



Parag Parikh Financial Advisory Services Private Limited
Annual Report 2019 - 2020

Corporate Information

Board of Directors:

Rajeev Thakkar
Neil Parikh
Sahil Parikh
Suneel Gautam
Shashi Kataria

Bankers:

AXIS Bank Limited
HDFC Bank Limited

Company Secretary & Compliance Officer:

Sonakshi Mahendra

Auditors:

CVK & Associates
Chartered Accountants

Registered Office:

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

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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**E:** email@ppfas.com **Web:** www.ppfas.com

NOTICE

NOTICE is hereby given that the **28th Annual General Meeting** of the members of Parag Parikh Financial Advisory Services Private Limited will be held on **Wednesday, 30th September, 2020 at 2.00 p.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:**1. ADOPTION OF FINANCIAL STATEMENTS:**

To receive, consider and adopt:

- (a) The Audited financial statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon and
- (b) The Audited Consolidated financial statements of the Company for the financial year ended 31st March, 2020 and report of Auditors thereon.

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

Place: Mumbai

Date: 14th August, 2020

Sd/-
Neil Parikh
Director
(DIN- 00080269)

Sd/-
Sahil Parikh
Director
(DIN- 00079898)

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. Due to non-availability of public transport for general public in the city where the Registered office of the Company is situated (Mumbai), it is decided that the AGM of the Company will be held through VC / OAVM in compliance with the provisions of the Companies Act, 2013 (“Act”) so as to facilitate wider reach/connectivity and for the convenience of the Members.
2. **Proxy:** Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. **Corporate Members:** Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board Resolution authorizing its representative to attend the AGM through VC / OAVM on its behalf. The said Resolution/Authorization shall be sent to the Company at email@ppfas.com through its registered email address.
4. **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. Vide notification dated 7th May, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 28th Annual General Meeting.
5. **Inspection of Records:** Members seeking any information with regard to the any matter to be placed at the AGM or inspection of any of the supporting documents through electronic mode, are requested to write to the Company at email@ppfas.com before the date of the AGM. The same will be replied by the Company suitably.

For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, folio number, email id, mobile number at email@ppfas.com and register themselves as a speaker. Those

Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

- 6. 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.

The Members can convey their vote through their registered email address to email@ppfas.com if there is a demand for voting by poll in terms of Section 109 of the Companies Act, 2013.

- 7. Green initiative:** In compliance with the aforesaid MCA Circulars, the Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may also note that the Notice of the Annual General Meeting will be available on the Company's website www.ppfas.com. 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 the Notice of the Meeting and service of other documents through electronic mode are requested to register their email address with the Company.

- 8. Quorum:** Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

- 9. 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.

- 10. Unclaimed Dividend:** 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). The said transfer to IEPF would be made on 7th November, 2020. Members wishing to claim dividends that remained unclaimed are requested to correspond with the Company through email@ppfas.com before the said transfer.

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 30th September, 2019 (date of last AGM) on the website of the Company viz. www.ppfas.com and also on the website of the Ministry of Corporate Affairs.

- 11. Route Map:** Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through Video conferencing by using 'Google Meet'. The link to the meeting would be shared to the members having a registered email address in the records of the Company.
2. Members who have not registered their email address with the Company and are desirous of receiving the notice of the AGM for participation and voting at the meeting are required to send a request mentioning their Full Name, Folio number and contact details on email@ppfas.com by Tuesday, 29th September, 2020. The link for attending the meeting through VC / OAVM would be shared with the member after the said registration.
3. The members having an existing google account can join the meeting after clicking on the link shared. The members that are not google accounts holders would be required to enter their Full Name when prompted to and then click on 'Ask to join'. The member would then be granted access to join the meeting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned above.
5. Members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. The helpline number for joining the Meeting through Electronic Mode will be provided in along with the Notice of the AGM which will be sent to all Members having registered email addresses.

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

Place: Mumbai
Date: 14th August, 2020

Sd/-
Neil Parikh
Director
(DIN- 00080269)

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Sahil Parikh
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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**E:** email@ppfas.com **Web:** www.ppfas.com**BOARD'S REPORT****Dear Member(s),**

We are pleased to present the 28th Annual Report on the business operations of the Company together with its Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL AND OPERATIONAL RESULTS:***Financial Results (Standalone):***

Financial and Operational Results of the Company for the financial year ended 31st March, 2020, as compared to the previous financial year, is summarized below:

(Rs. In Lakhs)

Particulars	Current financial year ended on 31st March, 2020	Previous financial year ended on 31st March, 2019
Operating Income	35.52	40.18
Other Income	105.29	81.79
Total Income	140.81	121.97
Profit before Exceptional items, Depreciation and Tax	24.45	19.89
Exceptional items: Prior period expenses/(Income)	(12.89)	-
Profit before Depreciation and Tax	37.34	19.89
Depreciation	0.24	0.69
Profit before Tax	37.09	19.20
Current Tax	3.66	3.82
MAT Credit Income	(2.25)	(3.81)
Short Tax Provision for Previous years	16.98	-
Deferred Tax	0.38	0.98
Profit after Tax	18.32	18.21
Share Capital	717.41	717.41
Reserves and Surplus	3,590.15	3,571.83

Financial Results (Consolidated):

The Consolidated Financial and Operational Results of the Company for the year ended 31st March, 2020 as compared to the previous financial year, is summarized below:

(Rs. In Lakhs)

Particulars	Current financial year ended on 31st March, 2020	Previous financial year ended on 31st March, 2019
Operating Income	1,876.12	1,586.96
Other Income	210.54	508.88
Total Income	2,086.66	2,095.84
Profit before Depreciation, Tax, Extra-ordinary and Exceptional items	669.13	644.57
Exceptional Items: Prior Period Expenses/(Income)	(11.17)	(3.76)
Profit before Extra-ordinary items, Depreciation and Tax	680.30	648.32
Extra-ordinary Items	32.86	-
Profit before Depreciation and Tax	647.44	648.32
Depreciation	156.84	131.10
Profit before Tax	490.60	517.23
Current Tax	80.04	108.43
MAT Credit Entitlement	(1.90)	(96.40)
Excess Tax Provision for Previous year	16.98	(7.63)
Deferred Tax	26.36	24.74
Profit after Tax	369.12	488.09
Share Capital	717.41	717.41
Reserves and Surplus	6,344.01	5,974.89

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 18.32 Lakhs for the year.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company continues to have two subsidiaries and there were no changes to the same 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 Statements 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 on the Company's website (www.ppfas.com).

DEPOSITS:

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

There were no unclaimed or unpaid deposits as on March 31, 2020.

CAPITAL STRUCTURE:

During the F.Y. 2019-20 no fresh equity shares were issued or allotted.

THE STATE OF THE COMPANY'S AFFAIRS & INDUSTRY OUTLOOK:

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 completed 7 years of operations in May 2020. The performance of the scheme as on May 31, 2020 is given below:

Lumpsum Investment Performance (Compounded Annual Returns)

Date	Scheme	Benchmark	Index	Index
	PPLTEF	Nifty 500 (TRI)	Nifty 50 (TRI)	S&P BSE Sensex (TRI)
Since Inception (CAGR Returns) as on May 31, 2020. Allotment Date: 24th May, 2013	14.02%	8.87%	8.32%	8.85%

May 31, 2019 to May 29, 2020 (Last 1 year)	0.24%	-19.22%	-18.62%	-17.41%
May 31, 2017 to May 29, 2020 (Last 3 years)	7.30%	-0.93%	1.23%	2.64%
May 29, 2015 to May 29, 2020 (Last 5 years)	8.36%	3.62%	3.93%	4.48%

Parag Parikh Liquid Fund:

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

The performance of the scheme as on May 31, 2020 is given below:

Lumpsum Investment Performance (Compounded Annual Returns)

Date	Scheme	Benchmark	Index
	PPLF	Crisil Liquid Fund Index	Crisil 1 year T-bill Index
Since Inception (CAGR Returns) as on May 31, 2020. Allotment Date: 11th May, 2018	5.75%	6.88%	7.78%
May 22, 2020 to May 31, 2020 (Last 7 Days)	2.04%	3.42%	4.24%
May 15, 2020 to May 31, 2020 (Last 15 days)	3.20%	4.46%	10.11%
April 30, 2020 to May 31, 2020 (Last 1 Month)	3.52%	5.39%	5.00%
February 28, 2020 to May 31, 2020 (Last 3 Months)	4.26%	5.45%	11.19%
November 29, 2019 to May 31, 2020 (Last 6 Months)	4.51%	5.52%	8.10%
May 31, 2019 to May 31, 2020 (Last 1 year)	5.11%	6.01%	8.01%

Launch of Parag Parikh Tax Saver Fund

In July 2019, the Mutual Fund also launched Parag Parikh Tax Saver Fund (PPTSF) to enable investors to save on tax while earning equity linked returns. PPTSF is an open-ended Equity Linked Savings Scheme, offering income tax benefits up to Rs 1.50 lakh under section 80C with a mandatory lock-in period of 3 years. The scheme aims to generate long-term capital appreciation through a portfolio of equity and equity-related securities.

Environment in the Capital Markets:

There has been a severe fall in the equity markets given the fear and uncertainty around the COVID-19 disease and its impact on the economy and corporate performance. Given the somewhat elevated level in the past, Parag Parikh Long Term Equity Fund and Parag Parikh Tax Saver Fund were holding some cash. This was gainfully deployed in the fall and the subsequent recovery in the equity markets helped us. The importance of global diversification also came vividly to the fore as the US equity markets and especially the technology related space bounced back smartly on the back of fiscal and monetary measures announced in the country. In the midst of all the turmoil, Parag Parikh Long Term Equity Fund and Parag Parikh Tax Saver Fund preserved capital quite well on the downside and have recovered smartly in the subsequent months. We continue to be mindful of the valuation parameters while investing in equity and are also keeping in mind the tough economic environment and will not chase momentum while making investments. As always PPFAS is focusing on individual companies on a bottom up stock selection process.

Even in the debt funds, there was quite a bit of turmoil given the difficult economic environment and the drying up of liquidity in lower rated papers. Parag Parikh Liquid Fund continues to be very focused on the safety for unit-holders and we have a large allocation to Tri Party Repo and Sovereign Paper which is credit risk free and highly liquid. Even where we have Commercial Paper and Certificate of Deposit investments, we are keeping individual exposures minimal and at the same time doing our own credit analysis and not just relying on the Credit Ratings.

Both the approaches in the Equity and Debt markets have helped PPFAS stand out in the marketplace and clients and distribution partners have appreciated this.

Network expansion

PPFAS Asset Management Private Ltd (PPFAS AMC) has taken steps to expand its geographical reach by launching branches in Delhi, Bengaluru and Pune during the year. PPFAS AMC has plans to expand the reach to Chennai, Hyderabad and Ahmedabad shortly.

Expense Ratio Reduction

PPFAS AMC periodically reduces the expense ratio charged to the schemes in line with the growth in the Assets Under Management.

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. Shareholders will be happy to note that some leading Banks and Wealth Managers in the country have taken interest in recommending our funds to their clients.

PPFAS also 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 1961.51 crs as on 31st March, 2019 to 2,871.87 crs as on 31st March, 2020 and the number of folios has increased from 80,289 to 1,84,789.

Technology infrastructure

A lot of investments have been made in people, hardware and software in the IT department of PPFAS Asset Management Private Limited (PPFAS AMC). This will help us to improve the security and efficiency of our IT resources and at the same time improve customer service and delight. PPFAS has also started campaigns to create awareness around phishing scams in order to protect clients.

Finances:

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

Given that PPFAS AMC has ramped up its client acquisition efforts, the expenses relating to such efforts are at elevated levels which result in lower immediate profitability but are long term wealth creating.

Human Resources

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There has been no change in the nature of business of Company during F.Y. 2019-20.

PPFAS EMPLOYEE STOCK OPTION PLAN 2019

The PPFAS Employee Stock Option Plan (PPFAS ESOP 2019) has been formulated by the Board of Directors of the Company pursuant to the resolution passed in the 27th Annual General Meeting of the Company held on 30th September, 2019.

The Board of Directors of the Company in their meeting held on 12th March 2020 had proposed on making certain amendments to the existing terms and conditions of PPFAS ESOP 2019 which was approved by the members in its Extra-Ordinary general meeting held on 30th June, 2020.

The principal objectives of this Scheme are to:

1. Facilitate the employees of the Company through stock ownership, to acquire greater proprietary stake in the success and growth of the Company.
2. Encourage employees to continue contributing to the success and growth of the Company.
3. Reward employees for their unusual contribution to the Company.
4. Provide additional deferred reward to Employees and
5. Compensate Directors for their contribution to the growth of the Company.

According to Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014, details of PPFAS ESOP 2019 are given below:

- a) Options granted: The number of options granted to the eligible employees of the Company and eligible employees of the Subsidiary Company under PPFAS ESOP 2019, in one or more tranches, exercisable is not exceeding 10,98,000 (Ten Lakhs Ninety Eight Thousand) Equity Shares in the Company of face value of Rs. 10/- each fully paid-up.
- b) Options vested: Nil.
- c) Options exercised: Since none of the options are vested on employees as on date, the options exercised are Nil.
- d) The total number of shares arising as a result of exercise of option: Nil
- e) Options lapsed: The total number of Options lapsed as on date are Nil.
- f) The exercise price: The Exercise Price shall be equal to Rs. 150/- (Rupees One Hundred and Fifty only) per option.
- g) Variation of terms of options: The vesting period for the 1st tranche of options (25%) has been brought down to 1st January 2021 ie. 1 year and 3 months from the grant date(1st October, 2019) instead of the longer period of 5 years. The exercise period for the 1st tranche (25% of options granted to eligible employees) is also to be brought forward to 30th September, 2022 ie. 1 year and 9 months from the revised vesting date. The vesting & exercise schedule for the options granted for the employees in case of separation of the Company due to retirement has also been amended.
- h) Money realized by exercise of options: Nil
- i) Total number of options in force: The total number of options in force as on date are 10,98,000.
- j) Employee wise details of options granted to:

(i) Key Managerial Personnel:

The details of the options granted to Key Managerial Personnel are given below:

a. Parag Parikh Financial Advisory Services Private Limited: Nil

b. PPFAS Asset Management Private Limited (Subsidiary Company):

Sr. No.	Name of Employee	Designation	Number of Shares
1.	Mr. Shashi Menghraj Kataria	Director, CFO & COO	35,000
2.	Ms. Priya Ashok Hariani	Company Secretary & Compliance Officer	25,000

(ii) Any other employee who receives a grant of options in any one year of option amounting to 5 percent or more of options granted during that year of:

a. Parag Parikh Financial Advisory Services Private Limited: Nil

b. PPFAS Asset Management Private Limited (Subsidiary Company):

Sr. No.	Name of Employee	Designation	Number of Shares
1.	Mr. Rajeev Navinkumar Thakkar	Whole Time Director & CIO	150,000
2.	Mr. Raunak Kamalakar Onkar	Head- Research	120,000
3.	Mr. Raj Kiritkumar Mehta	Fund Manager	100,000
4.	Mr. Aalok Ramesh Mehta	Head- Investor Relations Direct Sales	100,000
5.	Mr. Mahesh Vishvanath Sarode	Head- Investor Relations Distribution Channel	80,000

iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of:

a. Parag Parikh Financial Advisory Services Private Limited: Nil

b. PPFAS Asset Management Private Limited (Subsidiary Company):

Sr. No.	Name of Employee	Designation	Number of Shares
1.	Mr. Rajeev Navinkumar Thakkar	Whole Time Director & CIO	150,000
2.	Mr. Raunak Kamalakar Onkar	Head- Research	120,000
3.	Mr. Raj Kiritkumar Mehta	Fund Manager	100,000
4.	Mr. Aalok Ramesh Mehta	Head- Investor Relations Direct Sales	100,000
5.	Mr. Mahesh Vishvanath Sarode	Head- Investor Relations Distribution Channel	80,000

Note: The accounting for ESOP Scheme 2019 is not taken into consideration for the Financial year 2019-20 as the book value (Intrinsic Value of shares) is less than Rs.150 i.e. exercise price of the ESOP.

VARIATION TO THE TERMS OF PPFAS ESOP 2018:

The PPFAS Employee Stock Option Plan (PPFAS ESOP 2018) has been formulated by the Board of Directors of the Company pursuant to the resolution passed in the 26th Annual General Meeting of the Company held on 18th September, 2018.

According to Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014, out of the 10,00,000 (Ten Lakhs) Equity Shares granted as on 01st October, 2018(date of grant), none of the options are vested, exercised or lapsed. The exercise price is Rs. 100 (One Hundred only) per option.

The Board of Directors of the Company in their meeting held on 12th March 2020 had proposed on making certain amendments to the existing terms and conditions of PPFAS ESOP 2018 which was approved by the members in the Extra-Ordinary general meeting held on 30th June, 2020. The amendments/variations are as follows:

- i)The vesting period for the 1st tranche of options (25% of options granted to eligible employees) has been brought down to 1st January 2021 ie. 2 year and 3 months from the grant date(1st October, 2018) instead of the longer period of 5 years.
- ii)The exercise period for the 1st tranche is also to be brought forward to 30th September, 2022 ie. 1 year and 9 months from the revised vesting date.
- iii)The vesting & exercise schedule for the options granted for the employees incase of separation of the Company due to retirement has also been amended.

CONVERSION OF THE COMPANY INTO A PUBLIC LIMITED COMPANY & DEMAT OF SHARES

The Company has made an application to the Registrar of Companies, Mumbai (ROC) for its conversion into a 'Public Limited Company' as approved by the Board of Directors in their meeting held on 12th March, 2020 and its members in the Extra-ordinary general meeting held on 30th June, 2020. On conversion into a Public Limited, the Company would be required to facilitate the dematerialization of its entire shareholding pursuant to the MCA Notification dated 10th September, 2018. The Company will be appointing a Registrar & Transfer Agent (R&T) for facilitating the same.

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.

There have been no changes in the composition of Board of Directors or the Key Managerial personnel during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company is not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, hence no declaration has been obtained.

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 other 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 meetings of the Board of Directors are held at the Company's Registered office in Mumbai. There were 4 meetings held during the financial year under review, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose.

Date	Board Strength	No. of Directors Present
10/07/2019	5	4
29/08/2019	5	2
14/11/2019	5	5
12/03/2020	5	5

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 approved the shifting of the Custody accounts of all PMS clients from IL&FS Securities Services Limited to Axis Bank Limited on 12th March, 2020. The Company has also approved the outsourcing of Fund accounting activity of PMS to Orbis Financial Corporation Limited on 14th November, 2019. 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 PPFAS 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 the 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 an annual basis to ensure the risk profiling of all the activities are up to 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 the year ended 31st March, 2020, 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 the Company as at 31st March, 2020 and of the profit of the 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 the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the 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) Rules, 2014 is not applicable to Company. The 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 the Company during the financial year 2019-20 are stated in the Notes 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 - III**” to the Board's Report.

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

The Company has in place a 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. 2019-20.

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 Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more, or a net profit of Rs. 5 crore or more in the immediately preceding financial year. 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 five consecutive 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 28th Annual General Meeting.

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

TRANSFER TO IEPF

The Company is required to transfer funds that are lying unpaid and unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Companies Act, 2013. In this case, the said transfer to IEPF would be made on 7th November, 2020 ie. seven years from the date of transfer of the amount to the Unpaid dividend account. Members wishing to claim dividends that remained unclaimed are requested to correspond with the Company through email@ppfas.com before the said transfer.

COMPLIANCE OF SECRETARIAL STANDARDS:

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

MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The Company does not fall within the ambit of the above Section.

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 the Company for the financial year ended 31st March, 2020 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.

RELATED PARTY TRANSACTIONS:

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

ACKNOWLEDGMENT:

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

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

Place: Mumbai
Date: 14th August, 2020

Sd/-
Neil Parikh
Director
(DIN- 00080269)

Sd/-
Sahil Parikh
Director
(DIN- 00079898)

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 statements 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	31/03/2020	31/03/2020
Share Capital	357,300,090	500,000
Reserves & Surplus	306,116,287	2,209,851
Total Assets	679,876,123	2,904,168
Total Liabilities	16,459,746	194,317
Investments	401,199,117	1,979,314
Turnover	183,212,433	847,458
Profit before Taxation	44,711,091	639,806
Provision for Taxation	10,109,944	161,021
Profit after Taxation	34,601,147	478,785
Proposed Dividend	-	-
% of shareholding	100%	100%

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

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

Annexure-II**Form No. AOC-2**

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

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

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

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

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

(a)	Name(s) of the related party and nature of relationship	PPFAS Asset Management Pvt. Ltd. (Subsidiary Company)
(b)	Nature of contracts/arrangements/transactions	Shared services agreement
(c)	Duration of the contracts / arrangements/transactions	12 months
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Monthly fees of Rs. 7.00 Lakhs for the first 11 months and as increased to 7.70 Lakhs p.m. w.e.f 01/03/2020 received under shared service agreement.
(e)	Justification for entering into such contracts or arrangements or transactions	Company provides facilities & services of skilled employees and other resources to the Subsidiary company. Fees received is towards usage of these facilities.
(f)	Date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	NA
(i)	Amount received for FY 2019-2020 (in INR)	Rs. 84,70,000/-

Annexure – III**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[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	52.29%
2	Placement Charges of Mutual Fund	6619	47.43%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		5,901,593	5,901,593	82.26		5,902,093	5,902,093	82.27	0.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	350,000	350,000	4.88	-	350,000	350,000	4.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1): -	-	6,251,593	6,251,593	87.14	-	6,252,093	6,252,093	87.15	0.01
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-

Sub-total (A) (2): -	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	6,251,593	6,251,593	87.14	-	6,252,093	6,252,093	87.15	0.01
Total shareholding of Promoter (A)	-	6,251,593	6,251,593	87.14	-	6,252,093	6,252,093	87.15	0.01
B. Public Shareholding									
1. Institutions									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	14,000	14,000	0.20	-	14,000	14,000	0.20	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	267,741	267,741	3.73	-	259,641	259,641	3.62	(0.11)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	640,740	640,740	8.93	-	648,340	648,340	9.04	0.11
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2): -	-	922,481	922,481	12.86	-	921,981	921,981	12.85	
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	922,481	922,481	12.86	-	921,981	921,981	12.85	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	7,174,074	7,174,074	100	-	7,174,074	7,174,074	100	-

(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	5,777,790	80.54	Nil	5,777,790	80.54	Nil	-
2	Sahil P. Parikh	55,611	0.77	Nil	55,611	0.77	Nil	-
3	Neil P. Parikh	68,192	0.95	Nil	68,692	0.96	Nil	0.01
4	Empeegee Portfolio Management Services Pvt. Ltd	350,000	4.88	Nil	350,000	4.88	Nil	-
	Total	6,251,593	87.14	Nil	6,252,093	87.15	Nil	0.01

iii) Change in Promoters' Shareholding

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	6,251,593	87.14	6,251,593	87.14
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 NOTE 1			
At the End of the year	-	-	6,252,093	87.15

NOTE 1:**Change in shareholding of Mr. Neil P. Parikh as on 31st March, 2020:**

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 (01.04.2019)			68,192	0.95
20.02.2020	Purchase	500	68,692	
No of shares at the end of the year (31.03.2020)			68,692	0.96

(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	268,714	3.74	268,714	3.74
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Refer NOTE 2			
At the End of the year (or on the date of separation, if separated during the year)	-	-	275,214	3.84

NOTE 2**SHAREHOLDING 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	1,00,000	1.39	1,00,000	1.39
2	Hitesh Dharmasinh Gajaria	33,900	0.47	34,900	0.49
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	19,107	0.27	19,107	0.27
6	Raj Kiritkumar Mehta	12,907	0.18	18,407	0.26
7	Porinju V Veliyath	15,000	0.21	15,000	0.21
8	Mukul Kumar Gupta	15,000	0.21	15,000	0.21
9	Dipti H Mehta	10,200	0.14	10,200	0.14
10	Haresh G Mehta	10,100	0.14	10,100	0.14

a. Change in shareholding of Mr. Hitesh Dharmasinh Gajaria as on 31st March, 2020:

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 (01.04.2019)			33,900	0.47
14.11.2019	Purchase	500	34,400	0.48
20.02.2020	Purchase	500	34,900	0.49
No of shares at the end of the year (31.03.2020)			34,900	0.49

b. Change in shareholding of Mr. Raj Kiritkumar Mehta as on 31st March, 2020:

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 (01.04.2019)			12,907	0.18
15.04.2019	Purchase	2,000	14,907	0.21
14.06.2019	Purchase	500	15,407	0.21
30.08.2019	Purchase	1,000	16,407	0.23
23.09.2019	Purchase	2,000	18,407	0.26
No. of shares at the end of the year (31.03.2020)			18,407	0.26

(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	497,936	6.94	497,936	6.94
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	Refer NOTE 3			
At the End of the year	-	-	499,536	6.96

NOTE 3**a. Shareholding of Mr. Neil P. Parikh as on 31st March, 2020:**

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			68,192	0.95	68,192	0.95
Changes during the year	20.02.2020	Purchase	500	0.01	68,692	
At the End of the year					68,692	0.96

b. Shareholding of Mr. Rajeev Navinkumar Thakkar as on 31st March, 2020:

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			347,672	4.85	347,672	4.85
Changes during the year	15.04.2019	Purchase	1,100	0.01	348,772	
At the End of the year					348,772	4.86

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

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

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
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
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission f. as % of profit g. others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil
	Ceiling as per the Act	Not applicable		

B. Remuneration to other directors:

Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1. Independent Directors		
1. Fee for attending board / committee meetings	Nil	Nil
2. Commission		
3. Others, please specify		
Total (1)	Nil	Nil
2. Other Non-Executive Directors		
1. Fee for attending board / committee meetings	Nil	Nil
2. Commission		
3. Others, please specify		
Total (2)	Nil	Nil
Total=(1+2)	Nil	Nil
Total Managerial Remuneration	Nil	Nil
Overall Ceiling as per the Act	Not Applicable	

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 1. as % of profit 2. others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total (A)	NA	NA	NA	NA
	Ceiling as per the Act	Not applicable			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

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

Place: Mumbai
Date: 14th August, 2020

Sd/-
Neil Parikh
Director
(DIN- 00080269)

Sd/-
Sahil Parikh
Director
(DIN- 00079898)



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

INDEPENDENT AUDITOR'S REPORT

To the Members of Parag Parikh Financial Advisory Services Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of Parag Parikh Financial Advisory Services Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2020, its Profit and its cash flows for the year ended on that date.

Basis for opinion

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

fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Responsibility of Management for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 a statement in annexure B on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The matters specified in Section 143(3)(i) have not been commented upon, as they are not applicable.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

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

Place: Mumbai

Date: 14th August, 2020

UDIN: 20031661AAAAAY3917

Annexure A to Independent Auditor's report
Auditor's Responsibilities for Audit of Financial Statements

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

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

represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 14th August, 2020

UDIN: 20031661AAAAAY3917

Annexure B to the Independent Auditor's Report

The annexure referred to in our Independent Auditors' Report to the members of Parag Parikh Financial Advisory Services Private Limited on the standalone financial statements for the year ended 31st March 2020, we report that :

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

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

- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 14th August, 2020

UDIN: 20031661AAAAAY3917

Balance Sheet as at 31st March, 2020

Particulars	Note No	As at	As at
		31st March, 2020	31st March, 2019
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	71,740,740	71,740,740
Reserves And Surplus	4	359,014,652	357,182,616
	(a)	430,755,392	428,923,356
Current Liabilities			
Trade Payables	5	33,040	-
Other Current Liabilities	6	482,990	515,665
Short Term Provisions	7	171,744	167,136
	(b)	687,774	682,801
Total Equity and Liabilities	(a + b)	431,443,166	429,606,157
ASSETS			
Non-Current Assets			
Property, Plant and Equipment			
(i) Tangible Assets	8A	85,812	110,234
(ii) Intangible Assets	8B	11,296	11,296
	(c)	97,108	121,530
Non-Current Investments	9	415,681,457	410,541,524
Long Term Loans & Advances	10	8,305,140	10,928,328
Deferred Tax Assets	11	2,114,515	2,152,175
	(d)	426,101,112	423,622,027
Current Assets			
Trade Receivables	12	589,181	603,615
Cash and Bank Balances	13	2,466,297	4,572,950
Short-Term Loans & Advances	14	835,722	552,397
Other Current Assets	15	1,353,746	133,638
	(e)	5,244,946	5,862,600
Total Assets	(c + d + e)	431,443,166	429,606,157
Summary of significant accounting policies 2			
The accompanying notes are an integral part of the financial statements			

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

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

Sd/-

Neil Parikh

Director

DIN: 00080269

Sd/-

Sahil Parikh

Director

DIN: 00079898

Sd/-

Sonakshi Mahendra

Company Secretary

Place: Mumbai

Date: 14th August, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Note No	For the year ended 31st March, 2020	For the year ended 31st March, 2019
		Rs.	Rs.
Income			
Revenue From Operations	16	3,551,908	4,018,104
Other Income	17	10,529,469	8,178,907
Total Revenue		14,081,377	12,197,011
Expenses			
Employee Benefits Expenses	18	10,684,676	9,109,503
Depreciation & Amortization Expenses	19	24,422	68,860
Other Expenses	20	952,053	1,098,629
Total Expenses		11,661,151	10,276,992
Profit Before Exceptional & Extra Ordinary Items and Tax		2,420,226	1,920,019
Prior period expenses/(Income)	21 & 28	(1,288,878)	-
Profit Before Tax		3,709,104	1,920,019
Tax Expense			
Current Tax		366,382	382,000
MAT Credit Income		(224,752)	(381,044)
Adjustment in MAT balance for previous year		(540)	-
Short Tax Provision for Previous years		1,698,318	-
Deferred Tax Expense		37,660	97,742
Total Tax Expense		1,877,068	98,698
Profit After Tax		1,832,036	1,821,321
Earning Per Equity Share			
Basic		0.26	0.25
Diluted		0.26	0.25
Summary of significant accounting polices	2		
The accompanying notes are an integral part of the financial statements			

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

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

Sd/-

Neil Parikh

Director

DIN: 00080269

Sd/-

Sahil Parikh

Director

DIN: 00079898

Sd/-

Sonakshi Mahendra

Company Secretary

Place: Mumbai

Date: 14th August, 2020

Cash Flow Statement for the year ended 31st March, 2020

SN	Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a.	Cash flow from Operating Activities				
	Profit Before Tax		3,709,104		1,920,019
	Add : Non Operating Expenses/Items				
	Depreciation on Fixed Assets	24,422		68,473	
	Amortization of Fixed Assets	-	24,422	387	68,860
	Less : Non - Operating Income/Items				
	Long Term Capital Gain Equity	(81,050)		(1,625,441)	
	Short Term Capital Gain on Equity	10,974		5,876	
	Short Term Capital Gain on Mutual Fund	(660,812)		(141,748)	
	Interest on Fixed Deposit	(193,077)		(205,772)	
	Dividend on Shares	(33,953)		(33,188)	
	Dividend on Mutual Fund	(90,726)		(107,535)	
	Interest on Income Tax Refund	(1,010,825)		-	
	Profit on sale of Car	-	(2,059,469)	(495,000)	(2,602,808)
	Operating Profit before Working Capital Changes		1,674,057		(613,929)
	Adjustment for Movement in working capital:				
	Increase in Trade Payables	33,040		-	
Decrease in Other Current Liabilities	(32,675)		(234,276)		
Increase in Short Term Provisions	4,608		54,329		
Decrease in Deferred Tax Assets	37,660		97,742		
Decrease in Long Term Loans & Advances	1,612,428		(127,509)		
Increase in Short-Term Loans & Advances	(283,325)		(11,547)		
Decrease in Trade Receivables	14,434		89,144		
Increase in other Current Assets	(1,220,108)	166,062	(3,714)	(135,831)	
Cash Generated from operations		1,840,119		(749,760)	
Less : Taxes Paid		(866,308)		(635,107)	
Net Cash from operating activities		973,811		(1,384,867)	
b.	Cash flow from Investing Activities				
	Sale of Fixed Assets	-		85,000	
	Purchase of Investments – Non-Current	(5,139,933)		(2,335,481)	
	Long Term Capital Gain Equity	81,050		1,625,441	
	Short Term Capital Gain on Equity	(10,974)		(5,876)	
	Short Term Capital Gain on Mutual Fund	660,812		141,748	
	Interest on Fixed Deposit	193,077		205,772	
	Dividend on Shares	33,953		33,188	
	Dividend on Mutual Fund	90,726		107,535	
	Interest on Income Tax Refund	1,010,825		-	
Profit on sale of car	-		495,000		
Net Cash from investing activities		(3,080,464)		352,327	
c.	Cash Flow from Financing Activities				
	Net Cash from financing activities		-		-

Net increase/decrease in cash & cash equivalents		(2,106,653)		(1,032,540)
Add: Cash & Cash Equivalents at the start of the year				
Cash in Hand	8,280		21,413	
Bank Accounts	1,874,421		2,893,828	
Fixed Deposits with maturity less than 12 months	2,690,249	4,572,950	2,690,249	5,605,490
Less: Cash & Cash Equivalents at the end of the year				
Cash in Hand	25,839		8,280	
Bank Accounts	2,440,458		1,874,421	
Fixed Deposits with maturity less than 12 months	-	2,466,297	2,690,249	4,572,950

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

For and on behalf of the Board of Directors of

Parag Parikh Financial Advisory Services Pvt Ltd

Sd/-

Neil Parikh

Director

DIN: 00080269

Sd/-

Sahil Parikh

Director

DIN: 00079898

Sd/-

Sonakshi Mahendra

Company Secretary

Place : Mumbai

Date: 14th August, 2020

PARAG PARIKH FINANCIAL ADVISORY SERVICES PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH, 2020

NOTE 1: CORPORATE INFORMATION**Background:**

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.

Impact of Covid 19 Pandemic:

The company management is live to the worldwide unprecedented economic disruption caused by the pandemic Covid 19 and its effect on different business activities. Accordingly, the company has assessed the impact of the said pandemic on the economic environment in general as also on the viability, uncertainties and operational as well as financial risks that different businesses are facing and are likely to face in the times to come. It is observed that the risks arise mainly due to possible constraints on the delivery of goods and services under the changed circumstances, wide fluctuation in commodity prices, customers cancelling or postponing their discretionary spend and credit losses spiraling from the financial difficulties faced by their customers.

In this background, the management has made initial assessment of likely adverse impact on company's business and believes that the impact is likely to be only short term in nature. The management does not perceive any medium to long term risks in ensuing operations, or meeting other operational parameters, financial liquidity. None of the asset balances require any adjustment to their carrying values and the company has neither received nor served any 'force majeure' notice.

None the less, the Company acknowledges that the Company's business is also likely to be affected because of the pandemic, to some extent or the other. Expansion plans have been kept on hold and cost cutting measures have been implemented on all fronts. The Company is also closely monitoring the circumstances as they evolve.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation**

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

B. Use of Estimates & Judgments

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.

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 contributions are 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 31st March 2020. As per the Report, the Plan Assets exceed the Present Value of Obligation.

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

C. Employee Stock Options (ESOP):

- i) The Company has two schemes for Employee Stock Options (ESOP). However, the fair value of shares as ascertained by an independent valuer is lesser than the price at which options are to be exercised by employees. As such, no liability towards outstanding ESOPS needs to be recognized by the company.

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 recognized 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 recognized only to the extent there is reasonable certainty that the assets can be realized 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 realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realization.

L. Provision

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

M. Contingent Liabilities

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

N. Foreign currency 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 recognized 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 31st March, 2020 is as follows,

Particulars	Amount (Rs.)
Non-discretionary	20,41,57,073
Cognito	7,24,02,823
Total	27,65,59,896

Q. Share transactions

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

NOTE 3 : SHARE CAPITAL				
	As at 31st March,2020		As at 31st March,20219	
AUTHORISED				
30,000,000 Equity Shares of Rs.10/- each	300,000,000		300,000,000	
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
71,74,074 Equity Shares of Rs.10/- each fully paid (Inclusive of 2,646,805 shares issued to shareholders of Parag Parikh Securities Ltd at par on Amalgamation)	71,740,740		71,740,740	
	71,740,740		71,740,740	
a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.				
	As at 31st March 2020		As at 31st March 2019	
	Number	Rs.	Number	Rs.
At the beginning of the period	7,174,074	71,740,740	7,174,074	71,740,740
Issued during the period	-	-	-	-
Outstanding at the end of the period	7,174,074	71,740,740	7,174,074	71,740,740
b. Details of Shareholders holding more than 5 % of Ordinary Shares				
Name of the Shareholders	Number	% of Holding	Number	% of Holding
Geeta P Parikh	5,777,790	80.54	5,777,790	80.54

NOTE 4 : RESERVES AND SURPLUS				
	As at 31st March, 2020		As at 31st March, 2019	
General Reserve (a)	385,000		385,000	
Capital Redemption Reserves(b)	10,100,000		10,100,000	
Share Premium (c)	40,096,740		40,096,740	
Surplus/(deficit) in the statement of Profit and Loss				
At the Beginning of the Accounting period	306,600,876		304,779,555	
Additions During the year	1,832,036		1,821,321	
Closing Balance of Surplus in the Statement of Profit & Loss (d)	308,432,912		306,600,876	
TOTAL (a + b + c + d)	359,014,652		357,182,616	

NOTE 5 : TRADE PAYABLES		
	As at 31st March, 2020	As at 31st March, 2019
Creditors for expense	33,040	-
	33,040	-

NOTE 6 : OTHER CURRENT LIABILITIES		
	As at 31st March, 2020	As at 31st March, 2019
TDS Payable	110,550	175,210
GST Payable	217,963	191,689
Unpaid Dividend	56,835	56,835
Provident Fund Payable	92,275	79,263
ESIC Payable	5,367	8,068
Profession Tax Payable	-	4,600
	482,990	515,665

NOTE 7 : SHORT TERM PROVISIONS		
	As at 31st March, 2020	As at 31st March, 2019
Provision for Expenses	74,815	51,830
Provision for Leave Encashment	69,929	85,306
Provision for Audit Fees	27,000	30,000
	171,744	167,136

NOTE 8 : PROPERTY, PLANT AND EQUIPMENT

Sr. No	Asset	Gross Block as at 01/04/2019	Additions during the year	Deductions during the year	Gross Block as at 31/03/2020	Provision for Depreciation up to 01/04/2019	Depreciation for the year	Accumulated Depreciation on Sold Assets	Total depreciation up to 31/03/2020	Net Block as at 31/03/2020	Net Block as at 31/03/2019
A.	Tangible Assets										
1	Computer	9,476,193	-	-	9,476,193	9,466,121	-	-	9,466,121	10,072	10,072
2	Office Equipment	4,635,213	-	-	4,635,213	4,597,910	6,456	-	4,604,366	30,847	37,303
3	Electrical Installation	376,290	-	-	376,290	372,893	753	-	373,646	2,644	3,397
4	Office Furniture	4,757,641	-	-	4,757,641	4,698,179	17,213	-	4,715,392	42,249	59,462
	TOTAL	19,245,337	-	-	19,245,337	19,135,103	24,422	-	19,159,525	85,812	110,234
B.	Intangible Assets										
	Computer Software	5,792,513	-	-	5,792,513	5,781,217	-	-	5,781,217	11,296	11,296
	TOTAL	5,792,513	-	-	5,792,513	5,781,217	-	-	5,781,217	11,296	11,296
	TOTAL (A+B)	25,037,850	-	-	25,037,850	24,916,320	24,422	-	24,940,742	97,108	121,530
	Previous Year	28,806,170	-	3,768,320	25,037,850	28,530,780	68,860	3,683,320	24,916,320	121,530	275,390

NOTE 9: NON-CURRENT INVESTMENTS						
	No. of Shares	Cost for 31.03.2020	MKT. Rate 31.03.2020	MKT. Value on 31.03.2020	No of Shares	Cost for 31.03.2019
INVESTMENTS IN EQUITY						
Quoted Investment:						
Equity Shares fully paid						
ACC Limited	5	7,497	968	4,838	-	-
Aditya Birla Capital Limited	100	10,054	42	4,220	-	-
APL Apollo Tubes Limited	44	75,041	1,246	54,844	40	68,791
Ashok Leyland Limited	150	9,417	43	6,458	-	-
Aurobindo Pharma Limited	70	43,854	413	28,914	35	26,332
Axis Bank Limited	64	48,663	379	24,275	-	-
Bajaj Auto Limited	27	78,998	2,025	54,672	-	-
Bajaj Finance Limited	20	68,214	2,216	44,321	-	-
Balkrishna Industries Limited	141	38,668	791	111,545	126	24,081
Bharat Electronics Limited	50	3,715	74	3,718	-	-
Bharat Forge Limited	30	12,132	234	7,023	-	-
Bosch Limited	1	12,393	9,410	9,410	-	-
Cadila Healthcare Limited	258	62,685	267	68,912	-	-
CCL Products India Limited	125	24,605	180	22,450	-	-
Central Depository Services (India) Limited	525	104,706	214	112,560	-	-
Coal India Limited	310	87,622	140	43,400	260	76,953
Colgate Palmolive India Limited	5	6,044	1,253	6,265	-	-
Container Corporation India Limited	50	18,724	331	16,573	-	-
Crisil Limited	42	68,991	1,255	52,710	-	-
Eicher Motors Limited.	4	69,400	13,087	52,349	-	-
Escorts Limited	15	10,267	663	9,944	-	-
Dalmia Bharat Limited	-	-	-	-	10	19,215
Endurance Technologies Limited	15	13,751	600	8,993	-	-
Finolex Cable Limited	15	4,888	203	3,050	-	-
Finolex Industries Limited	10	5,123	391	3,907	-	-
Federal Bank Limited	75	4,855	41	3,079	-	-
Gabriel India Limited	120	10,509	54	6,420	-	-
Godrej Industries Limited	147	59,558	284	41,675	-	-
Godrej Agrovet Limited	13	4,611	368	4,789	-	-
Grasim Limited	24	17,022	475	11,410	-	-
HCL Technologies Limited	10	5,430	437	4,368	-	-
Geojit Financial Services Limited	-	-	-	-	889	15,207
HDFC Bank Limited	76	98,596	862	65,512	102	152,393
HDFC Life Insurance Company Limited	10	4,776	442	4,416	-	-
Hindustan Petroleum Limited	25	4,726	190	4,754	-	-
Housing Development Finance Corporation Limited	57	110,947	1,630	92,936	-	-
ICICI Bank Limited	505	154,092	325	163,873	505	154,092
ICICI Lombard General Insurance Limited	3	3,398	1,077	3,230	-	-
ICICI Prudential Life Insurance Limited	15	5,663	356	5,336	-	-
ICICI Securities Limited	15	5,642	277	4,157	-	-
Indian Oil Corporation Limited	50	5,303	82	4,083	-	-

	No. of Shares	Cost for 31.03.2020	MKT. Rate 31.03.2020	MKT. Value on 31.03.2020	No of Shares	Cost for 31.03.2019
ITC Limited	1,331	318,140	172	228,932	-	-
ICRA Limited	10	28,123	2,165	21,650	-	-
Indian Energy Exchange Limited	5	752	128	640	-	-
Infosys Limited	52	36,718	640	33,296	-	-
Jamna Auto Industries Limited	1,075	39,416	24	25,585	-	-
K.P.R. Mill Limited	18	10,281	339	6,098	-	-
Kajaria Ceramics Limited	100	49,841	377	37,655	100	49,841
KEI Industries Limited	37	15,806	268	9,907	-	-
KEC International Limited	15	4,213	186	2,783	-	-
Kotak Mahindra Bank Limited	158	215,373	1,296	204,823	-	-
Larsen & Toubro Limited	46	62,913	807	37,115	-	-
Lupin Limited	25	24,420	590	14,743	25	24,420
Mahindra & Mahindra Limited	30	16,589	285	8,550	-	-
Mahanagar Gas Limited	5	4,661	818	4,090	-	-
Maruti Suzuki India Limited	24	109,656	4,288	102,906	10	19,559
Mayur Uniquoters Limited	248	111,840	152	37,609	228	107,602
Motherson Sumi Systems Limited	365	59,292	61	22,283	210	40,390
Mphasis Limited	42	24,030	665	27,909	42	24,030
Multi Commodity Exchange Of India Limited	79	95,492	1,131	89,310	-	-
Natco Pharma Limited	24	14,787	506	12,148	-	-
NCC Limited	150	5,388	19	2,820	-	-
NMDC Limited	155	14,817	80	12,400	-	-
NOCIL Limited	625	55,259	66	41,125	265	23,576
Oracle Financial Software Limited	13	32,097	2,032	26,422	-	-
Parag Milk Foods Limited	-	-	-	-	200	49,724
Persistent Systems Limited	94	59,975	551	51,794	36	22,906
Petronet LNG Limited	25	5,451	200	4,996	-	-
Piramal Enterprises Limited	25	22,841	939	23,470	100	93,358
Polycab India Limited	45	28,510	742	33,386	-	-
PSP Projects Limited	140	72,806	322	45,038	140	72,806
Sandhar Technologies Limited	50	13,593	129	6,435	-	-
Star Cement Limited	60	5,174	68	4,098	-	-
State Bank of India	85	23,491	197	16,741	-	-
Sagar Cements Limited	-	-	-	-	50	41,333
Shree Cement Limited	-	-	-	-	2	31,860
Sun Pharmaceuticals Limited	140	71,567	352	49,308	60	40,268
Steel Authority India Limited	200	4,990	23	4,610	-	-
Syngene International Limited	52	15,347	242	12,561	-	-
Tata Consumer Products Limited	30	9,203	295	8,844	-	-
TCPL Packaging Limited	337	101,821	158	53,330	120	47,014
TCS Limited	10	20,777	1,823	18,231	-	-
Tejas Networks Limited	60	4,835	32	1,908	-	-
Titan India Limited	105	68,438	934	98,018	120	45,786
Thomas Cook India Limited	-	-	-	-	237	20,413
Trent Limited	55	32,525	479	26,356	-	-
V-Mart Retail Limited	25	47,770	1,413	35,313	-	-
Voltamp Transformers Limited	4	5,005	885	3,540	-	-
United Spirits Limited	5	2,825	485	2,425	-	-
Westlife Developers Limited	95	36,715	320	30,419	-	-
Total- (i)		3,384,139		2,716,997		1,291,949

	No. of Shares/ Units	Cost for 31.03.2020	MKT. Rate 31.03.2020	MKT. Value on 31.03.2020	No. of Shares/ Units	Cost for 31.03.2019
INVESTMENT IN MUTUAL FUNDS						
Birla SunLife Cash Manager Fund Growth	-	-	-	-	874.37	345,471
Birla Sunlife Weekly Dividend Fund	17,372.18	1,743,319	100.11	1,739,128	16,471.76	1,652,593
Parag Parikh Long Term Equity Fund	488,171.73	5,000,000	21.86	10,670,799	488,171.73	5,000,000
Parag Parikh Liquid Fund (Direct Growth Plan)	11,693.59	12,314,003	1,117.01	13,061,858	11,383.56	11,511,515
Total - (ii)		19,057,322		25,471,785		18,509,579
INVESTMENT IN FD 3 YEARS						
Axis Bank Limited Fixed Deposit	-	2,500,000			-	-
Total - (iii)	-	2,500,000			-	-
INVESTMENT IN SUBSIDIARY COMPANY						
PPFAS Asset Management Private Limited	35,730,009	390,239,996		-	35,730,009	390,239,996
PPFAS Trustee Company Private Limited	50,000	500,000		-	50,000	500,000
Total - (iv)		390,739,996		-		390,739,996
Grand Total (i +ii +iii +iv)		415,681,457				410,541,524

NOTE 10: LONG TERM LOANS AND ADVANCES		
	As at 31st March, 2020	As at 31st March, 2019
Income Tax Refund Receivable	5,596,196	8,661,728
MAT Credit Available	2,136,372	1,911,080
Other Deposits	72,646	102,413
Advance Tax & TDS (Net of Provision of Taxation)	499,926	253,107
	8,305,140	10,928,328

NOTE 11: DEFERRED TAX ASSET		
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	2,152,175	2,249,917
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	(69,636)	(70,522)
Filing Fees: Impact of difference between charged as per Company Law & claimed as per Taxation Law	-	(49,400)
Leave Encashment: Impact of Provision for Leave Encashment	18,182	22,180
Gratuity: Impact of Provision for Gratuity	13,794	-
Net Deferred Tax Asset	2,114,515	2,152,175

NOTE 12: TRADE RECEIVABLES		
	As at 31st March, 2020	As at 31st March, 2019
(1) Debts outstanding for a period exceeding six months from the date they are due	-	-
(2) Other Debts (Unsecured considered good)	589,181	603,615
	589,181	603,615

NOTE 13: CASH AND BANK BALANCES		
	As at 31st March, 2020	As at 31st March, 2019
(i) On Current Accounts	2,440,458	1,874,421
(ii) Cash in hand and as Imprest	25,839	8,280
(iii) Fixed Deposits with maturity less than 12 months	-	2,690,249
	2,466,297	4,572,950

NOTE 14: SHORT TERM LOANS AND ADVANCES		
	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expense	564,222	258,397
Loan to Employee	171,500	194,000
Advances	100,000	100,000
	835,722	552,397

NOTE 15: OTHER CURRENT ASSETS		
	As at 31st March, 2020	As at 31st March, 2019
Interest accrued on Fixed Deposits	117,922	133,638
HDFC Life- Gratuity	1,235,824	-
	1,353,746	133,638

NOTE 16: REVENUE FROM OPERATIONS		
	For the Year ended 31st March, 2020	For the period ended 31st March, 2019
Portfolio Management Fees	1,857,302	1,834,839
Placement Charges – MF	1,684,606	2,178,265
Professional fees – Income	10,000	5,000
	3,551,908	4,018,104

NOTE 17: OTHER INCOME		
	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<u>Net Gain/Loss on Sale of Investment</u>		
Long Term Capital Gain Equity	81,050	1,625,441
Short Term Capital Gain on Mutual Fund	660,812	141,748
Short Term Capital Gain on Equity	(10,974)	(5,876)
Long Term Capital Gain on Mutual Fund	-	26,099
Total (a)	730,888	1,787,412
<u>Other Non-Operating Income</u>		
Shared Service Income	8,470,000	5,550,000
Interest on Fixed Deposit	193,077	205,772
Dividend from Mutual Fund	90,726	107,535
Dividend from Shares	33,953	33,188
Interest On Income Tax Refund	1,010,825	-
Profit on Sale of Car	-	495,000
Total (b)	9,798,581	6,391,495
Total (a + b)	10,529,469	8,178,907

NOTE 18: EMPLOYEE BENEFIT EXPENSES		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary and Wages		
Office Staff Salary	9,894,969	8,671,567
Contribution to Provident Fund and Other Funds		
Provident Fund	587,405	435,029
Maharashtra Labour Welfare Fund	1,080	828
Gratuity	198,054	-
Staff Welfare	3,168	2,079
	10,684,676	9,109,503

NOTE 19: DEPRECIATION AND AMORTIZATION EXPENSES		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation of Tangible Assets	24,422	68,473
Amortization of Intangible Assets	-	387
	24,422	68,860

NOTE 20: OTHER EXPENSES		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Computer Maintenance	276,740	161,669
Membership & subscription	191,153	193,824
Professional Charges	151,400	273,151
Telephone/Communication	129,393	76,007
Internal Audit Fees	76,596	76,596
Printing & stationery	53,200	40,000
Statutory Audit fees	30,000	30,000
Filing fees	12,400	4,500
Postage & Courier Charges	7,600	4,720
Conveyance Charges	7,053	10,948
Miscellaneous expenses	5,490	41,589
STT, Service Tax & other charges on Share	4,499	5,444
Professional tax – company	2,500	2,000
Bank Charges	2,006	997
Director / Employee Education	1,300	-
Demat charges	540	2,222
Interest on Taxes	183	14,636
Motor car expenses	-	160,326
	952,053	1,098,629

NOTE 21: PRIOR PERIOD INCOME		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Gratuity Notional Income	(1,288,878)	-
	(1,288,878)	-

NOTE 22: SUPPLEMENTARY INFORMATION**a. Particulars of Auditors Remuneration**

Particulars	F.Y.2019-20	F.Y.2018-19
As Auditors	30,000/-	30,000/-
TOTAL	30,000/-	30,000/-

b. Value of Imports

Particulars	F.Y.2019-20	F.Y.2018-19
Value of Imports	NIL	NIL

c. Expenditure in Foreign Exchange

Particulars	F.Y.2019-20	F.Y.2018-19
Professional Charges	NIL	NIL
Travelling Charges	NIL	NIL

d. Foreign Exchange Earnings

Particulars	F.Y.2019-20	F.Y.2018-19
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, 2020 are Rs 27.66 crores.

NOTE 23: 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.)
PPFAS Asset Management Private Limited	Subsidiary Company	Shared Service Cost Received	84,70,000

NOTE 24: EARNINGS PER SHARE

Particulars	F.Y. 2019 – 20	F.Y. 2018 – 19
Profit attributable to equity shareholders	Rs.18,32,036/-	Rs. 18,21,321/-
Weighted Average number of Equity Share Outstanding during the year	71,74,074	71,74,074
Basic & Diluted EPS	Rs 0.26/-	Rs.0.25/-
Nominal value per share	10	10

NOTE 25: MAJOR COMPONENTS OF DEFERRED TAX

Deferred Tax Assets	(Amount in Rs.)		
I. Opening Balance			21,52,175
II Changes during the Year			
a. Timing Difference in Depreciation			
As per Accounts	24,422		
As per Income tax Act	2,92,253		
Under charged for tax purpose	(2,67,831)		
Deferred Tax @ 26%		(69,636)	
b. Timing Difference due to Provision for Leave Encashment			
As per Accounts	69,929		
As per Income tax Act	Nil		
Over charged for tax purpose	69,929		
Deferred Tax @ 26%		18,182	
c. Timing Difference due to Provision for Gratuity			
As per Accounts	53,054		
As per Income tax Act	Nil		
Over charged for tax purpose	53,054	13,794	
III. Deferred Tax Expenses charged to Statement of Profit & Loss			(37,660)
IV. Net Deferred tax Assets as per Balance Sheet.			21,14,515

NOTE 26: 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 27: SMALL-SCALE UNDERTAKING

The amount payable to the Small-Scale Undertaking is NIL.

NOTE 28: EMPLOYEE BENEFITS

In the recent past, due to major reduction in staff strength and valuation gains in plan assets, the employer's contribution towards gratuity worked out to a negative figure, due to which particulars of gratuity benefit could not be logically presented for reporting. This year the situation has changed and reporting on gratuity has become possible. Opening balances are brought on record by way of prior period adjustments. The amounts recognized in the Company's financial statements as at year end as per actuarial valuation, are as under:

Particulars		Gratuity (Funded) (Amount in Rs.) Year Ended 31.03.2020
i)	Change in Present Value of Obligation	
	Present value of the obligation at the beginning of the year	5,41,063
	Interest Cost	41,067
	Current Service Cost	1,83,352
	Liability Transferred In/ Acquisitions	2,07,176
	Benefits Paid from the fund	(51,923)
	Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(17,654)
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financials Assumptions	(58,513)
	Actuarial (Gain) / Loss on Obligation	(1,17,383)
	Present value of the obligation at the end of the year	7,27,185
ii)	Change in Plan Assets	
	Fair value of Plan Assets at the beginning of the year	18,29,941
	Expected return on Plan Assets	1,38,893
	Contributions by the Employer	1,45,000
	Assets Transferred In/Acquisitions	2,07,176
	Benefits Paid from the fund	(51,923)
	Actuarial Gain / (Loss) on Plan Assets	(3,06,078)
	Fair value of Plan Assets at the end of the year	19,63,009
iii)	Amounts Recognized in the Balance Sheet:	
	Present value of Obligation at the end of the year	(7,27,185)
	Fair value of Plan Assets at the end of the year	19,63,009
	Net (Liability)/Asset Recognized in the Balance Sheet	12,35,824
iv)	Amounts Recognized in the statement of Profit and Loss:	
	Current Service Cost	1,83,352
	Net Interest Cost	(97,826)
	Actuarial (Gains)/Losses	3,19,704
	Assets Transferred In/Acquisitions	(2,07,176)
	Net Cost Included in Employee Benefit Expenses	1,98,054
v)	Actual Return on Plan Assets	(1,67,185)

vii)	Major categories of Plan Assets as a % of total Plan Assets	
	i)	Insurer Managed Funds
		100%
viii)	Actuarial Assumptions	
	i)	Discount Rate
		6.70% P.A.
	ii)	Expected Rate of Return on Plan Assets
		6.70% P.A.
	iii)	Salary Escalation Rate
		8% P.A.
	iv)	Employee Turnover
		10% P.A.
	v)	Mortality Rate During Employment
		Indian Assured Lives Mortality (2006-08)

NOTE 29: PREVIOUS YEAR FIGURES

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

Signatures to notes 1 to 29

As per Our Audit Report of even date`

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

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

Sd/-

Neil Parikh

Director

DIN: 00080269

Sd/-

Sahil Parikh

Director

DIN: 07983714

Sd/-

Sonakshi Mahendra

Company Secretary

Place: Mumbai

Date: 14th August, 2020



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

INDEPENDENT AUDITOR'S REPORT

To the Members of Parag Parikh Financial Advisory Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Parag Parikh Financial Advisory Services Private Limited (hereinafter referred to a "Holding Company") and its subsidiaries PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited (Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31st, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 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, its associates and jointly controlled entities as at March 31st, 2020 of consolidated profit and its consolidated cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with the Standards on auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the

Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to the audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern accounting unless the

Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

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 and the reports of the other auditors.

- (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, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, have not been commented upon as they are not applicable.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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, its associates and jointly controlled entities – Refer Notes '2(M)' and Notes '26' to the consolidated financial statements.

- (ii) The Group, its associates and jointly controlled entities 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, associate companies and jointly controlled companies incorporated in India

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 14th August, 2020

UDIN: 20031661AAAAAZ6406

Annexure A to the Independent Auditor's Report

Auditor's Responsibilities For the Audit Of Consolidated Financial Statements

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For CVK & Associates

Chartered Accountants

Firm Regn No.: 101745W

Sd/-

CA K. P. Chaudhari

Partner

Membership No: 031661

Place: Mumbai

Date: 14th August, 2020

UDIN: 20031661AAAAAZ6406

Consolidated Balance Sheet as at 31st March, 2020

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
		(in Rs.)	(in Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	71,740,740	71,740,740
Reserves And Surplus	4	634,400,885	597,488,918
	(a)	706,141,625	669,229,658
Non-Current Liabilities			
Deferred Tax Liabilities	5	5,201,434	2,565,612
	(b)	5,201,434	2,565,612
Current Liabilities			
Trade Payables	6	1,251,475	931,250
Other Current Liabilities	7	4,349,207	5,918,781
Short Term Provisions	8	4,416,931	3,161,901
	(c)	10,017,613	10,011,932
Total Equity and Liabilities	(a+ b +c)	721,360,672	681,807,202
ASSETS			
Non-Current Assets			
Property, Plant & Equipment			
(i)Tangible Assets	9A	198,463,329	209,525,250
(ii)Intangible Assets	9B	5,010,954	1,897,291
(iii)Intangible Assets under development	9C	150,000	-
	(d)	203,624,283	211,422,541
Non-Current Investments	10	428,119,889	386,326,205
Long Term Loans & Advances	11	58,736,485	51,914,890
	(e)	486,856,374	438,241,095
Current Assets			
Trade Receivables	12	18,011,445	14,220,933
Cash & Cash Equivalents	13	5,282,431	9,414,557
Short-Term Loans & Advances	14	4,807,215	4,092,476
Other Current Assets	15	2,778,924	4,415,600
	(f)	30,880,015	32,143,566
Total Assets	(d+ e+ f)	721,360,672	681,807,202
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K P Chaudhari

Partner

Membership no.: 031661

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

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Sahil Parikh

Director

DIN: 00079898

Sd/-

Sonakshi Mahendra
Company Secretary

Place: Mumbai

Date: 14th August, 2020

Consolidated Statement of Profit & loss for the year ended 31st March, 2020

Particulars	Note No	For the year ended 31st March, 2020	For the year ended 31st March 2019
		(in Rs.)	(in Rs.)
Income			
Revenue from Operations	16	187,611,799	158,696,387
Other Income	17	21,053,799	50,888,087
Total Revenue		208,665,598	209,584,474
Expenses			
Employee Benefits Expenses	18	80,068,681	75,532,341
Depreciation & Amortization Expenses	19	15,683,510	13,109,746
Other Expenses	20	61,683,786	69,595,539
Total Expenses		157,435,977	158,237,626
Profit Before Tax & Prior period Items		51,229,621	51,346,848
Prior period expenses/(Income)	21	(1,116,522)	(375,719)
Profit Before Extra-Ordinary Items and Tax		52,346,143	51,722,567
Extra Ordinary Items	22	3,286,144	-
Profit Before Tax		49,059,999	51,722,567
Tax Expense			
Current Tax	23	9,512,210	439,907
Deferred Tax		2,635,822	2,473,672
Total Tax Expense		12,148,032	2,913,579
Profit(Loss) for the Period		36,911,967	48,808,988
Earning Per Equity Share			
Basic		5.15	6.80
Diluted		5.15	6.80
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K P Chaudhari

Partner

Membership no.: 031661

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

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Sahil Parikh

Director

DIN: 00079898

Sd/-

Sonakshi Mahendra

Company Secretary

Place: Mumbai

Date: 14th August ,2020

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Sr. No	Particulars	2019-20		2018-19	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A.	Cash flow from Operating Activities				
	Profit Before tax, Prior period & Exception Item		49,059,999		51,722,567
	Add : Non-Operating Expenses/Items				
	Depreciation on Fixed Assets	13,655,738		12,341,348	
	Amortization of Fixed Assets	2,027,772	15,683,510	768,398	13,109,746
	Less : Non - Operating Income/Items				
	Interest on Tax free Bonds	-		(22,418)	
	Short Term Capital Gain on Mutual Fund	(6,461,869)		(7,008,853)	
	Long Term Capital Gain on Mutual Fund	(12,052,485)		(29,281,911)	
	Long Term Capital Gain Equity	(81,050)		(11,838,357)	
	Long Term Capital Gains on Bonds	-		(657,406)	
	Short Term Gain/Loss on Sale of Shares	10,974		5,876	
	Interest on Fixed Deposit	(193,077)		(210,559)	
	Dividend on Shares	(33,953)		(33,188)	
	Dividend on Mutual Fund	(90,726)		(107,535)	
	Profit on Sale of Fixed Asset	4,999		(970,136)	
	Other Income	(2,156,612)	(21,053,799)	(759,255)	(50,883,742)
	Operating Profit before Working Capital Changes		43,689,710		13,948,571
	Adjustment for Movement in working capital				
	Decrease in Trade Payables & Other Current Liabilities	(1,249,349)		(3,356,490)	
	Increase in Short Term Provisions	1,255,030		(1,989,723)	
	Increase in Trade Receivables	(3,790,512)		(177,537)	
	Increase in Long Term Loans & Advances	(21,734)		5,122,432	
	Increase in Short-Term Loans & Advances	(714,739)		(4,417,938)	
	Increase in Other Current Assets	(1,614,781)	(2,884,629)	(879,710)	(5,698,966)
	Cash Generated from operations		40,805,083		8,249,605
	Less : Taxes Paid		(18,481,692)		(16,299,505)
	Cash from operating activities before Prior period & Exception Item		22,323,391		(8,049,900)
	Add : Prior period (expenses)/Income		(1,116,522)		(375,719)
	Add : Extra Ordinary Items		3,286,143		-
	Cash from operating activities		24,493,013		(8,425,619)
B.	Cash flow from Investing Activities				
	Purchase of Fixed Assets	(7,890,253)		(10,878,102)	
	Purchase/Sale of Non-Current Investments	(41,793,684)		(32,151,963)	
	Interest on Tax free Bonds	-		22,418	
	Short Term Capital Gain on Mutual Fund	6,461,869		7,008,853	
	Long Term Capital Gain on Mutual Fund	12,052,485		29,281,911	
	Long Term Capital Gain Equity	81,050		11,838,357	
	Long Term Capital Gains on Bonds	-		657,406	
	Short Term Gain/Loss on Sale of Shares	(10,974)		(5,876)	
	Interest on Fixed Deposit	193,077		210,559	

	Dividend on Shares	33,953		33,188	
	Dividend on Mutual Fund	90,726		107,535	
	Other Income	2,156,612		759,255	
	Net Cash from investing activities		(28,625,139)		6,883,541
C.	Cash Flow from Financing Activities				
	Issue of shares	-		-	
	Net Cash from financing activities		-		-
	Net increase/decrease in cash & cash equivalents		(4,132,129)		(1,542,078)
	Add: Cash & Cash Equivalents at the start of the year				
	Cash in Hand	62,672		64,677	
	Bank Accounts	6,661,636		7,226,707	
	Fixed Deposits with maturity less than 12 months	2,690,249	9,414,557	3,665,249	10,956,633
	Cash & Cash Equivalents at the end of the year				
	Cash in Hand	104,879		62,672	
	Bank Accounts	5,177,552		6,661,636	
	Fixed Deposits with maturity less than 12 months	-	5,282,431	2,690,249	9,414,557

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

Sd/-

CA K P Chaudhari

Partner

Membership no. 031661

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

Sd/-

Neil Parikh

Director

DIN : 00080269

Sd/-

Sahil Parikh

Director

DIN: 00079898

Sd/-

Sonakshi Mahendra

Company Secretary

Place: Mumbai

Date: 14th August, 2020

PARAG PARIKH FINANCIAL ADVISORY SERVICES PRIVATE LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2020****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
	2019-20	2018-19	
PPFAS Asset Management Private Limited	100	100	India
PPFAS Trustee Company Private Limited	100	100	India

Impact of Covid 19 Pandemic:

The company management is live to the worldwide unprecedented economic disruption caused by the pandemic Covid 19 and its effect on different business activities. Accordingly, the company has assessed the impact of the said pandemic on the economic environment in general as also on the viability, uncertainties and operational as well as financial risks that different businesses are facing and are likely to face in the times to come. It is observed that the risks arise mainly due to possible constraints on the delivery of goods and services under the changed circumstances, wide fluctuation in commodity prices, customers cancelling or postponing their discretionary spend and credit losses spiraling from the financial difficulties faced by their customers.

In this background, the management has made initial assessment of likely adverse impact on company's business and believes that the impact is likely to be only short term in nature. The

management does not perceive any medium to long term risks in ensuing operations, or meeting other operational parameters, financial liquidity. None of the asset balances require any adjustment to their carrying values and the company has neither received nor served any 'force majeure' notice.

None the less, the Company acknowledges that the Company's business is also likely to be affected because of the pandemic, to some extent or the other. Expansion plans have been kept on hold and cost cutting measures have been implemented on all fronts. The Company is also closely monitoring the circumstances as they evolve.

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 & Judgments

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:

- i. it is expected to be realized or settled or is intended for sale or consumption in the Group's normal operating cycle.
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset:
 - it is held primarily for the purpose of providing services; or

- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- iv. In the case of a liability, the 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 on the 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:

a. Provident Fund scheme

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

b. Gratuity scheme

- 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 2020. 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 favor of the employees. Hence the excess is not recognized as income.

C) Employee Stock Options (ESOP):

The Company has two schemes for Employee Stock Options (ESOP). However, the fair value of shares as ascertained by an independent valuer is lesser than the price at which options are to be exercised by employees. As such, no liability towards outstanding ESOPS needs to be recognized by the company.

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.

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

Interest income is recognized 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 Goods & Service Tax (GST).

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

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 recognized only to the extent there is reasonable certainty that the assets can be realized 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 realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realization.

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 recognized 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.

NOTE 3: SHARE CAPITAL				
	As at 31st March, 2020		As at 31st March, 2019	
AUTHORISED 30,000,000 Equity Shares of Rs.10/- each	300,000,000		300,000,000	
ISSUED, SUBSCRIBED AND PAID UP CAPITAL 71,74,074 Equity Shares of Rs.10/- each fully paid (Inclusive of 2,646,805 shares issued to shareholders of Parag Parikh Securities Ltd at par on Amalgamation)	71,740,740		71,740,740	
	71,740,740		71,740,740	
a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.				
	As at 31st March 2020		As at 31st March 2019	
	Number	Rs.	Number	Rs.
At the beginning of the period	7,174,074	71,740,740	7,174,074	71,740,740
Issued during the period	-	-	-	-
Outstanding at the end of the period	7,174,074	71,740,740	7,174,074	71,740,740
b. Details of Shareholders holding more than 5 % of Ordinary Shares				
Name of the Shareholders	Number	% of Holding	Number	% of Holding
Geeta P Parikh	5,777,790	80.54	5,777,790	80.54

NOTE 4: RESERVES AND SURPLUS		
	As at 31st March, 2020	As at 31st March, 2019
General Reserve (a)	385,000	385,000
Capital Redemption Reserves (b)	10,100,000	10,100,000
Share Premium (c)	40,096,741	40,096,741
Surplus/(deficit) in the statement of Profit and Loss		
At the Beginning of the Accounting period	546,907,177	498,098,188
Additions During the year	36,911,967	48,808,988
Closing Balance of Surplus in the Statement of Profit & Loss (d)	583,819,144	546,907,177
TOTAL (a + b + c + d)	634,400,885	597,488,918

NOTE 5: DEFERRED TAX LIABILITIES		
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	2,565,612	91,940
Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law	2,296,637	2,893,415
Provision for Gratuity: Impact of difference between expense charged as per Company Law & claimed as per Taxation Law	377,845	(391,639)
Leave Encashment: Impact of difference between expense charged as per Company Law & claimed as per Taxation Law	(38,660)	(262,507)
Filing Fees: Impact of difference between expense charged as per Company Law & claimed as per Taxation Law	-	234,403
	5,201,434	2,565,612

NOTE 6: TRADE PAYABLES		
	As at 31st March, 2020	As at 31st March, 2019
Trade Payables		
A) Total outstanding dues of Micro, Small and Medium Enterprises		
I. Principal Amount due to Micro, Small and Medium Enterprises	-	-
II. Interest due to Micro, Small and Medium Enterprises	-	-
B) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	1,251,475	931,250
	1,251,475	931,250

NOTE 7: OTHER CURRENT LIABILITIES		
	As at 31st March, 2020	As at 31st March, 2019
TDS Payable	1,839,234	3,569,298
GST Payable	1,759,367	290,501
GST Payable – RCM	20,202	20,657
Provident Fund Payable	635,166	553,062
Unpaid Dividend	56,835	56,835
Reimbursement of Expenses	23,036	-
Professional Tax Payable	10,000	12,600
ESIC Payable	5,367	8,068
Gratuity Payable	-	1,407,760
	4,349,207	5,918,781

NOTE 8: SHORT TERM PROVISIONS		
	As at 31st March, 2020	As at 31st March, 2019
Provision for Expenses	2,177,461	974,633
Provision for Leave Encashment	1,690,740	1,632,268
Provision for Auditor's Remuneration	549,000	555,000
	4,416,931	3,161,901

NOTE 9 : PROPERTY, PLANT AND EQUIPMENT

Sr · No	Asset	Gross Block as at 01/04/2019	Additions during the year	Deductions during the year	Gross Block as at 31/03/2020	Depreciation up to 01/04/2019	Depreciation for the year	Accumulated Depreciation on Sold Assets	Accumulated Depreciation Adjustment	Total depreciation up to 31/03/2020	Net Block as at 31/03/2020	Net Block as at 31/03/2019
A.	Tangible Assets											
1	Office Premises	189,722,893	-	-	189,722,893	12,308,292	7,566,684	-	(7,263)	19,867,713	169,855,180	177,414,601
2	Computer	16,507,456	2,274,306	33,850	18,747,913	12,911,098	2,046,843	6,671	222	14,951,492	3,796,421	3,596,358
3	Office Equipments	8,792,648	353,754	24,177	9,122,224	6,080,656	779,935	16509	(257)	6,843,825	2,278,399	2,711,993
4	Electrical Installation	2,961,265	-	-	2,961,265	841,674	253,476	-	163,126	1,258,276	1,702,989	2,119,591
5	Motor Car	12,714,499	-	-	12,714,499	4,277,532	1,188,660	-	(430)	5,465,763	7,248,736	8,436,967
6	Office Furniture	22,948,169	154,106	-	23,102,275	7,702,340	1,820,140	-	(1,899)	9,520,671	13,581,604	15,245,740
	TOTAL	253,646,929	2,782,166	58,027	256,371,069	44,121,683	13,655,738	23,180	153,499	57,907,740	198,463,329	209,525,250
B.	Intangible Assets											
	Computer Software	13,050,112	5,143,326	931,250	17,262,188	11,152,180	2,027,772	930,319	961	12,251,234	5,010,954	1,897,291
	TOTAL	13,050,112	5,143,326	931,250	17,262,188	11,152,180	2,027,772	930,319	961	12,251,234	5,010,954	1,897,291
C.	Intangible Assets Under Development											
1	Computer Software	-	150,000	-	150,000	-	-	-	-	-	150,000	-
	Total	-	150,000	-	150,000	-	-	-	-	-	150,000	-
	TOTAL (A+B+C)	266,697,041	8,075,493	989,277	273,783,257	55,274,503	15,683,510	953,499	154,460	70,158,974	203,624,283	211,422,541
	Previous Year	260,746,171	12,284,509	6,333,638	266,697,041	48,062,123	13,109,746	5,897,367	-	55,274,503	211,422,541	212,684,047

NOTE 10: NON-CURRENT INVESTMENTS

	No. of Shares	Cost for 31.03.2020	MKT. Rate 31.03.2020	MKT. Value on 31.03.2020	No of Shares	Cost for 31.03.2019
INVESTMENTS IN EQUITY						
Quoted Investment:						
Equity Shares fully paid						
ACC Limited	5	7,497	968	4,838	-	-
Aditya Birla Capital Limited	100	10,054	42	4,220	-	-
APL Apollo Tubes Limited	44	75,041	1,246	54,844	40	68,791
Ashok Leyland Limited	150	9,417	43	6,458	-	-
Aurobindo Pharma Limited	70	43,854	413	28,914	35	26,332
Axis Bank Limited	64	48,663	379	24,275	-	-
Bajaj Auto Limited	27	78,998	2,025	54,672	-	-
Bajaj Finance Limited	20	68,214	2,216	44,321	-	-
Balkrishna Industries Limited	141	38,668	791	111,545	126	24,081
Bharat Electronics Limited	50	3,715	74	3,718	-	-
Bharat Forge Limited	30	12,132	234	7,023	-	-
Bosch Limited	1	12,393	9,410	9,410	-	-
Cadila Healthcare Limited	258	62,685	267	68,912	-	-
CCL Products India Limited	125	24,605	180	22,450	-	-
Central Depository Services (India) Limited	525	104,706	214	112,560	-	-
Coal India Limited	310	87,622	140	43,400	260	76,953
Colgate Palmolive India Limited	5	6,044	1,253	6,265	-	-
Container Corporation India Limited	50	18,724	331	16,573	-	-
Crisil Limited	42	68,991	1,255	52,710	-	-
Eicher Motors Limited.	4	69,400	13,087	52,349	-	-
Escorts Limited	15	10,267	663	9,944	-	-
Dalmia Bharat Limited	-	-	-	-	10	19,215
Endurance Technologies Limited	15	13,751	600	8,993	-	-
Finolex Cable Limited	15	4,888	203	3,050	-	-
Finolex Industries Limited	10	5,123	391	3,907	-	-
Federal Bank Limited	75	4,855	41	3,079	-	-
Gabriel India Limited	120	10,509	54	6,420	-	-
Godrej Industries Limited	147	59,558	284	41,675	-	-
Godrej Agrovet Limited	13	4,611	368	4,789	-	-
Grasim Limited	24	17,022	475	11,410	-	-
HCL Technologies Limited	10	5,430	437	4,368	-	-
Geojit Financial Services Limited	-	-	-	-	889	15,207
HDFC Bank Limited	76	98,596	862	65,512	102	152,393
HDFC Life Insurance Co Limited	10	4,776	442	4,416	-	-
Hindustan Petroleum Limited	25	4,726	190	4,754	-	-
Housing Development Finance Corporation Limited	57	110,947	1,630	92,936	-	-
ICICI Bank Limited	505	154,092	325	163,873	505	154,092
ICICI Lombard General Insurance Limited	3	3,398	1,077	3,230	-	-
ICICI Prudential Life Insurance Limited	15	5,663	356	5,336	-	-
ICICI Securities Limited	15	5,642	277	4,157	-	-
Indian Oil Corporation Limited	50	5,303	82	4,083	-	-
ITC Limited	1,331	318,140	172	228,932	-	-
ICRA Limited	10	28,123	2,165	21,650	-	-

	No. of Shares	Cost for 31.03.2020	MKT. Rate 31.03.2020	MKT. Value on 31.03.2020	No of Shares	Cost for 31.03.2019
Indian Energy Exchange Limited	5	752	128	640	-	-
Infosys Limited	52	36,718	640	33,296	-	-
Jamna Auto Industries Limited	1,075	39,416	24	25,585	-	-
K.P.R. Mill Limited	18	10,281	339	6,098	-	-
Kajaria Ceramics Limited	100	49,841	377	37,655	100	49,841
KEI Industries Limited	37	15,806	268	9,907	-	-
KEC International Limited	15	4,213	186	2,783	-	-
Kotak Mahindra Bank Limited	158	215,373	1,296	204,823	-	-
Larsen & Toubro Limited	46	62,913	807	37,115	-	-
Lupin Limited	25	24,420	590	14,743	25	24,420
Mahindra & Mahindra Limited	30	16,589	285	8,550	-	-
Mahanagar Gas Limited	5	4,661	818	4,090	-	-
Maruti Suzuki India Limited	24	109,656	4,288	102,906	10	19,559
Mayur Uniquoters Limited	248	111,840	152	37,609	228	107,602
Motherson Sumi Systems Limited	365	59,292	61	22,283	210	40,390
Mphasis Limited	42	24,030	665	27,909	42	24,030
Multi Commodity Exchange of India Limited	79	95,492	1,131	89,310	-	-
Natco Pharma Limited	24	14,787	506	12,148	-	-
NCC Limited	150	5,388	19	2,820	-	-
NMDC Limited	155	14,817	80	12,400	-	-
NOCIL Limited	625	55,259	66	41,125	265	23,576
Oracle Financial Software Limited	13	32,097	2,032	26,422	-	-
Parag Milk Foods Limited	-	-	-	-	200	49,724
Persistent Systems Limited	94	59,975	551	51,794	36	22,906
Petronet LNG Limited	25	5,451	200	4,996	-	-
Piramal Enterprises Limited	25	22,841	939	23,470	100	93,358
Polycab India Limited	45	28,510	742	33,386	-	-
PSP Projects Limited	140	72,806	322	45,038	140	72,806
Sandhar Technologies Limited	50	13,593	129	6,435	-	-
Star Cement Limited	60	5,174	68	4,098	-	-
State Bank of India	85	23,491	197	16,741	-	-
Sagar Cements Limited	-	-	-	-	50	41,333
Shree Cement Limited	-	-	-	-	2	31,860
Sun Pharmaceuticals Limited	140	71,567	352	49,308	60	40,268
Steel Authority India Limited	200	4,990	23	4,610	-	-
Syngene International Limited	52	15,347	242	12,561	-	-
Tata Consumer Products Limited	30	9,203	295	8,844	-	-
TCPL Packaging Limited	337	101,821	158	53,330	120	47,014
TCS Limited	10	20,777	1,823	18,231	-	-
Tejas Networks Limited	60	4,835	32	1,908	-	-
Titan India Limited	105	68,438	934	98,018	120	45,786
Thomas Cook India Limited	-	-	-	-	237	20,413
Trent Limited	55	32,525	479	26,356	-	-
V-Mart Retail Limited	25	47,770	1,413	35,313	-	-
Voltamp Transformers Limited	4	5,005	885	3,540	-	-
United Spirits Limited	5	2,825	485	2,425	-	-
Westlife Developers Limited	95	36,715	320	30,419	-	-
Total - (i)		3,384,139		2,716,997		1,291,949
Unquoted Investments						
MF Utilities India Private Limited	500,000	500,000			500,000	500,000
Sakhar Bhavan Premises Co-op. Society Limited.	2	1,000			2	1,000
Total - (ii)	-	501,000			-	501,000

	No. of Units	Cost for 31.03.2020	MKT. Rate 31.03.2020	MKT. Value on 31.03.2020	No. of Units	Cost for 31.03.2019
<u>INVESTMENT IN MUTUAL FUNDS</u>						
Birla SunLife Cash Manager Fund Growth	23.85	10,000	468.33	11,168	898.29	355,471
Birla Sunlife Weekly Dividend Fund	17,372.18	1,743,319	100.11	1,739,128	16,471.76	1,652,593
Parag Parikh Long Term Equity Fund	12,593,437.04	294,100,389	21.86	275,276,162	12,554,053.23	281,110,000
Parag Parikh Tax Saver Fund	2,500,000.00	25,000,000	8.42	21,060,750	-	-
Parag Parikh Liquid Fund (Direct Growth Plan)	91,745.50	100,806,564	1,117.01	102,480,660	98,046.33	101,343,020
Parag Parikh Liquid Fund (Regular Growth Plan)	10.00	10,000	1,114.78	11,148	10.00	10,000
Parag Parikh Liquid Fund (Regular Monthly Dividend Plan)	10.73	10,726	1,003.17	10,759	10.34	10,343
Parag Parikh Liquid Fund (Regular Weekly Dividend Plan)	10.74	10,743	1,001.17	10,755	10.35	10,361
Parag Parikh Liquid Fund (Regular Daily Dividend Plan)	10.70	10,746	1,000.21	10,703	10.33	10,370
Parag Parikh Liquid Fund (Direct Monthly Dividend Plan)	10.74	10,746	1,003.17	10,776	10.35	10,355
Parag Parikh Liquid Fund (Direct Daily Dividend Plan)	10.70	10,760	1,000.21	10,705	10.33	10,377
Parag Parikh Liquid Fund (Direct Weekly Dividend Plan)	10.76	10,758	1,001.17	10,768	10.36	10,367
Total - (iii)		421,734,750		400,643,482		384,533,256
<u>INVESTMENT IN FD 3 YEARS</u>						
Axis Bank Limited Fixed Deposit	-	2,500,000				
Total - (iv)	-	2,500,000				
Grand Total (i +ii +iii +iv)		428,119,889				386,326,205

NOTE 11: LONG TERM LOANS & ADVANCES		
	As at 31st March, 2020	As at 31st March, 2019
Income Tax Refund receivable	10,739,018	11,659,255
MAT Credit Available	19,777,707	19,587,637
Deposits	16,322,426	15,211,968
Advance Tax & TDS (Net of Provision of Taxation)	11,336,334	5,456,030
PPFAS Mutual Fund - Tax Deposit	500,000	-
Deposit with Government Authorities	61,000	-
	58,736,485	51,914,890

NOTE 12: TRADE RECEIVABLES		
	As at 31st March, 2020	As at 31st March, 2019
(1) Debts outstanding for a period exceeding six months from the date they are due	-	-
(2) Other Debts (Unsecured, considered good)	18,011,445	14,220,933
	18,011,445	14,220,933

NOTE 13: CASH AND CASH EQUIVALENT		
	As at 31st March, 2020	As at 31st March, 2019
(i) On Current Accounts	5,177,552	6,661,636
(ii) Cash in hand and as Imprest	104,879	62,672
(iii) Fixed Deposits with maturity less than 12 months	-	2,690,249
	5,282,431	9,414,557

NOTE 14: SHORT TERM LOANS AND ADVANCES		
	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expense	4,079,968	3,718,476
Loan & Advance to Employees	627,247	274,000
Advances to Others	100,000	100,000
	4,807,215	4,092,467

NOTE 15: OTHER CURRENT ASSETS		
	As at 31st March, 2020	As at 31st March, 2019
Gratuity Asset	1,502,686	-
Trustee Fees Receivable	915,254	915,254
Interest accrued on Fixed Deposits	117,922	133,638
GST Input Credit	117,921	115,251
Advance to Creditors	115,715	3,251,457
Employees Reimbursement of Expenses	9,425	-
	2,778,924	4,415,600

NOTE 16: REVENUE FROM OPERATIONS		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Management Fees	183,212,433	153,830,825
Portfolio Management Fees	1,857,302	1,834,839
Placement Charges – MF	1,684,606	2,178,265
Trustee Fees	847,458	847,458
Professional Fees – Income	10,000	5,000
	187,611,799	158,696,387

NOTE 17: OTHER INCOME		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<u>Net Gain/Loss on Sale of Investment</u>		
Long Term Capital Gain on Mutual Fund	12,052,485	29,281,911
Short Term Capital Gain on Mutual Fund	6,461,869	7,008,853
Long Term Capital Gain on Equity Shares	81,050	11,838,357
Short Term Capital Gain on Equity Shares	(10,974)	(5,876)
Long Term Capital Gains on Bonds	-	657,406
Total (a)	18,584,430	48,780,651
<u>Other Non-Operating Income</u>		
Interest on Income Tax Refund	1,220,648	761,428
Interest on Fixed Deposit	193,077	210,559
Dividend from Shares	33,953	33,188
Dividend from Mutual Fund	90,726	107,535
Other Income	935,964	2,173
Profit on sale of Fixed Asset	(4,999)	970,136
Interest on Tax free Bonds	-	22,418
Total (b)	2,469,369	2,107,437
Total (a+b)	21,053,799	50,888,087

NOTE 18: EMPLOYEE BENEFIT EXPENSES		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary and Wages		
Office Staff Salary	71,802,892	67,586,330
Contribution to Provident Fund and other funds		
Provident Fund	3,797,214	2,820,695
Gratuity Fund	1,818,433	1,407,760
Maharashtra Labour welfare Fund	2,400	1,980
Provision for Leave Encashment	73,609	1,546,962
NPS Employer Contribution	1,218,840	938,543
Other expenses		
Staff Welfare	1,355,293	1,230,071
	80,068,681	75,532,341

NOTE 19: DEPRECIATION AND AMORTIZATION EXPENSES		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation of Tangible Assets	13,655,738	12,341,348
Amortization of Intangible Assets	2,027,772	768,398
	15,683,510	13,109,746

NOTE 20: OTHER EXPENSES		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Professional Charges	14,388,880	21,414,462
Computer Maintenance & Software Subscriptions	11,027,491	6,152,278
Printing & stationery	8,186,511	8,374,557
Business Promotion Expenses	4,801,913	4,993,478
Rents, Rates & Taxes	3,897,131	1,497,349
Postage & Courier Charges	3,197,804	3,353,272
Insurance Charges	1,841,067	1,327,550
Electricity expenses	1,519,882	1,428,945
Society Maintenance Expenses	1,505,703	1,184,354
Conveyance Charges	1,360,510	1,074,029
Miscellaneous expenses	1,349,160	1,074,944
Advertising expenses	1,290,929	3,385,519
Contributions Towards CSR	1,190,521	1,209,000
Membership & subscription	899,264	945,726
Travelling expenses	876,212	756,020
Telephone/communication	809,141	702,384
Repairs & maintenance	698,017	534,898
Auditors Remuneration	610,000	610,000
Motor car expenses	558,377	914,613
Director/employee Education	431,997	209,035
Internet charges	333,466	294,820
Director's Fees (Sitting Fees)	320,000	370,000
Annual Fees to SEBI	250,000	250,000
Brokerage on Rental Property	249,680	-
Bank Charges	32,664	333,008
Filing fees	29,677	216,074
Books & periodicals	16,790	25,549
Professional tax – company	6,500	6,000
STT, Service Tax & other charges on Share Investment	4,499	34,621
Distributor Commission	-	6,398,074
Transaction Charges	-	524,980
	61,683,786	69,595,539

NOTE 21: PRIOR PERIOD EXPENSES / (INCOME)		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Gratuity Fund Notional Income	(1,288,878)	-
Adjustment of depreciation	147,790	409
GST ITC reversal	25,526	(336,128)
Other Expenses	(960)	(40,000)
	(1,116,522)	(375,719)

NOTE 22: EXTRA ORDINARY ITEMS		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Reimbursement to Schemes	3,286,144	-
	3,286,144	-

NOTE 23: CURRENT TAX		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Tax	8,003,957	10,843,475
Excess Tax Provision for Previous year	1,698,318	(763,133)
MAT Credit Entitlement	120,771	(9,728,188)
MAT Credit Income relating to P.Y.	(310,836)	87,753
	9,512,210	439,907

NOTE 24: SUPPLEMENTARY INFORMATION**a. Particulars of Directors' Remuneration**

Director's Name	Amount in Rs.	Head of Expenses
Arindham Ghosh	50,000/-	Sitting Fees
Kamlesh Somani	40,000/-	Sitting Fees
Rajesh Bhojani	60,000/-	Sitting Fees
P. A. Balasubramanian	40,000/-	Sitting Fees
Rajan Mehta	50,000/-	Sitting Fees
Dhaval Desai	40,000/-	Sitting Fees
Suneel Gautam	40,000/-	Sitting Fees
Neil Parikh	9,117,624/-	Employee Benefits Expenses
Rajeev Thakkar	12,136,464/-	Employee Benefits Expenses
Shashi Kataria	2,764,466/-	Employee Benefits Expenses

b. Particulars of Auditors Remuneration

Particulars	F.Y.2019-20	F.Y.2018-19
As Statutory Auditors	610,000/-	610,000/-
TOTAL	610,000/-	610,000/-

c. Value of Imports

Particulars	F.Y.2019-20	F.Y.2018-19
Value of Imports	NIL	NIL

d. Expenditure in Foreign Exchange

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Subscription payment for Website & Mobile Application Maintenance (USD)	Rs. 409,495/- (\$ 5536)	Rs 861,300/- (\$ 11,702)
Advertisement (USD)	Rs. 15,107/- (\$ 207)	Rs 87,304/- (\$ 1218)
Subscription payment for Website & Mobile Application Maintenance	Rs. 12,320/- (€ 150)	Rs. 13,068/- (€ 150)
Email Purchase /Services & Web app hosting	Rs. 310,615/- (\$ 4257)	Rs. 319,049/- (\$ 4,468)
Business Promotion and Conveyance	Rs. 26,204/- (Mauritius Rupee 13,822)	-

e. Foreign Exchange Earnings

Particulars	F.Y.2019-20	F.Y.2018-19
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, 2020 are Rs 27.66 crores.

NOTE 25: 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	120,000/-
Rajeev Thakkar	Director who is able to exercise significant influence	Employee Benefits Expenses	12,136,464/-
Neil Parikh	Director who is able to exercise significant influence	Employee Benefits Expenses	9,117,624/-
Shashi Kataria	Director who is able to exercise significant influence	Employee Benefits Expenses	2,764,466/-
Synage Software Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Software Maintenance	3,968,500/-

NOTE 26: CONTINGENT LIABILITIES

Contingent Liabilities	F.Y.2019-20 Amount in Rs. Lacs	F.Y.2018-19 Amount in Rs. Lacs
Income Tax Case – Appeals in High Court AY 2013-14	41.73	41.73
Income tax Case - CIT Appeals AY 2017-18	3.85	-

NOTE 27: EARNINGS PER SHARE

Particulars	FY 2019-20	FY 2018-19
Profit attributable to equity shareholders	Rs. 36,911,967/-	Rs. 48,808,988/-
Weighted Average number of Equity Share Outstanding during the year	7,174,074	7,174,074
Basic & Diluted EPS	Rs. 5.15	Rs. 6.80
Nominal value per share	10/-	10/-

NOTE 28: MAJOR COMPONENTS OF DEFERRED TAX

Deferred Tax Assets	(Amount in Rs.)		
I. Opening Balance			2,565,612
II Changes during the Year			
a. Timing Difference in Depreciation			
As per Accounts	15,683,510		
As per Income tax Act	23,956,376		
Under charged for tax purpose	8,272,866		
Deferred Tax		2,296,637	
b. Timing Difference due to Provision for Leave Encashment			
As per Accounts	1,690,470		
As per Income tax Act	1,546,932		
Over charged for tax purpose	143,538		
Deferred Tax		(38,660)	
c. Timing Difference due to Provision for Gratuity			
As per Accounts	53,054		
As per Income tax Act	1,407,760		
Under charged for tax purpose reversed	1,354,706		
Deferred Tax		377,845	
III. Deferred Tax Income recognized in Statement of Profit & Loss			2,635,822
IV. Net Deferred tax Liability as per Balance Sheet.			5,201,434

NOTE 29:

The amount payable to the Small-Scale Undertaking is NIL.

NOTE 30: EMPLOYEE BENEFITS

In the recent past, due to major reduction in staff strength and valuation gains in plan assets, the employer's contribution towards gratuity worked out to a negative figure, due to which particulars of gratuity benefit could not be logically presented for reporting. This year the situation has changed and reporting on gratuity has become possible. Opening balances are brought on record by way of prior period adjustments. The amounts recognized in the Company's financial statements as at year end as per actuarial valuation, are as under:

Particulars		Gratuity (Funded) (Amount in Rs.) Year Ended 31.03.2020
i)	Change in Present Value of Obligation	
	Present value of the obligation at the beginning of the year	5,492,046
	Interest Cost	427,244
	Current Service Cost	971,145
	Benefits Paid from the fund	(51,923)

	Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(20,205)
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financials Assumptions	(204,784)
	Actuarial (Gain) / Loss on Obligation	501,220
	Present value of the obligation at the end of the year	7,114,743
ii)	Change in Plan Assets	
	Fair value of Plan Assets at the beginning of the year	5,373,165
	Expected return on Plan Assets	415,264
	Contributions by the Employer	3,440,000
	Benefits Paid from the fund	(51,923)
	Actuarial Gain / (Loss) on Plan Assets	(559,077)
	Fair value of Plan Assets at the end of the year	8,617,429
iii)	Amounts Recognized in the Balance Sheet:	
	Present value of Obligation at the end of the year	(7,114,743)
	Fair value of Plan Assets at the end of the year	8,617,429
	Net (Liability)/Asset Recognized in the Balance Sheet	1,502,686
iv)	Amounts Recognized in the statement of Profit and Loss:	
	Current Service Cost	971,145
	Net Interest Cost	11,980
	Actuarial (Gains)/Losses	835,308
	Assets Transferred In/Acquisitions	207,176
	Net Cost Included in Employee Benefit Expenses	1,818,433
v)	Actual Return on Plan Assets	(143,813)
vii)	Major categories of Plan Assets as a % of total Plan Assets	
	i) Insurer Managed Funds	100%
viii)	Actuarial Assumptions	
	i) Discount Rate	6.70% P.A.
	ii) Expected Rate of Return on Plan Assets	6.70% P.A.
	iii) Salary Escalation Rate	8% P.A.
	iv) Employee Turnover	10% P.A.
	v) Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)

NOTE 31: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY AND ITS SUBSIDIARIES.

Name of the Company	Net Assets (Total Assets Less 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 Pvt Ltd (Parent Company)	61.00%	430,755,392	4.96%	1,832,036
PPFAS Asset Management Pvt Ltd (Subsidiary Company)	38.69%	273,176,381	93.74%	34,601,147
PPFAS Trustee Company Pvt Ltd (Subsidiary Company)	0.31%	2,209,851	1.30%	478,785

NOTE 32: PREVIOUS YEAR FIGURES

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

Signatures to notes 1 to 32

As per Our Audit Report of even date

For CVK & Associates

Chartered Accountants

Firm Registration No:101745W

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

Sd/-

CA K P Chaudhari

Partner

Membership No: 31661

Sd/-

Neil Parikh

Director

DIN: 00080269

Sd/-

Sahil Parikh

Director

DIN: 00079898

Sd/-

Sonakshi Mahendra

Company Secretary

Place: Mumbai

Date: 14th August, 2020



There's only one right way®

Parag Parikh Financial Advisory Services Private Limited

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

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