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PARAG PARIKH FINANCIAL ADVISORY
SERVICES LIMITED

Seventeenth Annual Report
2008-2009

Corporate Information

Board of Directors

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

Company Secretary

Trupti Shah

Auditors

CVK & ASSOCIATES,
Chartered Accountants

Bankers

Axis Bank Limited
HDFC Bank Limited

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 Seventeenth Annual General Meeting of the members of Parag Parikh Financial Advisory Services Limited will be held on Wednesday, September 30th 2009 at 4.00 pm at Great Western Building, 130/132, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001 to transact the following businesses:

ORDINARY BUSINESSES:

- 1 To receive, consider and adopt the audited Balance Sheet as at March 31st, 2009, 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 books of accounts and other statutory registers be kept at the corporate office; situated in the same city, instead of the Registered Office."

Place: Mumbai

Date: June 18, 2009

Registered Office:

103, Veena Chambers, 21, Dalal Street, Fort,

Mumbai – 400 001

For and on behalf of the board of directors

Parag S Parikh
Chairman

Notes:

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

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

- 2 The Company has fixed 18th September 2009 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 business under item no. 6 is annexed hereto and forms part of this Notice.
- 7 Members are requested to notify immediately any change in address to the company.

Annexure to Notice

Explanatory Statement:

(Pursuant to Section 173 of the Companies Act, 1956)

Item No.6

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

Place: Mumbai

Date: June 18, 2009

Registered Office:

103, Veena Chambers, 21, Dalal Street, Fort,

Mumbai – 400 001

For and on behalf of the board of directors

Parag S Parikh

Chairman

To the Shareholders

We are pleased to present our report on the business operations of the Company and the audited financial statements for the year ended March 31, 2009.

Financial Results

Highlights of the Financial Results for the years 2008-09 and 2007-08 are given below:

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31-Mar-09 | 31-Mar-08 |
| | (Rs. in Lacs) | (Rs. in Lacs) |
| Operating Income | 256.58 | 593.80 |
| Other Income | 103.49 | 62.52 |
| Total Income | 360.07 | 656.32 |
| Abnormal Items | Nil | 355.71 |
| Profit / (Loss) before depreciation and tax | (20.30) | 516.25 |
| Depreciation | 36.40 | 27.10 |
| Profit / (Loss) before tax | (56.70) | 489.15 |
| Provision for taxation | Nil | 71.00 |
| Fringe benefit tax | 3.75 | 8.56 |
| Profit / (Loss) after tax | (60.45) | 409.59 |
| Share Capital | 651.48 | 651.48 |
| Reserves and Surplus | 1,122.87 | 1,183.32 |

Dividend

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

Deposits

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

Management Discussion and Analysis and Results of operations

Environment in the Capital Markets

The Financial Year ended March 31, 2009 was one big roller coaster ride. The BSE Sensex touched an all time high of 21,206 in early 2008 dipped to as low as 8,047 in March 2009. Individual stock got battered far in excess of the fall in the indices. There was a time when the solvency of the largest financial companies in the world was in question and many would have gone bankrupt if their governments have not bailed them out. In such times all we had to face was falling brokerage volumes and lower portfolio values and the consequent fall in revenue!

While we did see a fall in revenue and a small loss on the bottom-line for the year, we took some tough decisions and saw good improvement in business fundamentals. Our Juhu office operations were consolidated at the main office with retention of staff and clients towards beginning of 2009. This will result in cost savings in the current year.

Shareholders will be happy to note that

- I) We advised clients to add to their equity investments by means of seminars and one on one meetings. As a result of this we had substantial additions to the Assets Under Management (AUM) and we are currently at record AUM despite the fall in the markets.
- II) Clients are sitting on substantial gains in their portfolios on account of investments made at the time of maximum pessimism.
- III) PPFAS invested in equities aggressively at a time when there was all round pessimism. As of date we are sitting on mark to market gains of around Rs. 250 lacs on our equity portfolio.
- IV) Brokerage volumes and equity valuations have significantly improved after the general election results in India.
- V) We continued to have zero credit losses from client positions.
- VI) There were no forced liquidations of client portfolios at the time of market volatility.

Operations of PPFAS

Portfolio Management Services

The following schemes were operational during the year:

- I. Cognito (Value investment oriented PMS scheme)
- II. Progeny (Management of client investments in mutual funds)
- III. Alpha Arbitrage scheme (scheme to benefit from arbitrage opportunities between cash and futures market, between different exchanges, between different derivatives markets etc.)
- IV. 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)
- V. 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 did well in terms of investment returns as well as advising clients to add money at times of attractive valuations. We are positioned very well to grow AUM in this scheme.

Progeny scheme managing mutual funds continued to help clients with their mutual fund investments. In the new environment where entry loads and distributor upfront commissions are being eliminated, we see good potential for increasing assets under management for Progeny. This is because we have never focused on churn in client portfolios as a means of generating revenue.

Alpha Arbitrage gradually wound down during the financial year. This is because the availability of arbitrage spreads reduced during the year and the scheme is not viable at the moment.

Non-discretionary PMS continued to add clients in 2008-09.

Structured investments under Cognito were a great success. Clients saw their capital protected in savage markets and were able to take advantage of cheap valuations in an opportunistic manner. In the current environment however new investment opportunities are not available and only the existing investments are being serviced.

Brokerage business

The retail and institutional brokerage business saw a dip in volumes and income on account of the overall reduction in capital market related activities. Volumes and income have again picked up in the current financial year.

Internet based trade execution and bank payment gateway

While we have a fully featured internet based trade execution platform which is very attractively priced, client additions have been below expectations so far. We are working on measures to increase the client base for internet brokerage business.

Financial Planning

Your Company continues to get a lot of client inquiries for its Financial Planning services. We added a lot of clients for this service during 2008-09. This service is expected to be a significant revenue generator in the coming years.

Branding

Efforts at instilling the values of our brand among employees and clients continued during the year.

Finances

The Company is making all attempts at reducing idle funds and generating returns from its resources. The debt free status of the Company continues.

Human Resources

We had spoken about our efforts to make PPFAS a preferred employer for potential employees. We are working with a HR consultant in order to create an appropriate environment to attract and retain good talent and to create an entrepreneurial approach among employees.

Outlook for the current year

The current year is expected to be far better than the previous year. The additional expenses on account of the enhanced marketing thrust will continue. The marketing efforts are already showing some results and the full impact of this will be seen in the coming years.

PPFAS continues to aim to more than double its client base for all of its services by the year 2010 over the level as on March 2008.

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 the Seventeenth 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, 2009 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 loss 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, 2009 on a 'going concern' basis.

Particulars of employees

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

| | | |
|--------------------|----------------|-----------------|
| Mr. Rajeev Thakkar | CEO & Director | Rs. 12,14,000/- |
|--------------------|----------------|-----------------|

Audit Committee

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

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

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

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

a) Energy 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 8273 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 2008-09.

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.

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

Place: Mumbai

Date: June 18, 2009

Registered Office:

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

For and on behalf of the board of directors
of PPFAS Limited.

Parag S Parikh
Chairman

Auditor's Report

CVK & Associates
Chartered Accountants

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

TO THE MEMBERS OF PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED

- 1 We have audited the attached Balance Sheet of Parag Parikh Financial Advisory Services Limited as at 31st March, 2009, and also the Profit & Loss Account for the year ended on that date annexed thereto . These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report, are In agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and

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

For CVK & Associates
Chartered Accountants

Place: Mumbai
Date: June 18, 2009

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

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

The Annexure referred to in the Auditors' report to the Members of Parag Parikh Financial Advisory Services Limited (the Company) for the year ended 31st March, 2009. 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.
© 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 except as follows:

| Nature of statute | Nature of dues | Amount Disputed (Rs in Lacs) | Forum where disput is pending |
|-------------------|----------------|------------------------------|-------------------------------|
| Service Tax Act | Service Tax | 2.37 | Commisioner |

- 10 The company has incurred cash loss during the current financial year; but there are no accumulated losses.
- 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.
- 21 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

Place: Mumbai
Date: June 18, 2009

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

Balance Sheet as at 31st March 2009

| Particulars | Schedule | Current Year (Rs) | | Previous Year (Rs) | |
|--|----------|-------------------|-------------|--------------------|-------------|
| SOURCES OF FUNDS: | | | | | |
| Shareholders' Funds: | | | | | |
| Share Capital | A | | 65,148,050 | | 65,148,050 |
| Reserves & Surplus | B | | 112,287,420 | | 118,332,985 |
| Secured Loan : | | | | | |
| Bank Overdraft (Against Fixed Deposits) | | | 5,410,279 | | |
| | | | 182,845,749 | | 183,481,035 |
| APPLICATION OF FUNDS: | | | | | |
| Fixed Assets: | | | | | |
| Gross Block | C | 25,742,441 | | 23,630,758 | |
| <u>Less:</u> Accumulated Depreciation | | 18,231,262 | | 15,412,940 | |
| Net Block | | | 7,511,179 | | 8,217,818 |
| Investments | D | | 36,915,364 | | 27,528,663 |
| Deffered Tax Assets (Refer Note No 6 in schedule "S") | | | 1,602,640 | | 1,205,240 |
| Current Assets, Loans & Advances: | | | | | |
| Sundry Debtors | E | 6,256,761 | | 24,542,158 | |
| Cash & Bank Balances | F | 103,056,721 | | 90,082,885 | |
| Loans & Advances | G | 6,132,799 | | 11,284,449 | |
| Stock In Trade | | - | | 21,946 | |
| Deposits | H | 33,258,816 | | 68,787,127 | |
| | | | 148,705,096 | | 194,718,565 |
| <u>Less:</u> Current Liabilities & Provisions | | | | | |
| Current Liabilities | I | 9,258,893 | | 38,557,255 | |
| Provisions | J | 2,629,637 | | 9,631,996 | |
| | | | 11,888,530 | | 48,189,251 |
| Net Current Assets | | | 136,816,566 | | 146,529,314 |
| | | | 182,845,749 | | 183,481,035 |

Notes to Accounts

S

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

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

K P Chaudhari, Partner
M.NO. 31661

Parag S Parikh
Chairman

Rajeev Thakkar
CEO & Director

Place: Mumbai
Date: June 18, 2009

Trupti Shah
Company Secretary

Profit & Loss Account for the year ended 31st March 2009

| Particulars | Schedule | Current Year (Rs) | Previous Year (Rs) |
|---|----------|-------------------|--------------------|
| INCOME: | | | |
| Brokerage | K | 12,033,585 | 30,910,274 |
| Advisory Services | L | 13,123,022 | 22,855,045 |
| Capital Gains on Investments | N | 436,232 | 4,432,849 |
| Profit on Share Trading | M | 65,597 | - |
| Profit on PMS Arbitrage | O | - | 1,182,014 |
| Other Income | p | 9,951,470 | 6,007,063 |
| Deffered Tax Income | | 397,400 | 244,657 |
| | | 36,007,306 | 65,631,902 |
| Add/ (Less): Extra Ordinary Income/ (Expenses) | | - | 35,570,577 |
| | | 36,007,306 | 101,202,479 |
| EXPENDITURE: | | | |
| Employees' Remuneration & Benefits | Q | 21,891,969 | 28,745,829 |
| Administration & Other Expenses | R | 16,144,967 | 20,803,812 |
| Loss on Share Dealings | M | - | 26,795 |
| Depreciation | C | 3,640,809 | 2,710,823 |
| | | 41,677,745 | 52,287,259 |
| Profit/(Loss) for the year | | (5,670,439) | 48,915,220 |
| Less : Previous year Taxes Paid | | - | 448,534 |
| Profit/(Loss) After Depreciation and Before Tax | | (5,670,439) | 48,466,686 |
| Less :Corporate Taxes | | | |
| Provision for Current Year Taxes | | - | 7,100,000 |
| Provision for Fringe Benefit Tax | | 375,121 | 407,961 |
| Profit/(Loss) after Depreciation & Tax | | (6,045,560) | 40,958,725 |
| Profit/(Loss) c/f to the Balance Sheet | | (6,045,560) | 40,958,725 |
| E.P.S. | | (0.93) | 6.29 |

Notes to Accounts

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

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

K P Chaudhari, Partner
M.No. 31661

Parag S Parikh
Chairman

Rajeev Thakkar
CEO & Director

Place: Mumbai
Date: June 18, 2009

Trupti Shah
Company Secretary

Schedules Forming Part of Balance Sheet as at March 31st, 2009

| Particulars (Amount in Rs.) | Current Year | Previous Year |
|--|--------------|---------------|
| Schedule - A: | | |
| 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 | 65,148,050 |
| (inclusive of 2646805 shares issued to shareholders of Parag Parikh Securities Ltd at par on amalgamation) | 65,148,050 | 65,148,050 |

| Schedule - B : (Amount in Rs.) | Current Year | Previous Year |
|---------------------------------|--------------|---------------|
| Reserves & Surplus: | | |
| General Reserve: | 385,000 | 385,000 |
| Capital Redemption Reserves | 10,100,000 | 10,100,000 |
| Profit & Loss Account: | | |
| Opening Balance | 107,847,979 | 66,889,260 |
| Add: Profit/(loss) for the year | -6,045,560 | 40,958,725 |
| Balance Carried Forward | 101,802,420 | 107,847,975 |
| Total Rs. | 112,287,420 | 118,332,985 |

| SCHEDULE C | Rate of Dep. | Gross Block | | | | Depreciation | | | | Net Block | | | |
|------------------------|--------------|--------------------|---------------------|-----------------|--------------------|--------------------|---------------------|-------------------------------|--------------------|--------------------|--------------------|-----------|-----------|
| | | Opening Balance as | Addition during the | sold during the | Closing Balance as | Opening Balance as | Addition during the | Deletion on Asset sold during | Closing Balance as | Closing Balance as | Closing Balance as | | |
| | | On 01.04.08 | year | year | on 31.03.09 | On 01.04.08 | year | the year | on 31.03.09 | on 31.03.09 | On 31.03.08 | | |
| Air-conditioners | 20.0% | 1,376,351 | 44,173 | | 1,420,524 | 86,406 | - | 1,053,723 | 967,317 | 86,406 | | 366,801 | 409,034 |
| Computer | 40.0% | 8,317,938 | 352,245 | | 8,670,183 | 939,704 | | 7,214,943 | 6,275,239 | 939,704 | | 1,455,240 | 2,042,699 |
| Electrical Fittings | 20.0% | 324,815 | - | | 324,815 | 23,228 | | 231,903 | 208,675 | 23,228 | | 92,912 | 116,140 |
| Motor Car * | 25.89% | 4,598,633 | 2,057,005 | 1,050,000 | 5,605,638 | 873,787 | 822,489 | 2,605,084 | 2,553,786 | 873,787 | | 3,000,554 | 2,044,847 |
| Office Furniture | 20.0% | 3,222,782 | 34,214 | - | 3,256,996 | 209,610 | | 2,404,613 | 2,195,003 | 209,610 | | 852,383 | 1,027,779 |
| Telephone Systems | 20.0% | 1,830,956 | - | | 1,830,956 | 93,295 | | 1,457,776 | 1,364,481 | 93,295 | | 373,180 | 466,475 |
| Electrical Equipment | 20.0% | 566,194 | - | | 566,194 | 64,181 | | 309,470 | 245,289 | 64,181 | | 256,724 | 320,905 |
| Software Packages | 60.0% | 3,393,089 | 674,046 | | 4,067,135 | 1,350,598 | | 2,953,750 | 1,603,152 | 1,350,598 | | 1,113,385 | 1,789,937 |
| Total Of Previous Year | Total Rs. | 23,630,758 | 3,161,683 | 1,050,000 | 25,742,441 | 3,640,809 | 822,489 | 18,231,262 | 15,412,942 | 3,640,809 | | 7,511,179 | 8,217,818 |
| | | 32,208,851 | 4,421,907 | 13,000,000 | 23,630,758 | 2,710,823 | - | 15,412,940 | 12,702,119 | 2,710,823 | | 8,217,818 | |

* Assets registered in the name of Directors

| Schedule - D: LONG TERM INVESTMENT | No of shares | Cost for 31-Mar-09 | MKT. Rate 31-Mar-09 | MKT. Value on 31-Mar-09 | No of shares | Cost for 3/31/2008 |
|--|-----------------|-----------------------|------------------------|----------------------------|-----------------|-----------------------|
| Quoted Investment: "EQUITY SHARES FULLY PAID" | | | | | | |
| Auto Corporation Goa | 0 | 0 | 0 | 0 | 525 | 258,861 |
| Aventis Pharma Ltd. | 1,635 | 757,332 | 983 | 1,607,205 | 1,635 | 757,332 |
| Axis bank Ltd | 1,850 | 989,750 | 415 | 766,825 | | 0 |
| Bharat Electronics Ltd. | 1,150 | 1,043,740 | 883 | 1,015,335 | 1,000 | 915,000 |
| Castrol India Ltd. | 5,000 | 815,960 | 326 | 1,627,500 | 5,000 | 815,960 |
| Container Corporation of India Ltd. | 2,310 | 422,464 | 716 | 1,653,960 | 1,155 | 422,464 |
| Crisil | 555 | 1,412,904 | 2,701 | 1,499,055 | | 0 |
| GSK Pharmaceuticals Ltd. | 140 | 75,375 | 1,088 | 152,320 | 140 | 75,375 |
| Gujarat Gas Company Ltd. | 10,320 | 2,609,282 | 275 | 2,835,420 | 10,320 | 2,609,282 |
| ICRA Ltd | 3,792 | 1,513,129 | 489 | 1,853,530 | | 0 |
| IGL | 25,000 | 2,786,000 | 109 | 2,717,500 | 25,000 | 2,786,000 |
| ITC Ltd | 0 | 0 | 0 | 0 | 3,000 | 0 |
| Maharashtra Scooters Ltd. | 9,130 | 1,632,567 | 80 | 730,857 | 9,130 | 1,632,567 |
| Monsanto Industries | 1,395 | 1,678,088 | 1,269 | 1,770,464 | | 0 |
| Morganstanley Mutual Fund | 0 | 0 | 0 | 0 | 400 | 0 |
| Mphasis Ltd. | 25,600 | 4,123,481 | 199 | 5,094,400 | 25,600 | 4,123,481 |
| NIIT Technologies Ltd. | 17,868 | 1,197,241 | 53 | 947,004 | | 0 |
| OFSS Limited | 3,650 | 1,656,658 | 742 | 2,706,658 | | 0 |
| PAL Peugeot Ltd. | 17,200 | 318,200 | 0 | 0 | 17,200 | 318,200 |
| Pidilite Industries Ltd. | 27,950 | 791,272 | 85 | 2,361,775 | 27,950 | 791,272 |
| Prajay Eng. | 25,000 | 605,500 | 13 | 316,250 | | 0 |
| Sonata Software Ltd. | 90,859 | 2,874,964 | 16 | 1,453,744 | 66,500 | 2,411,412 |
| SSI Ltd (PVP Ventures Ltd) | 1,528 | 281,152 | 10 | 15,524 | 1,528 | 281,152 |
| Trent Ncd | 400 | 200,000 | 0 | 0 | 400 | 200,000 |
| VST Industries Ltd. | 7,000 | 3,591,007 | 225 | 1,575,000 | 7,000 | 3,591,007 |
| Wyeth Ltd. | 3,885 | 1,657,925 | 419 | 1,626,455 | 3,885 | 1,657,925 |
| Total- (i) | | 33,033,991 | | 34,326,781 | | 23,647,290 |
| <u>Unquoted Investments:</u> | | | | | | |
| Karrox Technologies Ltd. | 50,000 | 2,000,000 | | 0 | 50,000 | 2,000,000 |
| Mumbai stock Exchange | 11,401 | 1,140,977 | | 0 | 877 | 1,140,977 |
| Total- (ii) | | 3,140,977 | | 0 | | 3,140,977 |
| Subsidiary Company | | | | | | |
| Dimension Venture INC USA | 15,000 | 740,396 | | 0 | 15,000 | 740,396 |
| Total- (iii) | | 740,396 | | 0 | | 740,396 |
| Total- (i)+ (ii)+(iii) | | 36,915,364 | | 34,326,781 | | 27,528,663 |

| Schedule - E: | Current Year | Previous Year |
|---|------------------|-------------------|
| Sundry Debtors: | | |
| 1. Outstanding for more than 6 months | Nil | Nil |
| 2. <u>Other-debts considered good</u> | | |
| Secured | Nil | Nil |
| Unsecured | 6,256,761 | 24,542,158 |
| | <u>6,256,761</u> | <u>24,542,158</u> |
| <u>Less</u> : Provision for Doubtful Debts | Nil | Nil |
| Total Rs. | <u>6,256,761</u> | <u>24,542,158</u> |
| 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 | | |
| 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 |
|--|--------------------|-------------------|
| Cash & Bank Balances: | | |
| I) Cash in Hand | 65,075 | 183,982 |
| II) Balances with Scheduled Banks | | |
| in current account | | |
| AXIS Bank | 9,620,596 | 9,095,829 |
| Bank of India | 29,600 | 349,613 |
| HDFC Bank | 1,549,202 | 13,529,849 |
| CITI Bank | - | 835,414 |
| Standard Chartered Grindlays Bank | 11,751 | 11,751 |
| Vijaya Bank | 5,000 | 5,000 |
| In Fixed Deposit account | | |
| HDFC Bank Ltd | 5,000,000 | |
| Against Gurantee | | 29,377,482 |
| AXIS Bank | 30,000,000 | 15,600,000 |
| AxIS Bank Against Gurantee/FD OD Limit | 51,100,000 | 20,000,000 |
| Interest accrued | 5,675,497 | 1,093,965 |
| Total Rs. | <u>103,056,721</u> | <u>90,082,885</u> |

| Schedule - G: | Current Year | Previous Year |
|---|------------------|-------------------|
| Loans & Advances: | | |
| (UnSecured & Considered good) | | |
| I) Advances recoverable in cash or in kind or for value to be received | | |
| Advance Income Tax | 400,000 | - |
| Income Tax for the Year | - | 7,493,171 |
| Tax deducted at source | 1,499,097 | - |
| Income tax refund A.Y 2006-07 | 202,376 | - |
| Income tax refund A.Y 2007-08 | 1,152,132 | 1,129,482 |
| Income tax refund A.Y 2008-09 | 1,071,858 | 678,687 |
| Pre-paid Expenses | 677,958 | 1,056,520 |
| Miscellaneous Loans & Advances | 1,129,378 | 926,589 |
| | <u>6,132,799</u> | <u>11,284,449</u> |
| 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 |
|---------------------------------------|------------------------|-------------------|
| Deposits: | | |
| i) Deposit with Stock Exchange | | |
| NSE Deposit for Capital Market | 4,100,000 | 5,600,000 |
| NSE Deposit for Debt Market | - | 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 | 310,000 |
| NSDL DP Deposit | 1,000,000 | - |
| Deposit for Car Parking in BSE Towers | 150,000 | 150,000 |
| Base Capital Adequacy Deposit | 1,000,000 | 1,500,000 |
| BSE Membership Deposit | 10,000,000 | 10,000,000 |
| BSE Collateral Deposits | - | 5,169,323 |
| | <u>(i) 18,260,000</u> | <u>34,429,323</u> |
| ii) Other Deposits: | | |
| Electricity Deposit | 228,571 | 228,571 |
| R S Vatcha & Co | 30,700 | 30,700 |
| Office Deposit | 14,000,000 | 14,200,000 |
| Telephone Deposit | 95,999 | 85,999 |
| U.S.Club Deposit | 20,000 | 20,000 |
| ILFS initial Deposit | 599,000 | 19,582,988 |
| 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 |
| | <u>(ii) 14,998,816</u> | <u>34,357,804</u> |
| Total Rs. (i)+(ii) | <u>33,258,816</u> | <u>68,787,127</u> |

| Schedule - I: | Current Year | Previous Year |
|----------------------|--------------|---------------|
| Current Liabilities: | | |
| Trade Creditors - | 5,160,764 | 27,803,438 |
| other liability | 4,098,129 | 10,753,817 |
| Total Rs. | 9,258,893 | 38,557,255 |

| Schedule - J: | Current Year | Previous Year |
|------------------------|--------------|---------------|
| Provisions: | | |
| Provision for Gratuity | 2,452,297 | 2,282,922 |
| Provision for Taxation | - | 7,100,000 |
| Auditor's Remuneration | 177,340 | 249,074 |
| Total Rs. | 2,629,637 | 9,631,996 |

Schedules Forming Part Of Profit & Loss A/c For Year Ended March 31st 2009

| Schedule - K: | Current Year | Previous Year |
|----------------------------|--------------|---------------|
| Brokerage: | | |
| Capital Market - Brokerage | 12,033,585 | 30,910,274 |
| Total Rs. | 12,033,585 | 30,910,274 |

| Schedule - L: | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| Advisory Services: | | |
| Portfolio Management Fees | 9,419,094 | 16,175,960 |
| Placement Charges-MF | 2,870,589 | 4,580,681 |
| DP fees | 83,340 | - |
| Investment Advisory Fees- Arbitrage | 363,984 | 1,696,218 |
| Investment Advisory Fees Others | 386,015 | 402,186 |
| Total Rs. | 13,123,022 | 22,855,045 |

| Schedule - M: | Current Year | Previous Year |
|---------------------------------------|--------------|---------------|
| Profit/(Loss) on Share Trading | | |
| Profit/(Loss) on Equity Share trading | 69,555 | (17,019) |
| Profit/(Loss) on Derivative trading | (3,958) | (9,776) |
| Total Rs. | 65,597 | (26,795) |

| Schedule - N: | Current Year | Previous Year |
|--------------------------------|--------------|---------------|
| Capital Gains | | |
| Short Term capital Gain/(Loss) | (124,583) | 1,253,648 |
| Long Term Capital Gains/(Loss) | 560,815 | 3,179,201 |
| Total Rs. | 436,232 | 4,432,849 |

| Schedule - O: | Current Year | Previous Year |
|-------------------------|--------------|---------------|
| Profit on PMS Arbitrage | - | 1,182,014 |

| Schedule - P: | Current Year | Previous Year |
|--|--------------|---------------|
| <u>Other Income</u> | | |
| A. Interest | | |
| Interest on FD with Banks (Tds Rs.1481413) | 8,709,001 | 4,573,783 |
| Total Rs. | 8,709,001 | 4,573,783 |
| B. Dividend On Shares & MF | 1,062,908 | 1,429,280 |
| C. Other Income | 179,561 | 4,000 |
| Total A+B+C | 9,951,470 | 6,007,063 |

| Schedule - Q: | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| Employees' Remuneration & Benefits: | | |
| Salaries | 19,471,732 | 26,083,096 |
| Gratuity & Ex Gratia Payments | 400,000 | 700,000 |
| Employer's Contribution to PF | 1,309,846 | 1,173,471 |
| PF Administration Charges | 144,963 | 128,864 |
| Employer's Contribution to ESIC | 33,659 | 29,655 |
| Staff Welfare & Training | 531,769 | 630,743 |
| Total Rs. | 21,891,969 | 28,745,829 |

| Schedule - R: | Current Year | Previous Year |
|--|--------------|---------------|
| <u>Administrative Expenses:</u> | | |
| Advertisement | 92,742 | 57,670 |
| Audit Fees | 200,000 | 280,900 |
| Bank Guarantee Charges | 940,758 | 575,968 |
| Bank Charges | 86,697 | 52,626 |
| Bank Interest on O/D | 356,809 | - |
| Books & Periodicals | 58,504 | 45,341 |
| General Expenses -BSE/NSE/NSDL | 114,673 | 44,527 |
| Communication Expenses | 806,914 | 933,844 |
| Conveyance | 523,993 | 578,123 |
| DMAT Charges/STP Charges | 132,037 | 127,463 |
| Donation | 200,000 | - |
| Electricity Charges | 1,419,069 | 1,266,314 |
| Entertainment & Business Promotion | 672,491 | 519,404 |
| Franking Charges/Filing Fees | 282,121 | 267,787 |
| Insurance Premiums | 277,871 | 229,767 |
| Internet Charges | 229,605 | 454,031 |
| ILFS Charges | 42,123 | - |
| Lease Line Charges | 451,234 | 292,412 |
| Membership & Subscriptions | 1,868,577 | 1,922,050 |
| Maharashtra Labour Welfare Fund | 25,560 | - |
| Miscellaneous Expenditure | 104,045 | 143,185 |
| Penalty Levied of Exchanges | 19,192 | 154,210 |
| Postage & Courier Charges | 155,223 | 170,186 |
| Printing & Stationery | 564,241 | 528,547 |
| Professional Charges | 2,321,982 | 5,437,671 |
| Professional Tax | 2,000 | 6,000 |
| Rent,Rates & Taxes | 979,500 | 1,167,896 |
| Repairs & Maintenance | 506,416 | 274,972 |
| SEBI Registration Fees | 8,000 | 105,000 |
| Securities Transaction Tax | 23,272 | 349,651 |
| Seminar Education Expenses | 204,219 | 120,708 |
| Security Service Charges | 192,091 | 169,884 |
| Software Systems, Trainings & Services | 302,774 | 527,540 |
| Service Tax on Shares | 1,397 | 20,341 |
| Stamp Duty for Capital Market | 836,104 | 2,340,461 |
| Sundry Balance W/Off | - | 15,375 |
| Traveling Expenses | 89,961 | 153,469 |
| Transaction Charges | 479,986 | 837,889 |
| Turnover Charges-SEBI | 14,573 | 21,493 |
| Vehicle Maintenance Expenses | 440,545 | 507,796 |
| VSAT Charges | 117,670 | 103,311 |
| Total Rs. | 16,144,967 | 20,803,812 |

Schedule Annexed to and Forming Part of the Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the Year ended on that date.

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 Contingent Liabilities

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.

2 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 approximately Rs. 20 lacs, which has been shown as a contingent liability.

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

| Turnover & Profit/(Loss) on share dealing | FY 2008-2009 | FY 2007-08 |
|---|--------------|--------------|
| Amount in Rs. | | |
| Opening Stock in Trade | NIL | 21,946.0 |
| Add : Purchase during the year | NIL | 44,292,494.0 |
| Less : Sales | NIL | 44,27,5475 |
| Closing Stock | NIL | 21,946.0 |
| Profit/(Loss) for the year on Share Dealing (A) | NIL | (17,019.0) |
| Difference in Realisable value & Cost | NIL | NIL |
| Net Closing Cost | NIL | NIL |

Derivative

| Turnover & Profit/(Loss) on Share Dealing | F.Y.2008-09 | F.Y.2007-08 |
|--|-------------|--------------|
| Amount in Rs. | | |
| Purchases | NIL | 29,177,251.0 |
| Less: Sales | NIL | 29,167,476.0 |
| Loss for the year on trading (B) | NIL | (9,776.0) |
| Total As per Profit &(Loss)account (A+B) | NIL | (26,975.0) |

- 4 The amount payable to the Small Scale Undertaking is NIL. (Previous year Nil).
- 5 Funds received from various investors and invested on their behalf & in their respective names under the Portfolio Management Scheme , as at 31st March,2009 are Rs. 70.64 crores under 'Cognito Scheme and Rs. 22.16 crores under 'Progeny Scheme'.
- 6 Provision, Contingent Liabilities and Assets.

| Contingent Liabilities | FY 2008-09 | FY2007-08 |
|---------------------------|--------------|--------------|
| Amount in Rs. | | |
| HDFC Bank Guarantee (NSE) | NIL | 2,500,000.0 |
| Axis Bank Guarantee (BSE) | 12,500,000.0 | 20,000,000.0 |
| Axis Bank Guarantee (NSE) | 25,00,000 | NIL |
| Stamp Duty | 2,000,000.0 | 2,000,000.0 |

- 7 Major Components of Deferred Tax Assets

| Deferred Tax Assets | (Amount in Rs.) | |
|--|-----------------|-------------|
| I. Opening Balance | | 1,205,240.0 |
| II Changes during the Year | | |
| a. Timing Difference in Depreciation | | |
| As per Accounts | 3,640,809.0 | |
| As per Income tax Act | 2,871,643.0 | |
| Under charged for tax purpose | 769,166.0 | |
| Deferred Tax @ 33.99% | 261,440.0 | 248,440.0 |
| b. Gratuity under charged for tax purpose Deferred Tax | | |
| @ 33.99% | 400,000.0 | 135,960.0 |
| @ 33.99% | | 135,960.0 |
| III. Deferred Tax Income charged to P& L Account | 397,400.0 | |
| IV. Net Deferred tax Assets as per Balance Sheet. | | 1,602,640.0 |

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

- 8 Particulars of Directors Remuneration

| Name | Amount in Rs. | Head of Expenses |
|-----------------|---------------|------------------|
| Parag S. Parikh | 12,14,160/- | Consultancy Fees |
| Rajeev Thakkar | 12,14,000/- | Salary |
| Neil Parikh | 75,000/- | Salary |

9 Particulars of Auditor's Remuneration

| Particulars | FY2008-09 | FY2007-08 |
|-----------------------|------------|-----------|
| a) As Auditors | 1,00,000/- | 140,450/- |
| b) For other Services | 1,00,000/- | 140,450/- |
| TOTAL | 2,00,000/- | 280,900/- |

10 Value of Imports

| Particulars | FY2008-09 | FY2007-08 |
|------------------|-----------|-----------|
| Value of Imports | NIL | NIL |

11 Expenditure in Foreign Exchange

| Particulars | FY2008-09 | FY2007-08 |
|---------------------------------|-----------|-----------|
| Expenditure in Foreign Exchange | NIL | NIL |

12 Foreign Exchange Earnings

| Particulars | FY2008-09 | FY2007-08 |
|--------------------------------------|-----------|-----------|
| Earnings in Foreign Exchange (US \$) | 8273/- | 6480/- |

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

14 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 | 9,79,500/- |

As per our Report of even date

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

For CVK & Associates
Chartered Accountants

Parag S.Parikh
Chairman

Rajeev Thakkar
CEO & Director

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

Trupti Shah
Company Secretary

Place: Mumbai
Date: June 18, 2009

Place: Mumbai
Date: June 18, 2009

General Profile

Registration Details

| | |
|--------------------|------------------|
| Registration No. | 11-68970 of 1992 |
| State Code | 11.00 |
| Balance Sheet Date | March 31, 2009 |

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 | 182,845 |
| Total Assets | 182,845 |

Sources of Funds

| | |
|----------------------|---------|
| Paid-up Capital | 65,148 |
| Reserves and Surplus | 112,287 |
| Secured Loans | 5,410 |
| Unsecured Loans | NIL |

Application of Funds

| | |
|----------------------------|---------|
| Net Fixed Assets | 7,511 |
| Investments | 36,915 |
| Net Current Assets | 136,816 |
| Net Deferred Tax Assets | 1,602 |
| Miscellaneous Expenditures | NIL |
| Accumulated losses | NIL |

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

| | |
|--|---------|
| Turnover | 36,007 |
| Total Expenditure (Including Depreciation.) | 41,677 |
| Profit/(Loss) Before Tax | (5,670) |
| Profit /(Loss) After Tax | (6,045) |
| Earnings Per Share (EPS) (in Rs.) | (0.93) |
| Dividend Declared | NIL |

Principle Services rendered by the Company:

- Equity Broking
- Futures & Options Broking
- Portfolio Management Schemes
- Mutual Fund Distribution
- Financial Planning

As per our Report of even date

For and on behalf of the Board of
Directors of PPFAS LimitedFor CVK & Associates
Chartered AccountantsParag S.Parikh
ChairmanRajeev Thakkar
CEO & Director(K.P. CHAUDHARI), Partner
M.No.31661Trupti Shah
Company SecretaryPlace: Mumbai
Date: June 18, 2009Place: Mumbai
Date: June 18, 2009

Statement pursuant to Section 212 of the Companies Act, 1956.

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 2009 |
| 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 | |
| | i. for the financial year ended on 31st March 2009 | Loss of 74,964 INR, USD 1625.60 |
| | ii. for the previous financial year of the subsidiary company. | Profit of 402,079 INR, USD 9,573 |
| | b. Dealt with in Holding Company's accounts | |
| | i. for the financial year ended on 31st March 2009 | NIL |
| | ii. for the previous financial year of the subsidiary company | NIL |

Board of Directors' Report

To,
The Shareholders of Dimension Venture Inc.

Your Directors have pleasure in presenting the Seventh Annual Report together with accounts of the Company for the year ended March 31st, 2009.

1. Activities:

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

2. Financial Performance:

During the year the Company has made a net loss of 74,964 INR (USD 1625.60) as compared to previous year net profit of 402,079 INR (USD 9573.31)

3. Dividend:

Your Directors do not recommend any dividend for the year.

4. Deposits:

The Company has not accepted any deposits from the public.

5. Directors' Responsibilities Statement:

The Directors state as an averment of their responsibility:

a) that in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to the material departure, if any as far as possible.

b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for the year 31st March, 2009.

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 2009 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 co-operation given to the Company by its employees at all levels, its Bankers, Clients and all others who have directly and / or indirectly contributed to the Company's progress.

For and on behalf of the board
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

976 MLK Jr. Blvd., Suite 150
Chapel Hill, NC 27514
(919) 967-5733

To,
The Board of Directors:
Dimension Ventures, Inc.
7200 Stonehenge Drive
Suite 311
Raleigh, NC 27613

We have compiled the accompanying balance sheet of Dimension Ventures, Inc. as of March 31, 2009, and the related statements of income for the 12 Months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

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

Sd/-
Frank A. Elmore, CPA, P. A
May 08, 2009.

Balance Sheet as at 31st March 2009

AVERAGE RATE 1 US \$ = 40.06

CLOSING RATE 1 US \$ = 52.17

| Particulars | 31-03-2008 Amount in US \$ | 31-03-2009 Amount in US \$ |
|-------------------------------------|-------------------------------|-------------------------------|
| CURRENT ASSETS | | |
| Checking/Savings | | |
| Wachovia Checking | 6,363.32 | |
| Wachovia Money Market Account | 23,530.56 | |
| Pay Pal Account | 163.23 | |
| Total Checking /Savings | | 30,057.11 |
| Refundable Federal Income Taxes | | 408.00 |
| Refundable N.C.Corporate Taxes | | 529.00 |
| TOTAL CURRENT ASSETS | | 30,994.11 |
| FIXED ASSETS | | |
| Office Equipment | 1,920.53 | |
| Computer Equipment | 5,335.84 | |
| Furniture & Fixtures | 180.82 | |
| Software | 1,270.93 | |
| Accumulated Depreciation | (8,429.35) | |
| | | 278.77 |
| OTHER ASSETS | | |
| Organisation Cost | 625.00 | |
| Allowance or Amortisation | (625.00) | |
| TOTAL OTHER CURRENT ASSETS | | 0.00 |
| TOTAL ASSETS | | 31,272.88 |
| Equity | | |
| Capital Stock | 15,000.00 | |
| Retained Earnings | 17,898.48 | |
| Net Income/(Loss) | (1,625.60) | |
| TOTAL LIABILITY & EQUITY | | 31,272.88 |

Profit & Loss Account as at 31st March 2009

AVERAGE RATE 1 US \$ = 40.06

CLOSING RATE 1 US \$ = 52.17

| Particulars | 31 March 2009 |
|-----------------------------------|---------------|
| | Amt. In US \$ |
| Web Design Income | 2,392.55 |
| Web Development Services Income | 3,250.00 |
| Interest Income | 63.04 |
| TOTAL INCOME | 5,705.59 |
| Expenses | |
| Consulting | 5,095.00 |
| Bank Service Charges | 245.67 |
| Advertising | 573.00 |
| Professional Development | 82.54 |
| Professional Fees | 1,435.00 |
| Telephone Charges | 40.44 |
| Depreciation | 193.54 |
| TOTAL EXPENSES | 7,665.19 |
| Income/ (Loss) | (1,959.60) |
| Add : Corporate Income Tax Refund | 408.00 |
| | (1,551.60) |
| Add : State Income Taxes Paid | (74.00) |
| Net Income/ (Loss) | (1,625.60) |

| Asset | * Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Value | Tax Book Method | Tax Period |
|------------------------------|---|---|--|------------------------------------|------------------------------|--|--------------------------------|--|--------------------------------|----------------------------------|--------------------------|
| Group: 3 5 11 15 | Computer Equipment Wireless Ethernet Equipment Computer Equipment Computer & Accessories Apple computer and accessories | 2/12/03 3/28/03 11/01/04 7/05/06 | 278.15 1,924.93 2,212.76 920.00 | 0.00 0.00 2,212.76 0.00 | 0.00 0.00 0.00 0.00 | 278.15 1,924.93 2,212.76 478.40 | 0.00 0.00 0.00 176.64 | 278.15 1,924.93 2,212.76 655.04 | 0.00 0.00 0.00 264.96 | 200DB 200DB 200DB 200DB | 5.0 5.0 5.0 5.0 |
| | Computer | Equipment | 5,335.84 | 0.00c | 0.00c | 4,894.24 | 176.64 | 5,070.88 | 264.96 | | |
| Group: 4 | Furniture & Fixtures Desk, Chair | 3/05/03 | 180.82 | 0.00 | 0.00c | 151.22 | 15.79 | 167.01 | 13.81 | 200DB | 7.0 |
| | Furniture | & Fixtures | 180.82 | 0.00c | 0.00c | 151.22 | 15.79 | 167.01 | 13.81 | | |
| Group: 6 9 10 12 | Office Equipment Fax Machine Digital Voice Recorder Mobile Phone Mobile Phone | 3/05/03 8/27/03 3/01/05 2/28/06 | 156.19 106.99 787.20 870.15 | 0.00 106.99 787.20 870.15 | 0.00 0.00 0.00 0.00 | 156.19 106.99 787.20 870.15 | 0.00 0.00 0.00 0.00 | 156.19 106.99 787.20 870.15 | 0.00 0.00 0.00 0.00 | 200DB 200DB 200DB 200DB | 5.0 5.0 7.0 7.0 |
| | Office | Equipment | 1,920.53 | 0.00c | 0.00c | 1,920.53 | 0.00 | 1,920.53 | 0.00 | | |
| Group: 1 | Organization Costs Organization Costs | 4/24/02 | 625.00 | 0.00 | 0.00c | 625.00 | 0.00 | 625.00 | 0.00 | Amort | 5.0 |
| | Organization Costs | Organization Costs | 625.00 | 0.00c | 0.00c | 625.00 | 0.00 | 625.00 | 0.00 | | |
| Group: 2 7 8 | Software Software- Electric Rain I Mac Computer Software Macromedia/ Shockwave Software | 8/06/02 3/28/03 4/28/03 | 159.00 212.93 899.00 | 0.00 0.00 899.00 | 0.00 0.00 0.00 | 159.00 212.93 899.00 | 0.00 0.00 0.00 | 159.00 212.93 899.00 | 0.00 0.00 0.00 | Amort Amort Amort | 3.0 3.0 3.0 |
| | Software | Software | 1,270.93 | 0.00c | 0.00c | 1,270.93 | 0.00 | 1,270.93 | 0.00 | 0.00c | |
| | Grand Total | Grand Total | 9,333.12 | 0.00c | 0.00c | 8,861.92 | 192.43 | 9,054.35 | 278.77 | | |

Cash Flow Statements as at March 2009

| Particulars | 31-03-2009 Amount in US \$ | 31-03-2008 Amount in US \$ |
|--|-------------------------------|-------------------------------|
| Operating Activities | | |
| Net Income/ (Loss) | -1625.6 | 9573.3 |
| | | - |
| Customer Advances | 126.93 | 5932.5 |
| Net Cash Provided by Operating Activities | (1,752.53) | 3640.8 |
| Investment Activities | | |
| Depreciation | 193.54 | 536.11 |
| | - | - |
| Net Cash Provided by Investment Activities | 193.54 | 536.11 |
| Net Cash Increase/ (decrease) for the Period | (1,946.07) | 4176.91 |
| Cash at the Beginning of the Period | 32003.17 | 27826.25 |
| Cash at the end of the Period | 30057.11 | 32003.17 |

Auditor's Report

CVK & Associates
Chartered Accountants

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

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

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

1) We have examined the attached Balance Sheet of Parag Parikh Financial Advisory Services Limited and Its subsidiary Dimension Venture Inc. as at 31st March 2009 and also the consolidated Profit & Loss account for the year ended on that date annexed thereto. These consolidated financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

4) We further report that in the case of foreign subsidiary of the company viz. Dimension Venture having total assets of Rs. 16.30 (31,272 USD) lakhs as at 31st March, 2009 and total revenue of Rs. 2.60 Lakhs (5,642 USD) for the year ended on that date, the figures used for consolidation are based on management accounts and are therefore unaudited.

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

a) in the case of consolidated Balance Sheet , of the state of affairs of the company & its subsidiary as at 31st March, 2009 and

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

For CVK & Associates
Chartered Accountants

Place: Mumbai
Date: June 18, 2009

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

Consolidated Balance Sheet as at 31st March 2009

| Particulars | Schedule | Current Year (Rs) | | Previous Year (Rs) | |
|--|----------|-------------------|-------------|--------------------|-------------|
| SOURCES OF FUNDS: | | | | | |
| <u>Shareholders' Funds:</u> | | | | | |
| Share Capital | A | | 65,148,050 | | 65,148,050 |
| Reserves & Surplus | B | | 113,162,687 | | 118,962,927 |
| <u>Secured Loan:</u> | | | | | |
| Bank Overdraft (Against Fixed Deposits) | | | 5,410,279 | | |
| | | | 183,721,016 | | 184,110,977 |
| APPLICATION OF FUNDS: | | | | | |
| <u>Fixed Assets:</u> | | | | | |
| Gross Block | C | 26,123,769 | | 24,012,084 | |
| Less: Accumulated Depreciation | | 18,599,921 | | 15,772,674 | |
| Net Block | | | 7,523,848 | | 8,239,410 |
| Investments | D | | 36,174,968 | | 26,788,266 |
| Deffered Tax Assets (Refer Note No 6 in schedule "S") | | | 1,588,671 | | 1,205,240 |
| <u>Current Assets, Loans & Advances:</u> | | | | | |
| Sundry Debtors | E | 6,256,761 | | 24,571,360 | |
| Cash & Bank Balances | F | 104,624,800 | | 91,326,380 | |
| Loans & Advances | G | 6,181,682 | | 11,360,498 | |
| Stock In Trade | | - | | 21,946 | |
| Deposits | H | 33,258,816 | | 68,787,128 | |
| | | | 150,322,059 | | 196,067,312 |
| <u>Less: Current Liabilities & Provisions</u> | | | | | |
| Current Liabilities | I | 9,258,893 | | 38,557,255 | |
| Provisions | J | 2,629,637 | | 9,631,996 | |
| | | | 11,888,530 | | 48,189,251 |
| Net Current Assets | | | 138,433,529 | | 147,878,061 |
| | | | 183,721,016 | | 184,110,977 |

Notes to Accounts

S

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

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

K P Chaudhari, Partner
M.No:31661

Parag S Parikh
Chairman

Rajeev Thakkar
CEO & Director

Place: Mumbai.
Date: June 18, 2009

Trupti Shah
Company Secretary

Consolidated Profit and Loss Account as at 31st March 2009

| Particulars | Schedule | Current Year (Rs) | Previous Year (Rs) |
|---|----------|-------------------|--------------------|
| INCOME: | | | |
| Brokerage | K | 12,033,585 | 30,910,274 |
| Advisory Services | L | 13,123,022 | 22,855,045 |
| Capital Gains on Investments | N | 436,232 | 4,432,849 |
| Profit on Share Trading | M | 65,597 | - |
| Profit on PMS Arbitrage | O | - | 1,182,014 |
| Other Income | p | 9,973,192 | 6,018,813 |
| Web Development Charges | | 260,206 | 1,076,145 |
| Deffered Tax Income | | 383,431 | 244,657 |
| | | 36,275,266 | 66,719,797 |
| Add/ (Less): Extra Ordinary Income/ (Expenses) | | - | 35,570,577 |
| | | 36,275,266 | 102,290,374 |
| EXPENDITURE: | | | |
| Employees' Remuneration & Benefits | Q | 21,891,969 | 28,745,829 |
| Administration & Other Expenses | R | 16,492,934 | 21,467,106 |
| Loss on Share Dealings | M | - | 26,795 |
| Depreciation | C | 3,649,734 | 2,733,339 |
| | | 42,034,636 | 52,973,069 |
| Profit/(Loss) for the year | | (5,759,371) | 49,317,305 |
| Add: Difference in Foreign Exchange Rate | | 334,252 | 53,960 |
| Less : Previous year Taxes Paid | | - | 448,534 |
| Profit/(Loss) After Depreciation and Before Tax | | (5,425,119) | 48,814,811 |
| Less :Corporate Taxes | | | |
| Provision for Current Year Taxes | | - | 7,100,000 |
| Provision for Fringe Benefit Tax | | 375,121 | 407,961 |
| Profit/(Loss) after Depreciation & Tax | | (5,800,240) | 41,306,850 |
| Profit/(Loss) c/f to the Balance Sheet | | (5,800,240) | 41,306,850 |

Notes to Accounts

S

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

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

K P Chaudhari, Partner

Parag S Parikh
Chairman

Rajeev Thakkar
CEO & Director

Place: Mumbai.
Date: June 18, 2009

Trupti Shah
Company Secretary

Schedules Forming Part of Consolidated Balance Sheet as at March 31st, 2009

| Schedule - A : (Amount in Rs.) | Current Year | Previous Year |
|---|--------------|---------------|
| 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 (inclusive of 2646805 shares issued to shareholders of Parag Parikh Securities Ltd at par on amalgamation) | 65,148,050 | 65,148,050 |
| Total Rs. | 65,148,050 | 65,148,050 |

| Schedule - B: | Current Year | Previous Year |
|---------------------------------|--------------|---------------|
| Reserves & Surplus: | | |
| General Reserve: | 385,000 | 385,000 |
| Capital Redemption Reserves | 10,100,000 | 10,100,000 |
| Profit & Loss Account: | | |
| Opening Balance | 108,477,927 | 67,171,077 |
| Add: Profit/(Loss) for the year | (5,800,240) | 41,306,850 |
| Balance Carried Forward | 102,677,687 | 108,477,927 |
| Total Rs. | 113,162,687 | 118,962,927 |

| SCHEDULE C | Rate of Dep. | Gross Block | | | | Depreciation | | | | Net Block | |
|------------------------|--------------|------------------------|-----------------|-----------------|------------------------|------------------------|-----------------|----------------------|------------------------|------------------------|------------------------|
| | | Opening | Addition | sold | Closing | Opening | Addition | Deletion on Asset | Closing | Closing | Closing |
| | | Balance as On 01.04.08 | during the year | during the year | Balance as on 31.03.09 | Balance as On 01.04.08 | during the year | sold during the year | Balance as on 31.03.09 | Balance as on 31.03.09 | Balance as On 31.03.08 |
| Air-conditioners | 20.0% | 1,376,351 | 44,173 | | 1,420,524 | 967,317 | - | 1,053,723 | 366,801 | 409,034 | |
| Computer | 40.0% | 8,531,691 | 352,245 | | 8,883,936 | 6,468,759 | | 7,416,656 | 1,467,280 | 2,042,699 | |
| Electrical Fittings | 20.0% | 324,815 | - | | 324,815 | 208,675 | | 231,903 | 92,912 | 116,140 | |
| Motor Car * | 25.89% | 4,598,633 | 2,057,005 | 1,050,000 | 5,605,638 | 2,553,786 | 822,489 | 2,605,084 | 3,000,554 | 2,044,847 | |
| Office Furniture | 20.0% | 3,230,025 | 34,214 | - | 3,264,239 | 2,200,885 | | 2,411,227 | 853,012 | 1,027,779 | |
| Telephone Systems | 20.0% | 1,830,956 | - | | 1,830,956 | 1,364,481 | | 1,457,776 | 373,180 | 466,475 | |
| Electrical Equipment | 20.0% | 643,130 | - | | 643,130 | 322,225 | | 386,406 | 256,724 | 320,905 | |
| Software Packages | 60.0% | 3,476,485 | 674,046 | | 4,150,531 | 1,686,548 | | 3,037,146 | 1,113,385 | 1,789,937 | |
| Total Rs. | | 24,012,086 | 3,161,683 | 1,050,000 | 26,123,769 | 15,772,676 | 822,489 | 18,599,921 | 7,523,848 | 8,217,818 | |
| Total Of Previous Year | | 32,590,177 | 4,421,907 | 13,000,000 | 24,012,084 | 13,039,337 | - | 15,772,674 | 8,239,412 | | |

* Assets registered in the name of Directors

| Schedule - D: | No of | Cost for | MKT. Rate | MKT. Value on | No of | Cost for |
|--|--------|------------|-----------|---------------|--------|------------|
| LONG TERM INVESTMENT | shares | 31-Mar-09 | 31-Mar-09 | 31-Mar-09 | shares | 3/31/2008 |
| Quoted Investment: | | | | | | |
| "EQUITY SHARES FULLY PAID" | | | | | | |
| Auto Corporation Goa | 0 | 0 | 0 | 0 | 525 | 258,861 |
| Aventis Pharma Ltd. | 1,635 | 757,332 | 983 | 1,607,205 | 1,635 | 757,332 |
| Axis bank Ltd | 1,850 | 989,750 | 415 | 766,825 | 0 | 0 |
| Bharat Electronics Ltd. | 1,150 | 1,043,740 | 883 | 1,015,335 | 1,000 | 915,000 |
| Castrol India Ltd. | 5,000 | 815,960 | 326 | 1,627,500 | 5,000 | 815,960 |
| Container Corporation of India Ltd. | 2,310 | 422,464 | 716 | 1,653,960 | 1,155 | 422,464 |
| Crisil | 555 | 1,412,904 | 2,701 | 1,499,055 | 0 | 0 |
| Glaxo Smithkline Pharmaceuticals Ltd. | 140 | 75,375 | 1,088 | 152,320 | 140 | 75,375 |
| Gujarat Gas Company Ltd. | 10,320 | 2,609,282 | 275 | 2,835,420 | 10,320 | 2,609,282 |
| ICRA Ltd | 3,792 | 1,513,129 | 489 | 1,853,530 | 0 | 0 |
| IGL | 25,000 | 2,786,000 | 109 | 2,717,500 | 25,000 | 2,786,000 |
| ITC Ltd | 0 | 0 | 0 | 0 | 3,000 | 0 |
| Maharashtra Scooters Ltd. | 9,130 | 1,632,567 | 80 | 730,857 | 9,130 | 1,632,567 |
| Monsanto Industries | 1,395 | 1,678,088 | 1,269 | 1,770,464 | 0 | 0 |
| Morganstanley Mutual Fund | 0 | 0 | 0 | 0 | 400 | 0 |
| Mphasis Ltd. | 25,600 | 4,123,481 | 199 | 5,094,400 | 25,600 | 4,123,481 |
| NIIT Technologies Ltd. | 17,868 | 1,197,241 | 53 | 947,004 | 0 | 0 |
| Oracle Financial Services Software Ltd | 3,650 | 1,656,658 | 742 | 2,706,658 | 0 | 0 |
| PAL Peugeot Ltd. | 17,200 | 318,200 | 0 | 0 | 17,200 | 318,200 |
| Pidilite Industries Ltd. | 27,950 | 791,272 | 85 | 2,361,775 | 27,950 | 791,272 |
| Prajay Eng. | 25,000 | 605,500 | 13 | 316,250 | 0 | 0 |
| Sonata Software Ltd. | 90,859 | 2,874,964 | 16 | 1,453,744 | 66,500 | 2,411,412 |
| SSI Ltd (PVP Ventures Ltd) | 1,528 | 281,152 | 10 | 15,524 | 1,528 | 281,152 |
| Trent Ncd | 400 | 200,000 | | 0 | 400 | 200,000 |
| VST Industries Ltd. | 7,000 | 3,591,007 | 225 | 1,575,000 | 7,000 | 3,591,007 |
| Wyeth Ltd. | 3,885 | 1,657,925 | 419 | 1,626,455 | 3,885 | 1,657,925 |
| Total- (i) | | 33,033,991 | | 34,326,781 | | 23,647,290 |
| <u>Unquoted Investments:</u> | | | | | | |
| Karrox Technologies Ltd. | 50,000 | 2,000,000 | | | 50,000 | 2,000,000 |
| Mumbai stock Exchange | 11,401 | 1,140,977 | | | 877 | 1,140,977 |
| Total- (ii) | | 3,140,977 | | 0 | | 3,140,977 |
| Total-(i) + (ii) | | 36,174,968 | | 34,326,781 | | 26,788,267 |

| Schedule - E: | Current Year | Previous Year |
|---|--------------|---------------|
| Sundry Debtors: | | |
| 1. Outstanding for more than 6 months | Nil | Nil |
| 2. Other-debts considered good | | |
| Secured | Nil | Nil |
| Unsecured | 6,256,761 | 24,571,360 |
| | 6,256,761 | 24,571,360 |
| <u>Less:</u> Provision for Doubtful Debts | Nil | Nil |
| Total Rs. | 6,256,761 | 24,571,360 |
| 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 |
|-----------------------------------|--------------|---------------|
| Cash & Bank Balances: | | |
| I) Cash in Hand | 65,075 | 183,982 |
| II) Balances with Scheduled Banks | | |
| in current account | | |
| AXIS Bank | 9,620,596 | 9,095,829 |
| Bank of India | 29,600 | 349,613 |
| HDFC Bank | 1,549,202 | 13,529,849 |
| CITI Bank | - | 835,414 |
| Standard Chartered Grindlays Bank | 11,751 | 11,751 |
| Foreign Banks Accounts | 1,568,079 | 1,243,495 |
| Vijaya Bank | 5,000 | 5,000 |
| In Fixed Deposit account | | |
| HDFC Bank Ltd | 5,000,000 | |
| HDFC Bank Against Gurantee | | 29,377,482 |
| AXIS Bank | 30,000,000 | 15,600,000 |
| AxIS Bank Against Gurantee | 51,100,000 | 20,000,000 |
| Interest accrued | 5,675,497 | 1,093,965 |
| Total Rs. | 104,624,800 | 91,326,380 |

| Schedule - G: | Current Year | Previous Year |
|---|------------------|-------------------|
| Loans & Advances: | | |
| (UnSecured & Considered good) | | |
| I) Advances recoverable in cash or in kind or for value to be received | | |
| Advance Income Tax | 400,000 | 0 |
| Income Tax for the Year | 0 | 7,493,171 |
| Tax deducted at source | 1,499,097 | 0 |
| Income tax refund for A Y 2006-07 | 202,376 | 0 |
| Income tax refund for A Y 2007-08 | 1,152,132 | 1,129,482 |
| Income tax refund A.Y 2008-09 | 1,071,858 | 678,687 |
| Federal Taxes | 48,883 | 76,049 |
| Pre-paid Expenses | 677,958 | 1,056,520 |
| Miscellaneous Loans & Advances | 1,129,378 | 926,589 |
| | <u>6,181,682</u> | <u>11,360,498</u> |
| 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 |
|---------------------------------------|------------------------|-------------------|
| Deposits: | | |
| i) Deposit with Stock Exchange | | |
| NSE Deposit for Capital Market | 4,100,000 | 5,600,000 |
| NSE Deposit for Debt Market | - | 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 | 310,000 |
| NSDL DP Deposit | 1,000,000 | - |
| Deposit for Car Parking in BSE Towers | 150,000 | 150,000 |
| Base Capital Adequacy Deposit | 1,000,000 | 1,500,000 |
| BSE Membership Deposit | 10,000,000 | 10,000,000 |
| BSE Collateral Deposits | - | 5,169,323 |
| | <u>(i) 18,260,000</u> | <u>34,429,323</u> |
| ii) Other Deposits: | | |
| Electricity Deposit | 228,571 | 228,571 |
| R S Vatcha & Co | 30,700 | 30,700 |
| Office Deposit | 14,000,000 | 14,200,000 |
| Telephone Deposit | 95,999 | 85,999 |
| U.S.Club Deposit | 20,000 | 20,000 |
| ILFS initial Deposit | 599,000 | 19,582,988 |
| 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 |
| | <u>(ii) 14,998,816</u> | <u>34,357,804</u> |
| Total Rs. (i)+(ii) | <u>33,258,816</u> | <u>68,787,127</u> |

| Schedule - I: | Current Year | Previous Year |
|----------------------|--------------|---------------|
| Current Liabilities: | | |
| Trade Creditors - | 5,160,764 | 27,803,438 |
| other liability | 4,098,129 | 10,753,817 |
| Total Rs. | 9,258,893 | 38,557,255 |

| Schedule - J: | Current Year | Previous Year |
|------------------------|--------------|---------------|
| Provisions: | | |
| Provision for Gratuity | 2,452,297 | 2,282,922 |
| Provision for Taxation | | 7,100,000 |
| Auditor's Remuneration | 177,340 | 249,074 |
| Total Rs. | 2,629,637 | 9,631,996 |

Schedules Forming Part of Consolidated Profit & Loss A/c for Year Ended March 31st 2009

| Schedule - K: | Current Year | Previous Year |
|----------------------------|--------------|---------------|
| Brokerage: | | |
| Capital Market - Brokerage | 12,033,585 | 30,910,274 |
| Total Rs. | 12,033,585 | 30,910,274 |

| Schedule - L: | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| Advisory Services: | | |
| Portfolio Management Fees | 9,419,094 | 16,175,960 |
| Placement Charges-MF | 2,870,589 | 4,580,681 |
| DP fees | 83,340 | - |
| Investment Advisory Fees- Arbitrage | 363,984 | 1,696,218 |
| Investment Advisory Fees Others | 386,015 | 402,186 |
| Total Rs. | 13,123,022 | 22,855,045 |

| Schedule - M: | Current Year | Previous Year |
|---------------------------------------|--------------|---------------|
| Profit/(Loss) on Share Trading | | |
| Profit/(Loss) on Equity Share trading | 69,555 | (17,019) |
| Profit/(Loss) on Derivative trading | (3,958) | (9,776) |
| Total Rs. | 65,597 | (26,795) |

| Schedule - N: | Current Year | Previous Year |
|--------------------------------|--------------|---------------|
| Capital Gains | | |
| Short Term capital Gain/(Loss) | (124,583) | 1,253,648 |
| Long Term Capital Gains/(Loss) | 560,815 | 3,179,201 |
| Total Rs. | 436,232 | 4,432,849 |

| Schedule - O: | Current Year | Previous Year |
|-------------------------|--------------|---------------|
| Profit on PMS Arbitrage | - | 1,182,014 |

| Schedule - P: | Current Year | Previous Year |
|---|--------------|---------------|
| <u>Other Income</u> | | |
| A. Interest | | |
| Interest on FD with Banks (TDS.Rs. 1481413) | 8,711,908 | 4,585,533 |
| Total Rs. | 8,711,908 | 4,585,533 |
| B. Dividend On Shares & MF | | |
| | 1,062,908 | 1,429,280 |
| C. Other Income | | |
| | 198,376 | 4,000 |
| Total A+B+C | 9,973,192 | 6,018,813 |

| Schedule - Q: | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| Employees' Remuneration & Benefits: | | |
| Salaries | 19,471,732 | 26,083,096 |
| Gratuity & Ex Gratia Payments | 400,000 | 700,000 |
| Employer's Contribution to PF | 1,309,846 | 1,173,471 |
| PF Administration Charges | 144,963 | 128,864 |
| Employer's Contribution to ESIC | 33,659 | 29,655 |
| Staff Welfare & Training | 531,769 | 630,743 |
| Total Rs. | 21,891,969 | 28,745,829 |

| Schedule - R: | Current Year | Previous Year |
|--|--------------|---------------|
| <u>Administrative Expenses:</u> | | |
| Advertisement | 119,165 | 57,670 |
| Audit Fees | 200,000 | 280,900 |
| Bank Guarantee Charges | 940,758 | 575,968 |
| Bank Charges | 98,026 | 54,558 |
| Bank Interest on O/D | 356,809 | - |
| Books & Periodicals | 58,504 | 45,341 |
| General Expenses -BSE/NSE/NSDL | 114,673 | 44,527 |
| Communication Expenses | 808,779 | 947,780 |
| Conveyance | 523,993 | 578,123 |
| DMAT Charges/STP Charges | 132,037 | 127,463 |
| Donation | 200,000 | - |
| Electricity Charges | 1,419,069 | 1,266,314 |
| Entertainment & Business Promotion | 672,491 | 528,856 |
| Franking Charges/Filing Fees | 259,021 | 267,787 |
| Insurance Premiums | 277,871 | 229,767 |
| Internet Charges | 229,605 | 454,031 |
| ILFS Charges | 42,123 | - |
| Lease Line Charges | 451,234 | 292,412 |
| Membership & Subscriptions | 1,868,577 | 1,922,050 |
| Maharashtra Labour Welfare Fund | 25,560 | - |
| Miscellaneous Expenditure | 104,045 | 256,262 |
| Penalty Levied of Exchanges | 19,192 | 154,210 |
| Postage & Courier Charges | 155,223 | 170,186 |
| Printing & Stationery | 564,241 | 541,684 |
| Professional Charges | 2,626,919 | 5,941,671 |
| Professional Tax | 2,000 | 6,000 |
| Rent,Rates & Taxes | 1,002,600 | 1,167,896 |
| Repairs & Maintenance | 506,416 | 274,972 |
| State Federal Taxes | 3,413 | - |
| SEBI Registration Fees | 8,000 | 105,000 |
| Securities Transaction Tax | 23,272 | 349,651 |
| Seminar Education Expenses | 204,219 | 120,708 |
| Security Service Charges | 192,091 | 169,884 |
| Software Systems, Trainings & Services | 302,774 | 527,540 |
| Service Tax on Shares | 1,397 | 20,341 |
| Stamp Duty for Capital Market | 836,104 | 2,340,461 |
| Sundry Balance W/Off | 0 | 15,375 |
| Traveling Expenses | 89,961 | 161,229 |
| Transaction Charges | 479,986 | 837,889 |
| Turnover Charges-SEBI | 14,573 | 21,493 |
| Vehicle Maintenance Expenses | 440,545 | 507,796 |
| VSAT Charges | 117,670 | 103,311 |
| Total Rs. | 16,492,934 | 21,467,106 |

Schedule S - Notes To Accounts

Significant Accounting Policies:

a) Accounting Convention:

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

b) Principles of Consolidation:

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

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

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

c) Investments:

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

d) Other Significant Accounting Standards:

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

Previous year figures have been regrouped wherever necessary.

As per our Report of even date

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

For CVK & Associates
Chartered Accountants

Parag S.Parikh
Chairman

Rajeev Thakkar
CEO & Director

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

Trupti Shah
Company Secretary

Place: Mumbai
Date: June 18, 2009

Place: Mumbai
Date: June 18, 2009

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

Attendance Card

Seventeenth Annual general meeting - September 30, 2009 at. 4.00 pm

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

I hereby record my presence at the Seventeenth Annual General Meeting of the Company on September 30, 2009 at. 4.00 pm at Great Western Building, 1st Floor, 130-132, SBS Marg, Near Lion Gate, Fort, Mumbai - 400 001.

Member's/Proxy'S Signature

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

Parag Parikh Financial Advisory Services Limited
Registered Office: 103, Veena Chambers, 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 17th Annual General Meeting of the Company to be held on September 30, 2009 at. 4.00 pm and at any adjournment thereof.

Dated this _____ day of _____ 2009.

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.

- **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