</b>



<b>Schedule - I:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Current Liabilities:</b>		
Trade Creditors	11,657,403	30,604,418
Other liabilities	22,358,774	22,352,621
<b>Total Rs.</b>	<b>34,016,177</b>	<b>52,957,039</b>

<b>Schedule - J:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Provisions:</b>		
Provision for Taxation	130,000	494,966
Auditor's Remuneration	266,910	270,000
<b>Total Rs.</b>	<b>396,910</b>	<b>764,966</b>

#### Schedules Forming Part of Consolidated Profit & Loss A/c for Year Ended March 31st 2011

<b>Schedule - K</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Brokerage</b>		
Capital Market - Brokerage	24,611,645	20,383,650
<b>Total Rs.</b>	<b>24,611,645</b>	<b>20,383,650</b>

<b>Schedule - L:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Advisory Services:</b>		
Portfolio Management Fees	56,182,749	55,424,502
Placement Charges-MF	2,173,533	2,268,191
DP fees	263,145	140,700
Investment Advisory Fees (Others)	224,589	491,444
<b>Total Rs.</b>	<b>58,844,016</b>	<b>58,324,837</b>

<b>Schedule - M:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Capital Gains</b>		
Short Term capital Gain	19,996,219	290,951
Long Term Capital Gain	20,158,994	42,496,968
<b>Total Rs.</b>	<b>40,155,213</b>	<b>42,787,919</b>

<b>Schedule - N:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Other Income</b>		
A. Interest		
Interest on ILFS margin (TDS Rs.43545)	574,177	676,372
Interest on FD with Banks (TDS Rs.105246)	1,052,456	2,790,201
Other Income	527	1,609
<b>Total Rs.</b>	<b>1,627,160</b>	<b>3,468,182</b>
B. Dividend on Shares	1,781,133	1,798,264
C. Dividend on MF	7,747,514	363,048
D. Other Income (TDS-Rs.7964/-)	109,042	0
E. Profit on sale of motor car	258,981	0
<b>Total A+B+C+D+E</b>	<b>11,523,830</b>	<b>5,629,494</b>

<b>Schedule - O:</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Employees' Remuneration &amp; Benefits:</b>		
Salaries	37,098,712	30,086,842
Gratuity	0	666,762
Employer's Contribution to PF	1,444,842	1,088,241
PF Administration Charges	155,784	122,482
Employer's Contribution to ESIC	92,674	32,096
Staff Welfare & Training	548,902	546,805
<b>Total Rs.</b>	<b>39,340,914</b>	<b>32,543,228</b>

<b>Schedule - P: Administration and Other Expenses:</b>	<b>Current Year</b>	<b>Previous Year</b>
Advertisement	1,343,067	25,000
Auditor's Remuneration	345,000	300,000
Bank Guarantee Charges	68,938	53,482
Bank Charges	26,177	7,448
Bank Interest on O/D	10,068	148,091
Books & Periodicals	123,445	77,530
Communication Expenses	650,626	676,718
Conveyance	382,935	338,115
DMAT Charges/STP Charges/	135,095	274,506
Donation	9,500	29,500
Electricity Charges	1,017,760	1,351,269
Entertainment & Business Promotion	1,562,396	962,344
Franking Charges/Filing Fees	183,088	164,189
General Expenses -BSE/NSE/NSDL	150,423	37,533
Insurance Premiums	197,504	185,961
Internet Charges	169,404	211,964
ILFS Charges	26,666	40,020
Lease Line Charges	280,901	243,423
Membership & Subscriptions	787,364	1,762,700
Maharashtra Labour Welfare Fund	2,936	3,108
Miscellaneous Expenditure	171,214	123,129
Penalty Levied of Exchanges	34,293	20,350
Postage & Courier Charges	254,282	155,763
Printing & Stationery	816,103	384,954
Professional Charges	9,068,820	5,579,397
Professional Tax	2,000	2,000
Loss on Errors	15,633	1,005,593
Loss due to fraud	62,058	0
Rent,Rates & Taxes	732,000	732,000
Repairs & Maintenance	525,791	643,926
Seminar / Education Expenses	76,245	1,246,124
Security Service Charges	145,236	143,753
Software Systems, Trainings & Services	1,044,761	540,145
Service tax, STT & other charges on Share investment	253,057	276,409
Stamp Duty for Capital Market	563,632	727,818
State Federal Tax	3,088	3,446
Sub-brokerage-MF	0	7,500
Sundry balances written off	2,282	139,603
Traveling Expenses	622,697	661,480
Transaction Charges	394,353	318,719
Turnover Charges-SEBI	11,339	11,786
Vehicle Maintenance Expenses	437,277	396,782
VSAT Charges	110,300	114,339
<b>Total Rs.</b>	<b>22,819,754</b>	<b>20,127,917</b>

## Schedule Q - Notes To Accounts

### Significant Accounting Policies:

#### a) Accounting Convention:

The financial statements are prepared under the historical cost convention and materially comply with the applicable accounting standards in the country of incorporation.

#### b) Principles of Consolidation:

The consolidated financial statements are related to Parag Parikh Financial Advisory Services Limited and its subsidiary company Dimension Ventures Inc. The consolidated statements have been prepared on the following basis:

1) the financial statements of the company and its subsidiary are combined on line by line basis by adding together the book values of the like items of assets, liabilities, income & expenses in accordance with the Accounting Standard (AS) 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

2) In case of foreign subsidiary, revenue items and fixed assets are consolidated at the average rate prevailing during the year. Other assets & liabilities are valued at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in profit & loss account. This policy is adopted as per Accounting Standard (AS) 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

#### c) Investments:

Investments other than in subsidiaries have been accounted as per Accounting Standard 13 on Accounting for investments.

#### d) Other Significant Accounting Standards:

These are set out in notes to accounts under significant accounting policies for financial statements of the respective companies.

Previous year figures have been regrouped wherever necessary.

As per our Report of even date

For CVK & Associates  
Chartered Accountants

**(Firm's Registration no.-101745W)**

(K.P. CHAUDHARI), Partner  
M.No.31661

Place: Mumbai  
Date: July 19 2011

For and on behalf of the Board of  
Director's of PPFAS Limited

Rajeev Thakkar  
CEO & Director

Sahil Parikh  
Director

Trupti Shah  
Company Secretary

Place: Mumbai  
Date: July 19, 2011

**Parag Parikh Financial Advisory Services Limited**

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

**Attendance Card**

Nineteenth Annual general meeting - August 16, 2011 at. 4.00 pm

Full Name of Member :  
Regd. Folio No. :  
Full Name of Proxy, if any :

I hereby record my presence at the Nineteenth Annual General Meeting of the Company on August 16, 2011 at. 4.00 pm at Great Western Building, 1st Floor, 130-132, SBS Marg, Near Lion Gate, Fort, Mumbai - 400 001.

\_\_\_\_\_  
Member's/Proxy's Signature

Note: Members are requested to record their attendance by delivering the attendance slip, duly signed at the gate.

**Parag Parikh Financial Advisory Services Limited**  
Registered Office: 103, Veena Chambers, 21 Dalal Street, Mumbai - 400 001

**Form of Proxy**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of Parag Parikh Financial Advisory Services Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on August 16, 2011 at. 4.00 pm and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

For office Use only

Proxy No. :  
Reg Folio No. : No of Shares :

Affix one  
Rupee  
Revenue Stamp

Notes:

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The proxy Form must be deposited at the Corporate Office of the company not less than 48 hours before the time fixed for holding the Meetings.
3. A proxy need not be a Member.

**Portfolio Management Services**

**Financial Planning**

**Stock Broking**

**Mutual Funds**

**Depository Services**



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**PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED**

Great Western Building, 1st Floor, 130/132, Shahid Bhagat Singh Marg, Near Lion Gate, Fort, Mumbai - 400 001. INDIA.  
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