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**PARAG PARIKH FINANCIAL ADVISORY
SERVICES LIMITED**

Sixteenth Annual Report

2007-2008

Corporate Information

Board of Directors

Parag Parikh, Chairman
Rajeev Thakkar, Chief Executive Officer
Gaurav H Dalmia
Sunil Gautam
Sahil Parikh
Neil Parikh
Rajiv Sampat

Company Secretary

Swapnil Walimbe

Auditors

CVK & ASSOCIATES,
Chartered Accountants

Bankers

Axis Bank Limited
HDFC Bank Limited
Citibank N A

Registered Office

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

Corporate Office

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

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Notice

Notice is hereby given that the 16th Annual General Meeting of the shareholders of Parag Parikh Financial Advisory Services Limited will be held on Wednesday, September 24th 2008 at 4.00 pm at Great Western Building, 130/132, Shahid Bhagat Singh Road, Fort, Mumbai 400 001 to transact the following business:

Ordinary Business:

- 1 To receive, consider and adopt the audited Balance Sheet as at March 31st, 2008, the Profit and Loss Account for the year ended on that date, and the Report of the Directors' and Auditor's Report thereon.
- 2 To appoint CVK and Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting, to fix their remuneration and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. CVK and Associates, Chartered Accountants, be and are hereby reappointed as Statutory Auditors of the Company to hold the office till the conclusion of next Annual general Meeting at the remuneration to be fixed by the Board of Directors."

- 3 To appoint a director in place of Mr. Rajeev Thakkar, who retires by rotation and being eligible offers himself for re-appointment
- 4 To appoint a director in place of Mr. Sahil Parikh, who retires by rotation and being eligible offers himself for re-appointment
- 5 To appoint a director in place of Mr. Neil Parikh, who retires by rotation and being eligible offers himself for re-appointment

Special Business

- 6 To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

" RESOLVED THAT Mr. Neil Parikh, director of the company hereby appointed as whole Time Director (WTD) w.e.f. 19th July 2008 liable to retire by rotation."

"RESOLVED FURTHER THAT Mr. Neil Parikh be paid remuneration on the following lines and which will be in compliance with Schedule XIII and other applicable provisions of the companies Act, 1956.

Benefits:

PART A

Mr. Neil Parikh will be paid a basic remuneration upto Rs. 50,000/- (Rupees Fifty Thousands Only) on monthly basis considering the relevant provisions of Companies Act, 1956 and in compliance with Schedule XIII of Companies Act, 1956.

PART B

a. Perquisites :

In addition to basic remuneration stated in Part A ; Mr. Neil Parikh will be provided chauffeur driven car, which will be used for official purpose.

He will be entitled to the reimbursement of the medical bills.

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

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

b. Other entitlement:

Contribution to Provident Fund:

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

Gratuity:

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

Performance Linked Incentive:

Such amounts as may be decided by the board of Directors or any committee of the Board from time to time.

Any expenses incurred which in connection with discharging the duties as a Whole Time Director of the Company will not be considered as Perquisites.

Provided that the total remuneration paid to the Whole Time Director shall at all the time be within the limits stipulated by the Companies act, 1956.

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

PART C

In the event of any statutory amendment(s) or modification(S) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956 , the Board of Directors is authorized to vary or increase the remuneration including salary , commission, perquisites, allowance, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s), or variation(s) without further reference to the Company in General Meeting. Provided that at all the time care should be taken that the total remuneration that will be paid to whole time director will within the limits set forth by Schedule XIII of the Companies Act, 1956 and Company is complying with the provisions of Section 198, 309,310 and section 269 of the Companies Act, 1956.”

“RESOLVED FURTHER THAT total remuneration of Rs. 3,55,000/- paid during the year 2007-08 to Mr. Neil Parikh, for his professional services be and is hereby approved.”

- 7] To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED FURTHER THAT total remuneration of Rs. 5,40,000 paid during the year 2007-08 to Mr. Rajiv Sampat for his professional services be and is hereby approved.”

- 8] To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT Mr. Rajeev Thakkar, Director of the Company be appointed as a Whole Time Director of the Company w.e.f. 19th July 2008 liable to retire by rotation.”

“RESOLVED FURTHER THAT Mr. Rajeev Thakkar be paid remuneration on the following lines and which will be in compliance with Schedule XIII and other applicable provisions of the companies Act, 1956.

Benefits:

PART A

Mr. Rajeev Thakkar will be paid a basic remuneration upto Rs. 1,25,000/- (Rupees One Lakh Twenty five thousands Only) on monthly basis considering the relevant provisions of Companies Act, 1956 and in compliance with Schedule XIII of Companies Act, 1956.

PART B

a. Perquisites : In addition to basic remuneration stated in Part A ; Mr. Rajeev Thakkar will be provided chauffer driven car, which will be used for official purpose.

He will be entitled to the reimbursement of the medical bills.

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

Expenditure with regard to entertainment and traveling expenses incurred in the course of the Company's

business will be reimbursed by the Company.

b. Other entitlement:

Contribution to Provident Fund:

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

Gratuity:

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

Performance Linked Incentive:

Such amounts as may be decided by the board of Directors or any committee of the Board from time to time.

Any expenses incurred which in connection with discharging the duties as a Whole Time Director of the Company will not be considered as Perquisites.

Provided that the total remuneration paid to the Whole time Director shall at all the time be within the limits stipulated by the Companies act, 1956.

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

PART C

In the event of any statutory amendment(s) or modification(S) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956 , the Board of Directors is authorized to vary or increase the remuneration including salary , commission, perquisites, allowance, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s), or variation(s) without further reference to the Company in General Meeting. Provided that at all the time care should be taken that the total remuneration that will be paid to whole time director will within the limits set forth by Schedule XIII of the Companies Act, 1956 and Company is complying with the provisions of Section 198, 309,310 and section 269 of the Companies Act, 1956."

"FURTHER RESOLVED THAT total remuneration of Rs.29,07,000/- paid during the year 2007-08 to Mr. Rajeev Thakkar, for his professional services be and is hereby approved."

9 To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT Mr. Parag Parikh Director of the Company be appointed as a Whole Time Director of the Company w.e.f. 19th July 2008 liable to retire by rotation."

"RESOLVED FURTHER THAT Mr. Parag Parikh be paid remuneration on the following lines and which will be in compliance with Schedule XIII and other applicable provisions of the companies Act, 1956.

Benefits:

PART A

Mr. Parag Parikh will be paid a basic remuneration upto Rs. 1,00,000/- (Rupees One Lakh Only) on monthly basis considering the relevant provisions of Companies Act, 1956 and in compliance with Schedule XIII of Companies Act, 1956.

PART B

a. Perquisites : In addition to basic remuneration stated in Part A ; Mr. Parag Parikh will be provided chauffeur driven car, which will be used for official purpose.

He will be entitled to the reimbursement of the medical bills.

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

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

b. Other entitlement:

Performance Linked Incentive:

Such amounts as may be decided by the board of Directors or any committee of the Board from time to time.

Any expenses incurred which in connection with discharging the duties as a Whole Time Director of the Company will not be considered as Perquisites.

Provided that the total remuneration paid to the Whole time Director shall at all the time be within the limits stipulated by the Companies act, 1956.

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

PART C

In the event of any statutory amendment(s) or modification(S) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors is authorized to vary or increase the remuneration including salary , commission, perquisites, allowance, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s), or variation(s) without further reference to the Company in General Meeting. Provided that at all the time care should be taken that the total remuneration that will be paid to whole time director will within the limits set forth by Schedule XIII of the Companies Act, 1956 and Company is complying with the provisions of Section 198, 309,310 and section 269 of the Companies Act, 1956.”

“FURTHER RESOLVED THAT total remuneration of Rs. 12,00,000/- paid during the year 2007-08 to Mr. Parag Parikh, for his professional services be and is hereby approved.”

10 To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT books of accounts and other statutory registers be kept at the corporate office; situated in the same city in which the registered office of the company situated.”

By Order Of the Board of Directors

Sd/-

Parag S Parikh,
Chairman.
Mumbai.
103, Veena Chambers,
Dalal Street, Fort,
Mumbai-400001

June 11th, 2008.

Notes:

1. A member entitled to attend and vote at meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.
2. The company has fixed 18th September 2008 as the record date.
3. Members are requested to bring their copies of the Annual Report while attending the Annual General Meeting.
4. Members desirous to obtain any information concerning the Accounts and Operations of the Company are requested to send their queries to the Company at least seven days prior to the date of the meeting, so that the information required by the members may be made available at the meeting.
5. Corporate members are requested to bring a certified true copy of a resolution pursuant to Section 187 giving authorisation for attending the meeting.
6. An explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the resolutions set out under Item 6 to 11 in annexed hereto .
7. Brief resume of Rajeev Thakkar, Rajiv Sampat, Neil Parikh and Parag Parikh are provided in the Explanatory statement of the respective points.
8. All the annexure and agreements are kept at the Registered office for inspection.

Explanatory Statement

Explanatory Statement as required under section 173 of the Companies Act, 1956 to the Item No.6, 7, 8, 9 and 10 of the Notice for the 16th Annual General Meeting of Parag Parikh Financial Advisory Services Limited to be held on Wednesday the September 24th, 2008 at 4.00 pm at the Corporate Office of the Company at Great Western Building, 130/132, Shahid Bhagat Singh Road, Fort, Mumbai 400 001:

Item No.6

Mr. Neil Parikh is associated with the Company for last four years; he is a member of Institutional Dealing desk his efforts have helped the Company to expand the Clientele at the Institutional Desk. Considering the efforts put in by Mr. Neil Parikh, Company has paid him Rs. 3,55,000/- for this financial year towards his professional Services. Company seeks the approval from the members for the same. The Board wishes to appreciate the efforts put in by Mr. Neil Parikh by adequately compensating him. The Board proposes to approve the remuneration paid to him for the financial year 2007-08.

Bio Data and a brief profile of Mr. Neil Parikh is stated below:.

Name	Address	Date of Birth	Age	Educational Qualification	Experience
Neil Parikh	61, Gitanjali, 73/75 Walkeshwar Road, walkeshwar, Mumbai-400006	06/04/1982	26	B.A. in economics from North Carolina University (USA)	Neil Parikh is associated with Capital Markets for last 4 years.

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

Item No. 7

Mr. Rajiv Sampat is associated with the capital Markets for last sixteen years, he is a well-respected figure in the industry; his presence on the Board will be beneficial to the operations of the company. The Board wishes to appreciate the efforts put in by Mr. Rajiv Sampat by adequately compensating him. The Board proposes to approve the remuneration paid to him for the financial year 2007-08.

Bio Data and a brief profile of Mr. Rajiv Sampat is stated below:.

Name	Address	Date of Birth	Age	Educational Qualification	Experience
Rajiv Sampat	10, National Garage, B.D. Desai Road, Mumbai-400026.	01/11/1972	35	B.Com.	Rajiv Sampat is associated with Capital markets for last 16 years.

None of the Directors except Mr. Rajiv Sampat is interested in the resolution.

Item No. 8

Mr. Rajeev Thakkar is a Chartered Accountant by profession and is associated with the company for more than Seven years. He is heading 'Portfolio Management Scheme' of the Company. His efforts and expertise helped the 'Portfolio Management Scheme' of the Company' to earn handsome profits during the said Financial Year. During the financial year gone by, he has introduced new products (Structured Products) in the kitty of financial instruments offered by the company to its clients. The Board wishes to compensate for his splendid performance and professional expertise by adequately compensating him with the professional fees in line with the industrial standards. The aggregate amount of Rs. 29,07,000/- paid to Mr. Rajeev Thakkar for the Financial Year 2007-2008 is reasonable and the Board recommends this payment. This compensation is paid to Mr. Rajeev Thakkar for the Professional Services rendered to the Company during the said financial year.

Considering the educational qualification, experience and the industry standards The Board wishes to appreciate the efforts put in by Mr. Rajeev Thakkar by adequately compensating him. The Board proposes to approve the remuneration paid to him for the financial year 2007-08.

Bio Data and a brief profile of Mr. Rajeev Thakkar is stated below:.

Name	Address	Date of Birth	Age	Educational Qualification	Experience
Rajeev Thakkar	705, Himachal, Juhu Lane, Mumbai.	19/07/72	36	B.Com. CA, Grad. CWA, CTM	Rajeev Thakkar is associated with Capital markets for last 13 years.

General Information	
Nature of industry	Company operates in Broking and Financial advisory industry.
Financial performance	Net profit for the Company before tax for the year is Rs. 484.66 lacs, profit after tax is Rs. 409.59 lacs
Foreign collaboration	Company has a Wholly owned subsidiary in USA, engaged in website development and related consultancy services.

Information about the appointee:	
Background details	<p>Mr. Rajeev Thakkar, is CA, ICWA, CTM by profession. He started his career as analyst in Fixed income securities and gradually moved as a Portfolio Manager of Fixed Income securities, now he is a Fund manager of Company's Portfolio Manager Scheme. He has more than thirteen (13) years experience in this field.</p> <p>His efforts helped the PMS to earn handsome returns for the Financial year 2007-2008 of Rs. 178.72 lacs.</p> <p>During the financial year he has introduced new structured products for PMS.</p> <p>Higher corpus helps the Company to earn fixed management fees in addition to share in profits of the PMS.</p>
Past remuneration	He has been paid salary of Rs. 29,07,000/- for the financial year 2007-2008
Job profile and suitability	<p>Rajeev Thakkar joined the Company as head of Wholesale Debt market segment. Currently he is devoting his full attention to the Portfolio Management Scheme (PMS). During the year he has been appointed as CEO of the Company.</p> <p>He is working as Fund Manager of the Company's PMS. Revenue from PMS forms considerable part of the total revenue of the Company.</p>
Remuneration proposed	Currently he has been paid a basic salary of Rs. 1,00,000/- per month. Company proposes to pay him a remuneration upto Rs. 2,50,000/- per month, which is allowed and in compliance with Schedule XIII of the Companies Act, 1956.
Comparative remuneration profile with respect to industry, size of the Company	In finance industry professionals are remunerated based on the returns achieved & the asset under management which helps the company to earn fixed fees, we are adopting the same approach.
Pecuniary relationship with the Company	Rajeev Thakkar does not have any pecuniary relationship with the Company.
Relationship with other managerial personnel	Mr. Rajeev Thakkar, is not in any way related to other managerial personnel.

Item No. 9

Parag Parikh, is M. Com (Ind & Fin), OPM (Harvard University) and has completed special Certification Programme on Behavioural Finance. He is a pioneer in introducing the concept of Behavioural 'Finance' in India. He is associated with Capital Markets for more than 25 years. His professional expertise helped the Company to achieve splendid returns during the current Financial Year. Board wishes to compensate Mr. Parag Parikh by remunerating him adequately considering the industry standards and the efforts put in by Mr. Parag Parikh. Company has paid him Rs. 12,00,000/- for this financial year towards his professional Services. Company seeks the approval from the member for the same.

Item No. 10

Due to limited space available at registered office management has decided to keep books of accounts and other statutory registers at its corporate office; which is situated in the same city.

Mumbai
June 11th 2008

By Order Of The Board Of Directors
Parag S Parikh,
Chairman

Director's Report

To The Shareholder's,

Your Directors have pleasure in presenting the 16th annual report with the audited accounts for the year ended March 31st, 2008..

As members are aware, during the financial year 2006-2007, your Company merged with Parag Parikh Securities Ltd (PPSL) and the results of PPSL were included only for 6 months. Hence the financials reported for the year 2007-2008 are not comparable with those of the previous year.

Financial Results

Highlights of the Financial Results for the years 2007/08 and 2006/07 are given below (Rs in Lacs)

Particulars	For the year ended 31-03-2008	For the year ended 31-03-2007
Operating Income	593.80	507.46
Other Income	62.52	35.35
Total Operating Income	656.32	542.81
L. T. Capital Gain on BSE Card & Shares	355.71	0.00
Profit before depreciation and tax	516.25	161.38
Depreciation	27.10	21.94
Profit before tax	489.15	139.44
Provision for taxation	71.00	31.00
Fringe Benefit Tax (and previous year tax paid Rs. 1.10 lacs)	8.56	3.76
Profit after tax	409.59	114.80
Share Capital	651.48	386.80
Reserves and Surplus	1183.32	773.74

Dividend

With a view to conserve resources and increase net worth of the Company, no dividend is proposed for the year.

Reserves and Surplus

Board proposes to transfer to the reserve an amount of Rs. 409.59 lacs.

Deposits

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

Management Discussion & Analysis and Results of operations

Share Capital

The issued, subscribe and paid up equity share capital has been increased to Rs. 65,148,050 from Rs. 38,680,000 due to allotment of 2,646,805 equity shares of Rs. 10 each fully paid up, to the shareholders of Parag Parikh Securities Limited in the ratio of 2.35 shares of the company for every one share held in Parag Parikh Securities Limited in pursuant to the scheme of amalgamation as approved by the Hon'ble High Court, Bombay.

Environment in the Capital Markets

For most part of the Financial Year ended March 31, 2008 the conditions in the Capital Market were very buoyant. The BSE Sensex touched an all time high of 21,206 and seemed to be defying gravity. Equity and derivatives market turnover was at all time highs with a generous help of margin funding and lax credit standards, arbitrage spreads were good, clients were willing to invest in Mutual Funds and Portfolio Management Services (PMS) and proprietary positions of capital market intermediaries were making good profits. Merchant Banks could offer fancy premiums to promoters for questionable issues and still get record over-subscriptions through IPO funding. In short, it was a perfect recipe for disaster.

Things started to change in 2008. Stock markets crashed, inflation shot up as did interest rates, growth slowed down as did volumes on the stock market. Clients wanted their money back and did not want anything to do with the capital markets. Initial Public Offerings dried up. No one wanted margin funding any more.

Without doubt PPFAS benefited from the buoyant conditions. However we are proud to say that we did not participate in the folly going on at the time of euphoria.

We had

1. No credit losses from client positions.
2. No forced liquidations of client portfolios at the time of market volatility.
3. No frothy investments in client portfolios. In fact we are proud of the fact that the dip in portfolio values for PPFAS clients has been far lower than that of the Sensex and Nifty.
4. No problems in proprietary investments. In fact we have largely stayed away from making fresh investments in frothy markets. We held on to stocks where we believe investment value is high.
5. No indiscriminate opening of branches or hiring of staff.

Operations of PPFAS

A lot of initiatives mentioned in the last annual report were completed during FY 2008.

Branding

This Annual Report has the new logo of PPFAS. The branding exercise of PPFAS is not just skin deep involving new signboards and stationery. The branding exercise involves alignment of all stakeholders to the core business values of PPFAS.

The new logo represents our "Slow and steady" approach to investing and the brand line "There's only one right

way[®] lets investors know that in investing the other path of short cuts inevitably leads to loss of capital and misery. The logo and the brand line also reflect the alignment of client interest and that of PPFAS where we take care of client investments as if they were our own. It reflects our position that our business is to promote investments and not gambling. It represents our attempt at re-establishing the forgotten principles of investment.

Internet based trade execution and bank payment gateway

The internet based trade execution platform of PPFAS went live. PPFAS offers both a browser based as well as an executable program based trade execution services. PPFAS offers a choice of three banks, namely HDFC Bank, ICICI Bank and Axis Bank for online funds transfer by means of a bank payment gateway.

Depository Participant

PPFAS has also started its Depository Participant services through NSDL. This service is integrated with the internet trading platform. Availing depository services from PPFAS enables clients to get significant saving on depository charges as normally charged by banks. It also avoids filling of demat instructions and unnecessary commuting. Further clients can be assured of validation of holdings prior to sale of shares, thus eliminating loss on account of auctions.

Brokerage business

The retail brokerage business saw growth over last year on account of increased volumes as well as increase in number of clients.

The institutional brokerage business was adversely affected for 3-4 months on account of the procedural formalities to be completed post merger with a lot of institutions.

Portfolio Management Services

The following schemes were operational during the year:

- 1 Cognito (Value investment oriented PMS scheme)
- 2 Progeny (Management of client investments in mutual funds)
- 3 Alpha Arbitrage scheme (scheme to benefit from arbitrage opportunities between cash and futures market, between different exchanges, between different derivatives markets etc.)
- 4 Non-discretionary scheme (management of bank and demat accounts of the client, accounting and audit for the clients investments combined with advice of the portfolio holdings)
- 5 Structured Products PMS (a new scheme launched under Cognito where investments are oriented towards capital protection and giving all the upside of equity markets represented by NIFTY returns)

Cognito has come back in reckoning after under performing the indices in FY 2007-08. The investments of Cognito have fallen by 2.85% as compared to a fall of 13.85% in Sensex and a fall of 14.75% in Nifty in the quarter April 1, 2008 to June 30, 2008. We had mentioned in our last Annual Report that we were cautious in seeking money from clients. That situation has now changed. We are aggressively seeking funds for the Cognito scheme with a lot of values emerging in the market.

Progeny scheme managing mutual funds continued to help clients with their mutual fund investments.

Alpha Arbitrage had a good year in 2007-08. The returns from arbitrage have dropped in the current financial year and we have switched client investments to other opportunities in the market.

Non-discretionary PMS continued to add clients in 2007-08.

Structured investments under Cognito were recently launched. Here the clients have a reasonable assurance of capital protection and full equity upside participation. While SEBI does not allow PMS service providers to give capital guarantee and assured returns, here the nature of investments and asset allocation assures clients of the safety of capital and the equity participation. Shareholders who wish to know more may contact our Wealth Management Group for details.

Financial Planning

Your Company continues to get a lot of client inquiries for its Financial Planning services. We expect to add a lot of clients for this service during the current financial year.

Finances

The Company has reviewed its finances and is making all attempts at reducing idle funds and generating returns from its resources. During the year the Company got additional bank guarantee limits sanctioned to enable it to do a higher volume of business. The debt free status of the Company continues.

Human Resources

Your Company continues to make efforts to be a preferred employer for potential employees. We continue to operate our profit linked compensation scheme to attract and retain good talent and to create an entrepreneurial approach among employees.

Rajeev Thakkar a Director of the Company was appointed Chief Executive Officer of the Company in March 2008. Rajeev Thakkar has been with the Company since 2001.

Outlook for the current year

The current year is expected to be a difficult year from a profitability perspective. Brokerage volumes have fallen, arbitrage returns are down, profit sharing fees from Portfolio Management clients are down. There will also be some additional expenses on account of the enhanced marketing thrust in the near term.

However PPFAS is well positioned to seek new clients and funds for its Portfolio Management Services. PPFAS has also activated a client acquisition program and aims to more than double its client base for all of its services by the year 2010. The increase in client base is expected to overcome the fall in volumes.

Subsidiary

The audited accounts of the company's subsidiary - Dimensions Venture Inc., together with the report of Directors and the Auditors, as required U/s 212 of the companies act, 1956 as well as consolidated financial statement of the company along with its subsidiary are attached.

Directors

In accordance with the requirements of the companies act, 1956, Mr. Rajeev Thakkar, Mr. Sahil Parikh and Mr. Neil Parikh will retire by rotation at this 16th Annual General Meeting and being eligible offer themselves for reappointment. The Board recommends their reappointment.

Directors' Responsibility Statement

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

- a. that in the preparation of the accounts for the financial year ended 31st March, 2008 the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the accounts for the financial year ended 31st March, 2008 on a 'going concern' basis.

Particulars of employees

Information as required under section 217(2A) of the Companies Act is given in the Annexure forming part of this report.

Mr. Rajeev Thakkar	Rs. 29,07,000/-
Mr. Alarkan	Rs. 14,51,000 /-

Audit Committee

Management has constituted an audit committee considering the provisions of Section 292A of The Companies Act, 1956. The composition of committee is as under

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

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

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

a) Energy consumption

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

b) Technology absorption, adoption and innovation

As the Company is not engaged in any manufacturing activities, this section does not apply to the Company. The

Company's employees keep upgrading their professional skills and are aware of the latest developments in the financial markets.

c) Foreign exchange earnings and outgo

Foreign exchange outgo during the year was Nil.

Foreign exchange earnings during the year was 6480 USD.

Consolidated Financial Statement of PPFAS with its subsidiary

In accordance with section 212 of the Companies Act, 1956 the audited accounts together with Directors' Report and Auditors' Report of the subsidiary Company is appended and forms part of the Annual Report. The statement pursuant to section 212 of the Companies Act, 1956 also forms part of this report. This annual report also includes consolidated financial statements for the financial year 2007-08.

Statutory Auditors

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

Acknowledgment

The Board of Directors place on record the continued support extended to them by the various government authorities banks, clients and shareholders of the company.

The Directors would also like to place on record their appreciation for the hard work and dedication of the employee of the company.

For and on behalf of the board of directors

Parag S Parikh
Chairman

Mumbai
June 11th 2008

By order of the Board of Directors
Parag S Parikh, Chairman

Auditor's Report

CVK & ASSOCIATES
Chartered Accountants

2, Samarth Apartments
D.S. Babrekar Road,
Gokhale Road (North)
Dadar, Mumbai 400 028
Phones: 2446 8717,
2445 1488
Fax: 2446 6139

TO THE MEMBERS OF PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED

1. We have audited the attached Balance Sheet of PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED as at 31st March, 2008, and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.

iii. The Balance Sheet and the Profit & Loss Account dealt with by this report, are in agreement with the books of account

iv. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

v. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and

b) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For CVK & ASSOCIATES
Chartered Accountants,
M. No. 31661

Place: Mumbai.
Dated: June 11th 2008

(K.P. CHAUDHARI)
Partner

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

The Annexure referred to in the Auditors' report to the Members of Parag Parikh Financial Advisory Services Limited (the Company) for the year ended 31st March, 2008. We report that:

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) The Fixed Assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
(c) There was no disposal of any substantial part of the company's Fixed Assets during the year
2. (a) We are informed that the management of the Company has conducted verification of stock of Securities at reasonable intervals.
(b) The procedures of verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of stock of Securities and no major discrepancies were noticed on verification thereof.
3. The Company has neither granted, nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. There is adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of shares, plant & machinery, equipment and other assets and for the sale of securities. No major weakness has been noticed in the internal controls during the course of our audit.
5. There are no transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public, so as to attract the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Maintenance of cost records has not been prescribed for the company by the Central Government, under section 209 (1) (d) of the Companies Act, 1956.
9. (a) As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Service-tax, Wealth Tax, Cess and any other statutory dues with the appropriate authorities. As per the records of the Company, there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues outstanding of Income Tax, Service Tax and Wealth Tax on account of any dispute.

10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

11. As per the documents and records produced to us, the Company has not borrowed funds from financial institutions or banks and has not issued any debentures.

12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to the chit fund, nidhi, mutual benefit fund or society do not apply to the company.

14. In respect of trading in Shares, Securities, Debentures and Other Investments, proper records have been maintained by the Company of the transactions and contracts and timely entries have been made therein and the Securities are held by the Company in its own name.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

16. The Company has not obtained any term loans.

17. The funds raised on short-term basis have not been used by the Company for long-term investment or vice versa.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures.

20. The Company has not raised any money by public issue.

Based upon the audit procedures applied and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For CVK & ASSOCIATES
Chartered Accountants
M. No. 31661

Place: Mumbai.
Dated: June 11th 2008

(K.P. CHAUDHARI)
Partner

Balance Sheet as at 31st March 2008

	Schedule	Current year		Previous Year Rs.	
SOURCES OF FUNDS:					
Shareholders' Funds:					
Share Capital	A		65,148,050		38,680,000
Share Suspense Account	AA		-		26,468,050
Reserves & Surplus	B		118,332,985		77,374,260
			183,481,035		142,522,310
APPLICATION OF FUNDS:					
Fixed Assets:					
Gross Block					
	C	23,630,758		32,208,851	
Less: Accumulated Depreciation					
		15,412,940		12,702,119	
Net Block					
			8,217,818		19,506,732
Investments					
	D		27,528,663		42,009,503
Deffered Tax Assets (Refer Note No 8 in schedule "S")					
			1,205,240		960,583
Current Assets, Loans & Advances:					
Sundry Debtors					
	E	24,542,158		15,253,614	
Cash & Bank Balances					
	F	90,082,885		52,806,143	
Loans & Advances					
	G	11,284,449		5,208,170	
Stock In Trade					
		21,946		21,946	
Deposits					
	H	68,787,127		35,996,999	
			194,718,565		109,286,872
Less: Current Liabilities & Provisions					
Current Liabilities					
	I	38,557,255		24,231,887	
Provisions					
	J	9,631,996		5,009,493	
			48,189,251		29,241,380
Net Current Assets					
			146,529,314		80,045,492
			183,481,035		142,522,310

As per our Report of even date

For and on behalf of the Board of Directors of
PPFAS LtdFor CVK & ASSOCIATES, Chartered Accountants
M. No. 31661

K P Chaudhari, Partner

Parag S Parikh
ChairmanRajeev Thakkar
DirectorPlace : Mumbai
Date: June 11th, 2008Swapnil Walimbe
Company Secretary

Profit & Loss Account for the year ended 31st March 2008

	Schedule	Current year	Previous Year Rs.
INCOME:			
Brokerage	K	30,910,274	26,687,485
Advisory Services	L	22,855,045	18,397,954
Capital Gains / (Loss) on Investments	N	4,432,849	4,899,543
Profit on Share Trading	M	-	760,869
Profit on PMS Arbitrage	O	1,182,014	-
Other Income	P	6,007,063	3,360,894
Deffered Tax Income		244,657	175,070
		65,631,902	54,281,815
Add/ (Less): Extra Ordinary Income/ (Expenses)			
L.T Capital Gain on BSE Card & Shares		35,570,577	-
		101,202,479	54,281,815
EXPENDITURE:			
Employees' Remuneration & Benefits	Q	28,745,829	23,563,795
Administration & Other Expenses	R	20,803,812	14,579,501
Loss on Share Dealings	M	26,795	-
Depreciation	C	2,710,823	2,194,060
		52,287,259	40,337,356
Profit for the year		48,915,220	13,944,459
Less : Previous year Taxes Paid		448,534	695,155
Add : Previous Year Refund of Income Tax		-	315,840
Profit After Depreciation and Before Tax		48,466,686	14,955,454
Less :Corporate Taxes			
Provision for Current Year Taxes		7,100,000	3,100,000
Provision for Fringe Benefit Tax		407,961	375,573
Profit after Depreciation & Tax		40,958,725	11,479,881
Profit/(Loss) c/f to the Balance Sheet		40,958,725	11,479,881

EPS

6.29

Notes to Accounts

S

As per our Report of even date

For and on behalf of the Board of Directors of
PPFAS LtdFor CVK & ASSOCIATES, Chartered Accountants
M. No. 31661

K P Chaudhari, Partner

Parag S Parikh
ChairmanRajeev Thakkar
DirectorPlace : Mumbai
Date: June 11th, 2008Swapnil Walimbe
Company Secretary

Schedules Forming Part of Balance Sheet as at 31st March 2008

Schedule - A:	Current year	Previous Year Rs.
Authorized Capital: 20,000,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
Total Rs.	200,000,000	200,000,000
Issued, subscribed & Paid-up Capital: 6514805 Equity Shares of Rs.10/- each fully paid	65,148,050	38,680,000
	65,148,050	38,680,000

Schedule - AA:	Current year	Previous Year Rs.
Share Capital Suspense Account 2646805 Equity Shares of Rs.10/- each fully paid (To Be issued to Share Holders of Parag Parikh Securities Ltd. As per the Scheme Of Amalgamation.)	-	26,468,050
	-	26,468,050

Schedule - B:	Current year	Previous Year Rs.
Reserves & Surplus:		
General Reserve:	385,000	385,000
Capital Redemption Reserves	10,100,000	10,100,000
Profit & Loss Account:		
Opening Balance	66,889,260	35,644,324
Add: Profit for the year	40,958,725	11,479,881
Add: Transferred On Amalgamation of P&L a/c of PPSL	-	19,765,055
Balance Carried Forward	107,847,985	66,889,260
Total Rs.	118,332,985	77,374,260

Schedule C:-	Rate of Dep.	Gross Block			Depreciation			Net Block		
		Opening Balance as on 01-04-07	Addition during the year	sold during the year	Closing Balance as on 31-03-08	Opening Balance as on 01-04-07	Addition during the year	Deletion on Asset sold during the year	Closing Balance as on 31-03-08	Closing Balance as on 31-03-07
Air-conditioners	20.00%	1,263,404	112,947	-	1,376,351	872,472	94,845	-	409,034	390,932
Bse Membership Card		13,000,000	-	13,000,000	-	-	-	-	-	13,000,000
Computer	40.00%	6,745,701	1,572,237	-	8,317,938	5,582,079	693,160	-	2,042,699	1,163,622
Electrical Fittings	20.00%	271,738	53,077	-	324,815	189,028	19,647	-	116,140	82,710
Motor Car	25.00%	4,598,633	-	-	4,598,633	1,872,170	681,616	-	2,044,847	2,726,463
Office Furniture	20.00%	2,603,615	619,167	-	3,222,782	2,046,309	148,694	-	1,027,779	557,306
Telephone Systems	20.00%	1,821,648	9,308	-	1,830,956	1,244,758	119,723	-	466,475	576,890
Electrical Equipment	20.00%	363,024	203,170	-	566,194	172,757	72,532	-	320,905	190,267
Software Packages	60.00%	1,541,088	1,852,001	-	3,393,089	722,546	880,606	-	1,789,937	818,542
	Total Rs.	32,208,851	4,421,907	13,000,000	23,630,758	12,702,119	2,710,823	-	8,217,818	19,506,732
Total Of Previous Year		29,574,854	2,633,997	-	32,208,851	10,508,059	2,194,060	-	19,506,732	3,365,294

Schedule - D:	No of	Cost for	MKT. Rate	MKT. Value on	No of	Cost for
Investments:	shares	31.03.08	31.03.08	31.03.08	shares	31.03.07
Quoted Investment:						
Auto Corporation Goa	525	258,861	225	118,283	525	258,861
Aventis Pharma Ltd.	1,635	757,332	770	1,258,296	1,635	757,332
Bharat Electronics Ltd.	1,000	915,000	1,057	1,057,000	1,000	915,000
Castrol India Ltd.	5,000	815,960	242	1,210,000	5,000	815,960
Container Corp. of India Ltd.	1,155	422,464	1,728	1,996,244	1,155	422,464
Fairfield Atlas Ltd.	-	-	-	-	59,561	4,469,152
GSK Pharmaceuticals Ltd.	140	75,375	1,045	146,349	140	75,375
Gujarat Gas Company Ltd.	10,320	2,609,282	235	2,423,136	364	186,542
IGL	25,000	2,786,000	131	3,277,500	-	-
ITC LTD	3,000	-	206	619,050	3,000	-
Kitex Garments Ltd.	-	-	-	-	50,000	603,348
Larsen & Toubro Ltd.	-	-	-	-	500	643,608
Maharashtra Scooters Ltd.	9,130	1,632,567	276	2,522,163	9,130	1,632,567
Morgan Stanley Mutual Fund	400	-	49	19,596	400	-
Mphasis Ltd.	25,600	4,123,481	200	5,122,560	25,600	4,123,481
NIIT Technologies Ltd.	-	-	-	-	8,000	1,139,444
PAL Peugeot Ltd.	17,200	318,200	-	-	17,200	318,200
Pidilite Industries Ltd.	27,950	791,272	133	3,713,158	27,950	791,272
Prism Cement Ltd.	-	-	-	-	100	616
Sonata Software Ltd.	66,500	2,411,412	32	2,134,650	66,500	2,411,412
SRF Polymers Ltd.	-	-	-	-	5,000	322,573
SSI Ltd	1,528	281,152	105	159,829	8,000	1,469,650
Trent Ltd	-	-	-	-	400	260,000
Trent Ncd	400	200,000	-	-	400	200,000
VST Industries Ltd.	7,000	3,591,007	309	2,163,700	7,000	3,591,007
Wyeth Ltd.	3,885	1,657,925	455	1,767,287	3,885	1,657,925
Mumbai stock Exchange	877	1,140,977	-	10,000	10,000	10,000
		24,788,267		29,718,799		
Unquoted Investments						
Karrox Technologies Ltd.	50,000	2,000,000	-	-	50,000	2,000,000
PMS Arbitrage	-	-	-	-	-	6,411,388
HSBC Cash Fund	-	-	-	-	100,865	1,010,997
Subsidiary Company	-	-	-	-	-	-
Dimension Venture INC USA	15,000	740,396	-	-	15,000	740,396
Total- (i)		27,528,663		59,319,316		36,979,709
Investment in Mutual Funds						
HSBC CASH FUND	-	-	-	-	501,810	5,029,794
Total- (iii)		-		-		5,029,794
Total- (i)+ (ii)+(iii)		27,528,663		59,319,316		42,009,503

Total Mkt. Value of Quoted Investments as of March 31, 2008

Rs. 29,718,799

Schedule - E:	Current year	Previous Year Rs.
Sundry Debtors:		
1. Outstanding for more than 6 months	nil	nil
Others-debts considered good		
Secured	nil	nil
Unsecured	24,542,158	15,253,614
	24,542,158	15,253,614
Less: Provision for Doubtful Debts	nil	nil
Total Rs.	24,542,158	15,253,614
Out of the above:		
II a. Debts due by-		-
I) Directors or other officers of the Company	nil	nil
II) Concerns in which Directors are interested	nil	nil
b. The maximum amount due by Directors or other officers of the company at any time during the year	nil	nil

Schedule - F:	Current year	Previous Year Rs.
Cash & Bank Balances:		
I) Cash in Hand	183,982	146,191
II) Balances with Scheduled Banks		
in current account		
AXIS Bank	9,095,829	-
Bank of India	349,613	144,327
HDFC Bank	13,529,849	20,561,488
CITI Bank	835,414	1,769,218
Standard Chartered Grindlays Bank	11,751	17,014
Vijaya Bank	5,000	-
In Fixed Deposit account	-	
HDFC Bank Ltd		
Against Gurantee	2,500,000	9,000,000
Others	26,877,482	20,488,524
AXIS Bank		
Against Gurantee	20,000,000	-
Others	15,600,000	-
Interest accrued	1,093,965	679,381
Total Rs.	90,082,885	52,806,143

Schedule - G:	Current year	Previous Year Rs.
Loans & Advances:		
(UnSecured & Considered good)		
I) Advances recoverable in cash or in kind or for value to be received		
Advance Income Tax	0	100,000
Income Tax for the Year	74,93,171	3,077,349
Tax deducted at source	0	187,551
Income tax refund Asst.Yr.2007-08	1,129,482	864,582
Income tax refund Asst.Yr.2008-09	678,687	
Pre-paid Expenses	1,056,520	577,497
Miscellaneous Loans & Advances	926,589	401,191
	11,284,449	5,208,170
Out of the above:		
II) a. Debts due by-		
I) Directors or other officers of the Company	nil	nil
II) Concerns in which Directors are interested	nil	nil
b. The maximum amount due by Directors or other officers at any time during the year	nil	nil

Schedule - H:	Current year	Previous Year Rs.
Deposits:		
i) Deposit with Stock Exchange		
NSE Deposit for Capital Market	5,600,000	5,600,000
NSE Deposit for Debt Market	10,000,000	10,000,000
NSE Deposit for Futures & Options	800,000	800,000
NSE Deposit with Clearing Corporation	900,000	900,000
NSE Deposit for Leased Line	310,000	238,856
Deposit for Car Parking in BSE Towers	150,000	150,000
Base Capital Adequacy Deposit	1,500,000	1,625,000
Base Minimum Capital Deposit with BSE-Margin	-	2,500,000
BSE Membership Deposit	10,000,000	-
BSE Collateral Deposits	5,169,323	4,256,622
	(i) 34,429,323	26,070,478
ii) Other Deposits:		
Electricity Deposit	228,571	228,571
R S Vatcha & Co	30,700	30,700
Office Deposit	14,200,000	3,700,000
Telephone Deposit	85,999	54,706
U.S.Club Deposit	20,000	20,000
ILFS initial Deposit	19,582,988	5,682,998
NSDL STP Advance	20,000	20,000
Vichare Courier Deposit	630	630
Veena Chambers Condominium	3,416	3,416
Municipal Deposit	500	500
Mahindra Holiday Resorts Deposit	185,000	185,000
	(ii) 34,357,804	9,926,521
Total Rs. (i) + (ii)	68,787,127	35,996,999

Schedule - I:	Current year	Previous Year Rs.
Current Liabilities:		
Trade Creditors -	27,803,438	12,385,874
Other liability	10,753,817	11,846,013
Total Rs.	38,557,255	24,231,887

Schedule - J:	Current year	Previous Year Rs.
Provisions:		
Provision for Gratuity	2,282,922	1,582,922
Provision for Taxation	7,100,000	3,100,000
Auditor's Remuneration	249,074	326,571
Total Rs.	9,631,996	5,009,493

Schedules Forming Part Of Profit & Loss A/c For Year Ended March 31st 2008

Schedule - K:	Current year	Previous Year Rs.
Brokerage:		
Capital Market - Brokerage	30,910,274	26,687,485
Total Rs.	30,910,274	26,687,485

Schedule - L:	Current year	Previous Year Rs.
Advisory Services:		
Portfolio Management Fees	16,175,960	14,601,409
Placement Charges-MF	4,580,681	3,150,045
Investment Advisory Fees- Arbitrage	1,696,218	-
Investment Advisory Fees Others	402,186	646,500
Total Rs.	22,855,045	18,397,954

Schedule - M:	Current year	Previous Year Rs.
Profit/(Loss) on Share Dealings:		
Profit/(Loss) on Share Dealings	(17,019)	98,599
Profit/(Loss) on Derivative trading	(9,776)	662,270
Total Rs.	(26,795)	760,869

Schedule - N:	Current year	Previous Year Rs.
Capital Gains		
Short Term capital Gain/(Loss)	1,253,648	(107,940)
Long Term Capital Gains/(Loss)	3,179,201	5,007,483
Total Rs.	4,432,849	4,899,543

Schedule - O:	Current year	Previous Year Rs.
Profit on PMS Arbitrage	1,182,014	-
Total Rs.	1,182,014	-

Schedule - P:	Current year	Previous Year Rs.
Other Income		
A. Interest		
Interest on FD with Banks	4,573,783	2,005,325
Total Rs.	4,573,783	2,005,325
B. Dividend On Shares & MF	1,429,280	1,090,562
C: Rent Income	-	200,000
D: Other Income	4,000	65,007
Total A+B+C+D	6,007,063	3,360,894

Schedule - Q:	Current year	Previous Year Rs.
Employees' Remuneration & Benefits:		
Salaries	26,083,096	21,892,606
Gratuity & Ex Gratia Payments	700,000	335,000
Employer's Contribution to PF	1,173,471	820,044
PF Administration Charges	128,864	95,245
Employer's Contribution to ESIC	29,655	-
Staff Welfare & Training	630,743	420,900
Total Rs.	28,745,829	23,563,795

Schedule - R:	Current year	Previous Year Rs.
Administrative Expenses:		
Advertisement	57,670	34,342
Audit Fees	280,900	168,360
Bank Guarantee Charges	575,968	73,256
Bank Interest & Charges	52,626	22,084
Books & Periodicals	45,341	71,654
BSE General Expenses	44,527	36,394
Communication Expenses	933,844	976,776
Conveyance	578,123	485,033
DMAT Charges/STP Charges	127,463	127,397
Electricity Charges	1,266,314	664,272
Entertainment & Business Promotion	519,404	572,000
Franking Charges/Filing Fees	267,787	-
Insurance Premiums	229,767	219,359
Internet Charges	454,031	177,570
Lease Line Charges	292,412	113,011
Membership & Subscriptions	1,922,050	1,833,246
Miscellaneous Expenditure	143,185	125,777
Penalty Levied of Exchanges	154,210	-
Postage & Courier Charges	170,186	189,099
Printing & Stationery	528,547	518,838
Professional Charges	5,437,671	2,639,768
Professional Tax	6,000	2,000
Rent,Rates & Taxes	1,167,896	673,704
Repairs & Maintenance	274,972	555,534
SEBI Registration Fees	105,000	-
Securities Transaction Tax	349,651	144,829
Seminar Education Expenses	120,708	879,486
Security Service Charges	169,884	84,852
Software Systems, Trainings & Services	527,540	18,941
Service Tax on Shares	20,341	12,333
Stamp Duty for Capital Market	2,340,461	1,470,180
Sundry Balance W/Off	15,375	5,999
Traveling Expenses	153,469	571,597
Transaction Charges	837,889	670,920
Turnover Charges-SEBI	21,493	11,000
Vehicle Maintenance Expenses	507,796	346,339
VSAT Charges	103,311	83,551
Total Rs.	20,803,812	14,579,501

Schedule - S: Notes to Accounts

1. Significant Accounting Policies

a) Accounting Convention

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

b) Revenue Recognition

Revenue from Brokerage, Interest and other business is generally recognized on accrual basis. Dividend is accounted on Cash basis for the sake of convenience, considering its materiality.

c) Fixed Assets

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

d) Investments

Investments are valued at their acquisition costs.

e) Stock-in-trade

The Stock-in-trade is valued at 'Lower of Cost or net Realisable Value'.

f) Depreciation

Depreciation on Fixed Assets is provided on Written Down Value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life.

g) 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.

h) Share Transactions

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

i) Foreign Currency Transactions

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

j) Employee Benefits

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

(ii) Gratuity is a benefit obligation and is provided for at the end of each financial year on accrual basis.

k) Provision for Current and Deferred Tax

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

Stamp Duty: Apart from the stamp duty paid by the company, the Superintendent of Stamps had demanded duty also on squared off transactions which has been disputed by the Brokers Association. The amount of such disputed stamp duty is approximate Rs. 20 lacs, which has been shown as a contingent liability.

2. Profit/Loss on Share Dealings is worked out as follows:

I) Share Trading

Turnover & Profit / (Loss) on Share Dealing Amt. In Rs.	FY 2007-2008	FY 2006-2007
Opening Stock in Trade	21,946	Nil
Add: Purchases during the year	44,292,494	32,804,699
Less: Sales	44,27,5475	32,881,352
Closing Stock	21,946	21,946
Profit/ (Loss) for the year on Share dealing (A)	(17,019)	98,599
Difference in Realisable value & Cost	Nil	Nil
Net Closing Stock	Nil	Nil

II) Derivative Trading

Turnover & Profit / (Loss) on Share Dealing Amt. In Rs.	FY 2007-2008	FY 2006-2007
Purchases	29,177,251	37,980,672
Less: Sales	29,167,476	38,642,942
Loss for the year on trading (B)	(9,776)	662,270
Total As per Profit & (Loss)account (A+B)	(26,975)	760,869

3. The amount payable to the Small Scale Undertaking is NIL. (Previous year Nil).

4. Funds received from various investors and invested on their behalf & in their respective names under the Portfolio Management Scheme , as at 31st March,2008 are Rs. 65.12 crores under 'Cognito Scheme' Rs.16.38 crores under 'Progeny Scheme' and Rs.2.21 crores under Alpha Arbitrage Scheme.

5. Provision , Contingent Liabilities and Assets:

Contingent Liabilities	FY 2007-2008	FY 2006-2007
Amt. In Rs.		
HDFC Bank Guarantee (NSE)	2,500,000	90,000,000
Axis Bank Guarantee (BSE)	20,000,000	2,000,000
Stamp Duty	2,000,000	2,000,000

6. Major Components of Deferred Tax Assets:

Deferred Tax Assets	(Amount in Rs.)		
I. Opening Balance			960,583
II Changes during the Year			
a. Timing Difference in Depreciation			
As per Accounts	27,10,823		
As per Income tax Act	26,83,975		
Under charged for tax purpose	26,848		
Deferred Tax @ 33.66%		9,037	9,037
b. Gratuity under charged for tax purpose Deferred Tax @ 33.66%	700,000	235,620	235,620
III. Deferred Tax Income charged to P& L Account		244,657	
IV. Net Deferred tax Assets as per Balance Sheet.			1,205,240

* Deferred tax asset on Capital Loss has not been recognised as there is no virtual certainty that the same would actually be absorbed.

7) Particulars of Directors Remuneration

Name	Amount In Rs	Head of Expense
Parag S. Parikh	12,00,000/-	Consultancy Fees
Rajeev Thakkar	29,07,000/-	Salary
Neil Parikh	3,55,000/-	Salary
Rajiv Sampat	5,40,000/-	Salary
Sahil Parikh	NIL	-
Sunil Gautam	NIL	-
Gaurav Dalmia	NIL	-

8) Particulars of Auditor's Remuneration

Particulars	FY 2007-2008	FY 2006-2007
a) As Auditor	140,450.0	84,180.0
b) For Other Services	140,450.0	84,180.0
Total	280,900.0	168,360.0

9) Value of Imports

Particulars	FY 2007-2008	FY 2006-2007
Value of Imports	Nil	Nil

10) Expenditure in Foreign Exchange

Particulars	FY 2007-2008	FY 2006-2007
Expenses in Foreign Exchange (USD)	Nil	Nil
(EURO)	Nil	Nil

11) Foreign Exchange Earnings

Particulars	FY 2007-2008	FY 2006-2007
Earnings in Foreign Exchange (US\$)	6480/-	2569.00
Earnings in Foreign Exchange (Euro)	Nil	2500.00

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

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

Name of the Related Party	Relationship	Nature of Payment	Amount
Empeegee Portfolio Management Services Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence.	Rent	7,94,160/-

As per our Report of even date

For CVK & ASSOCIATES, Chartered Accountants
M. No. 31661

K P Chaudhari, Partner

Mumbai.
June 11th, 2008

For and on behalf of the Board

Parag S Parikh,
Chairman

Rajeev Thakkar,
Director

Swapnil Walimbe,
Company Secretary

General Profile

Registration Details

Registration No.	11-68970 of 1992
State Code	11
Balance Sheet Date	March 31st ,2008

Capital Raised During The Year

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

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

Total liabilities	183,481
Total Assets	183,481

Sources of Funds:

Paid-up Capital	65,148
Reserves and Surplus	118,332
Secured Loans	Nil
Unsecured Loans	Nil

Application of Funds:

Net Fixed Assets	8,218
Investments	27,529
Net Current Assets	146,529
Net Deferred Tax Assets	1,205
Miscellaneous Expenditures	Nil
Accumulated losses	Nil

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

Turnover	101,202
Total Expenditure (Including Depreciation.)	52,287
Profit Before Tax	48,446
Profit After Tax	40,958
Earnings Per Share (EPS) (in Rs.)	6.29
Dividend Declared	Nil

Principle Services rendered by the Company:

- Equity Dealing
- F&O Dealing
- PMS
- Mutual Fund Distribution
- Financial Planning

As per our Report of even date.
For CVK & ASSOCIATES, Chartered Accountants
M. No. 31661

For and on behalf of the Board

Parag S Parikh,
Chairman

KP Chaudhari, Partner

Rajeev Thakkar,
Director

Mumbai.
June 11th 2008

Swapnil Walimbe,
Company Secretary

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

1. Name of the Subsidiary Company	Dimension Venture Inc.
2. The Financial Year of the subsidiary company ended on	31st March 2008.
3. Date from which it became subsidiary	1st October 2006
4. Number of shares hold by the holding company in the subsidiary company at the end of the financial year of the subsidiary company.	15000 shares of the face value US\$ 1 fully paid.
5. The net aggregate amount of the subsidiary company's profit/(loss) so far as it concerns the member of the holding company	
a. Not dealt with in the holding company's accounts	Profit of 402,079 INR, USD 9,573
i. for the financial year ended on 31st March 2008	
ii. for the previous financial year of the subsidiary company.	Loss of 587,406 INR, USD 13,414
b. Dealt with in Holding Company's accounts	
i. for the financial year ended on 31st March 2008	NIL
ii. for the previous financial year of the subsidiary company.	NIL

Board of Director's Report

To,
The Shareholders:

Yours Directors have pleasure in presenting the 6th Annual Report together with account of the Company for the year ended March 31st, 2008.

1. Activities:

The Company is mainly dealing in consultancy, advisory, web designing and internet technologies.

2. Financial Operating:

During the year the Company has made a net profit of INR 402,079.02, USD 9,573.31 as compared to previous year net loss of 13,414.17 USD (i.e. 5,87,406 INR).

3. Dividend:

Your Directors do not recommend any dividend for the year.

4. Deposits:

The Company has not accepted any deposits from the public.

5. Directors' Responsibilities Statement:

The Directors state as an averment of their responsibility :

- a) that in the preparation of the accounts for the financial year ended 31st Mar. , 2008, the applicable accounting standards have been followed along with proper explanation relating to the material departure , if any as far as possible.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year 31st March, 2008.
- c) That the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31st March 2008 on a 'going concern' basis.

6. Currency:

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

7. Acknowledgment:

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

By Order of The Board Of Directors
For Dimension Venture, Inc.

Mr. Parag S. Parikh, Director

Auditor's Report

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

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

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

To,
The Board of Directors and Shareholders
Of Dimension Ventures, Inc.
DBA Dimension Studio
1818 Airport Road, Suite 309
Chapel Hill, NC 27514.

I have compiled the accompanying balance sheet of Dimension Ventures, Inc. as of March 31, 2008 and the related statements of income and retained earnings and statement of cash flows for the year ended, in accordance with Statements on standards for Accounting and review services issued by American Institute of Certified Public Accounts.

The company prepares its financial statements on the accrual basis of accounting. The cash basis of accounting is used for income tax purposes.

However the said financial statements have been compiled by a qualified accountant from that country and our audit report is based on the compilation provided to us.

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

Frank A. Elmore, CPA, P.A.

Date:

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Balance Sheet as at 31st March 2008

Average Rate for US\$: 42.00

Closing Rate for US\$: 39.00

Particulars	31-03-2008	
	Amount in US \$	
CURRENT ASSETS		
Checking/Savings		
Wachovia Checking	6697.76	
Wachovia Money Market Account	24467.52	
Pay Pal Account	731.89	
Total Checking /Savings		31897.17
Deferred Federal Income Taxes		106.00
TOTAL CURRENT ASSETS		32003.17
FIXED ASSETS		
Office Equipment	1920.53	
Computer Equipment	5335.84	
Furniture & Fixtures	180.82	
Software	1270.93	
Accumulated Depreciation	-8236.92	
		471.20
OTHER ASSETS		
Prepaid Federal Taxes	1200.00	
Prepaid State Taxes	600.00	
Organisation Cost	625.00	
Allowance or Amortisation	-625.00	
TOTAL OTHER CURRENT ASSETS		1800.00
TOTAL ASSETS		34274.37
Equity		
Capital Stock	15000.00	
Retained Earnings	9701.06	
Net Income	9573.31	
TOTAL LIABILITY & EQUITY		34274.37

Profit & Loss Account as at 31st March 2008

Average Rate for US\$: 42.00

Closing Rate for US\$: 39.00

Particulars	31-03-2008 Amount in US \$
Web Development Charges	25622.50
Interest Income	279.81
TOTAL INCOME	25902.31
Expenses	
Consulting	12000.00
Bank Service Charges	46.00
Domain Charges	30.00
Gifts & Promotions	225.06
Office Supplies	312.79
Accounting Fees	1672.75
Leagal Fees	276.30
Telephone Charges	331.81
Travelling & Entertain	184.78
Web Hosting Charges	713.40
Depreciation	536.11
TOTAL EXPENSES	16329.00
Net Income/ -Loss	9573.31

Asset	Property Description	Date in Service	Tax Cost	Sec 179 Exp Current=c	Tax Bonus Amount	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depreciation	Tax Net Book Value	Tax Method	Tax Period
Group	Computer Equipment										
3	Wireless Ethernet Equipment	12/02/03	278.15	-	-	221.1	30.4	251.5	26.6	200DB	5
5	Computer Equipment	03/28/03	1924.93	-	-	1,529.9	210.7	1,740.6	184.3	200DB	5
11	Computer & Accessories	01/11/04	2212.76	2,212.8	-	2,212.8	-	2,212.8	-	200DB	5
13	Apple Computer & Accessories	05/07/06	920	-	-	-	184.0	184.0	736.0	200DB	5
	Computer Equipment		5335.84	-	-	3,963.8	425.1	4,388.9	947.0		
Group	Furniture & Fixtures										
4	Desk, Chair	05/03/03	180.82	-	-	117.3	18.2	135.4	45.4	200DB	7
	Furniture & Fixtures		180.82	-	-	117.3	18.2	135.4	45.4		
Group	Office Equipment										
6	Fax Machine	05/03/03	156.19	-	-	124.1	17.1	141.2	15.0	200DB	5
9	Digital Voice Recorder	8/27/03	106.99	107.0	-	107.0	-	107.0	-	200DB	5
10	Mobile Phones	01/03/05	787.2	787.2	-	787.2	-	787.2	-	200DB	7
12	Mobile Phones	2/28/06	870.15	870.2	-	870.2	-	870.2	-	200DB	7
	Office Equipment		1920.53	-	-	1,888.5	17.1	1,905.6	15.0		
Group	Organisation Cost										
1	Organisation Cost	4/24/02	625.00	-	-	500.0	125.0	625.0	-	Amort	5
	Organisation Cost		625.00	-	-	500.0	125.0	625.0	-		
Group	Software										
2	Software - Electric Rain	06/08/02	159.00	-	-	159.0	-	159.0	-	Amort	3
7	Imac Computer Software	3/28/03	212.93	-	-	212.9	-	212.9	-	Amort	3
8	Macromedia/ Shockwave Software	4/28/03	899	899.0	-	899.0	-	899.0	-	Amort	3
	Software		1270.93	-	-	1,270.9	-	1,270.9	-		
	Grand Total		9333.12	-	-	7,740.5	585.4	8,325.8	1,007.3		

Statement of Cash Flow April 2007 through March 2008

Particulars	31-03-2008 Amount in US \$	31-03-2007 Amount in US \$
Operating Activities		
Net Income/ (Loss)	9,573.30	-13,414.17
Adjustments to reconcile net Income to net cash provided by the operations	0	0
Accounts receivable	0	0
Deferred Federal Income Taxes	0	0
Deferred NC Corporate Taxes	0	600.00
NC Corporate Tax Timing Difference	0	0
Accounts Payable	0	0
Customer Advances	5,932.50	3,990.00
Employee Loan Payable	0	0
Net Cash Provided by Operating Activities	3,640.80	-8,824.17
Investment Activities		
Office Equipments	0	0
Computer Equipments	0	920.00
Furniture & Fixture	0	0
Software	0	0
Accumulated Depreciation	536.11	7,730.11
Allowances for Amortisation	0	125.00
Net Cash Provided by Investment Activities	536.11	7,855.11
Net Cash Increase/ (decrease) for the Period	4,176.91	-969.06
Cash at the Beginning of the Period	27,826.25	38,185.07
Cash at the end of the Period	32,003.17	27,826.25

Auditor's Report

CVK & Associates
Chartered Accountants

2, Samarth Apartments
D.S. Babrekar Road,
Gokhale Road (North)
Dadar, Mumbai 400 028
Phones: 2446 8717, 2445 1488
Fax: 2446 6139

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

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

We have examined the attached Balance Sheet of Parag Parikh Financial Advisory Services Limited and Its subsidiary Dimension Venture Inc. as at 31st March 2008 and also the consolidated Profit & Loss account for the year ended on that date annexed thereto . These consolidated financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of the foreign subsidiary company, which reflects total assets of Rs. 13.68 (34274 USD) lacs as at 31st March, 2008 and total revenue of Rs. 10.76 (25,623 USD) lacs for the year ended on that date . We understand that as per the laws applicable to the subsidiary company in the country of its registration, its accounts are not required to be audited in that country. However the said financial statements have been compiled by a qualified accountant from that country whose reports has been furnished to us, and our opinion , in so far as it relates to the amounts included in respect of the said subsidiary, is based on the said report.

On the basis of the information and the explanations given to us and on consideration of the separate audit report on the financial statements of Parag Parikh Financial Advisory Services Limited & compilation by the qualified accountant of its subsidiary Dimension Venture Inc. the consolidated financial statements together with the accounting principles generally accepted in India.

a) in the case of consolidated Balance Sheet , of the state of affairs of the company & its subsidiary as at 31st March, 2008 and

b) in the case of Profit and loss account, of the profit of the company for the year ended on that date.

For CVK & Associates, Chartered Accountants
M. No. 31661

K P Chaudhari
Partner

Mumbai
June 11th, 2008.

Consolidated Balance Sheet as at 31st March 2008

Particulars	Schedule	Current year		Previous Year Rs.	
SOURCES OF FUNDS:					
Shareholders' Funds:					
Share Capital	A		65,148,050		38,680,000
Share Suspense Account	AA		-		26,468,050
Reserves & Surplus	B		118,962,927		77,656,077
			184,110,977		142,804,127
APPLICATION OF FUNDS:					
Fixed Assets:					
Gross Block	C	24,012,084		32,590,179	
Less: Accumulated Depreciation		15,772,674		13,039,337	
Net Block			8,239,410		19,550,842
Investments	D		26,788,266		41,269,107
Deferred Tax Assets (Refer Note No 8 in schedule "S")			1,205,240		960,583
Current Assets, Loans & Advances:					
Sundry Debtors	E	24,571,360		15,253,614	
Cash & Bank Balances	F	91,326,380		54,000,886	
Loans & Advances	G	11,360,498		5,247,219	
Stock In Trade		21,946		21,946	
Deposits	H	68,787,128		35,996,999	
			196,067,312		110,520,664
Less: Current Liabilities & Provisions					
Current Liabilities	I	38,557,255		24,487,576	
Provisions	J	9,631,996		5,009,493	
			48,189,251		29,497,069
Net Current Assets			147,878,061		81,023,595
			184,110,997		142,804,127

Notes to Accounts

s

As per our Report of even date

For and on behalf of the Board of Directors of PPFAS
LtdFor CVK & ASSOCIATES, Chartered Accountants
M. No. 31661Parag S Parikh
ChairmanRajeev Thakkar
Director

K P Chaudhari, Partner

Place: Mumbai
Date: June 11th, 2008Swapnil Walimbe
Company Secretary

Consolidated Profit & Loss A/c as at 31st March 2008

Particulars	Schedule	Current year	Previous Year Rs.
INCOME:			
Brokerage	K	30,910,274	26,687,485
Advisory Services	L	22,855,045	18,397,954
Capital Gains / (Loss) on Investments	N	4,432,849	4,899,543
Profit on Share Trading	M		760,869
Profit on PMS Arbitrage	O	1,182,014	760,869
Other Income	P	6,018,813	3,367,520
Web Development Charges		1,076,145	139,791
Fees & Updates		-	52,548
Deffered Tax Income		244,657	175,070
		66,719,797	54,480,780
EXPENDITURE:			
Employees' Remuneration & Benefits	Q	28,745,829	23,582,434
Administration & Other Expenses	R	21,467,106	15,292,029
Loss on Share Dealings	M	26,795	-
Depreciation	C	2,733,339	2,187,790
		52,973,069	41,062,253
Profit for the year		13,746,728	13,418,527
Less : Previous year Taxes Paid		448,534	695,155
Add : Previous Year Refund of Income Tax		-	315,840
Profit Before Extra Ordinary Income/(Expenses)		13,298,194	13,039,212
Add/ (Less): Extra Ordinary Income/ (Expenses)			
L.T. Capital Gain on BSE Card & Shares		35,570,577	-
		48,868,771	13,039,212
Less: Difference in Foreign Exchange rate		53,960	71,695
Profit After Depreciation and Before Tax		48,814,811	13,110,907
Less :Corporate Taxes			
Provision for Current Year Taxes		7,100,000	3,100,000
Provision for Fringe Benefit Tax		407,961	375,573
Profit after Depreciation & Tax		41,306,850	9,635,334
Profit/(Loss) c/f to the Balance Sheet		41,306,850	9,635,334

Notes to Accounts

S

As per our Report of even date

For and on behalf of the Board of Directors of
PPFAS LtdFor CVK & ASSOCIATES, Chartered Accountants
M. No. 31661Parag S Parikh
ChairmanRajeev Thakkar
Director

K P Chaudhari, Partner

Place: Mumbai
Date: June 11th, 2008Swapnil Walimbe
Company Secretary

Schedules Forming Part of Balance Sheet as at 31st March 2008

Schedule - A:	Current year	Previous Year Rs.
Authorized Capital:		
20,000,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
Total Rs.	200,000,000	200,000,000
Issued, subscribed & Paid-up Capital:		
6514805 Equity Shares of Rs.10/- each fully paid	65,148,050	38,680,000
	65,148,050	38,680,000

Schedule - AA:	Current year	Previous Year Rs.
Share Capital Suspense Account		
2646805 Equity Shares of Rs.10/- each fully paid	-	26,468,050
(To Be issued to Share Holders of Parag Parikh Securities Ltd. As per the Scheme Of Amalgamation.)	-	26,468,050

Schedule - B:	Current year	Previous Year Rs.
Reserves & Surplus:		
General Reserve:	385,000	385,000
Capital Redemption Reserves	10,100,000	10,100,000
Profit & Loss Account:		
Opening Balance	67,171,077	36,523,768
Add: Profit for the year	41,306,850	10,882,254
Add: Transferred On Amalgamation of P&L a/c of PPSL	-	19,765,055
Balance Carried Forward	108,477,927	67,171,077
Total Rs.	118,962,927	77,656,077

Particulars	Rate of Dep.	Gross Block		Depreciation			Net Block	
		Opening Balance as on 01-04-07	Addition during the year	Opening Balance as on 01-04-07	Addition during the year	Deletion on Asset sold during the year	Closing Balance as on 31-03-08	Closing Balance as on 31-03-07
Air-conditioners	20.00%	1,263,404	112,947	872,472	94,845	-	409,034	390,932
Bse Membership Card		13,000,000	13,000,000	-	-	-	-	13,000,000
Computer	40.00%	6,745,701	1,572,237	5,582,079	693,160	-	2,042,703	1,163,622
Electrical Fittings	20.00%	271,738	53,077	189,028	19,647	-	116,140	82,770
Motor Car	25.00%	4,598,633	-	1,872,170	681,616	-	2,044,847	2,726,463
Office Furniture	20.00%	2,603,615	619,167	2,046,309	148,694	-	1,027,779	557,306
Telephone Systems	20.00%	1,821,648	9,308	1,244,758	119,723	-	466,475	576,890
Electrical Equipment	20.00%	363,024	203,170	172,757	72,532	-	320,905	190,267
Software Packages	60.00%	1,541,088	1,852,001	722,546	880,606	-	1,789,937	818,542
Dimension Assets		381,328	-	337,218	22,516	-	21,594	44,110
Total Rs.		32,590,177	4,421,905	13,039,337	2,733,339	-	8,239,412	19,550,842
Previous Year Balance		29,574,854	2,633,997	10,508,059	2,187,790	-	19,550,842	3,365,294

Schedule - D: Investments:	No of shares	Cost for 31.03.08	MKT. Rate 31.03.08	MKT. Value on 31.03.08	No of shares	Cost for 31.03.07
Quoted Investment:						
Auto Corporation Goa	525	258,861	225	118,283	525	258,861
Aventis Pharma Ltd.	1,635	757,332	770	1,258,296	1,635	757,332
Bharat Electronics Ltd.	1,000	915,000	1,057	1,057,000	1,000	915,000
Castrol India Ltd.	5,000	815,960	242	1,210,000	5,000	815,960
Container Corp. of India Ltd.	1,155	422,463	1,728	1,996,244	1,155	422,464
Fairfield Atlas Ltd.	-	-	-	-	59,561	4,469,152
GSK Pharmaceuticals Ltd.	140	75,375	1,045	146,349	140	75,375
Gujarat Gas Company Ltd.	10,320	2,609,282	235	2,423,136	364	186,542
IGL	25,000	2,786,000	131	3,277,500	-	-
ITC LTD	3,000	-	206	619,050	3,000	-
Kitex Garments Ltd.	-	-	-	-	50,000	603,348
Larsen & Toubro Ltd.	-	-	-	-	500	643,608
Maharashtra Scooters Ltd.	9,130	1,632,567	276	2,522,163	9,130	1,632,567
Morgan Stanley Mutual Fund	400	-	49	19,596	400	-
Mphasis Ltd.	25,600	4,123,481	200	5,122,560	25,600	4,123,481
NIIT Technologies Ltd.	-	-	-	-	8,000	1,139,444
PAL Peugeot Ltd.	17,200	318,200	-	-	17,200	318,200
Pidilite Industries Ltd.	27,950	791,272	133	3,713,158	27,950	791,272
Prism Cement Ltd.	-	-	-	-	100	616
Sonata Software Ltd.	66,500	2,411,412	32	2,134,650	66,500	2,411,412
SRF Polymers Ltd.	-	-	-	-	5,000	322,573
SSI Ltd	1,528	281,152	105	159,829	8,000	1,469,650
Trent Ltd	-	-	-	-	400	260,000
Trent Ncd	400	200,000	-	-	400	200,000
VST Industries Ltd.	7,000	3,591,007	309	2,163,700	7,000	3,591,007
Wyeth Ltd.	3,885	1,657,925	455	1,767,287	3,885	1,657,925
Mumbai stock Exchange	877	1,140,977	-	10,000	10,000	10,000
		24,788,266		29,718,799		
Unquoted Investments						
Karrox Technologies Ltd.	50,000	2,000,000			50,000	2,000,000
PMS Arbitrage		-				6,411,388
HSBC Cash Fund	-	-			100,865	1,010,997
Subsidiary Company						
Dimension Venture INC USA						
Total- (i)		26,788,266				36,239,313
Investment in Mutual Funds						
HSBC CASH FUND	-	-			501,810	5,029,794
Total- (iii)		-		-		5,029,794
Total- (i)+ (ii)+(iii)		26,788,266		-		41,269,107

Schedule - E:	Current year	Previous Year Rs.
Sundry Debtors:		
1.Outstanding for more than 6 months	nil	nil
Others-debts considered good		
Secured	nil	nil
Unsecured	24,571,360	15,253,614
	<u>24,571,360</u>	<u>15,253,614</u>
Less: Provision for Doubtful Debts		nil
Total Rs.	24,571,360	15,253,614
Out of the above:		
II a. Debts due by-		-
I) Directors or other officers of the Company	nil	nil
II) Concerns in which Directors are interested	nil	nil
b. The maximum amount due by Directors or other officers of the company at any time during the year	nil	nil

Schedule - F:	Current year	Previous Year Rs.
Cash & Bank Balances:		
I) Cash in Hand	183,982	146,191
II) Balances with Scheduled Banks		
in current account		
AXIS Bank	9,095,829	-
Bank of India	349,613	144,327
HDFC Bank	13,529,849	20,561,488
CITI Bank	835,414	1,769,218
Standard Chartered Grindlays Bank	11,751	17,014
Vijaya Bank	5,000	-
Foreign Banks Accounts	1,243,495	1,194,743
In Fixed Deposit account	-	
HDFC Bank Ltd	29,377,482	29,488,524
AXIS Bank	35,600,000	-
Interest accrued	1,093,965	679,381
Total Rs.	91,326,380	54,000,886

Schedule - G:	Current year	Previous Year Rs.
Loans & Advances:		
(UnSecured & Considered good)		
I) Advances recoverable in cash or in kind or for value to be received		
Advance Income Tax	0	100,000
Income Tax for the Year	7,493,171	3,077,349
Tax deducted at source	0	187,551
Income tax refund Asst.Yr.2007-08	1,129,482	864,582
Income tax refund Asst.Yr.2008-09	678,687	
Pre-paid Expenses	1,056,520	577,497
Pre-paid Federal Taxes	47,880	25,860
Pre-paid State Taxes	23,940	8,620
Federal State Taxes	4,229	4,569
Miscellaneous Loans & Advances	926,589	401,191
	11,360,498	5,247,219
Out of the above:		
II) a. Debts due by-		
I) Directors or other officers of the Company	Nil	Nil
II) Concerns in which Directors are interested	Nil	Nil
b. The maximum amount due by Directors or other officers of the company at any time during the year	Nil	Nil

Schedule - H:	Current year	Previous Year Rs.
Deposits:		
i) Deposit with National Stock Exchange		
NSE Deposit for Capital Market	5,600,000	5,600,000
NSE Deposit for Debt Market	10,000,000	10,000,000
NSE Deposit for Futures & Options	800,000	800,000
NSE Deposit with Clearing Corporation	900,000	900,000
NSE Deposit for Leases Line	310,000	238,856
Deposit for Car Parking in BSE Towers	150,000	150,000
Base Capital Adequacy Deposit	1,500,000	1,625,000
Base Minimum Capital Deposit with BSE-Margin		2,500,000
BSE Membership Deposit	10,000,000	-
BSE Collateral Deposits	5,169,324	4,256,622
	(i) 34,429,324	26,070,478
ii) Other Deposits:		
Electricity Deposit	228,571	228,571
R S Vatcha & Co	30,700	30,700
Office Deposit	14,200,000	3,700,000
Telephone Deposit	85,999	54,706
U.S.Club Deposit	20,000	20,000
ILFS initial Deposit	19,582,988	5,682,998
NSDL STP Advance	20,000	20,000
Vichare Courier Deposit	630	630
Veena Chambers Condominium	3,416	3,416
Municipal Deposit	500	500
Mahindra Holiday Resorts Deposit	185,000	185,000
	(ii) 34,357,804	9,926,521
	Total Rs. (i) + (ii) 68,787,128	35,996,999

Schedule - I:	Current year	Previous Year Rs.
Current Liabilities:		
Trade Creditors -	27,803,438	12,641,564
Other liability	10,753,817	11,846,012
Total Rs.	38,557,255	24,487,576

Schedule - J:	Current year	Previous Year Rs.
Provisions:		
Provision for Gratuity	2,282,922	1,582,922
Provision for Taxation	7,100,000	3,100,000
Auditor's Remuneration	249,074	326,571
Total Rs.	9,631,996	5,009,493

Schedules Forming Part Of Profit & Loss A/c For Year Ended March 31st 2008

Schedule - K:	Current year	Previous Year Rs.
Brokerage:		
Capital Market - Brokerage	30,910,274	26,687,485
Total Rs.	30,910,274	26,687,485

Schedule - L:	Current year	Previous Year Rs.
Advisory Services:		
Portfolio Management Fees	16,175,960	14,601,409
Placement Charges-MF	4,580,681	3,150,045
Investment Advisory Fees- Arbitrage	1,696,218	-
Investment Advisory Fees	402,186	646,500
Total Rs.	22,855,045	18,397,954

Schedule - M:	Current year	Previous Year Rs.
Profit/(Loss) on Share Dealings:		
Profit/(Loss) on Share Dealings	(17,019)	98,599
Profit/(Loss) on Derivative trading	(9,776)	662,270
Total Rs.	(26,795)	760,869

Schedule - N:	Current year	Previous Year Rs.
Capital Gains		
Short Term capital Gain/(Loss)	1,253,648	(107,940)
Long Term Capital Gains/(Loss)	3,179,201	5,007,483
Total Rs.	4,432,849	4,899,543

Schedule - O:	Current year	Previous Year Rs.
Profit on PMS Arbitrage	1,182,014	-
Total Rs.	1,182,014	-

Schedule - P:	Current year	Previous Year Rs.
Other Income		
A. Interest		
Interest on FD with Banks	4,561,882	2,003,129
Interest from other Source	11,899	5,125
Interest on C/d A/c	11,752	2,196
Total Rs.	4,585,533	2,010,450
B. Dividend On Shares & MF	1,429,280	1,090,562
C: Rent Income	-	200,000
D: Other Income	4,000	66,508
Total A+B+C+D	6,018,813	3,367,520

Schedule - Q:	Current year	Previous Year Rs.
Employees' Remuneration & Benefits:		
Salaries	26,083,096	21,892,606
Gratuity & Ex Gratia Payments	700,000	335,000
Employer's Contribution to PF	1,173,471	820,044
PF Administration Charges	128,864	95,245
Employer's Contribution to ESIC	29,655	-
Staff Welfare & Training	630,743	439,539
Total Rs.	28,745,829	23,582,434

Schedule - R:	Current year	Previous Year Rs.
Administrative Expenses:		
Advertisement	57,670	34,342
Audit Fees	280,900	168,360
Accounting Charges	70,256	14,541
Amortization Expenses	-	5,475
Bank Guarantee Charges	575,968	75,795
Bank Interest & Charges	54,558	22,084
Books & Periodicals	45,341	71,654
BSE General Expenses	44,527	36,394
Communication Expenses	947,780	981,780
Conveyance	578,123	485,033
Domain Charges	1,260	657
DMAT Charges/STP Charges	127,463	127,397
Electricity Charges	1,266,314	664,272
Entertainment & Business Promotion	528,856	575,687
Federal Corporate Taxes	-	33,762
Franking Charges/Filing Fees	267,787	-
Insurance Premiums	229,767	219,359
Internet Charges	454,031	177,570
Lease Line Charges	292,412	113,011
Legal Fees	11,605	3,663
Membership & Subscriptions	1,922,050	1,833,246
Miscellaneous Expenditure	143,179	127,529
NC Corporate Income Tax		10,465
Penalty Levied of Exchanges	154,210	-
Postage & Courier Charges	170,186	189,099
Printing & Stationery	541,684	518,838
Professional Charges	5,941,671	3,252,828
Professional Tax	6,000	2,000
Rent, Rates & Taxes	1,167,896	673,704
Repairs & Maintenance	274,972	555,534
SEBI Registration Fees	105,000	-
Securities Transaction Tax	349,651	144,829
Seminar Education Expenses	120,708	879,486
Security Service Charges	169,884	84,852
Software Systems, Trainings & Services	527,540	18,941
Service Tax on Shares	20,341	12,333
Stamp Duty for Capital Market	2,340,461	1,470,180
Sundry Balance W/Off	15,375	5,999
Traveling Expenses	161,229	585,578
Transaction Charges	837,889	670,920
Turnover Charges-SEBI	21,493	11,000
Vehicle Maintenance Expenses	507,796	346,339
VSAT Charges	103,311	83,551
Web Hosting Charges	29,962	3,941
Total Rs.	21,467,106	15,292,029

Schedule: S

Significant Accounting Policies:

a) Accounting Convention:

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

b) Principles of Consolidation:

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

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

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

c) Investments:

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

d) Other Significant Accounting Standards:

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

Previous year figures have been regrouped wherever necessary.

K P Chaudhari, Partner
M. NO. 31661
Mumbai.

For and on behalf of the Board

Parag S Parikh, Chairman

Rajeev Thakkar, Director

Mumbai.
June 11th, 2008

Swapnil Walimbe, Company Secretary

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

Attendance Card

Sixteenth Annual general meeting - September 24, 2008 at. 4.00 pm

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

I hereby record my presence at the Sixteenth Annual General Meeting of the Company on September 24, 2008 at. 4.00 pm at Great Western Building, 1st Floor, 130-132, SBS Marg, Near Lion Gate, Fort, Mumbai - 400 023.

Member's/Proxy'S Signature

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

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

Form of Proxy

I/We _____ of _____ being a Member/Members of Parag Parikh Financial Advisory Services Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on September 24, 2008 at. 4.00 pm and at any adjournment thereof.

Dated this _____ day of _____ 2008.

For office Use only

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

Affix one
Rupee
Revenue
Stamp

Notes:

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

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- **Stock Broking**
- **Portfolio Management Services**
 - **Arbitrage**
 - **Structured Products**
 - **Financial Planning**
 - **Mutual Funds**



PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED

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

T: 91 - 22 - 2284 6555 F: 91 - 22 - 2284 6553 E: email@ppfas.com

PPFAS Investment Boutique

11, Shivshakti, Ground Floor, Opposite Haveli, N. S. Road No. 10th, J.V.P.D,
Mumbai - 400 049. INDIA.

T: 91 - 22 - 2623 6555 F: 91 - 22 - 2623 6553