



**Parag Parikh Financial Advisory Services Private Limited  
Annual Report 2017-2018**

## Corporate Information

### **Board of Director:**

Rajeev Thakkar  
Neil Parikh  
Sahil Parikh  
Suneel Gautam  
Shashi Kataria

### **Bankers:**

AXIS Bank Limited  
HDFC Bank Limited

### **Auditors:**

CVK & Associates  
Chartered Accountant

### **Registered Office:**

81/82, 8th Floor, Sakhar Bhavan,  
Ramnath Goenka Marg, 230,  
Nariman Point, Mumbai - 400 021,  
Maharashtra, INDIA

### **Company Secretary:**

Nikhil Hule

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**Parag Parikh Financial Advisory Services Private Limited**

CIN: U67190MH1992PTC068970

Regd. & Corp. Off.: 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 Web: [www.ppfas.com](http://www.ppfas.com)

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**NOTICE**

NOTICE is hereby given that the **26th Annual General Meeting** of the members of Parag Parikh Financial Advisory Services Private Limited will be held on **Tuesday, 18th September, 2018 at 12.00 noon** 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 FINANCIAL STATEMENTS:**

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2018 and the Report of the Directors and Auditors thereon.

**SPECIAL BUSINESS:****2. REGULARISATION OF ADDITIONAL DIRECTOR, MR. SHASHI KATARIA:**

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

**“RESOLVED THAT** Mr. Shashi Kataria (DIN: 07983714), who was appointed as an Additional Director on the Board of Directors (‘Board’) of the Company with effect from 09th November, 2017, in terms of Section 161 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

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

**3. APPROVAL OF PPFAS EMPLOYEES STOCK OPTION PLAN 2018 (PPFAS ESOP 2018) AND GRANT OF STOCK OPTIONS TO THE ELIGIBLE EMPLOYEES / DIRECTORS OF THE COMPANY UNDER THE SCHEME:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, other applicable statutes, rules, regulations and guidelines, if any (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the members be and is hereby accorded respectively to the **PPFAS Employees Stock Option Plan 2018** (hereinafter referred to as the **“PPFAS ESOP 2018”** or **“Scheme”**), and to the Board of Directors of the Company (hereinafter referred to as the **“Board”**) to grant from time to time, in one or more tranches, not exceeding 10,00,000 (Ten Lakhs) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company who has been working in India or outside India, Whole-time/Managing Directors (other than promoters of the Company or person belonging to the promoter group, Independent Directors and Directors holding himself or through his relative or through any body corporate, directly or indirectly more than 10% of the outstanding equity shares of the Company) on the terms and conditions as may be determined by the Board in accordance with the provisions of the PPFAS ESOP 2018 and in due compliance with the applicable laws and regulations in force.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger, restructuring or such other similar event, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws and regulations.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies as applicable to the Company, from time to time under any laws and regulations to the extent relevant and applicable to the PPFAS ESOP 2018.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the PPFAS ESOP 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all documents and writings as may be necessary or expedient, with the further power to delegate such powers to any executives/officers of the Company and to give such directions and/or instructions as may be necessary or expedient and to give effect to such modifications, changes, variations, alterations, amendments, suspensions or terminations of the PPFAS ESOP 2018 as it may in its absolute discretion deem fit and to do all other things incidental or ancillary thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or any Officer(s) of the Company.”

#### **4. GRANT OF OPTIONS TO THE ELIGIBLE EMPLOYEES / DIRECTORS OF THE COMPANY'S SUBSIDIARY UNDER PPFAS ESOP 2018:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, other applicable statutes, rules, regulations and guidelines, if any (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to extend the benefits of the "PPFAS Employees Stock Option Plan 2018" ("PPFAS ESOP 2018") referred under Item No. 3 above within the limit prescribed therein to or for the benefit of such person(s) who are in permanent employment of any existing or in future Subsidiary Company/ies of the Company, Whole-time/Managing Directors thereof (other than promoters of the Company or person belonging to the promoter group, Independent Directors and Directors holding himself or through his relative or through any body corporate, directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether in India or outside India, as may be decided under the PPFAS ESOP 2018 on the terms and conditions as may be determined by the Board in accordance with the provisions of the PPFAS ESOP 2018 and in due compliance with the applicable laws and regulations in force.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the PPFAS ESOP 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all documents and writings as may be necessary or expedient, with the further power to delegate such powers to any executives/officers of the Company and to give such directions and/or instructions as may be necessary or expedient and to give effect to such modifications, changes, variations, alterations, amendments, suspensions or terminations of the PPFAS ESOP 2018 as it may in its absolute discretion deem fit and to do all other things incidental or ancillary thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or any Officer(s) of the Company."

**5. APPROVAL OF THE GRANT OF OPTIONS TO THE IDENTIFIED EMPLOYEES DURING ANY ONE YEAR, EQUAL TO OR EXCEEDING ONE PERCENT OF THE ISSUED CAPITAL OF THE COMPANY AT THE TIME OF GRANT OF OPTION:**

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

**“RESOLVED THAT** in accordance with Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, consent of the members be and is hereby accorded for the grant of Stock Options to the following identified employees, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of option.

<b>Name</b>	<b>Designation</b>
Mr. Rajeev Thakkar	Director
Mr. Raunak Onkar	Employee of Subsidiary Company

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the PPFAS ESOP 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all documents and writings as may be necessary or expedient, with the further power to delegate such powers to any executives/officers of the Company and to give such directions and/or instructions as may be necessary or expedient and to give effect to such modifications, changes, variations, alterations, amendments, suspensions or terminations of the PPFAS ESOP 2018 as it may in its absolute discretion deem fit and to do all other things incidental or ancillary thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or any Officer(s) of the Company.”

By order of the Board of Directors  
**Parag Parikh Financial Advisory Services Private Limited**

Place: Mumbai  
 Date: 27th June, 2018

**Sahil Parikh**  
 Director  
 (DIN: 00079898)

**Neil Parikh**  
 Director  
 (DIN: 00080269)

**Notes:**

- 1. Proxy:** A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF A MAXIMUM OF 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY, PROVIDED THAT THE PERSON DOES NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.

- 2. Time for depositing proxy:** The instrument appointing the Proxy, duly completed, must be deposited at the Company's Registered/ Corporate Office not less than 48 hours before the commencement of the meeting (on or before 12:00 noon on 16th September, 2018). A Proxy Form (viz. Form MGT-11) for the AGM is enclosed. Proxies submitted on behalf of the Companies, Societies, Institutions etc., must be supported by an appropriate resolution/ authority, as applicable.
- 3. Ratification of appointment of auditors:** At the 25th Annual General Meeting of the Company, held on 28th 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 30th Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by members at every Annual General Meeting. However vide notification dated 07th 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 26th Annual General Meeting.
- 4. Profile of Directors:** As required by Para No. 1.2.5 of the Secretarial Standards on General Meetings, brief resume of the Director seeking appointment / re-appointment is annexed hereto.
- 5. Explanatory Statement:** Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in Item Nos. 3 to 5 is annexed.
- 6. 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.

7. **Voting:** In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
8. **Inspection of Records:** Register of Directors and their shareholding, maintained under Section 170 of the Companies Act, 2013 and 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 AGM.

Further all the relevant documents referred to in this AGM Notice shall remain open for inspection purpose at the Registered Office of the Company during its business hours on all working days up to the date of AGM.

9. **Green initiative:** Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014 of the Companies Act, 2013, those Members who are desirous to receive Annual Report, Notice and service of other documents through electronic mode are requested to register their e-mail address with the Company.

Members may also note that the Notice of the 26th Annual General Meeting and the Company's Annual Report 2017-18 will be available on the Company's website, [www.ppfas.com](http://www.ppfas.com).

10. **Nomination:** Pursuant to the Section 72 of Companies Act, 2013, every holder of shares of the Company, may at any time nominate in the prescribed manner, a person to whom his / her shares in the Company shall vest, in the event of his / her death. Members are advised to avail this facility and fill the prescribed Nomination Form and forward the same to the Company.

11. **Unclaimed Dividend:** Members wishing to claim dividends that remained unclaimed are requested to correspond with Company Secretary, at the Company's Registered Office. Members are requested to note that dividends that are not claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for 7 consecutive years will be transferred to IEPF as per Section 124 of the Act and applicable rules.

Further pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPFA Rules") the Company has uploaded the details of Unpaid / Unclaimed dividend amounts lying with the Company as on 28th August, 2017 (date of last AGM) on website of the Company viz: [www.ppfas.com](http://www.ppfas.com) and also on website of the Ministry of Corporate Affairs.

12. **Annual Accounts of Company's Subsidiaries:** Annual Accounts of the subsidiary companies and the related detailed information shall be made available to shareholders at any point of time. The Annual Accounts of the subsidiary companies shall also be kept for inspection at the Registered Office of the Company. A hard copy of details of accounts of subsidiaries shall be furnished on demand to any shareholder.
13. **Queries from members:** Members desirous of obtaining any information concerning the accounts and operations of the Company, are requested to send their written queries to the Company, so as to reach its Registered Office at least 10 working days before



the date of the meeting, to enable the Company officials to prepare and make available the required information at the meeting, to the extent practicable.

**14. 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.

By order of the Board of Directors  
**Parag Parikh Financial Advisory Services Private Limited**

Place: Mumbai  
Date: 27th June, 2018

**Sahil Parikh**  
Director  
(DIN: 00079898)

**Neil Parikh**  
Director  
(DIN: 00080269)

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

**Item No. 2**

Mr. Shashi Kataria was appointed as an Additional Director of the Company with effect from 09th November, 2017 by the Board of Directors under Section 161 of the Act and applicable provisions of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Shashi Kataria holds office upto the date of the forthcoming AGM of the Company but he is eligible for appointment as a Director. Mr. Shashi Kataria has given his consent to the Board to act as director under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualification of Director) Rules, 2014. He further informed that he is also not disqualified from being appointed as a Director in terms of Section 164 of the Act. As required under Secretarial Standards on General Meeting, his brief resume is furnished and forms a part of this Notice.

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

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

Name of the Director	Mr. Shashi Kataria
Director Identification Number	07983714
Qualification	B. Com, Chartered Accountant
Date of Birth (Age)	24th May, 1978 (40 Years)
Date of appointment on the Board	09th November, 2017
Experience and Expertise	He has more than 15 years of experience in the field of accountancy, auditing and taxation. He possesses outstanding exposure as a Chartered Accountant of varied Industries in India.
Number of Meetings of the Board attended during the year	One

List of Directorship / Membership / Chairmanship of Committees of other Board	<p><b>Directorship:</b></p> <p>PPFAS Asset Management Private Limited</p> <p><b>Membership/Chairmanship of Committees of Other Board:</b></p> <p>None</p>
No. of shares held in the Company	2107
Disclosure of relationship between Directors and Key Managerial Personnel of the Company	He is not related to any of the Director or Key Managerial Personnel of the Company.
Terms and Conditions of appointment or reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person, if applicable.	Not applicable

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

**Item Nos. 3 and 4**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company for their continuous hard work, dedication and support, which has led the Company and the Subsidiary Company on the growth path. The Company intends to implement the PPFAS Employees Stock Option Plan 2018 (PPFAS ESOP 2018), with a view to attract and retain key talents working with the Company and its Subsidiary Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Section 62 of Companies Act, 2013, the Company seeks members, approval in respect of PPFAS ESOP 2018 and grant of options to the eligible employees/ Directors of the Company and that of its Subsidiary Company as decided by the Board of Directors from time to time in due compliance of the provisions of Companies Act.

The main features of the PPFAS ESOP 2018 are as under:

### **1. Brief Description of the Scheme:**

This proposed Scheme called the PPFAS Employees Stock Option Plan 2018 (PPFAS ESOP 2018) is intended to reward the Eligible Employees of the Company and its Subsidiary Company viz., PPFAS Asset Management Pvt Ltd, for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Scheme to retain talent in the organization as it views options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

### **2. Total number of options to be granted:**

Such number of options would be available for grant to the eligible employees of the Company and eligible employees of the Subsidiary Company under PPFAS ESOP 2018, in one or more tranches, exercisable into not exceeding 10,00,000 (Ten Lakhs) Equity Shares in the Company of face value of Rs. 10/- each fully paid-up.

Vested options lapsed due to non-exercise and/or unvested options that get canceled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / canceled options as per the provisions of PPFAS ESOP 2018.

### **3. Identification of classes of employees entitled to participate in PPFAS ESOP 2018:**

Following classes of employees are entitled to participate in PPFAS ESOP 2018:

- a. Permanent employees of the Company working in India or outside India; or
- b. Directors of the Company; or
- c. Permanent employees and Directors of the Subsidiary Company.

Following persons are not eligible:

- a. an employee who is a Promoter or belongs to the Promoter Group; or
- b. a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; or
- c. an Independent Director within the meaning of the Companies Act, 2013.

### **4. Requirements of vesting and period of vesting:**

The options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Company as the case may be. The Board may, at its discretion, lay down certain metrics based on employment tenure, on the achievement of which such options would vest. The detailed terms and conditions relating to such vesting, and the proportion in which options granted are as follows:

Vesting period	Vesting percentage
At 5th Year	25%
At 7 <sup>th</sup> year & 1 month	30%
At 9 <sup>th</sup> year & 2 Months	45%

#### 5. Exercise price or pricing formula:

The Exercise Price shall be equal to Rs. 100/- (Rupees One Hundred only) per option or any other price as may be decided by the Board.

#### 6. Appraisal process for determining the eligibility of employees under PPFAS ESOP 2018:

The appraisal process for determining the eligibility of the employees will be decided by the Board of Directors from time to time.

#### 7. Lock-in-period:

As per PPFAS ESOP 2018.

#### 8. Exercise period and the process of Exercise:

The options granted may be exercised by the Grantee at time period prescribed as under.

Vesting period	Vesting percentage	Exercise Period
At 5th Year	25%	2 years & 1 month
At 7 <sup>th</sup> year & 1 month	30%	2 years & 2 months
At 9 <sup>th</sup> year & 2 Months	45%	2 years

The Vested options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Board from time to time. The options shall lapse if not exercised within the specified exercise period.

#### 9. Conditions under which options vested in employee(s) may Lapse:

In case of termination of employee on account of cheating/ fraud/ misconduct, the vested as well as the unvested Options of employee shall lapse immediately on the date of his/her termination.

**10. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:**

As per PPFAS ESOP 2018

**11. Route of Scheme implementation:**

The Company shall directly implement and administer the PPFAS ESOP 2018 through the Board.

Members are requested to note that the Company shall conform to the Accounting Policies as applicable to the Company, from time to time.

Members are requested to note that the draft of the PPFAS ESOP 2018 shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days (i.e., except Saturday(s), Sunday(s) and Public Holiday(s) up to the date of the Annual General Meeting and during the continuance of the Annual General Meeting.

Members are requested to note that it is proposed to seek the approval of the Members of the Company in terms of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 for the introduction and implementation of the PPFAS ESOP 2018.

The Board recommends the Resolution(s) set out at Item No. 3 and Item No. 4 of this AGM Notice to the Members for their consideration and approval, by way of Special Resolution(s).

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Stock Options that may be granted to them and the resultant equity shares issued, as applicable.

**Item No. 5**

The Company consistently believes in the philosophy of creating entrepreneurial teams to operate its businesses and create superior shareholder return. It would be implemented keeping in view the incentivization requirements of the key employees through equity based compensation. It is imperative that the current team led by following personnel have substantial interest in the business and for that reason grant of Employee Stock Options more than 1% of the issued capital have been proposed to retain and incentivize driving performance leading to improved corporate growth and profitability:

<b>Sr. No.</b>	<b>Name of the Employee</b>	<b>Designation</b>
1	Mr. Rajeev Thakkar	Director
2	Mr. Raunak Onkar	Employee of Subsidiary Company

In the background of the above, approval of the members is being sought for the issue of Employee Stock Options more than 1% of the issued capital of the Company, to the aforesaid personnel, in one or more tranches, exercisable into Equity Shares of the Company being equal to or exceeding 1% of the Issued Capital of the Company. None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution except to the extent and manner set out in the resolution. The Board recommends the passing of the resolution as set out under item no. 5 for approval of the Members as Special Resolution.

By order of the Board of Directors  
**Parag Parikh Financial Advisory Services Private Limited**

Place: Mumbai  
 Date: 27th June, 2018

**Sahil Parikh**  
 Director  
 (DIN: 00079898)

**Neil Parikh**  
 Director  
 (DIN: 00080269)

## Parag Parikh Financial Advisory Services Private Limited

CIN: U67190MH1992PTC068970

Regd. & Corp. Off.: 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 Web: [www.ppfas.com](http://www.ppfas.com)

### BOARD'S REPORT

Dear Member(s),

We are pleased to present the 26th Annual Report on the business operations of the Company together with its Audited Financial Statements for the year ended 31st March, 2018.

#### FINANCIAL AND OPERATIONAL RESULTS:

##### *Financial Results (Standalone):*

Financial and Operational Results of the Company for the financial year ended 31st March, 2018, as compared to the previous financial year, is summarised below:

(Rs. In Lakhs)

Particulars	Current financial year ended on 31 <sup>st</sup> March, 2018	Previous financial year ended on 31 <sup>st</sup> March, 2017
Operating Income	44.28	52.79
Other Income	61.69	37.08
Total Income	105.97	89.87
Profit before Depreciation and Tax	21.28	11.84
Depreciation	1.61	3.07
Profit before Tax	19.67	8.77
Current Tax	3.75	1.35
Short Tax Provision for P. Y.	-	0.44
MAT Credit	-3.74	-1.72
Deferred Tax	1.30	1.54
Profit after Tax	18.36	7.16
Share Capital	717.41	717.41
Reserves and Surplus	3,553.61	3,535.25



**Financial Results (Consolidated):**

The Consolidated Financial and Operational Results of the Company for the year ended 31<sup>st</sup> March, 2018 as compared to the previous financial year, is summarized below:

(Rs. In Lakhs)

Particulars	Current financial year ended on 31 <sup>st</sup> March, 2018	Previous financial year ended on 31 <sup>st</sup> March, 2017
Operating Income	1,469.96	1,318.57
Other Income	374.49	515.77
Total Income	1,844.45	1,834.34
Profit before depreciation and tax	668.66	778.41
Depreciation	75.61	36.6
Profit before tax	593.05	741.81
Current Tax	118.34	134.82
Short Tax Provision for Previous year	-	0.52
MAT Credit	-80.53	-9.11
Deferred Tax	47.56	-0.19
Profit After Tax	507.66	615.77
Share Capital	717.41	717.41
Reserves and Surplus	5,486.79	4,979.14

**OPERATIONS AND PERFORMANCE OF COMPANY:**

The Consolidated Revenue from Operations of Company increased to Rs. 1,469.96 Lakhs as against Rs. 1,318.57 Lakhs during last fiscal which is an increase of around 11.48%.

**DIVIDEND:**

Your Directors have not recommended any dividend for the year under review with a view to conserve the resources of Company.

**RESERVES:**

The amount to be transferred to Profit & Loss Account is 18.36 Lakhs for the year.

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company continues to have two subsidiaries and there were no changes during the year. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company, which forms part of this Annual Report.

Further Statement containing the salient features of the Financial Statement of subsidiaries in the prescribed format AOC – 1 is appended as **"Annexure – I"** to the Board's Report. The statement also provides the details of performance and financial positions of each of the subsidiaries.

In accordance with Section 136 of Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and audited accounts of each of its subsidiaries, are available at company's website ([www.ppfas.com](http://www.ppfas.com)).

## DEPOSITS:

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

## CAPITAL STRUCTURE:

During the F.Y. 2017-18 no fresh equity shares were issued or allotted.

## THE STATE OF THE COMPANY'S AFFAIRS:

### ***Management Discussion and Analysis and Results of operations:***

The Company is functioning as the Sponsor to PPFAS Mutual Fund. The Company is generating revenue through management fees (PMS fees) and distribution fees received from third party mutual fund products.

**Parag Parikh Long Term Equity Fund** (Scheme name has been changed from 'Parag Parikh Long Term Value Fund' to 'Parag Parikh Long Term Equity Fund' w.e.f. 16th February, 2018) completed 5 years of operations in May 2018. The performance of the scheme as on May 31, 2018 is given below.

<b>Lumpsum Investment Performance (Compounded annual returns)</b>				
<b>Date</b>	<b>Scheme</b>	<b>Benchmark</b>	<b>Index</b>	<b>Index</b>
	<b>PPLTEF</b>	<b>Nifty 500 (TRI)</b>	<b>Nifty 50 (TRI)</b>	<b>S&amp;P BSE Sensex (TRI)</b>
Since Inception	18.71%	16.03%	13.80%	13.99%
May 31, 2017 to May 31, 2018 (Last 1 Yr)	16.38%	13.02%	13.30%	15.08%
May 29, 2015 to May 31, 2018 (Last 3 Yrs)	12.06%	11.54%	9.79%	9.81%
May 31, 2013 to May 31, 2018 (Last 5 Yrs)	18.75%	16.07%	13.78%	13.88%

***Launch of new Parag Parikh Liquid Fund:***

In the month of May 2018, the Mutual Fund also launched Parag Parikh Liquid Fund to enable investors to park short term surplus funds and earn interest and also to enable systematic investments in the Equity Fund via Systematic Transfer Plans (STPs).

***Environment in the Capital Markets:***

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

***Operations of PPFAS:***

The Company continues to act as a Portfolio Manager and Distributor to third party mutual fund products.

***Client acquisition efforts:***

PPFAS continues to engage with distributors for increasing its reach and availability to potential clients.

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.

The Assets Under Management of PPFAS Mutual Fund have increased from 726.14 Crore as on 31st March, 2017 to 989.76 Crore as on 31st March, 2018 and the number of folios have increased from 11,297 to 19,033.

***Finances:***

Surplus funds of the Company are invested primarily in money market, mutual funds and bank deposits. The debt free status of the Company continues.

***Human Resources:***

There is no change in the operations of the Company. Operations of the Company are stable. There is no major change in the workforce of the Company. To ensure employees possess, up to date knowledge of the industry and profession, Company encourages its employees to undergo continued professional development programmes.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There has been no change in the nature of business of Company during F.Y. 2017-18.

**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL:**

Based on the disclosure provided by the Directors, none of them are disqualified from being appointed as Directors under Section 164 of the Companies Act, 2013. However during the year following changes took place:

***Induction:***

The Board of Directors, at their meeting held on the 09th November, 2017, have recommended and approved the appointment of Mr. Shashi Kataria, as an Additional Directors of the Company, with effect from the said date, whose term of office is upto the date of this Annual General Meeting in accordance with the applicable provisions of the Articles of Association and the Companies Act, 2013.

***Retirements and resignations:***

There has been no other change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

**THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There has not been any material change and commitment 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.

**NUMBER OF MEETINGS OF THE BOARD:**

The Board met Four (4) times during the financial year 2017-18. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

**INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:**

The Company is functioning as a Portfolio Manager (PMS). Custody and Fund Accounting are critical functions for a PMS. The Company has appointed IL&FS Securities Services Limited (ISSL) as its Custodian. For critical functions of the Company "maker-checker" concept is implemented and required supervisory checks are built in place. In addition to these checks all critical activities are vouched for correctness by the employees and are subject to Audit Process by Independent Auditors.

For Income earned through Mutual fund distribution commission is credited directly in the Company's bank account by fund houses and the same is checked with subsequent statement received from various fund houses for the purpose of confirming veracity of calculation of commission.

For each critical activity the Company has documented areas of risks and required checks for these activities and functions. This list is reviewed and updated on annual basis to ensure the risk profiling of all the activities are upto date and in line with the actual/ updated process flow.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, and in relation to the Audited Annual Financial Statement of the Company for year ended 31st March, 2018, the Board of Directors hereby confirms that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. Such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of Company as at 31st March, 2018 and of the profit of Company for that year;
- c. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts of Company have been prepared on a going concern basis;
- e. Proper systems have been devised to ensure compliance with the provisions of laws applicable to the company and that such systems were adequate and operating effectively.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE:**

The disclosure required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel), Rule 2014 is not applicable to Company.

Company does not have any employee who falls in the said category.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:****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:***

As the Company is not engaged in any manufacturing activities, the Company ensures technology up-gradation is implemented in accordance with the requirements of the Company and industry.

**C. *Foreign exchange earnings and outgo:***

Foreign exchange outgo during the year was Nil.  
Foreign exchange earnings during the year were Nil.

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY:**

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.

**PARTICULARS OF LOANS, ADVANCES & GUARANTEES GIVEN OR INVESTMENT MADE OR SECURITIES PROVIDED:**

Particulars of loans, advances and investments made by Company during the financial year 2017-18 are stated in Note to Standalone Audited Financial Statements of Company as annexed to this Annual Report. The Company has neither given any guarantee nor provided any Security during the reporting period.

**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 Board's Report.

**POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place, Policy on Prevention of Sexual Harassment at Workplace in accordance with requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case pertaining to sexual harassment at workplace has been reported to Company during F.Y. 2017-18.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In accordance with Section 135 of the Companies Act, 2013 CSR is applicable if the Company is having net worth of rupees Five Hundred crore or more, or turnover of rupees One Thousand crore or more or a net profit of rupees Five crore or more during Three preceding financial years. None of these conditions as stated in Section 135 of the Companies Act, 2013 are met by the Company and accordingly CSR provisions do not apply to the Company.

**STATUTORY AUDITORS:**

M/s. CVK & Associates, Chartered Accountants (Firm Registration No. 101745W) were appointed, in the Annual General Meeting held on 28th August, 2017, for a term of consecutive five years from the conclusion of 25th Annual General Meeting till the Conclusion of 30th Annual General Meeting (subject to ratification by the members at every subsequent Annual General Meeting).

However vide notification dated 07th 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 26th Annual General Meeting.

**EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN THEIR REPORT:**

The observations made by the Statutory Auditors in their Audit Report read with the relevant notes thereof as stated in the Notes to the Audited Financial Statements of Company for the financial year ended 31st March, 2018 are self explanatory and being devoid of any reservation(s), qualification(s) or adverse remark(s) etc does not call for any further explanation(s)/ information(s) or comment(s) from the Board under Section 134(3)(f)(i) of the Companies Act, 2013. Further the Statutory Auditors have not reported any incident of fraud to the Board of the company in the year under review.

**RELATED PARTY TRANSACTIONS:**

Since all the Related Party Transactions (RPTs) entered into by the Company were in ordinary course of business and were on arm's length basis, hence Form AOC -2 is not applicable. However the details of RPTs, as required pursuant to respective Accounting Standards, are stated at Note No. 21 of the Standalone Audited Financial Statements of Company forming part and parcel of this Annual Report.

**ACKNOWLEDGMENT:**

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

By order of the Board of Directors  
**Parag Parikh Financial Advisory Services Private Limited**

Place: Mumbai  
Date: 27th June, 2018

**Sahil Parikh**  
Director  
(DIN: 00079898)

**Neil Parikh**  
Director  
(DIN: 00080269)

**Annexure - I****AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in rupees)

Sr. No.	1	2
Name of the Subsidiary Company	PPFAS Asset Management Private Limited	PPFAS Trustee Company Private Limited
Reporting Period	31.03.2018	31.03.2018
Share Capital	35,73,00,090	5,00,000
Reserves & Surplus	22,49,84,521	12,74,019
Total Assets	59,89,76,521	19,77,350
Total Liabilities	1,66,91,910	2,03,331
Investments	33,67,08,192	-
Turnover	14,25,68,582	8,78,023
Profit before Taxation	5,65,78,135	7,59,656
Provision for Taxation	82,08,258	2,00,000
Profit after Taxation	4,83,69,877	5,59,656
Proposed Dividend	-	-
% of shareholding	100.00%	100.00%

1. Names of subsidiaries which are yet to commence operations: None

2. Names of subsidiaries which have been liquidated or sold during the year: None

<b>Part B: Associates and Joint Ventures</b>
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
<b>Not Applicable</b>



**Annexure - II**

**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:- U67190MH1992PTC068970
- II. Registration Date:- October 12, 1992
- III. Name of the Company:- Parag Parikh Financial Advisory Services 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 - 400 021.  
Telephone:- 91 22 6140 6555  
Fax Number:- 91 22 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:-

Sr.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to Total Turnover of the Company
1	Portfolio Management Services	6619	39.30%
2	Placement Charges of Mutual Fund	6619	60.70%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

<b>Sr. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares held</b>	<b>Applicable Section</b>
<b>1</b>	<b>PPFAS Asset Management Private Limited</b>  Registered Office:- 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai - 400 021.	U65100MH2011PTC220623	Subsidiary	100	Sec. 2(87)(ii)
<b>2</b>	<b>PPFAS Trustee Company Private Limited</b>  Registered Office:- 81/82,8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai- 400 021.	U65100MH2011PTC221203	Subsidiary	100	Sec.2(87)(ii)

#### IV. SHAREHOLDING 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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	58,98,093	58,98,093	82.21	-	59,00,593	59,00,593	82.25	0.04
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	3,50,000	3,50,000	4.88	-	3,50,000	3,50,000	4.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>62,48,093</b>	<b>62,48,093</b>	<b>87.09</b>	-	<b>62,50,593</b>	<b>62,50,593</b>	<b>87.13</b>	<b>0.04</b>
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-

<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>62,48,093</b>	<b>62,48,093</b>	<b>87.09</b>	-	<b>62,50,593</b>	<b>62,50,593</b>	<b>87.13</b>	<b>0.04</b>
<b>Total shareholding of Promoter (A)</b>	-	<b>62,48,093</b>	<b>62,48,093</b>	<b>87.09</b>	-	<b>62,50,593</b>	<b>62,50,593</b>	<b>87.13</b>	<b>0.04</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-

<b>2. Non-Insti tutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian		14000	14000	0.20	-	14000	14000	0.20	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individua ls									
i) Individua l sharehol ders holding nominal share capital upto Rs. 1 lakh	-	2,84,455	2,84,455	3.97	-	2,72,341	2,72,341	3.79	-4.53
ii) Individua l sharehol ders holding nominal share capital in excess of Rs 1 lakh	-	6,27,526	6,27,526	8.75	-	6,37,140	6,37,140	8.88	1.49
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporat e Bodies	-	-	-	-	-	-	-	-	-
Foreign National s	-	-	-	-	-	-	-	-	-
Clearing Member s	-	-	-	-	-	-	-	-	-

Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	<b>9,25,981</b>	<b>9,25,981</b>	<b>12.91</b>	-	<b>9,23,481</b>	<b>9,23,481</b>	<b>12.87</b>	<b>-0.31</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	<b>9,25,981</b>	<b>9,25,981</b>	<b>12.91</b>	-	<b>9,23,481</b>	<b>9,23,481</b>	<b>12.87</b>	<b>-0.31</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>71,74,074</b>	<b>71,74,074</b>	<b>100</b>	-	<b>71,74,074</b>	<b>71,74,074</b>	<b>100</b>	-

**ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	GEETA P. PARIKH	57,77,790	80.54	Nil	57,77,790	80.54	Nil	-
2	SAHIL P. PARIKH	55,611	0.77	Nil	55,611	0.77	Nil	-
3	NEIL P. PARIKH	64,692	0.90	Nil	67,192	0.94	Nil	0.04
4	EMPEEGEE PORTFOLIO MANAGEMENT SERVICES PVT. LTD	3,50,000	4.88	Nil	3,50,000	4.88	Nil	-
	<b>Total</b>	<b>62,48,093</b>	<b>87.09</b>	<b>Nil</b>	<b>62,50,593</b>	<b>87.13</b>	<b>Nil</b>	<b>0.04</b>

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

Particulars	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	62,48,093	87.09	62,48,093	87.09
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	Refer <b>NOTE 1</b>			
At the End of the year	-	-	62,50,593	87.13

**NOTE 1:****Change in shareholding of Mr. Neil P. Parikh as on 31<sup>st</sup> March, 2018:**

Date of Transaction	Reason	No of shares	Cumulative Shareholding during the year	% of shares of Company
No of shares at the beginning of the year (01.04.2018)			64,692	0.90
12.10.2017	Purchase	1000	65,692	
12.10.2017	Purchase	1100	66,792	
12.10.2017	Purchase	400	67,192	
No of shares at the end of the year (31.03.2018)			67,192	0.94

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

Particulars	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	3,26,500	4.55	3,26,500	4.55
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Refer <b>NOTE 2</b>			
At the End of the year ( or on the date of separation, if separated during the year)	-	-	2,58,614	3.6



**NOTE 2****SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS** (other than directors or promoters):

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Suresh Gordhandas Makhija	50,000	0.7	1,00,000	1.39
2.	Hitesh Gajaria	30,100	0.42	33,900	0.47
3.	Bimla Suresh Makhija	32,500	0.45	32,500	0.45
4.	Yeshwant Manibhai Desai	20,000	0.28	20,000	0.28
5.	Vaibhav Sunil Kapur	13,700	0.19	19,107	0.27
6.	Porinju V Veliyath	15,000	0.21	15,000	0.21
7.	Mukul Kumar Gupta	15,000	0.21	15,000	0.21
8.	Raj Kirit Mehta	10,000	0.13	12,907	0.18
9.	Dipti H Mehta	10,200	0.14	10,200	0.14
10.	Haresh G Mehta	10,100	0.14	10,100	0.14

**Change in shareholding of Mr. Suresh Gordhandas Makhija as on 31<sup>st</sup> March, 2018:**

Date of Transaction	Reason	No of shares	Cumulative Shareholding during the year	% of shares of Company
No of shares at the beginning of the year (01.04.2017)			50,000	0.70
07.07.2017	Transmission	50,000	1,00,000	1.39
No of shares at the end of the year (31.03.2018)			1,00,000	1.39

**Change in shareholding of Mr. Hitesh Gajaria as on 31<sup>st</sup> March, 2018:**

<b>Date of Transaction</b>	<b>Reason</b>	<b>No of shares</b>	<b>Cumulative Shareholding during the year</b>	<b>% of shares of Company</b>
No of shares at the beginning of the year (01.04.2017)			30,100	0.42
12.10.2017	Purchase	2,800	32,900	0.45
28.02.2018	Purchase	1,000	33,900	0.47
No of shares at the end of the year (31.03.2018)			33,900	0.47

**Change in shareholding of Mr. Vaibhav Sunil Kapur as on 31<sup>st</sup> March, 2018:**

<b>Date of Transaction</b>	<b>Reason</b>	<b>No of shares</b>	<b>Cumulative Shareholding during the year</b>	<b>% of shares of Company</b>
No of shares at the beginning of the year (01.04.2017)			13,700	0.19
12.10.2017	Purchase	1,800	15,500	0.22
09.11.2017	Purchase	1,107	16,607	0.23
28.02.2018	Purchase	2,500	19,107	0.26
No of shares at the end of the year (31.03.2018)			19,107	0.27

**Change in shareholding of Mr. Raj Kirit Mehta as on 31<sup>st</sup> March, 2018:**

Date of Transaction	Reason	No of shares	Cumulative Shareholding during the year	% of shares of Company
No of shares at the beginning of the year (01.04.2017)			10,000	0.13
12.10.2017	Purchase	1,800	11,800	0.16
09.11.2017	Purchase	1,107	12,907	0.18
No of shares at the end of the year (31.03.2018)			12,907	0.18

**(v) Shareholding of Directors and Key Managerial Personnel:**

Particulars	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	3,91,229	5.45	3,91,229	5.45
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	Refer <b>NOTE 3</b>			
At the End of the year	-	-	4,93,336	6.88

**NOTE 3****Change in the shareholding of Mr. Neil P. Parikh as on 31<sup>st</sup> March, 2018:**

Date of Transaction	Reason	No of shares	Cumulative Shareholding during the year	% of shares of Company
No of shares at the beginning of the year (01.04.2018)			64,692	0.90
12.10.2017	Purchase	1,000	65,692	
12.10.2017	Purchase	1,100	66,792	
12.10.2017	Purchase	400	67,192	
No of shares at the end of the year (31.03.2018)			67,192	0.94

**Change in the shareholding of Mr. Rajeev Thakkar as on 31<sup>st</sup> March, 2018:**

Particulars	Date of Transaction	Reason	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			2,46,572	3.44	2,46,572	3.44
Changes during the year	11.05.2017	Purchase	90,000	-	3,36,572	
	28.02.2018	Purchase	7,500	-	3,44,072	
At the End of the year					<b>3,44,072</b>	<b>4.80</b>

**Change in the shareholding of Mr. Shashi Kataria as on 31<sup>st</sup> March, 2018:**

Particulars	Date of Transaction	Reason	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			1,000	0.01	1,000	0.01
Changes during the year	09.11.2017	Purchase	1,107	-	2,107	
At the End of the year					<b>2,107</b>	<b>0.03</b>

**V. INDEBTEDNESS:****Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr.no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary <ul style="list-style-type: none"> <li>a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</li> <li>b. Value of perquisites u/s 17(2) Income-tax Act, 1961</li> <li>c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961</li> </ul>	NA	NA	NA
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission <ul style="list-style-type: none"> <li>• as % of profit</li> <li>• others, specify...</li> </ul>	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)			
	Ceiling as per the Act	Not applicable		

**B. Remuneration to other directors:**

Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
<b>1.Independent Directors</b> <ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	Nil	Nil
<b>Total (1)</b>	Nil	Nil
<b>2. Other Non-Executive Directors</b> <ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	Nil	Nil
<b>Total (2)</b>	Nil	Nil
<b>Total (B)=(1+2)</b>	Nil	Nil
<b>Total Managerial Remuneration</b>	Nil	Nil
<b>Overall Ceiling as per the Act</b>	Nil	Nil

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
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	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission <ul style="list-style-type: none"> <li>• as % of profit</li> <li>• others, specify...</li> </ul>	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total (C)	NA		NA	
	Ceiling as per the Act	Not applicable			

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty / Punishment/ Compounding fees imposed</b>	<b>Authority [RD / NCLT/ COURT]</b>	<b>Appeal made, if any (give Details)</b>
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

By order of the Board of Directors  
**Parag Parikh Financial Advisory Services Private Limited**

Place: Mumbai  
Date: 27th June, 2018

**Sahil Parikh**  
Director  
(DIN: 00079898)

**Neil Parikh**  
Director  
(DIN: 00080269)





2, Samarth Apartments, D. S. Babrekar Road, Dadar (W), Mumbai – 400 028. India. Tel.: 2446 8717, 2445 1488. Fax: 91-022 2446 6139. website: www.cvk-ca.com

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Parag Parikh Financial Advisory Services Private Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Parag Parikh Financial Advisory Services Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the

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

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

## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. The matters specified in Section 143(3)(i) have not been commented upon, as they are not applicable; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**For CVK & Associates**

Chartered Accountants  
Firm Regn No.: 101745W

**K.P. Chaudhari**

Partner  
Membership No: 031661

Place: Mumbai  
Date: 27th June, 2018

## Annexure I to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2018, we report that:

1.
  - 1.1. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 1.2. 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.
  - 1.3. The company does not hold any immovable properties. Thus, paragraph 3(i)(c) of the Order is not applicable.
2. The Company is a service company, primarily rendering Portfolio Management Services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.
4. The company has not given any loans nor made any investments covered by the provisions of sections 185 and 186 of the Companies Act. Thus, paragraph 3(iv) of the Order is not applicable.
5. The Company has not accepted any deposits from the public, so as to attract the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of The Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7.
  - 7.1. As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service-tax, Duty of Customs, Duty of Excise, Goods and Service 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.
  - 7.2. According to the information and explanations given to us, there are no outstanding dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax, value added tax, goods and service tax or cess; on account of any dispute other than the following:

Assessment Year	Pending with (concerned Authority)	Amount (Rs.)	Issue Involved	Remarks / Status
<b>I. Income Tax Act, 1961</b>				
2007-08	CIT Appeals	3,60,000	Unforeseen expenses disallowed	The company has applied for relief as this relates to the case of Parag Parikh Securities Ltd which has merged with the company effective 1st October 2006.
2008-09	High Court	2,75,000	Transaction Charges	Case is pending to be heard in High Court
2009-10	High Court	1,60,000	Transaction Charges	Case is pending to be heard in High Court
2014-15	CIT Appeals	26,16,240	Section 14 A Disallowance & Rule 8 d	Case is pending to be heard in CIT Appeals

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

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

**For CVK & Associates**

Chartered Accountants

Firm Registration No.:101745W

**K.P. Chaudhari**

Partner

M. No. 031661

Place: Mumbai

Date: 27th June, 2018

## Balance Sheet as at 31st March, 2018

Particulars	Note No	As at 31st March 2018	As at 31st March 2017
		Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	71,740,740	71,740,740
Reserves And Surplus	4	355,361,295	353,524,838
	<b>(a)</b>	<b>427,102,035</b>	<b>425,265,578</b>
<b>Current Liabilities</b>			
Other Current Liabilities	5	749,941	316,390
Short Term Provisions	6	112,807	95,613
	<b>(b)</b>	<b>862,748</b>	<b>412,003</b>
<b>Total Equity and Liabilities</b>	<b>(a+b)</b>	<b>427,964,783</b>	<b>425,677,581</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
(i) Tangible Assets	7A	263,706	420,869
(ii) Intangible Assets	7B	11,684	15,653
	<b>(c)</b>	<b>275,390</b>	<b>436,522</b>
Non-Current Investments	8	408,206,044	405,567,006
Long Term Loans & Advances	9	10,264,410	10,373,853
Deferred Tax Assets	10	2,249,917	2,380,034
	<b>(d)</b>	<b>420,720,371</b>	<b>418,320,893</b>
Current Assets			
Trade Receivables	11	692,759	893,723
Cash and Bank Balances	12	5,605,490	4,031,144
Short-Term Loans & Advances	13	540,850	839,090
Other Current Assets	14	129,923	1,156,209
	<b>(e)</b>	<b>6,969,022</b>	<b>6,920,166</b>
<b>Total Assets</b>	<b>(c+d+e)</b>	<b>427,964,783</b>	<b>425,677,581</b>
Summary of significant accounting policies		<b>2</b>	
The accompanying notes are an integral part of the financial statements			

As per Our Audit Report of even date  
**For CVK & Associates**  
Chartered Accountants  
Firm Registration No:101745W

**For and on behalf of the Board of Directors of Parag  
Parikh Financial Advisory Services Pvt Ltd**

**K P Chaudhari**  
Partner  
Membership No:031661

**Sahil Parikh**  
Director  
DIN : 00079898

**Neil parikh**  
Director  
DIN : 00080269

**Nikhil Hule**  
Company Secretary

Place: Mumbai  
Date: 27th June,2018

## Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note No	For the year ended	For the Year ended
		31st March 2018	31st March 2017
		Rs.	Rs.
Income			
Revenue From Operations	15	4,427,633	5,278,948
Other Income	16	6,169,173	3,708,174
<b>Total Revenue</b>		<b>10,596,806</b>	<b>8,987,122</b>
<b>Expenses</b>			
Employee Benefits Expenses	17	6,993,378	6,420,802
Depreciation & Amortization Expenses	18	161,132	307,215
Other Expenses	19	1,475,050	1,382,382
<b>Total Expenses</b>		<b>8,629,560</b>	<b>8,110,399</b>
<b>Profit Before Tax</b>		<b>1,967,246</b>	<b>876,723</b>
<b>Tax Expense</b>			
Current Tax		375,000	135,000
Less: MAT Credit Income		(374,328)	(133,987)
Less: MAT Credit Income relating to P.Y.		-	(38,347)
Deferred Tax Expense		130,117	153,912
Short Tax Provision for Previous year		-	44,117
<b>Total Tax Expense</b>		<b>130,789</b>	<b>160,695</b>
<b>Profit After Tax</b>		<b>1,836,457</b>	<b>716,028</b>
Earning Per Equity Share			
Basic		0.26	0.11
Diluted		0.26	0.11
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

**For and on behalf of the Board of Directors of Parag  
Parikh Financial Advisory Services Pvt Ltd**

**K P Chaudhari**

Partner

Membership No:031661

**Sahil Parikh**

Director

DIN : 00079898

**Neil parikh**

Director

DIN : 00080269

Place: Mumbai

Date: 27th June,2018

**Nikhil Hule**

Company Secretary



## Cash Flow Statement for the year ended 31st March, 2018

	2017-18		2016-17	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>a. Cash flow from Operating Activities</b>				
<b>Profit Before tax expenses</b>		<b>1,967,246</b>		<b>876,723</b>
Adjustments :				
<b>Add : Non Operating Expenses/Items</b>				
Depreciation on Fixed Assets	157,163		272,747	
Amortization of Fixed Assets	3,969	161,132	34,468	307,215
<b>Less : Non - Operating Income/Items</b>				
Long Term Capital Gain Equity	(1,795,562)		23,082	
Long Term Capital Gain on Mutual Fund	(45,230)		(27,721)	
Short Term Capital Gain on Equity	(11,761)		(7,876)	
Short Term Capital Gain on Mutual Fund	(3,884)		(13,043)	
Interest on Fixed Deposit	(353,789)		(690,954)	
Dividend on Shares	(54,755)		(54,348)	
Dividend on Mutual Fund	(303,042)		(137,314)	
Other Income	-	(2,568,023)	-	(908,174)
<b>Operating Profit before Working Capital Changes</b>		<b>(439,645)</b>		<b>275,764</b>
Adjustment for Movement in working capital				
Decrease in Trade Payables	-		(258,398)	
Increase in Other Current Liabilities	433,551		(19,595)	
Decrease in Short Term Provisions	17,194		-	
Increase in Long Term Loans & Advances	500,000		510	
Decrease in Short-Term Loans & Advances	298,240		(320,315)	
Decrease in Receivables	200,964		423,218	
Decrease in other Current Assets	1,026,286	2,476,235	(402,573)	(577,153)
Cash Generated from operations		2,036,590		(301,390)
Less : Taxes Paid		(391,229)		(1,162,963)
<b>Net Cash from operating activities</b>		<b>1,645,361</b>		<b>(1,464,353)</b>
<b>b. Cash flow from Investing Activities</b>				
Purchase of Investments - Non Current	(2,639,038)		(46,982,003)	
Long Term Capital Gain Equity	1,795,562		(23,082)	
Long Term Capital Gain on Mutual Fund	45,230		27,721	
Short Term Capital Gain on Equity	11,761		7,876	
Short Term Capital Gain on Mutual Fund	3,884		13,043	
Interest on Fixed Deposit	353,789		690,954	
Dividend on Shares	54,755		54,348	
Dividend on Mutual Fund	303,042		137,314	
<b>Net Cash from investing activities</b>		<b>(71,015)</b>		<b>(46,073,829)</b>

<b>c</b>	<b>Cash Flow from Financing Activities</b>				
	Issue of Shares		-	46,689,430	
	<b>Net Cash from financing activities</b>		-		46,689,430
	<b>Net increase/decrease in cash &amp; cash equivalents</b>		<b>1,574,346</b>	848,752	<b>(848,752)</b>
	<b>Add: Cash &amp; Cash Equivalents at the start of the year</b>				
	Cash in Hand	15,051		29,384	
	Bank Accounts	1,325,844		2,350,512	
	Fixed Deposits with maturity less than 12 months	2,690,249	<b>4,031,144</b>	2,500,000	<b>4,879,896</b>
	<b>Less: Cash &amp; Cash Equivalents at the end of the year</b>				
	Cash in Hand	21,413		15,051	
	Bank Accounts	2,893,828		1,325,844	
	Fixed Deposits with maturity less than 12 months	2,690,249	<b>5,605,490</b>	2,690,249	<b>4,031,144</b>

As per Our Audit Report of even date

**For CVK & Associates**

Chartered Accountants

Firm Registration No:101745W

**For and on behalf of the Board of Directors of Parag Parikh Financial Advisory Services Pvt Ltd****K P Chaudhari**

Partner

Membership No:031661

**Sahil Parikh**

Director

DIN : 00079898

**Neil parikh**

Director

DIN : 00080269

Place: Mumbai

Date: 27th June, 2018

**Nikhil Hule**

Company Secretary

## Notes to Accounts

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

#### NOTE 1: CORPORATE INFORMATION

Parag Parikh Financial Advisory Services Private Limited was incorporated on 12th October, 1992. The Company's corporate office is located in Mumbai. The company currently offers services like Portfolio Management and distribution of financial products. Investment based analysis and application of Behavioral Finance concepts forms the core of the business model of the company.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Preparation:** The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) from time to time and the relevant provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- B. Use of Estimates & Judgements:** 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:
- a. It is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle;
  - b. It is expected to be realized or settled within twelve months from the reporting date;
  - c. In the case of an asset:
    1. it is held primarily for the purpose of providing services; or
    2. 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.
  - d. 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 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 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 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 asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**F. Depreciation**

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

The Companies Act, 2013 prescribes a different method for calculation of Depreciation based on the useful life of an Asset as opposed to prescribed rates of depreciation in The Companies Act, 1956

**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 recognized 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:
  - i. 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.
  - ii. Gratuity scheme
    1. 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.
    2. 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.
    3. The company appointed an Actuary to prepare the Actuarial Report for Gratuity as per Accounting Standard – 15 (AS 15) as at 31<sup>st</sup> March 2018. As per the Report, the Plan Assets exceed the Present Value of Obligation.

However, the Company has forgone its right to such surplus in favour of the employees. Hence the excess is not recognised as income.

### **J. Revenue Recognition**

Revenue from Portfolio Management fees and other business is recognized on accrual basis. The amount recognized therein is exclusive of service tax/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 the 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 recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

#### **L. Provision**

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

#### **M. Contingent Liabilities**

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

#### **N. Foreign currency transaction**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

#### **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. 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. AUM under PMS as on 31.03.18 is as follows,

<b>Particulars</b>	<b>Amount (Rs.)</b>
Non discretionary	12,28,06,025
Cognito	8,24,29,836
<b>Total</b>	<b>20,52,35,861</b>

#### **Q. Share transactions**

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

<b>NOTE 3 : SHARE CAPITAL</b>				
	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>	
<b>AUTHORISED</b>				
30,000,000 Equity Shares of Rs.10/- each	30,00,00,000		30,00,00,000	
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
71,74,074 Equity Shares of Rs.10/- each fully paid	7,17,40,740		7,17,40,740	
(Inclusive of 2,646,805 shares issued to shareholders of Parag Parikh Securities Ltd at par on Amalgamation )				
	<b>7,17,40,740</b>		<b>7,17,40,740</b>	
<b>a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.</b>				
	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
At the beginning of the period	71,74,074	7,17,40,740	65,14,805	6,51,48,050
Issued during the period	-	-	6,59,269	65,92,690
<b>Outstanding at the end of the period</b>	<b>71,74,074</b>	<b>7,17,40,740</b>	<b>71,74,074</b>	<b>7,17,40,740</b>
<b>b. Details of Shareholders holding more than 5 % of Ordinary Shares</b>				
<b>Name of the Shareholders</b>	<b>Number</b>	<b>% of Holding</b>	<b>Number</b>	<b>% of Holding</b>
Geeta P Parikh	57,77,790	80.54	57,77,790	80.54
Empegee Portfolio Management Services Private Limited	3,50,000	4.88	3,50,000	4.88
<b>NOTE 4: RESERVES AND SURPLUS</b>				
	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>	
<b>General Reserve(a)</b>	3,85,000		3,85,000	

<b>Capital Redemption Reserves(b)</b>	1,01,00,000	1,01,00,000
<b>Share Premium(c)</b>	4,00,96,740	4,00,96,740
<b>Surplus/(deficit) in the statement of Profit and Loss</b>		
At the Beginning of the Accounting period	30,29,43,098	30,22,27,070
Additions During the year	18,36,457	7,16,028
Closing Balance of Surplus in the Statement of Profit & Loss (d)	30,47,79,555	30,29,43,098
<b>TOTAL (a+b+c+d)</b>	<b>35,53,61,295</b>	<b>35,35,24,838</b>

**NOTE 5 : OTHER CURRENT LIABILITIES**

	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
TDS - Salaries	4,51,351	1,73,050
TDS - Rent	-	2,000
GST Payable	1,76,371	-
Unpaid Dividend	61,835	61,835
Provident Fund Payable	43,821	41,788
TDS - Professional Fees	15,163	6,570
Profession Tax Payable	1,400	1,400
Service Tax Payable	-	28,447
ESIC Payable	-	1,300
	<b>7,49,941</b>	<b>3,16,390</b>

**NOTE 6 : SHORT TERM PROVISIONS**

	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
Provision for Expenses	58,941	52,380
Provision for Leave Encashment	23,866	16,233
Provision For Audit Fees	30,000	27,000
	<b>1,12,807</b>	<b>95,613</b>



PARAG PARIKH FINANCIAL ADVISORY SERVICES PRIVATE LIMITED										
NOTE 7 : FIXED ASSETS										
Sr. No	Asset	Gross Block as at 01/04/2017	Additions during the year	Deductions during the year	Gross Block as at 31/03/2018	Provision for Depreciation upto 01/04/2017	Depreciation for the year ended 2017-18	Total depreciation upto 31/03/2018	Net Block as at 31/03/2018	Net Block as at 31/03/17
<b>a</b>	<b>Office Equipments</b>									
<b>A.</b>	<b>Tangible Assets</b>									
1	Computer	9,476,193	-	-	9,476,193	9,466,121	-	9,466,121	10,072	10,072
2	Office Equipments	4,635,213	-	-	4,635,213	4,562,375	22,690	4,585,065	50,148	72,838
3	Electrical Installation	376,290	-	-	376,290	369,269	2,376	371,645	4,645	7,021
4	Motor Car*	3,768,320	-	-	3,768,320	3,573,675	84,334	3,658,009	110,311	194,645
5	Office Furniture	4,757,641	-	-	4,757,641	4,621,348	47,763	4,669,111	88,530	136,293
	<b>TOTAL</b>	<b>23,013,657</b>	<b>-</b>	<b>-</b>	<b>23,013,657</b>	<b>22,592,788</b>	<b>157,163</b>	<b>22,749,951</b>	<b>263,706</b>	<b>420,869</b>
<b>B.</b>	<b>Intangible Assets</b>									
	Computer Software	5,792,513	-	-	5,792,513	5,776,860	3,969	5,780,829	11,684	15,653
	<b>TOTAL</b>	<b>5,792,513</b>	<b>-</b>	<b>-</b>	<b>5,792,513</b>	<b>5,776,860</b>	<b>3,969</b>	<b>5,780,829</b>	<b>11,684</b>	<b>15,653</b>
	<b>TOTAL (A+B)</b>	<b>28,806,170</b>	<b>-</b>	<b>-</b>	<b>28,806,170</b>	<b>28,369,648</b>	<b>161,132</b>	<b>28,530,780</b>	<b>275,390</b>	<b>436,522</b>
	<b>Previous Year</b>	<b>28,806,170</b>	<b>-</b>	<b>-</b>	<b>28,806,170</b>	<b>28,062,433</b>	<b>307,215</b>	<b>28,369,648</b>	<b>436,522</b>	<b>743,737</b>

\*Assets Registered in the personal name of Directors.

**NOTE 8 : NON-CURRENT INVESTMENT**

	No of	Cost for	MKT. Rate	MKT. Value	No of	Cost for
	shares	31.03.2018	31.03.2018	on 31.03.2018	shares	31/03/2017'
<b>INVESTMENTS IN EQUITY</b>						
<u>Quoted Investment</u>						
<u>Equity Shares fully paid</u>						
Adore Fontech Limited	-	-	-	-	445	39,798
Amar Raja Batteries Limited	-	-	-	-	75	29,901
Atul Auto Limited	-	-	-	-	150	27,124
Aurobindo Pharma Limited	35	26,332	557.25	19,504	-	-
Axis Bank Limited	255	76,075	509.4	129,897	355	96,611
Bajaj Corporation Limited	193	42,796	472.2	91,135	193	42,796
Bajaj Electricals	-	-	-	-	180	30,282
Balakrishna Industries Limited	87	54,455	1,072.85	93,338	98	59,914
Blue Star Limited	72	12,154	754.00	54,288	72	12,154
Ccl Products India Limited	-	-	-	-	328	39,688
Coal India Limited	170	51,604	283.50	48,195	170	51,604
Crompton Greaves Limited	-	-	-	-	140	17,815
Crompton Greaves Conusmer Electricals Limited	-	-	-	-	140	-
Dalmia Bharat Limited	10	19,215	2,885.35	28,854	10	19,215
Development Credit Bank Limited	-	-	-	-	330	33,587
Elantas Beck India Limited	37	15,041	2,041.75	75,545	37	15,041
Engineers India Limited	78	11,808	158.10	12,332	390	59,065
Federal Bank Limited	-	-	-	-	400	29,883
Foseco India Limited	75	34,196	1,501.70	112,628	75	34,195
Geogit Bnp Paribus Financial Services Limited	1,800	34,783	91.35	164,430	1,800	34,783
Great Eastern Shipping Company Limited	72	25,978	331.30	23,854	72	22,892
Greaves Cotton Limited	685	75,551	113.90	78,022	295	23,731
HDFC Bank Limited	60	75,108	1,891.45	113,487	60	75,108
Hindustan Media Ventures Limited	458	52,562	220.75	101,104	458	52,562
Ilfs Venture Corporation Limited	5,457	3,000	17.10	93,315	6,181	3,000
ICICI Bank Limited	190	59,207	278.40	52,896	190.00	59,207
IL&FS Transportation Networks Limited	-	-	-	-	180.00	19,800
Indraprasth Gas Limited	161	42,017	278.85	44,895	161	42,017
Ipca Laboratories Limited	100	68,457	654.90	65,490	100.00	68,457
ITC Limited	75	14,595	255.90	19,193	75.00	14,595
Jagran Prakshan Limited	509	86,725	171.35	87,217	100.00	18,236
Kajaria Ceramics Limited	100	49,841	567.05	56,705	100.00	49,841
Lupin Limited	25	24,420	736.40	18,410		
Maruti Suzuki India Limited	10	19,559	8,863.15	88,632	10.00	19,559
Max Financial Services	228	107,602	474.15	108,106		
Motherson Sumi	140	40,390	311.75	43,645	140.00	40,390
Mphasis Limited	241	93,481	843.70	203,332	311	115,544
Mt Educare Limited	255	33,664	70.30	17,927	715	92,139
Nahar Polyfilms Limited	400	21,251	53.25	21,300		
Narmada Gellatin	-	-	-	-	135.00	17,755
Nesco Limited	13	7,150	551.90	7,175	13	7,150
Nirvikara Paper Mills Limited	3	-	71.35	214	3	-
Nocil Limited	265	23,576	191.35	50,708	265	23,576
Novartis India Limited	15	7,335	612.30	9,185	15	7,335

Parag Milk Foods Limited	90	22,721	249.80	22,482		
Persistent System Limited	86	55,745	690.70	59,400	86.00	55,745
Piramal Enterprises Limited	242	153,410	2,440.50	590,601	342	193,853
Psp Projects Limited	140	72,806	449.50	62,930		
Pitti Laminations	-	-	-	-	500	13,750
Rain Industries Limited	-	-	-	-	2,000.00	99,390
Ramkrishna Forgings Limited	87	64,400	700.80	60,970		
Reliance Industries Limited	30	28,194	882.80	26,484	30.00	28,194
Selan Exploration Technology Limited	100	28,349	190.05	19,005	100	28,350
The Shipping Corporation Of India Limited	425	17,049	64.35	27,349	425	17,049
Sagar Cements Limited	170	136,635	924.55	157,174	50	38,062
Shree Cement Limited	2	31,860	16,181.50	32,363	2	31,860
Sriram Transport Finance Company Limited	73	66,484	1,440.55	105,160	118	85,851
Standard Chartered Plc(I dr)	367	30,588	59.55	21,855	367	30,587
Steel Strips & Wheels	-	-	-	-	80	46,711
Sun Pharmaceuticals Limited	60	40,268	495.40	29,724	60.00	40,268
Superhouse Limited	840	147,373	127.70	107,268		
Symphony Limited	40	38,076	1,788.35	71,534	40	38,076
Talwalkars Better Value Fitness Limited	187	28,751	173.30	32,407	187	28,751
Tata Motors Npp_Dvr	250	54,433	183.90	45,975	150	43,023
Techno Fab Engineering Limited	235	33,893	211.50	49,703	235.00	33,890
The Mandhana Retail Ventures Limited	-	-	-	-	210.00	43,408
Thomas Cook India Limited	237	20,413	282.80	67,024	213	15,406
Titan India Limited	120	45,787	941.20	112,944	120.00	45,787
Titagarh Wagons Limited	-	-	-	-	395	10,016
Vip Industries Limited	404	23,881	316.80	127,987	404	23,881
Visaka Industries	-	-	-	-	425	40,802
Yes Bank Limited	39	10,117	304.90	11,891	39	10,117
Zuury Agro Chemicals	120	25,430	480.55	57,666	120	25,430
Zuari Global Limited	200	24,388	171.15	34,230	200	24,388
Zyodus Wellness Limited	79	38,187	1,173.10	92,675	79	38,187
<b>Total- (i)</b>	<b>16,897</b>	<b>2,549,164</b>		<b>4,161,751</b>		<b>2,577,182</b>
<b>Unquoted Investments</b>						
Karrox Technologies Limited	-	-	-	-	25,000	1,000,000
<b>Total- (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>
<b>INVESTMENT IN MUTUAL FUNDS</b>						
Birla SunLife Cash Manager dividend	49,947.412	5,027,595	100.4280	5,016,119	11,937.223	1,198,224
Birla SunLife Cash Manager Fund Growth	880.350	318,590	417.5546	367,594	1,592.077	551,604
Birla Sunlife Weekly Dividend Fund	45,502.974	4,570,699	100.5316	4,574,487	-	-
PPFAS Long Term Value Fund	488,171.727	5,000,000	24.1580	11,793,253	488,171.727	5,000,000
<b>Total- (iii)</b>		<b>14,916,884</b>		<b>21,751,452</b>		<b>6,749,828</b>
<b>INVESTMENT IN FD 3 YEARS</b>						
Axis Bank Limited Fixed Deposit	-	-	-	-	-	4,500,000
<b>Total- (iv)</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>4,500,000</b>
<b>INVESTMENT IN SUBSIDIARY COMPANY</b>						
PPFAS Asset Management Private Limited	35,730,003	390,239,996		-	35,730,003	390,239,996
PPFAS Trustee Company Private Limited	50,000	500,000		-	50,000	500,000
<b>Total- (v)</b>		<b>390,739,996</b>		<b>-</b>		<b>390,739,996</b>
<b>Grand Total (i+ii+iii+iv+v)</b>		<b>408,206,044</b>		<b>25,913,203</b>		<b>405,567,006</b>

<b>NOTE 9 : LONG TERM LOANS AND ADVANCES</b>		
	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
Income Tax Refund receivable.	86,45,499	84,16,887
MAT Credit Available	15,30,036	11,55,708
Other Deposits	72,646	72,646
Advance Tax & TDS (Net of Provision of Taxation)	16,229	228,612
Deposits with Stock Exchange	-	5,00,000
	<b>1,02,64,410</b>	<b>1,03,73,853</b>

<b>NOTE 10 : DEFERRED TAX ASSET</b>		
	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
Opening Balance	23,80,034	25,33,945
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	(87,337)	(100,217)
Filing Fees : Impact of difference between charged as per Company Law & claimed as per Taxation Law	(48,925)	(58,710)
Leave Encashment : Impact of Provision for Leave Encashment	6,145	5,016
<b>Net Deferred Tax Asset</b>	<b>22,49,917</b>	<b>23,80,034</b>

<b>NOTE 11: TRADE RECEIVABLES</b>		
	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
(1) Debts outstanding for a period exceeding six months from the date they are due	-	-
(2) Other Debts (Unsecured considered good )	6,92,759	8,93,723
	<b>6,92,759</b>	<b>8,93,723</b>

<b>NOTE 12: CASH AND BANK BALANCES</b>		
	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
(i) On Current Accounts	28,93,828	13,25,844
(ii) Cash in hand and as Imprest	21,413	15,051
(iii) Fixed Deposits with maturity less than 12 months	26,90,249	26,90,249
	<b>56,05,490</b>	<b>40,31,144</b>

<b>NOTE 13: SHORT TERM LOANS AND ADVANCES</b>		
	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
Prepaid Expense	3,35,850	5,47,827
Loan to Employees	1,05,000	1,81,000
Advances	1,00,000	1,10,263
	<b>5,40,850</b>	<b>8,39,090</b>

<b>NOTE 14: OTHER CURRENT ASSETS</b>		
	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>
Interest accrued on Fixed Deposits	1,29,923	11,26,826
Service Tax Credit	-	29,383
	<b>1,29,923</b>	<b>11,56,209</b>

<b>NOTE 15 : REVENUE FROM OPERATIONS</b>		
	<b>For the year ended 31st March 2018</b>	<b>For the year ended 31st March 2017</b>
Placement Charges - MF	26,87,555	31,33,958
Portfolio Management Fees	17,40,078	21,44,990
	<b>44,27,633</b>	<b>52,78,948</b>

<b>NOTE 16: OTHER INCOME</b>		
	<b>For the year ended 31st March 2018</b>	<b>For the year ended 31st March 2017</b>
<u>Net Gain/Loss on Sale of Investment</u>		
Long Term Capital Gain Equity	15,45,562	(23,082)
Long Term capital Gain on Unquoted Shares	2,50,000	-
Long Term Capital Gain on Mutual Fund	45,230	13,043
Short Term Capital Gain on Equity	11,761	7,876
Short Term Capital Gain on Mutual Fund	3,884	27,721
<b>Total (a)</b>	<b>1,856,437</b>	<b>25,558</b>
<u>Other Non-Operating Income</u>		
Shared Service Income	36,00,000	28,00,000
Interest on Fixed Deposit	3,53,789	6,90,954
Dividend from Mutual Fund	3,03,042	1,37,314
Dividend from Shares	54,755	54,348
Interest from NSE.	1,150	-
<b>Total (b)</b>	<b>43,12,736</b>	<b>36,82,616</b>
<b>Total (a + b)</b>	<b>61,69,173</b>	<b>37,08,174</b>

<b>NOTE 17: EMPLOYEE BENEFIT EXPENSES</b>		
	<b>For the year ended 31st March 2018</b>	<b><i>For the year ended 31st March 2017</i></b>
<b>Salary and Wages</b>		
Office Staff Salary	66,74,998	60,15,193
<b>Contribution to Provident Fund and other funds</b>		
Provident Fund	2,84,338	2,76,682
Maharashtra Labour welfare Fund	180	288
<b>Other expenses</b>		
Staff Welfare	33,862	128,639
	<b>69,93,378</b>	<b>64,20,802</b>

<b>NOTE 18: DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	<b>For the year ended 31st March 2018</b>	<b><i>For the year ended 31st March 2017</i></b>
Depreciation of Tangible Assets	1,57,163	2,72,747
Amortization of Intangible Assets	3,969	34,468
	<b>1,61,132</b>	<b>3,07,215</b>

<b>NOTE 19: OTHER EXPENSES</b>		
	<b>For the period ended 31st March 2018</b>	<b>For the year ended 31st March 2017</b>
Motor car expenses	357,012	230,539
Membership & subscription	253,290	347,039
Rents, Rates & Taxes	200,000	240,000
Bad debts	165,989	-
Computer Maintainence	157,579	170,472
Telephone/communication	109,012	82,307
Professional Charges	89,621	86,665
Internal Audit Fees	69,398	87,525
Statutory Audit fees	30,000	30,000
Filing fees	18,765	47,140
STT, Service Tax & other charges on Share Investment	6,486	1,863
Service Tax written off	3,927	-
Miscellaneous expenses	3,533	29,351
Conveyance Charges	2,418	9,172
Interest on Taxes	2,098	-
Professional tax - company	2,000	2,000
Demat charges	1,803	2,522
Postage & Courier Charges	1,800	-
Bank Charges	319	1,149
CENVAT Credit written off	-	11,875
Printing & stationery	-	1,859
Repairs & maintenance	-	904
	<b>1,475,050</b>	<b>1,382,382</b>



**NOTE 20: SUPPLEMENTARY INFORMATION****a. Particulars of Auditors Remuneration**

<b>Particulars</b>	<b>F.Y.2017-18</b>	<b>F.Y.2016-17</b>
As Auditors	20,000/-	20,000/-
For other Services	10,000/-	10,000/-
<b>TOTAL</b>	<b>30,000/-</b>	<b>30,000/-</b>

**b. Value of Imports**

<b>Particulars</b>	<b>F.Y.2017-18</b>	<b>F.Y.2016-17</b>
Value of Imports	NIL	NIL

**c. Expenditure in Foreign Exchange**

<b>Particulars</b>	<b>F.Y.2017-18</b>	<b>F.Y.2016-17</b>
Professional Charges	NIL	NIL
Travelling Charges	NIL	NIL

**d. Foreign Exchange Earnings**

<b>Particulars</b>	<b>F.Y.2017-18</b>	<b>F.Y.2016-17</b>
Earnings in Foreign Exchange (USD)-Advisory services	NIL	NIL

**e.** Funds received from various investors and invested on their behalf & in their respective names under the Portfolio Management Scheme, as at 31st March, 2018 are Rs 20.52 crores.

**NOTE 21: RELATED PARTY DISCLOSURES**

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

Name of the Related Party	Relationship	Nature of Payment	Amount (Rs.)
Empeegee Portfolio Management Services Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	2,00,000/-
PPFAS Asset Management Private Ltd	Subsidiary Company	Shared Service Cost Received	36,00,000/-

**NOTE 22: CONTINGENT LIABILITIES**

Contingent Liabilities	F.Y.2017-18 Amount in Lakhs	F.Y.2016-17 Amount in Lakhs
Income Tax (A.Y.-2007-08)*	3.60	3.60
Income Tax ( A Y 2008-09)	2.75	2.75
Income Tax (A.Y.-2009-10)	1.60	1.60
Income Tax (A.Y.-2010-11)	-	3.59
Income Tax (A.Y.-2012-13)	-	1.47
Income Tax (A Y - 2014-15)	26.16	26.16

**\*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.

**NOTE 23: EARNINGS PER SHARE**

Particulars	F.Y.2017-18	F.Y.2016-17
Profit attributable to equity shareholders	Rs.18,36,457/-	Rs.7,16,028/-
Weighted Average number of Equity Share Outstanding during the year	71,74,074	67,98,381
Basic & Diluted EPS	Rs. 0.26/-	Rs.0.11/-
Nominal value per share	10/-	10/-

**NOTE 24: MAJOR COMPONENTS OF DEFERRED TAX**

<b>Deferred Tax Assets</b>	<b>(Amount in Rs.)</b>		
I. Opening Balance			23,80,034
II Changes during the Year			
a. Timing Difference in Depreciation			
As per Accounts	1,61,132		
As per Income tax Act	5,00,305		
Over charged for tax purpose	3,39,173		
Deferred Tax @ 25.75%		(87,337)	
b. Timing Difference due to Share issue Expenses			
As per Accounts			
As per Income tax Act	1,90,000		
Over charged for tax purpose	1,90,000		
Deferred Tax @ 25.75%		(48,925)	
c. Timing Difference due to Provision for Leave Encashment			
As per Accounts	23,866		
As per Income tax Act	-		
Under charged for tax purpose	23,866		
Deferred Tax @ 25.75%		6,145	
<b>III. Deferred Tax Expenses charged to Statement of Profit &amp; Loss</b>			<b>1,30,117</b>
<b>IV. Net Deferred tax Assets as per Balance Sheet.</b>			<b>22,49,917</b>

**NOTE 25: INVESTMENT IN SUBSIDIARIES**

The Company had invested in PPFAS Asset Management Private Limited & PPFAS Trustee Company Private Limited, which are wholly owned subsidiaries of the company.

**NOTE 26:**

The amount payable to the Small Scale Undertaking is NIL.

**NOTE 27: PREVIOUS YEAR FIGURES**

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

**Signatures to notes 1 to 27**

As per Our Audit Report of even date

**For CVK & Associates**

Chartered Accountants

Registration No:101745W

**For & on behalf of the Board of Directors of Parag****Parikh Financial Advisory Services Private Limited Firm****K P Chaudhari**

Partner

Membership No: 031661

**Sahil Parikh**

Director

DIN : 0079898

**Neil Parikh**

Director

DIN : 00080269

**Nikhil Hule**

Company Secretary

Place: Mumbai

Date: 27th June, 2018



CHARTERED ACCOUNTANTS

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2, Samarth Apartments, D. S. Babrekar Road, Dadar (W), Mumbai – 400 028. India. Tel.: 2446 8717, 2445 1488. Fax: 91-022 2446 6139. website: www.cvk-ca.com

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Parag Parikh Financial Advisory Services Private Limited**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Parag Parikh Financial Advisory Services Private Limited (“hereinafter referred to as “the Holding Company”) and its subsidiaries PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”)

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

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

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

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and its consolidated profit and its consolidated cash flows for the year ended on that date.

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the

- Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The matters specified in Section 143(3)(i) have not been commented upon, as they are not applicable; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Notes '2(M)' and '23' to the Consolidated Financial Statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.
2. The matters specified in paragraphs 3 and 4 of 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, have not been commented upon, as they are not applicable.

**For CVK & Associates**

*Chartered Accountants  
Firm Regn No.: 101745W*

**K.P. Chaudhari**

*Partner  
Membership No: 031661*

Place: Mumbai  
Date: 27<sup>th</sup> June, 2018

## Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	71,740,740	71,740,740
Reserves And Surplus	4	548,679,929	497,913,939
	<b>(a)</b>	<b>620,420,669</b>	<b>569,654,679</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	5	91,940	(4,665,491)
	<b>(b)</b>	<b>91,940</b>	<b>(4,665,491)</b>
<b>Current Liabilities</b>			
Trade Payables	6	1,404,792	924,923
Other Current Liabilities	7	8,801,729	7,313,025
Short Term Provisions	8	5,151,624	5,469,314
	<b>(c)</b>	<b>15,358,144</b>	<b>13,707,262</b>
<b>Total Equity and Liabilities</b>	<b>(a+b+c)</b>	<b>635,870,753</b>	<b>578,696,450</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
(i)Tangible Assets	9A	211,644,608	191,426,169
(ii)Intangible Assets	9B	1,039,440	858,711
(iii)Capital Work-in-Progress	9C	-	840,000
	<b>(d)</b>	<b>212,684,048</b>	<b>193,124,880</b>
Non-Current Investments	10	354,174,242	328,499,524
Long Term Loans & Advances	11	40,802,003	30,307,678
	<b>(e)</b>	<b>394,976,245</b>	<b>358,807,202</b>
<b>Current Assets</b>			
Trade Receivables	12	14,043,396	12,041,599
Cash & Cash Equivalents	13	10,956,633	10,023,855
Short-Term Loans & Advances	14	2,925,995	2,527,600
Other Current Assets	15	284,436	2,171,322
	<b>(f)</b>	<b>28,210,460</b>	<b>26,764,376</b>
<b>Total Assets</b>	<b>(d+e+f)</b>	<b>635,870,753</b>	<b>578,696,450</b>
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

**For and on behalf of the Board of Directors of  
Parag Parikh Financial Advisory Services Pvt Ltd****K P Chaudhari**

Partner

Membership No: 031661

Place: Mumbai

Date: 27th June, 2018

**Sahil Parikh**

Director

DIN : 00079898

**Neil Parikh**

Director

DIN : 00080269

**Nikhil Hule**

Company Secretary



## Consolidated Statement of Profit &amp; Loss for the year ended 31st March, 2018

Particulars	Note No	For the year ended	<i>For the year ended</i>
		31st March, 2018	31st March, 2017
		Rs.	Rs.
<b>Income</b>			
Revenue From Operations	16	146,996,215	131,856,964
Other Income	17	37,449,191	51,577,096
<b>Total Revenue</b>		<b>184,445,406</b>	<b>183,434,060</b>
<b>Expenses</b>			
Employee Benefits Expenses	18	59,974,760	57,435,893
Depreciation & Amortization Expenses	19	7,561,031	3,659,826
Other Expenses	20	57,604,579	48,157,120
<b>Total Expenses</b>		<b>125,140,370</b>	<b>109,252,839</b>
<b>Profit Before Tax</b>		<b>59,305,036</b>	<b>74,181,221</b>
<b>Tax Expense</b>			
Current Tax		11,834,330	13,482,500
Short Tax Provision for Previous year		-	52,224
Less : MAT Credit Income		(8,052,714)	(872,766)
Less: MAT Credit Income relating to P.Y.		-	(38,347)
Deferred Tax		4,757,431	(19,169)
Total Tax Expense		8,539,047	12,604,442
<b>Profit(Loss) for the Period</b>		<b>50,765,990</b>	<b>61,576,779</b>
Earning Per Equity Share			
Basic		7.08	9.06
Diluted		7.08	9.06
Summary of significant accounting polices	2		
The accompanying notes are an integral part of the financial statements			

As per Our Audit Report of even date  
**Chartered Accountants**  
 Firm Registration No:101745W

**For and on behalf of the Board of Directors of  
 Parag Parikh Financial Advisory Services Pvt  
 Ltd**

**K P Chaudhari**  
 Partner  
 Membership No: 031661

**Sahil Parikh**  
 Director  
 DIN : 00079898

**Neil Parikh**  
 Director  
 DIN : 00080269

Place: Mumbai  
 Date: 27th June, 2018

**Nikhil Hule**  
 Company Secretary

## Consolidated Cash Flow Statement for the year ended 31.03.2018

Particulars	2017-18		2016-17	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>a. Cash flow from Operating Activities</b>				
Profit Before tax expenses		<b>59,305,036</b>		<b>74,181,221</b>
Adjustments :				
<b>Add : Non Operating Expenses/Items</b>				
Depreciation on Fixed Assets	7,119,298		2,470,851	
Amortization of Fixed Assets	441,733	7,561,031	1,188,975	3,659,826
<b>Less : Non - Operating Income/Items</b>				
Long Term Capital (Gain)/Loss on Equity	(1,795,562)		23,082	
Short Term Capital (Gain)/Loss on Mutual Fund	(4,591,562)		(7,403,998)	
Short Term Capital (Gain)/Loss on Equity	(11,761)		-	
Long Term Capital (Gain)/Loss on Mutual fund	(26,667,338)		(14,029,673)	
Long Term Capital (Gain)/Loss on Bonds	(1,747,156)		(20,919,772)	
Long Term Profit on BSE Shares	-		-	
Short Term Capital (Gain)/Loss on Equity	-		3,743,292	
Interest on Tax free Bonds	(1,047,243)		(7,393,860)	
Interest on Fixed Deposit	(426,736)		(741,997)	
Dividend on Shares	(539,151)		(973,564)	
Dividend on Mutual Fund	(303,042)		(137,314)	
Profit on Sale of Car	(318,490)		-	
Other Income	-	(37,448,041)	-	(47,833,804)
<b>Operating Profit before Working Capital Changes</b>		<b>29,418,026</b>		<b>30,007,243</b>
Adjustment for Movement in working capital				
Increase/(Decrease) in Trade Payables & Other Current Liabilities	1,968,573		(619,160)	
Increase/(Decrease) in Short Term Provisions	(317,691)		3,398,710	
(Increase)/Decrease in Deferred Tax Assets	-		-	
(Increase)/Decrease in Long Term Loans & Advances	504,150		(618,197)	
(Increase)/Decrease in Short-Term Loans & Advances	(388,395)		(734,277)	
(Increase)/Decrease in Trade Receivables	(2,001,798)		(37,716)	
(Increase)/Decrease in Other Current Assets	1,886,886	1,651,726	4,065,813	5,455,173
Cash Generated from operations		31,069,752		35,462,416
Less : Taxes Paid		(14,790,100)		(15,788,209)
<b>Net Cash from operating activities</b>		<b>16,279,652</b>		<b>19,674,207</b>
<b>b. Cash flow from Investing Activities</b>				
Purchase of Fixed Assets	(26,801,710)		(192,289,989)	
Purchase of Investments - Non Current	(25,674,716)		77,881,758	
Long Term Capital Gain Equity	1,795,562		(23,082)	
Short Term Capital Gain on Mutual Fund	4,591,562		7,403,998	
Short Term Capital Gain on Equity	11,761		-	
Long Term Capital Gain on Mutual Fund	26,667,338		14,029,673	
Long Term Capital Gains on Bonds	1,747,156		20,919,772	
Long Term Profit on BSE Shares	-		-	
Short Term Capital (Gain)/Loss on Equity	-		(3,743,292)	
Interest on Tax free Bonds	1,047,243		7,393,860	
Interest on Fixed Deposit	426,736		741,997	
Dividend on Shares	539,151		973,564	
Dividend on Mutual Fund	303,042		137,314	
Other Income	-		-	
<b>Net Cash from investing activities</b>		<b>(15,346,875)</b>		<b>(66,574,427)</b>

<b>c. Cash Flow from Financing Activities</b>				
Issue of shares	-		46,689,431	
<b>Net Cash from financing activities</b>		-		<b>46,689,431</b>
<b>Net increase/decrease in cash &amp; cash equivalents</b>		<b>932,778</b>		<b>(210,789)</b>
Cash & Cash Equivalents at the beginning of the year				
Cash in Hand	128,292		75,772	
Bank Accounts	6,605,314		7,383,834	
Fixed Deposits with maturity less than 12 months	3,290,249	<b>10,023,855</b>	2,775,038	<b>10,234,644</b>
Cash & Cash Equivalents at the end of the year				
Cash in Hand	64,677		128,292	
Bank Accounts	7,226,707		6,605,314	
Fixed Deposits with maturity less than 12 months	3,665,249	<b>10,956,633</b>	3,290,249	<b>10,023,855</b>

As per Our Audit Report of even date

**For CVK & Associates**

Chartered Accountants

Firm Registration No:101745W

**For and on behalf of the Board of Directors of  
Parag Parikh Financial Advisory Services Pvt Ltd****K P Chaudhari**

Partner

Membership No: 031661

**Sahil Parikh**

Director

DIN : 00079898

**Neil Parikh**

Director

DIN : 00080269

**Nikhil Hule**

Company Secretary

Place: Mumbai

Date: 27th June, 2018

## Consolidated Notes to Accounts

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

#### NOTE 1: PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are related to Parag Parikh Financial Advisory Services Private Limited and its subsidiaries PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited.

The financial statements of the Group and its subsidiaries 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 Institute of Chartered Accountants of India.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the consolidated financial statements and are presented in the same manner as the Group's standalone financial statements.

The list of subsidiary companies which are included in the consolidation are as under:

Name of the Subsidiary Company	Ownership in percentage		Country of Incorporation
	2017-18	2016-17	
PPFAS Asset Management Private Limited	100	100	India
PPFAS Trustee Group Private Limited	100	100	India

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

##### A. Basis of Preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group 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 which continue to apply under Section 133 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 Group and are consistent with those used in the previous year.

## **B. Use of Estimates**

The preparation of consolidated 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:

- a. it is expected to be realized or settled or is intended for sale or consumption in the Group's normal operating cycle;
- b. it is expected to be realized or settled within twelve months from the reporting date;
- c. in the case of an asset:
  - i. it is held primarily for the purpose of providing services; or
  - ii. 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.
- d. In the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

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

Since the Group 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 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 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 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 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 method is changed from Written down Value Method (WDV) to Straight Line Method (SLM) in case of Asset Management Company.

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 recognized 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:**

#### **i. 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.

ii. Gratuity scheme

1. The Group's gratuity scheme is a defined benefit plan. The Group'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.
2. 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.
3. The Holding company appointed an Actuary to prepare the Actuarial Report for Gratuity as per Accounting Standard – 15 (AS 15) as at 31st March 2018. As per the Report, the Plan Assets exceed the Present Value of Obligation.

However, the Holding Company has forgone its right to such surplus in favour of the employees. Hence the excess is not recognised as income.

## J. Revenue Recognition

Revenue from Portfolio Management fees and other business is recognized on accrual basis. The amount recognized therein is exclusive of service tax/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.

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

In case of Subsidiary Company PPFAS Trustee Company Private Limited, Revenue from Trusteeship Fees is recognized on accrual basis. The amount recognised therein is exclusive of Service Tax/GST.

## K. Taxes on Income

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

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

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

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation

or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

#### **L. Provision**

Provision involving substantial degree of 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 Group 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 transaction**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

#### **O. Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### **P. 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 Group.

#### **Q. Share transactions**

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



<b>NOTE 3 : SHARE CAPITAL</b>				
	<b>As at 31st March, 2018</b>		<b>As at 31st March 2017</b>	
<b>AUTHORISED</b>				
30,000,000 Equity Shares of Rs.10/- each	300,000,000		30,000,000	
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
71,74,074 Equity Shares of Rs.10/- each fully paid	71,740,740		71,740,740	
(Inclusive of 2,646,805 shares issued to shareholders of Parag Parikh Securities Ltd at par on Amalgamation )				
	<b>71,740,740</b>		<b>71,740,740</b>	
<b>a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.</b>				
	<b>As at 31st March, 2018</b>		<b>As at 31st March, 2017</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
At the beginning of the period	7,174,074	71,740,740	6,514,805	65,148,050
Issued during the period	-	-	659,269	6,592,690
<b>Outstanding at the end of the period</b>	<b>7,174,074</b>	<b>71,740,740</b>	<b>7,174,074</b>	<b>71,740,740</b>
<b>b. Details of Shareholders holding more than 5 % of Ordinary Shares</b>				
<b>Name of the Shareholders</b>	<b>Number</b>	<b>% of Holding</b>	<b>Number</b>	<b>% of Holding</b>
Geeta P Parikh	5,777,790	80.54	5,777,790	80.54
Empeegee Portfolio Management Services Private Limited	350,000	4.88	350,000	4.88

<b>NOTE 4: RESERVES AND SURPLUS</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
<b>General Reserve(a)</b>	385,000	385,000
<b>Capital Redemption Reserves(b)</b>	10,100,000	10,100,000
<b>Share Premium(c)</b>	40,096,741	40,096,741
<b>Surplus/(deficit) in the statement of Profit and Loss</b>		
At the Beginning of the Accounting period	447,332,198	385,755,419
Additions During the year	50,765,990	61,576,779
Closing Balance of Surplus in the Statement of Profit & Loss(d)	498,098,188	447,332,198
<b>TOTAL (a+b+c+d)</b>	<b>548,679,929</b>	<b>497,913,939</b>

<b>NOTE 5 : DEFERRED TAX LIABILITIES</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
Opening Balance	(4,665,491)	(4,646,321)
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	4,578,263	(217,238)
Filing Fees : Impact of difference between charged as per Company Law & claimed as per Taxation Law	232,149	278,559
Leave Encashment : Impact of Provision for Leave Encashment	(52,981)	(80,491)
	<b>91,940</b>	<b>(4,665,491)</b>

<b>NOTE 6: TRADE PAYABLES</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
Sundry Creditors		
(A) Total outstanding dues of Micro, Small and Medium Enterprises		
(i) Principal Amount due to Micro , Small and Medium Enterprises	-	-
(ii) Interest due to Micro , Small and Medium Enterprises	-	-
(B) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	1,404,792	924,923
	<b>1,404,792</b>	<b>924,923</b>

<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
TDS - Salaries	7,059,391	6,369,055
TDS - Professional Fees	729,738	511,514
GST Payable	604,595	-
Provident Fund Payable	315,275	294,988
Unpaid Dividend	61,835	61,835
TDS - Contractor	28,494	25,486
Profession Tax Payable	1,400	9,600
TDS - Rent	1,000	10,800
Service Tax Payable	-	28,447
ESIC Payable	-	1,300
	<b>8,801,729</b>	<b>7,313,025</b>

<b>NOTE 8 : SHORT TERM PROVISIONS</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
Provision for Expenses	4,079,691	4,319,823
Provision for Leave Encashment	706,933	244,529
Provision For Audit Fees	365,000	362,000
Provision for Gratuity	-	542,962
	<b>5,151,624</b>	<b>5,469,314</b>

PARAG PARIKH FINANCIAL ADVISORY SERVICES PRIVATE LIMITED											
NOTE 9 : FIXED ASSETS											
Sr. No	Asset	Gross Block as at 01/04/2017	Additions during the year	Deductions during the year	Gross Block as at 31/03/18	Depreciation upto 31/3/17	Depreciation for the period	Accumulated Depreciation on Sold Assets	Total depreciation upto 31/03/18	Net Block as at 31/03/18	Net Block as at 31/03/17
<b>a</b>	Office Equipments										
<b>A.</b>	Tangible Assets										
1	Office Premises	189,284,235	439,658		189,723,893		4,758,171		4,758,171	184,965,722	189,284,235
2	Computer	11,507,619	2,077,483		13,585,102	11,174,377	528,771		11,703,148	1,881,954	333,242
3	Office Equipments	5,590,320	2,768,946		8,359,266	5,084,864	251,751		5,336,615	3,022,651	505,456
4	Electrical Installation	449,050	2,512,215		2,961,265	433,630	154,629		588,259	2,373,005	15,420
5	Motor Car*	10,729,390	1,761,976	746,752	11,744,614	9,741,638	411,787	740,242.00	9,413,183	2,331,431	987,752
6	Office Furniture	5,164,200	17,783,969		22,948,169	4,864,136	1,014,189		5,878,325	17,069,844	300,064
	<b>TOTAL</b>	<b>222,724,814</b>	<b>27,344,247</b>	<b>746,752</b>	<b>249,322,309</b>	<b>31,298,645</b>	<b>7,119,298</b>	<b>740,242</b>	<b>37,677,701</b>	<b>211,644,608</b>	<b>191,426,169</b>
<b>B.</b>	<b>Intangible Assets</b>										
1	Computer Software	10,801,400	622,462		11,423,862	9,942,689	441,733		10,384,422	1,039,440	858,711
	<b>TOTAL</b>	<b>10,801,400</b>	<b>622,462</b>		<b>11,423,862</b>	<b>9,942,689</b>	<b>441,733</b>		<b>10,384,422</b>	<b>1,039,440</b>	<b>858,711</b>
<b>C.</b>	<b>Capital Work-in-Progress</b>										
1	Office Furniture W.I.P.	840,000		840,000							840,000
	<b>TOTAL</b>	<b>840,000</b>		<b>840,000</b>							<b>840,000</b>
	<b>TOTAL (A+B+C)</b>	<b>234,366,214</b>	<b>27,966,709</b>	<b>1,586,752</b>	<b>260,746,171</b>	<b>41,241,334</b>	<b>7,561,031</b>	<b>740,242</b>	<b>48,062,123</b>	<b>212,684,047</b>	<b>193,124,880</b>
	<b>Previous Year</b>	<b>42,076,225</b>	<b>192,289,989</b>		<b>234,366,214</b>	<b>37,581,508</b>	<b>3,659,826</b>		<b>41,241,334</b>	<b>193,124,880</b>	

**NOTE 10: NON CURRENT INVESTMENTS**

	No of shares	Cost for 3/31/2018	MKT. Rate 3/31/2018	MKT. Value on 31/03/2018'	No of shares	Cost for 31/03/2017'
Investments in Equity by PPFAS						
Quoted Investment						
' Equity Shares fully paid "						
Adore Fontech Limited	-	-	-	-	445	39,798
Amar Raja Batteries Limited	-	-	-	-	75	29,901
Atul Auto Limited	-	-	-	-	150	27,124
Aurobindo Pharma Limited	35	26,332	557.25	19,504		
Axis Bank Limited	255	76,075	509.40	129,897	355	96,611
Bajaj Corporation Limited	193	42,796	472.20	91,135	193	42,796
Bajaj Electricals	-	-	-0.00	-	180	30,282
Balakrishna Industries Limited	87	54,455	1,072.85	93,338	98	59,914
Blue Star Limited	72	12,154	754.00	54,288	72	12,154
CCL Products India Limited	-	-	-0.00	-	328	39,688
Coal India Limited	170	51,604	283.50	48,195	170	51,604
Crompton Greaves Limited	-	-	-	-	140	17,815
Dalmia Bharat Limited	10	19,215	2,885.35	28,854	10	19,215
Development Credit Bank Limited	-	-	-0.00	-	330	33,587
Elantas Beck India Limited	37	15,041	2,041.75	75,545	37	15,041
Engineers India Limited	78	11,808	158.10	12,332	390	59,065
Federal Bank Limited	-	-	-	-	400	29,883
Foseco India Limited	75	34,196	1,501.70	112,628	75	34,195
G M Breweries Limited	-	-	-	-	67	-
Geogit BNP Paribus Financial Services Limited	1,800	34,783	91.35	164,430	1,800	34,783
Great Eastern Shipping Company Limited	72	25,978	331.30	23,854	72	22,892
Greaves Cotton Limited	685	75,551	113.90	78,022	295	23,731
HDFC Bank Limited	60	75,108	1,891.45	113,487	60	75,108
Hindustan Media Ventures Limited	458	52,562	220.75	101,104	458	52,562
ILFS & Investment Managers Limited					6,181	3,000
ILFS Venture Corporation Limited	5,457	3,000	17.10	93,315	-	-
ITC Limited	75	14,595	255.90	19,193	75	14,595
Jagran Prakshan Limited	509	86,725	171.35	87,217	100	18,236
ICICI Bank Limited	190	59,207	278.40	52,896	190	59,207
IL&FS Transportation Networks Limited	-	-	-0.00	-	180	19,800
Indraprasth Gas Limited	161	42,017	278.85	44,895	161	42,017
Ipca Laboratories Limited	100	68,457	654.90	65,490	100	68,457
Kajaria Ceramics Limited	100	49,841	567.05	56,705	100	49,841
Lupin Limited	25	24,420	736.40	18,410		
Maruti Suzuki India Limited	10	19,559	8,863.15	88,632	10	19,559
Max Financial Services	228	107,602	474.15	108,106	-	-
Motherson sumi	140	40,390	311.75	43,645	140	40,390
Mphasis Limited	241	93,481	843.70	203,332	311	115,544
MT Educare Limited	255	33,664	70.30	17,927	715	92,139
Nahar Polyfilms Limited	400	21,251	53.25	21,300		
Narmada Gellatin	-	-	-	-	135	17,755
NESCO Limited	13	7,150	551.90	7,175	13	7,150
Nirvikara Paper Mills Limited	3	-	71.35	214	3	-
NOCIL Limited	265	23,576	191.35	50,708	265	23,576
Novartis India Limited	15	7,335	612.30	9,185	15	7,335
Parag Milk Foods Limited	90	22,721	249.80	22,482		
Persistent System Limited	86	55,745	690.70	59,400	86	55,745
Piramal Enterprises Limited	242	153,410	2,440.50	590,601	342	193,853
PSP Projects Limited	140	72,806	449.50	62,930		
Pitti Laminations	-	-	-	-	500	13,750
Rain Industries Limited	-	-	-	-	2,000	99,390
Ramkrishna Forgings Limited	87	64,400	700.80	60,970		
Reliance Industries Limited	30	28,194	882.80	26,484	30	28,194
Selan Exploration Technology Limited	100	28,349	190.05	19,005	100	28,350
The Shipping Corporation of India Limited	425	17,049	64.35	27,349	425	17,049
Sagar Cements Limited	170	136,635	924.55	157,174	50	38,062
Shree Cement Limited	2	31,860	16,181.50	32,363	2	31,860
Sriram Transport Finance Company Limited	73	66,484	1,440.55	105,160	118	85,851
Standard Chartered PLC(IDR)	367	30,588	59.55	21,855	367	30,587
Steel Strips & Wheels	-	-	-	-	80	46,711
Sun Pharmaceuticals Limited	60	40,268	495.40	29,724	60	40,268

Superhouse Limited	840	147,373	127.70	107,268		
Symphony Limited	40	38,076	1,788.35	71,534	40	38,076
Talwalkars better Value Fitness Limited	187	28,751	173.30	32,407	187	28,751
Tata Motors NPP_DVR	250	54,433	183.90	45,975	150	43,023
Techno Fab Engineering Limited	235	33,893	211.50	49,703	235	33,893
The Mandhana Retail Ventures Limited	-	-	-	-	210	43,407
Thomas Cook India Limited	237	20,413	282.80	67,024	213	15,406
Titan India Limited	120	45,787	941.20	112,944	120	45,786
Titagarh Wagons Limited	-	-	-00	-	395	10,016
VIP Industries Limited	404	23,881	316.80	127,987	404	23,881
VISAKA Industries	-	-	-	-	425	40,801
Yes Bank Limited	39	10,117	304.90	11,891	39	10,117
Zuury Agro Chemicals	120	25,430	480.55	57,666	120	25,430
Zuari Global Limited	200	24,388	171.15	34,230	200	24,388
Zyodus Wellness Limited	79	38,187	1,173.10	92,675	79	38,187
<b>Total- (i)</b>		<b>2,549,164</b>		<b>4,161,751</b>		<b>2,577,182</b>
<b>Investments in Equity by PPFAS AMC</b>						
Maharashtra Scooters Limited	9,170	12,350,450	2,280.45	20,911,727	9,170	12,350,448
IL&FS Investment Managers Limited	348,826	6,557,986	17.10	5,964,925	348,826	6,557,986
<b>Total- (ii)</b>		<b>18,908,436</b>		<b>26,876,651</b>		<b>18,908,434</b>
<b>Unquoted Investments:</b>						
<b>PPFAS</b>						
Karrox Technologies Limited	-	-	-	-	25,000	1,000,000
<b>PPFAS AMC</b>						
MF Utilities India Private Limited	500,000	500,000			500,000	500,000
<b>Total- (iii)</b>		<b>500,000</b>			<b>-</b>	<b>1,500,000</b>
<b>INVESTMENT IN MUTUAL FUNDS</b>						
Birla SunLife Cash Manager Fund Growth	199,018.73	81,740,347	417.5546	83,101,187	172,930	67,185,684
Birla SunLife Cash Manager dividend	49,947.412	5,027,595	100.43	5,016,119	11,937	1,198,224
Birla Sunlife Weekly Dividend Fund	45,502.974	4,570,699	100.53	4,574,487		
PPFAS Long Term Value Fund	11,698,916.18	230,660,000	24.16	268,797,327	11,695,512	203,950,000
<b>Total- (iv)</b>		<b>321,998,641</b>		<b>361,489,120</b>		<b>272,333,908</b>
<b>INVESTMENT IN BONDS</b>						
PFC Limited	-	-	-	-	2,054	2,054,000
Indian Railway Finance Corporation Limited II	-	-	-	-	6,040	6,040,000
IREDA Bonds	10,218	10,218,000	1,121.00	11,454,378	10,218	10,218,000
HUDCO Taxfee Bonds	-	-	-	-	2,803	2,803,000
NHAI Bonds 2015	-	-	-	-	4,626	4,626,000
IRFC Tax Free Bonds 2015	-	-	-	-	2,939	2,939,000
<b>Total- (v)</b>		<b>10,218,000</b>		<b>11,454,378</b>		<b>28,680,000</b>
<b>INVESTMENT IN FD 3 YEARS</b>						
<b>Axis Bank Fixed Deposit</b>					-	4,500,000
<b>Total- (vi)</b>		<b>-</b>				<b>4,500,000</b>
<b>Grand Total (i+ii+iii+iv+v+vi)</b>		<b>354,174,242</b>		<b>403,981,900</b>		<b>328,499,524</b>

<b>NOTE 11 : LONG TERM LOANS AND ADVANCES</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
Previous year Taxes Receivable	13,500,136	12,013,729
MAT Credit Available	9,947,201	1,894,487
Advance Tax & TDS (Net of Provision of Taxation)	2,955,770	1,490,566
Deposits with Stock Exchange	-	500,000
Other Deposits	14,398,896	14,408,896
	<b>40,802,003</b>	<b>30,307,678</b>

<b>NOTE 12: TRADE RECEIVABLES</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
(1) Debts outstanding for a period exceeding six months from the date they are due	Nil	Nil
(2) Other Debts (Unsecured considered good )	14,043,396	12,041,599
	<b>14,043,396</b>	<b>12,041,599</b>

<b>NOTE 13: CASH AND CASH EQUIVALENTS</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
(i) On Current Accounts	7,226,707	6,605,314
(ii) Cash in hand and as Imprest	64,677	128,292
(iii) Fixed Deposits with maturity less than 12 months	3,665,249	3,290,249
	<b>10,956,633</b>	<b>10,023,855</b>

<b>NOTE 14: SHORT TERM LOANS AND ADVANCES</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
Prepaid Expense	2,699,375	2,236,337
Advances	121,620	110,263
Loan to Employees	105,000	181,000
	<b>2,925,995</b>	<b>2,527,600</b>

<b>NOTE 15: OTHER CURRENT ASSETS</b>		
	<b>As at 31st March, 2018</b>	<b>As at 31st March 2017</b>
Interest accrued on Fixed Deposits & Bonds	284,436	1,826,803
Service Tax Credit	-	344,519
	<b>284,436</b>	<b>2,171,322</b>



<b>NOTE 16 : REVENUE FROM OPERATIONS</b>		
	<b>For the year ended 31st March 2018</b>	<b>For the year ended 31st March 2017</b>
Management Fees	142,568,582	126,578,016
Placement Charges - MF	2,687,555	3,133,958
Portfolio Management Fees	1,740,078	2,144,990
	<b>146,996,215</b>	<b>131,856,964</b>

<b>NOTE 17: OTHER INCOME</b>		
	<b>For the year ended 31st March 2018</b>	<b>For the year ended 31st March 2017</b>
<u>Net Gain/Loss on Sale of Investment</u>		
Long Term Capital Gain on Mutual Fund	26,667,338	14,029,673
Short Term Capital Gain on Mutual Fund	4,591,562	7,403,998
Long Term Capital Gains on Bonds	1,747,156	20,919,772
Long Term Capital Gain Equity	1,545,562	(23,082)
Long Term capital Gain on Unquoted Shares	250,000	-
Short Term Capital Gain on Equity	11,761	-
<b>Total (a)</b>	<b>34,813,379</b>	<b>42,330,361</b>
<u>Other Non-Operating Income</u>		
Interest on Tax free Bonds	1,047,243	7,393,860
Dividend From Shares	539,151	973,564
Interest on Fixed Deposit	426,736	741,997
Profit on sale of Motor Car	318,490	-
Dividend from Mutual Fund	303,042	137,314
Interest from NSE	1,150	-
<b>Total (b)</b>	<b>2,635,812</b>	<b>9,246,735</b>
<b>Total (a + b)</b>	<b>37,449,191</b>	<b>51,577,096</b>

<b>NOTE 18: EMPLOYEE BENEFIT EXPENSES</b>		
	<b>For the year ended 31st March 2018</b>	<b><i>For the year ended 31st March 2017</i></b>
<b>Salary and Wages</b>		
Office Staff Salary	56,408,045	53,511,091
<b>Contribution to Provident Fund and other funds</b>		
Provident Fund	1,924,792	1,921,528
Employees State Insurance Fund	-	50,306
Gratuity Fund	526,034	542,962
Maharashtra Labour welfare Fund	1,908	1,872
<b>Other expenses</b>		
Staff Welfare	1,113,981	1,408,134
	<b>59,974,760</b>	<b>57,435,893</b>

<b>NOTE 19: DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	<b>For the year ended 31st March 2018</b>	<b><i>For the year ended 31st March 2017</i></b>
Depreciation of Tangible Assets	7,119,298	2,470,851
Amortization of Intangible Assets	441,733	1,188,975
	<b>7,561,031</b>	<b>3,659,826</b>

<b>NOTE 20: OTHER EXPENSES</b>		
	<b>For the year ended 31st March 2018</b>	<b>For the year ended 31st March 2017</b>
Professional Charges	20,932,737	14,544,333
Distributor Commission	6,809,759	4,490,093
Advertising expenses	6,025,477	7,007,974
Printing & stationery	4,308,952	2,413,530
Business Promotion Expenses	3,042,437	2,365,365
Computer Maintenance	2,459,350	1,611,291
Postage & Courier Charges	1,595,085	925,871
Electricity expenses	1,358,503	1,233,658
Insurance Charges	1,193,540	1,272,737
Rents, Rates & Taxes	1,182,070	1,396,159
Contributions Towards CSR	1,126,524	785,450
Society Maintenance Expenses	823,565	-
Conveyance Charges	772,694	929,343
Miscellaneous expenses	721,726	310,075
Membership & subscription	661,404	747,041
Telephone/communication	631,857	498,599
Motor car expenses	583,054	719,734
Travelling expenses	489,639	427,901
Bank Charges	470,318	467,845
Statutory Audit fees	400,000	600,000
Internet charges	378,828	425,803
Repairs & maintenance	375,185	253,428
Director's Fees (Sitting Fees)	310,000	360,000
Annual Fees to SEBI	250,000	250,000
Filing fees	243,613	135,665
Bad debts	165,989	-
Transaction Charges	162,392	-

Books & periodicals	84,577	22,008
Director/employee Education	21,992	152,017
STT, Service Tax & other charges on Share Investment	6,486	6,667
Professional tax - company	6,000	6,000
Interest on Taxes	5,096	34,844
CENVAT Credit written off	3,927	11,875
Demat charges	1,803	2,522
Short Term Capital Loss on Sale of Shares	-	3,743,292
Seminar fees	-	6,000
	<b>57,604,579</b>	<b>48,157,120</b>

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

<b>Director's Name</b>	<b>Amount in Rs.</b>	<b>Head of Expenses</b>
Arindam Ghosh	40,000/-	Sitting Fees
Kamlesh Somani	50,000/-	Sitting Fees
Rajesh Bhojani	60,000/-	Sitting Fees
P. A. Balasubramanian	40,000/-	Sitting Fees
Rajan Mehta	50,000/-	Sitting Fees
Dhaval Desai	30,000/-	Sitting Fees
Sunil Gautam	40,000/-	Sitting Fees

**b. Particulars of Auditors Remuneration**

<b>Particulars</b>	<b>F.Y.2017-18</b>	<b>F.Y.2016-17</b>
As Statutory Auditors	3,90,000/-	3,90,000/-
For Other Services	2,10,000/-	2,10,000/-
<b>TOTAL</b>	<b>6,00,000/-</b>	<b>6,00,000/-</b>

**c. Value of Imports**

<b>Particulars</b>	<b>F.Y.2017-18</b>	<b>F.Y.2016-17</b>
Value of Imports	NIL	NIL

**d. Expenditure in Foreign Exchange**

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

**e. Foreign Exchange Earnings**

Particulars	F.Y.2017-18	F.Y.2016-17
Earnings in Foreign Exchange (USD)	NIL	NIL

f. Funds received from various investors and invested on their behalf & in their respective names under the Portfolio Management Scheme, as at 31st March, 2018 are Rs 20.52 crores.

**NOTE 22: RELATED PARTY DISCLOSURES**

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

Name of the Related Party	Relationship	Nature of Payment	Amount (Rs.)
Empeegee Portfolio Management Services Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	11,78,000/-
Rajeev Thakkar	Director who is able to exercise significant influence	Employee Benefits Expenses	1,20,09,574/-
Neil Parikh	Director who is able to exercise significant influence	Employee Benefits Expenses	41,92,567/-
Shashi Kataria	Director who is able to exercise significant influence	Employee Benefits Expenses	24,61,738/-

**NOTE 23: CONTINGENT LIABILITIES**

<b>Contingent Liabilities</b>	<b>F.Y.2017-18 Amount in Rs. Lakhs</b>	<b>F.Y.2016-17 Amount in Rs. Lakhs</b>
Income Tax (A.Y.-2007-08)*	3.60	3.60
Income Tax (A.Y.-2008-09)	2.75	2.75
Income Tax (A.Y.-2009-10)	1.60	1.60
Income Tax (A.Y.-2013-14)	-	41.73
Income Tax (A Y - 2014-15)	26.16	26.16
MF Utilities India Pvt. Ltd.**	11.20	22.80

\*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.

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

**NOTE 24: EARNINGS PER SHARE**

<b>Particulars</b>	<b>FY 2017-18</b>	<b>FY 2016-17</b>
Profit attributable to equity shareholders	Rs.5,07,65,990/-	Rs.6,15,76,779/-
Weighted Average number of Equity Share Outstanding during the year	71,74,074	67,98,381
Basic & Diluted EPS	Rs.7.08	Rs.9.06
Nominal value per share	10/-	10/-

**NOTE 25: MAJOR COMPONENTS OF DEFERRED TAX**

Deferred Tax Assets	(Amount in Rs.)		
<b>I. Opening Balance</b>			<b>46,65,491</b>
<b>II Changes during the Year</b>			
<b>a. Timing Difference in Depreciation</b>			
As per Accounts	75,61,031		
As per Income tax Act	2,41,99,728		
Overcharged for tax purpose	1,66,38,697		
Deferred Tax		(45,78,263)	
<b>b. Timing Difference due to share issue Expenses</b>			
As per Accounts	-		
As per Income tax Act	8,55,000		
Overcharged for tax purpose	8,55,000		
Deferred Tax		(2,32,149)	
<b>c. Timing Difference due to Provision for Leave Encashment</b>			
As per Accounts	7,06,933		
As per Income tax Act	-		
Undercharged for tax purpose	7,06,933		
Deferred Tax		52,981	
<b>III. Deferred Tax Income recognized in Statement of Profit &amp; Loss</b>			<b>47,57,431</b>
<b>IV. Net Deferred tax Assets as per Balance Sheet.</b>			<b>91,940</b>



**NOTE 26:**

The amount payable to the Small Scale Undertaking is NIL.

**NOTE 27: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY AND ITS SUBSIDIARIES.**

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/(Loss)
Parag Parikh Financial Advisory Services Limited (Parent Company)	68.78%	42,71,02,035/-	3.62%	18,36,457/-
PPFAS Asset Management Private Limited (Subsidiary Company)	31.01%	19,25,50,222/-	95.28%	4,83,69,877/-
PPFAS Trustee Company Private Limited (Subsidiary Company)	0.21%	12,74,019/-	1.10%	5,59,656/-

**NOTE 28: PREVIOUS YEAR FIGURES**

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

Signatures to notes 1 to 28

As per Our Audit Report of even date

**For CVK & Associates**

Chartered Accountants  
Firm Registration No:101745W

**For & on behalf of the Board of Director of Parag Parikh Financial Advisory Services Pvt Ltd****K P Chaudhari**

Partner  
Membership No: 031661

**Sahil Parikh**

Director  
DIN: 00079898

**Neil Parikh**

Director  
DIN: 00080269

Place: Mumbai

Date: 27th June, 2018

**Nikhil Hule**

Company Secretary

**Parag Parikh Financial Advisory Services Private Limited**

**CIN:** U67190MH1992PTC068970

**Regd. & Corp. Off.:** 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 **Web:** [www.ppfas.com](http://www.ppfas.com)

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**[Form No. MGT-11]**

**Proxy Form**

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

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/her

2.Name:\_\_\_\_\_ Address:\_\_\_\_\_

\_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him/her

3.Name:\_\_\_\_\_ Address:\_\_\_\_\_

\_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 18th September, 2018 at 12:00 noon at 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

# I wish my above proxy to vote in the manner as indicated in the box below:

<b>Resolution No.</b>	<b>Particular of Resolution(s)</b>	<b>For</b>	<b>Against</b>
1	To Consider, approve and adopt Standalone and Consolidated Audited Financial Statement, Reports of the Board of Directors and Auditors pertaining to F. Y. 2017-18.		
2	Regularisation of Additional Director, Mr. Shashi Kataria.		
3	Approval of PPFAS Employees Stock Option Plan 2018 (PPFAS ESOP 2018) and grant of stock options to the eligible employees/directors of the Company under the scheme.		
4	Grant of options to the eligible employees/ directors the Company's subsidiary under PPFAS ESOP 2018.		
5	Approval of the grant of options to the identified employees during any one year, equal to or exceeding one percent of the issued capital of the company at the time of grant of option.		

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

Signature of shareholder

Please affix Re.1 Revenue Stamp
--

Signature of Proxy holder(s)

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

## Parag Parikh Financial Advisory Services Private Limited

CIN: U67190MH1992PTC068970

Regd. & Corp. Off.: 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 Web: [www.ppfas.com](http://www.ppfas.com)

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### ATTENDANCE SLIP

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

Name of the company : Parag Parikh Financial Advisory Services Private Limited

Registered office : 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai - 400 021.

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

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company at 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai - 400021 on Tuesday, 18th September, 2018 at 12:00 noon.

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Signature of the Member(s)/Proxy

#### Notes:

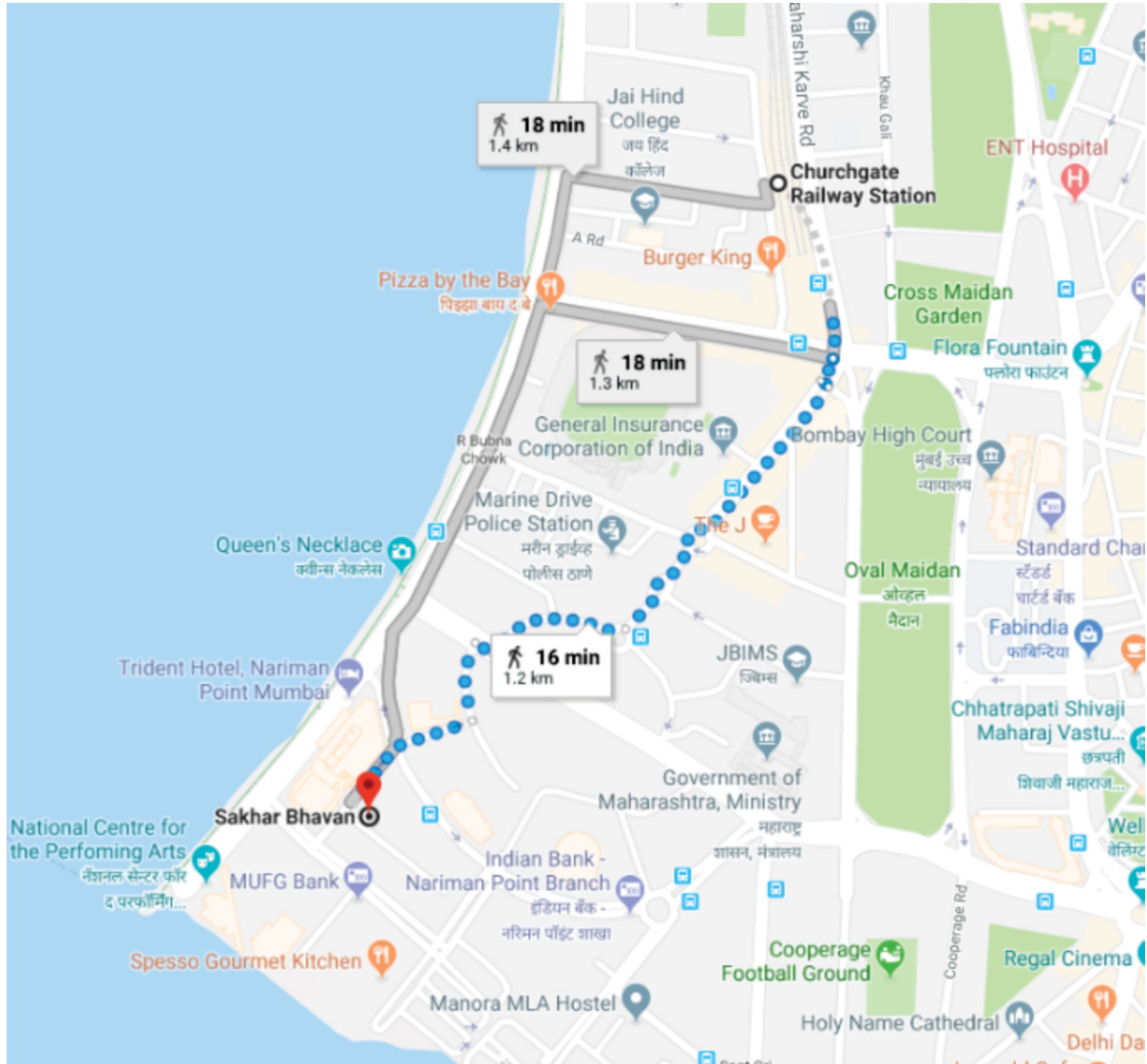
Members are requested to bring their copies of Annual Report at the AGM.

## Road map to AGM Venue

Venue: Registered Office of the Company. 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai - 400 021.

Distance from Churchgate Railway Station: around 1.2 Km.

Distance from Chhatrapati Shivaji Terminus: around 2.8 Km.





## **Parag Parikh Financial Advisory Services Private Limited**

81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230,  
Nariman Point, Mumbai - 400 021, Maharashtra, INDIA.

**Tel: 91 22 6140 6555 Fax: 91 22 2284 6553**

**email@ppfas.com | www.ppfas.com**