



PPFAS Mutual Fund

To help clients achieve their long-term financial goals through prudent fund management.

Corporate Information

Board of Directors

Parag Parikh
Rajeev Thakkar
Ashish Shah
Neil Parikh
Sahil Parikh
Sunil Gautam

Auditors

CVK & Associates
Chartered Accounts

Company Secretary

Anindita Sengupta

Bankers

AXIS Bank
HDFC Bank Limited

Registered Office

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

Corporate Office

Great Western Building, 1st Floor,
130/132, S B S Marg, Near Lion Gate,
Mumbai - 400 001

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Notice

NOTICE IS HEREBY GIVEN THAT the Twenty First Annual General Meeting of the members of Parag Parikh Financial Advisory Services Limited will be held on Monday, 30th September, 2013 at 4.00 pm at Great Western Building, 130/132, Shahid Bhagat Singh Marg, Opp. Lion Gate, Fort, Mumbai 400 001 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31st, 2013, the Statement of Profit and Loss for the year ended on that date, and the Report of the Directors' and Auditor's Report thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2013.
3. 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."

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. Sunil Gautam, who retires by rotation and being eligible offers himself for re-appointment.
6. To consider and if deemed fit to pass with or without modification(s) the following Resolution as Ordinary Resolution:

RESOLVED THAT, pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of members in the General Meeting, Mr. Ashish Shah be and is hereby appointed as a Whole-time Director of the Company for a period of three years with effect from 16th January 2013 on the terms and conditions including remuneration as approved by remuneration committee and set out herein

1. Salary: Rs. 95,000/- (Rupees Ninety five Thousand only) on a monthly basis with an authority to Board of Directors to revise the salary as may be approved by the remuneration committee within the limits prescribed under Schedule XIII of the Act.
2. Perquisites: In addition to basic remuneration stated above; Mr. Ashish Shah will be entitled to 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 travelling expenses incurred in the Course of the Company's business will be reimbursed by the Company.

Contribution to Provident Fund: Contribution to Provident Fund to the extent, not taxable under the Income Tax Act, 1961.

Gratuity: Gratuity shall not exceed half months 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.

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

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

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

7. To consider and if deemed fit to pass with or without modification(s) the following Resolution as ordinary Resolution:

RESOLVED THAT the consent and approval of the Company be and is hereby accorded for the payment of ex-gratia to the employees of the subsidiary company including Mr. Parag Parikh and Mr. Rajeev Thakkar, Directors of the Company in appreciation of their past services rendered to the Company."

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby empowered and authorised on behalf of the Company to settle any question, difficulty or doubt that may arise in the determination of the amount to be paid or the manner of distribution, to the aforesaid Directors"

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution and to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary or desirable”.

**For and on behalf of Board of Directors of
Parag Parikh Financial Advisory Services
Limited**

Place: Mumbai

Date :August 27th, 2013

Registered Office: 103, Veena Chambers, 21,
Dalal Street, Fort, Mumbai - 400001

Ashish Shah
Director

Neil Parikh
Director

Notes

1. A member entitled to attend and vote at meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.
2. 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.
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. 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 6 :

Mr. Ashish Shah was the Sr. Vice President Wealth Management Group of the Company since last four years and is now designated as the Director of the Company since past three years. Since his appointment, he is carrying out the work of the company with due authority and expertise. His contribution has played an important role in the growth of the company.

Professionally qualified from the Institute of Cost & Works Accountants of India, Mr. Ashish Shah has over 20 years of varied experience in capital markets. His knowledge and experience will be an asset to the Company.

Mr. Ashish Shah was appointed as a Whole Time Director of the Company at the Annual General Meeting of the Company held on May 17, 2010 for a period of three years with effect from 15th January, 2010. The Board of Directors in their meeting held on March 19, 2013 appointed Mr. Ashish Shah as Whole time Director of the company for a period of Three(3) years with effect from January 16, 2013 on the terms and conditions including remuneration as specified in the resolution recommended for your approval.

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

Presently Mr. Ashish Shah does not hold any Directorship or Committee Membership in any other Company.

Mr. Ashish Shah does not hold any share in the Company.

The Board of Directors recommends the Resolution at Item No. 6 for your approval.

None of the Directors except Mr. Ashish Shah, is in any way concerned or interested in the Resolution.

ITEM 7 :

The Members are informed that due to the corporate restructuring process and the formation of subsidiary company, PPFAS Asset Management Private Limited, some of the employees of the Company including Mr. Parag Parikh and Mr. Rajeev Thakkar, Directors of the Company have been transferred to the subsidiary company for effective set up of the organisation.

The Board of Directors of your Company are therefore of the view that it would only be just and fair that the employees of the subsidiary company including Mr. Parag Parikh and Mr. Rajeev

Thakkar, Directors be paid ex-gratia adequately due to the inconvenience and hardship caused to them.

Your Directors recommend the Resolution for your ratification.

Mr. Parag Parikh and Mr. Rajeev Thakkar, Directors are interested or concerned in the Resolution as the payment of ex -gratia relates to them.

**For and on behalf of Board of Directors of
Parag Parikh Financial Advisory Services
Limited**

Place: Mumbai

Date : August 27th, 2013

Registered Office: 103, Veena Chambers, 21,
Dalal Street, Fort, Mumbai - 400001

Ashish Shah
Director

Neil Parikh
Director

Directors' Report

To the Shareholders

We are pleased to present our report on the business operations of the Company and the audited financial statements for the year ended March 31, 2013.

Financial Results

Highlights of the Financial Results for the years 2012-13 and 2011-12 are given below:

| Particulars | For the year ended March 31, 2013 (Rs. in Lacs) | For the year ended March 31, 2012 (Rs. in Lacs) |
|------------------------------------|---|---|
| Operating Income | 750.76 | 663.10 |
| Other Income | 94.63 | 108.37 |
| Total Income | 845.39 | 771.47 |
| Profit before depreciation and tax | 452.59 | 205.89 |
| Depreciation | 15.88 | 21.18 |
| Profit before tax | 436.71 | 184.71 |
| Current Tax | 92.35 | 23.00 |
| Deferred Tax Income | (0.98) | (1.34) |
| Profit after tax | 345.34 | 163.05 |
| Share Capital | 651.48 | 651.48 |
| Reserves and Surplus | 2,741.10 | 2,471.98 |

Dividend

We propose a final dividend of Rs. 1/- per share upon approval of the shareholders at the 21st Annual General Meeting. This dividend will be paid out of the profits of the company.

Deposits

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

Management Discussion and Analysis and Results of Operations

Environment in the Capital Markets

The stock markets have been affected due to macro economic concerns like the widened CAD & the subsequent slide of the Rupee against the dollar. This has affected several businesses & their ability to raise capital on account of a rising interest rate environment.

With RBI & the Government in firefighting mode, businesses can only hope that these unsustainable conditions are temporary.

Our stance

Invested amount in listed equities as on date is about Rs. 3.2 crores. Apart from this we have invested Rs. 15 crores in PPFAS Asset Management Private Ltd. The setup of the AMC is complete and we are happy to inform we had launched our flagship scheme "PPFAS Long Term Value Fund". The New Fund Offer (NFO) of the Scheme was dated May 13, 2013.

After discontinuing the Depository Participant business with NSDL and the derivatives activities on the National Stock Exchange in 2012, our main focus will be on the investment management activities of our flagship scheme which will be conducted by the Asset Management Company. PPFAS will continue to act as a financial planner, advisor and distributor as well as offer non-discretionary portfolio management services and other portfolio management services as may be decided from time to time.

Our revenue and profitability was strong in the financial year ended March 31, 2013. The net worth of PPFAS at the end of March 31, 2013 has crossed Rs. 34 crores and profit for the just ended financial year was at Rs. 3.45 crores.

Operations of PPFAS

Portfolio Management Services Cognito (Value investment oriented PMS)

Based on the range bound equity markets, Cognito gave moderate absolute investment returns in the last year. The long term track record remains good.

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

| Particulars | PMS Returns | Sensex Returns | Nifty Returns |
|--|-------------|----------------|---------------|
| November 1996 (Inception) to July, 2013 (Annualised) | 15.08% | 13.35% | 13.14% |
| Last 1 Year | (2.70%) | 14.42% | 13.06% |
| Last 3 Years | 1.17% | 3.13% | 3.11% |
| Last 5 Years | 13.09% | 7.16% | 7.23% |

Asset Management Company

Shareholders will be pleased to know that after SEBI granted its final approval for the launch of the flagship scheme "PPFAS Long Term Value Fund" in April 2013, the AMC launched its first scheme, PPFAS Long Term Value Fund. The New Fund Offer (NFO) commenced from May 13, 2013.

We are delighted to have graduated from a portfolio manager to a mutual fund manager and are sure that it will prove to be hugely beneficial to our clients as well as to us in the coming future.

Brokerage business

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

Financial Planning and distribution of financial products

Sluggish equity markets and measures like removal of entry load have resulted in many financial distributors to abandon the space. Resistance to pay advisory fees has resulted in a slow growth in the financial planning space. We are very positive on the need for financial planning and for quality distributors and will enhance focus in this area. Financial planning services offered by PPFAS both online as well as offline continue to notch up client satisfaction and word of mouth referrals. For many clients, financial planning is the beginning of long term association with PPFAS.

Client acquisition efforts

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

Finances

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

Human Resources

The camaraderie and commitment of the team at PPFAS remains outstanding. The financial year 2012-13 witnessed PPFAS Asset Management Private Limited gearing up to receive its final scheme approval from SEBI and a consequent change in the roles of some of the team members at PPFAS. All the team members have been working with dedication in setting up of the new venture.

Future Outlook

The coming couple of years are expected to be exciting as well as challenging on account of the change in business model and changing environment in capital markets. Since, the first scheme of the new mutual fund was launched in May 2013, the focus would be to steer the company in a profitable direction. Setting up of any new business has its initial gestation period. PPFAS has been managing investments since 1996. It is expected that this long track record of 17 years will help it achieve profitability in the mutual fund space at the earliest.

Directors

In accordance with the requirements of the Companies Act, 1956, Mr. Sahil Parikh and Mr. Sunil Gautam, will retire by rotation at the Twenty First Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment.

The existing tenure of Mr. Ashish Shah, Whole Time Director, has expired on January 15, 2013, the Board of the Company in its meeting held on March 19, 2013 has reappointed him as Whole-time Director of the Company for a period of three years w.e.f. January 16, 2013 on the remuneration, terms and conditions as decided by them.

Due to the corporate restructuring process and the formation of subsidiary company, PPFAS Asset Management Private Limited, some of the employees of the Company including Mr. Parag Parikh and Mr. Rajeev Thakkar, Directors of the Company have been transferred to the subsidiary company for effective set up of the organisation.

The Board at its meeting held on March 19, 2013 granted ex-gratia payment to the employees who have been transferred from the Company to the subsidiary for the inconvenience and hardship caused to them.

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, 2013 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, 2013 on a 'going concern' basis.

Particulars of employees

Particulars of employees within the meaning of Section 217 (2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 as amended have not been furnished as there was no employee in the aforesaid category.

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 recognizes 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 2,383.28/- USD.

Consolidated Financial Statement of PPFAS with its subsidiaries

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 2012-13.

Statutory Auditors

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

Acknowledgment

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

**For and on behalf of Board of Directors of
Parag Parikh Financial Advisory Services
Limited**

Place: Mumbai

Date :August 27th, 2013

Registered Office: 103, Veena Chambers, 21,
Dalal Street, Fort, Mumbai - 400001

Ashish Shah
Director

Neil Parikh
Director

Independent Auditors' Report

CVK & Associates
Chartered Accountants

2, Samarth Apartments
D. S. Babrekar Road,
Gokhale Road,(North)
Dadar ,Mumbai - 400 028
Phone : 2446871, 24451488
Fax No: 2446 6139

TO THE MEMBERS OF PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Parag Parikh Financial Advisory Services Limited, which comprises the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For CVK & Associates

Chartered Accountants
(Firm's Registration no.-101745W)

Place: Mumbai
Date: August 27th, 2013

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, 2013. We report that:

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

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

| Nature of Statute | Nature of Dues | Amount Disputed (Rs. in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|-----------------------|---|---|---|
| The Finance Act 1994 | Service Tax | 2.37 | F Y 2001-02 | Appellate tribunal (CESTAT) |
| The Income Tax Act 1961 | Income Tax | 3.60 | A Y 2007-08 | Income Tax Appellate Tribunal |
| The Income Tax Act 1961 | Income Tax | 38.31 | A Y 2008-09 | Income Tax Appellate Tribunal |
| The Income Tax Act, 1961 | Income Tax | 3.59 | A Y 2010-11 | Commissioner of Income Tax (Appeal) |

- (x) The Company does not have accumulated losses and has not incurred cash loss during the current financial year and the immediately preceding financial year.
- (xi) As per the documents and records produced before us, the Company has not defaulted in repayment of dues to institutions, banks or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to the chit fund, nidhi, mutual benefit fund or society do not apply to the company.
- (xiv) In respect of dealing in Shares, Securities, Debentures and Other Investments, proper records have been maintained by the Company of the transactions and contracts and timely entries have been made therein and the Securities are held by the Company in its own name.
- (xv) 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.
- (xvi) The Company has not obtained any term loans.
- (xvii) The funds raised on short-term basis have not been used by the Company for long term investment or vice versa.

- (xviii) 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.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by public issue.
- (xxi) No fraud on or by the Company has been noticed or reported during the year.

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

Place: Mumbai
Date: August 27th, 2013

K.P. Chaudhari, Partner
M.No.31661

Balance Sheet as at 31st March, 2013

| Particulars | Note No | As at 31st March, 2013 (Rs) | As at 31st March, 2012 (Rs) |
|-------------------------------------|----------------|--------------------------------|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 2 | 65,148,050 | 65,148,050 |
| (b) Reserves And Surplus | 3 | 274,110,311 | 247,198,000 |
| | (a) | 339,258,361 | 312,346,050 |
| Current Liabilities | | | |
| (a) Trade Payables | 4 | 4,996,644 | 1,409,870 |
| (b) Other Current Liabilities | 5 | 178,372 | 2,666,739 |
| (c) Short Term Provisions | 6 | 8,964,966 | 12,900,020 |
| | (b) | 14,139,982 | 16,976,629 |
| Total Equity and Liabilities | (a+b) | 353,398,343 | 329,322,679 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 7A | 5,681,102 | 7,188,452 |
| (ii) Intangible Assets | 7B | 289,271 | 482,119 |
| | (c) | 5,970,373 | 7,670,571 |
| (b) Non-Current Investments | 8 | 204,157,500 | 230,412,517 |
| (c) Long-Term Loans & Advances | 9 | 7,471,281 | 5,029,924 |
| (d) Deferred Tax Assets | 10 | 1,467,506 | 1,369,639 |
| | (d) | 213,096,287 | 236,812,080 |
| Current Assets | | | |
| (a) Current Investments | 11 | 65,929,683 | 23,699,258 |
| (b) Trade Receivables | 12 | 23,344,748 | 18,873,622 |
| (c) Cash & Cash Equivalents | 13 | 8,075,049 | 6,328,855 |
| (d) Short-Term Loans & Advances | 14 | 31,668,684 | 33,930,463 |
| (e) Other Current Assets | 15 | 5,313,519 | 2,007,830 |
| | (e) | 134,331,683 | 84,840,028 |
| Total Assets | (c+d+e) | 353,398,343 | 329,322,679 |
| Notes forming part of accounts | 1 | | |

As per our Report of even date
For CVK & Associates
Chartered Accountants
(Firm's Registration no.-101745W)

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

K.P.Chaudhari, Partner
M.No.31661

Ashish Shah
Director

Neil Parikh
Director

Place: Mumbai
Date: August 27th, 2013

Anindita Sengupta
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2013

| Particulars | Note No | For the year ended 31st March, 2013 (Rs) | For the year ended 31st March, 2012 (Rs) |
|---|---------|--|--|
| Income | | | |
| Revenue From Operations | 16 | 75,075,623 | 66,310,447 |
| Other Income | 17 | 9,463,167 | 10,836,878 |
| Total Revenue | | 84,538,790 | 77,147,325 |
| | | | |
| Expenses | | | |
| Employee Benefits Expenses | 18 | 24,346,704 | 34,461,554 |
| Finance Costs | 19 | 10,275 | 8,378 |
| Depreciation & Amortization Expenses | 20 | 1,588,174 | 2,118,483 |
| Other Expenses | 21 | 14,922,197 | 22,087,910 |
| Total Expenses | | 40,867,350 | 58,676,325 |
| Profit Before Tax | | 43,671,440 | 18,471,000 |
| Tax Expense | | | |
| Current Tax | | 9,235,000 | 2,300,000 |
| Deferred Tax Income | | (97,867) | (134,462) |
| Total Tax Expense | | 9,137,133 | 2,165,538 |
| Profit(Loss) for the Period | | 34,534,307 | 16,305,462 |
| Earning Per Equity Share | | | |
| Basic | | 5.30 | 2.50 |
| Diluted | | - | - |
| Notes forming part of accounts | 1 | | |
| Notes referred to above form an integral part of the Financial Statements | | | |

As per our Report of even date
For CVK & Associates
Chartered Accountants
(Firm's Registration no.-101745W)

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

K.P.Chaudhari, Partner
M.No.31661

Ashish Shah
Director

Neil Parikh
Director

Place: Mumbai
Date: August 27th, 2013

Anindita Sengupta
Company Secretary

SCHEDULE ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2013.

Note 1: Notes to Accounts

(I) Company Information

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

(II) Significant Accounting Policies

a. Accounting Convention

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

b. Revenue Recognition

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

c. Fixed Assets

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

d. Investments

Investments are valued at their acquisition costs.

e. Depreciation

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

f. Portfolio Management Scheme (PMS)

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

g. Share Transactions

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

h. Employee Benefits

- a. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss of the year when the contribution to the fund is due. There are no other obligations other than the contribution payable to the fund.
- b. The company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods.

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

i. Provision and Contingent Liabilities

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

j. Taxes on Income

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

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

k. The amount payable to the Small Scale Undertaking is NIL. (Previous year NIL).**l. Funds received from various investors and invested on their behalf & in their respective names under the Portfolio Management Scheme, as at 31st March, 2013 are Rs. 306.99 crores under Cognito Scheme.****m. Contingent Liabilities.**

| Contingent Liabilities | F.Y.2012-13 Amount in Lakhs | F.Y.2011-12 Amount in Lakhs |
|-----------------------------|--------------------------------|--------------------------------|
| * Income Tax (A.Y.-2007-08) | 3.60 | 5.60 |
| Income Tax (A.Y.-2008-09) | 38.31 | - |
| Income Tax (A Y -2010-11) | 3.59 | - |
| Service Tax | 2.37 | 2.37 |
| Axis Bank Guarantee (NSE) | - | 25.00 |

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

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

(III) Major Components of Deferred Tax Assets

| Deferred Tax Assets | (Amount in Rs.) | | |
|---|-----------------|--------|-----------|
| I. Opening Balance | | | 1,369,639 |
| | | | |
| II Changes during the Year | | | |
| a. Timing Difference in Depreciation | | | |
| As per Accounts | 1,588,174 | | |
| As per Income tax Act | 1,286,489 | | |
| Under charged for tax purpose | 301,685 | | |
| Deferred Tax @ 32.44% | | | 97,867 |
| | | | |
| b. Timing difference in Gratuity | - | - | - |
| | | | |
| III. Deferred Tax Income credited to P&L Account | | 97,867 | |
| IV. Net Deferred tax Assets as per Balance Sheet. | | | 1,467,506 |

(IV) Disclosure as required by Schedule VI of the Companies Act, 1956**a) Particulars of Auditor's Remuneration**

| Particulars | F.Y.2012-13 | F.Y.2011-12 |
|-----------------------|-------------|-------------|
| a) As Auditors | 200,000 | 195,000 |
| b) For other Services | 150,000 | 150,000 |
| TOTAL | 350,000 | 345,000 |

b) Value of Imports

| Particulars | F.Y.2012-13 | F.Y.2011-12 |
|------------------|-------------|-------------|
| Value of Imports | NIL | NIL |

c) Expenditure in Foreign Exchange

| Particulars | F.Y.2012-13 | F.Y.2011-12 |
|----------------------------|-------------|-------------|
| Professional Charges (HKD) | NIL | 100,614 |
| Travelling Charges (USD) | NIL | 3,168 |

d) Foreign Exchange Earnings

| Particulars | F.Y.2012-13 | F.Y.2011-12 |
|--|-------------|-------------|
| Earnings in Foreign Exchange (USD)-Advisory services | 2,383.28 | 454 |
| Earnings in Foreign Exchange (USD)- Dividend | - | 22,448 |

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

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

| Name of the Related Party. | Relationship | Nature of Payment | Amount |
|---|--|-------------------|-----------|
| Empeegee Portfolio Management Services Pvt Ltd. | Enterprise over which Key Managerial Personnel are able to exercise significant influence. | Rent | 540,000 |
| Parag Parikh | Director who is able to exercise significant influence | Rent | 12,000 |
| Parag Parikh | Director who is able to exercise significant influence | Consultancy fees | 2,000,000 |
| Rajeev Thakkar | Director who is able to exercise significant influence | Salary | 6,318,275 |
| Neil Parikh | Director who is able to exercise significant influence | Salary | 790,000 |
| Ashish Shah | Director who is able to exercise significant influence | Salary | 2,164,333 |

(VI) Earnings per share (EPS)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Profit attributable to equity shareholders (Rs) | 34,534,307 | 16,305,462 |
| Weighted average number of equity shares Outstanding during the year | 6,514,805 | 6,514,805 |
| Basic & Diluted EPS (Rs) | 5.30 | 2.50 |
| Nominal value per share (Rs) | 10.00 | 10.00 |

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

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

| Note No | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|---|-------------------------------|-------------------|-------------------------------|-------------------|
| 2 | Share Capital | | | | |
| | Authorized: | | | | |
| | 20,000,000 Equity Shares of Rs.10/- each | 200,000,000 | | 200,000,000 | |
| | Issued, Subscribed & Paid Up | | | | |
| | 6,514,805 Equity Shares of Rs.10/- each fully paid | 65,148,050 | | 65,148,050 | |
| | (Inclusive of 2,646,805 shares issued to shareholders of Parag Parikh Securities Ltd at par on Amalgamation) | | | | |
| | | 65,148,050 | | 65,148,050 | |
| | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
| | | Number | Rs. | Number | Rs. |
| | Share Capital | | | | |
| | Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period. | | | | |
| | At the beginning of the period | 6,514,805 | 65,148,050 | 6,514,805 | 65,148,050 |
| | Issued during the period | NIL | NIL | NIL | NIL |
| | Outstanding at the end of the period | 6,514,805 | 65,148,050 | 6,514,805 | 65,148,050 |
| | Details of Shareholders holding more than 5 % of Ordinary Shares | | | | |
| Name of the Shareholders | Number | % of Holding | Number | % of Holding | |
| Parag S Parikh | 5,048,695 | 77.49 | 5,048,695 | 77.49 | |
| Empegee Portfolio Management Services Private Limited | 350,000 | 5.37 | 350,000 | 5.37 | |

| 3 | Reserves and Surplus | | |
|----------|--|--------------------|--------------------|
| | General Reserve (a) | 385,000 | 385,000 |
| | Capital Redemption Reserves (b) | 10,100,000 | 10,100,000 |
| | Surplus/(deficit) in the statement of Profit and Loss | | |
| | At the Beginning of the Accounting period | 236,713,000 | 220,407,538 |
| | Additions During the year | 34,534,307 | 16,305,462 |
| | Amount available for Appropriation | 271,247,307 | 236,713,000 |
| | Appropriations | | |
| | Final Dividend | 6,514,805 | - |
| | Tax on Dividend | 1,107,191 | - |
| | Closing Balance of Surplus in the Statement of Profit & Loss (c) | 263,625,311 | 236,713,000 |
| | Total (a+b+c) | 274,110,311 | 247,198,000 |

| 4 | Trade Payables | | |
|----------|-----------------------|------------------|------------------|
| | Sundry Creditors | 4,996,644 | 1,409,870 |
| | | 4,996,644 | 1,409,870 |

| 5 | Other Current Liabilities | | |
|----------|----------------------------------|----------------|------------------|
| | TDS - Professional Fees | 177,978 | 386,235 |
| | TDS - Contractor | 394 | 592 |
| | TDS - Rent | - | 14,891 |
| | TDS - Salaries | - | 2,265,021 |
| | | 178,372 | 2,666,739 |

| 6 | Short term Provisions | | |
|----------|--|------------------|--------------------|
| | Profession Charges Payable | 535,034 | 2,963,976 |
| | Provisions For Audit Fees | 315,000 | 315,000 |
| | Provision for Expenses | 147,995 | 211,720 |
| | Provident Fund Payable | 110,691 | 128,242 |
| | Stamp Duty Payable | 79,070 | 27,265 |
| | Provision for Bad Debts | 62,058 | 62,058 |
| | PMS-Service Tax Payable Banking | 19,910 | 48,125 |
| | ESIC Payable | 6,120 | 5,203 |
| | Profession Tax Payable | 5,800 | 6,750 |
| | Service Tax payable Financial Planner | 1,100 | - |
| | Security Transaction Tax Payable | 60,192 | 20,420 |
| | Salary Payable | - | 9,111,261 |
| | | | |
| | Other Provisions | | |
| | Proposed Dividend | 6,514,805 | - |
| | Provision for Tax on Proposed Dividend | 1,107,191 | - |
| | | 8,964,966 | 1,29,00,020 |

Notes 7

| Sr. No | Asset | Rate of Dep | Gross Block as at 01/04/2012 | Additions during the year | Deductions during the year | Gross Block as at 31/03/13 | Provision for Dep upto 31/03/12 | Depreciation for the year 12-13 | Accu. Depreciation on Sold Assets | Total dep upto 31/03/13 | Net Block as at 31/03/13 | Net Block as at 31/03/12 |
|-----------------------------|-------------------------|-------------|------------------------------|---------------------------|----------------------------|----------------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------------|--------------------------|--------------------------|
| A. Tangible Assets | | | | | | | | | | | | |
| 1 | Computer | 40.00% | 9,285,422 | 175,367 | - | 9,460,789 | 8,552,110 | 324,103 | - | 8,876,213 | 584,576 | 733,312 |
| 2 | Electrical Equipment | 13.91% | 4,462,313 | 93,643 | - | 4,555,956 | 3,470,820 | 144,926 | - | 3,615,746 | 940,210 | 991,494 |
| 3 | Electrical Installation | 13.91% | 376,290 | - | - | 376,290 | 276,742 | 13,847 | - | 290,589 | 85,701 | 99,548 |
| 4 | Motor Car* | 25.91% | 5,723,636 | 1,106,648 | 3,061,964 | 3,768,320 | 2,081,225 | 600,825 | 1,574,283 | 1,107,767 | 2,660,553 | 3,642,411 |
| 5 | Office Furniture | 18.10% | 4,757,641 | - | - | 4,757,641 | 3,035,954 | 311,625 | - | 3,347,579 | 1,410,062 | 1,721,687 |
| | TOTAL | | 24,605,302 | 1,375,658 | 3,061,964 | 22,918,996 | 17,416,851 | 1,395,326 | 1,574,283 | 17,237,894 | 5,681,102 | 7,188,452 |
| B. Intangible Assets | | | | | | | | | | | | |
| 1 | Computer Software | 40.00% | 5,176,768 | - | - | 5,176,768 | 4,694,649 | 192,848 | - | 4,887,497 | 289,271 | 482,119 |
| | TOTAL | | 5,176,768 | - | - | 5,176,768 | 4,694,649 | 192,848 | - | 4,887,497 | 289,271 | 482,119 |
| | TOTAL (A+B) | | 29,782,070 | 1,375,658 | 3,061,964 | 28,095,764 | 22,111,500 | 1,588,174 | 1,574,283 | 22,125,391 | 5,970,373 | 7,670,571 |
| | Previous Year | | 27,399,880 | 4,437,465 | 2,057,005 | 29,780,340 | 21,170,869 | 2,118,483 | 1,179,582 | 22,109,770 | 7,670,571 | 6,229,011 |

Note 8 : Non - Current Investments

| Particulars | No of Shares | Cost for 31/03/2013 | MKT. Rate as on 31/03/2013 | MKT. Value on 31/03/2013 | No of Shares | Cost for 31/03/2012 |
|---|--------------|------------------------|----------------------------------|-----------------------------|-----------------|------------------------|
| Quoted Investment : Equity Shares fully paid | | | | | | |
| Action Construction | - | - | - | - | 558 | 17,247 |
| Aditya Birla Nuvo Ltd | 25 | 18,896 | 979 | 24,470 | 35 | 28,604 |
| Aegis Logistics Ltd | - | - | - | - | 528 | 69,035 |
| Arvind Limited | 200 | 13,380 | 77 | 15,480 | - | - |
| Asiana House | - | - | - | - | 80 | 11,806 |
| Axis Bank | 6,046 | 4,965,979 | 1,301 | 7,867,358 | 6,041 | 4,961,116 |
| Bajaj corp. | 145 | 14,995 | 220 | 31,857 | 145 | 14,995 |
| Balmer Lawrie Van Ltd | 51 | 28,478 | 606 | 30,896 | 51 | 28,478 |
| Bharat Electricals | 14 | 17,519 | 1,149 | 16,088 | - | - |
| Blissgvs PH | 75 | 1,981 | 27 | 2,003 | - | - |
| Blue Star Limited | 72 | 12,154 | 158 | 11,362 | 47 | 7,887 |
| Camlin Ltd | 444 | 14,955 | 31 | 13,720 | 147 | 4,998 |
| CEBBco | 152 | 4,849 | 30 | 4,484 | - | - |
| Cravatex Ltd | 21 | 8,730 | 302 | 6,342 | - | - |
| Crompton Greaves Ltd | 621 | 83,116 | 94 | 58,188 | 750 | 105,642 |
| Engineers India Ltd | - | - | - | - | 77 | 16,969 |
| FIEM Industries | 25 | 4,625 | 194 | 4,839 | - | - |
| Fortis MLR | 330 | 9,984 | 30 | 9,735 | 234 | 7,488 |
| Foseco India | 120 | 55,480 | 431 | 51,720 | - | - |
| G M BREWERIE | 125 | 10,024 | 65 | 8,113 | - | - |
| Geogit BNP | 786 | 17,018 | 19 | 15,131 | - | - |
| Greaves Cotton Ltd | 619 | 48,710 | 64 | 39,399 | 346 | 29,736 |
| Gujrat Gas | - | - | - | - | 20 | 6,690 |
| Gujarat State Fertilisers | 35 | 2,037 | 58 | 2,046 | - | - |
| Hexaware ltd | 488 | 39,016 | 85 | 41,431 | - | - |
| Hindalco Industries | 100 | 9,155 | 92 | 9,150 | - | - |
| Honda Seil Power Ltd | - | - | - | - | 71 | 23,243 |
| ICICI Bank | 15 | 9,784 | 1,045 | 15,680 | 71 | 49,025 |
| ICRA Ltd | 16 | 14,720 | 1,009 | 16,142 | 16 | 14,720 |
| ILFS & Investment Managers Ltd | 236,926 | 10,122,761 | 20 | 4,726,674 | 236,926 | 10,122,761 |
| Indraprastha Gas | 100 | 27,315 | 275 | 27,545 | 50 | 15,825 |

| | | | | | | |
|-----------------------------------|---------|-------------------|-------|-------------------|---------|-------------------|
| Infra Development Finance | 16 | 1,478 | 144 | 2,298 | 356 | 37,161 |
| J K & Bank | 37 | 26,732 | 1,191 | 44,061 | 37 | 26,732 |
| JK Lakshmi | 400 | 14,800 | 97 | 38,940 | 500 | 18,500 |
| Maharashtra Scooter | 9,132 | 2,743,660 | 369 | 3,370,621 | 9,132 | 2,743,660 |
| Mazda Ltd | 170 | 14,428 | 115 | 19,627 | 170 | 14,428 |
| Mphasis Ltd | 306 | 98,463 | 392 | 119,952 | 250 | 78,095 |
| NESCO Ltd | 13 | 7,150 | 769 | 9,992 | 13 | 7,150 |
| NMDC Ltd | 251 | 36,494 | 138 | 34,525 | - | - |
| NOIDA Toll Bridge Ltd | 341,188 | 10,167,221 | 20 | 6,806,701 | 340,761 | 10,158,225 |
| Petronet LNG | 490 | 70,732 | 135 | 66,346 | - | - |
| Piramal Healthcare Ltd | 7,607 | 3,081,527 | 610 | 4,643,313 | 7,525 | 3,045,740 |
| Piramal Glas | 150 | 13,765 | 76 | 11,468 | - | - |
| Polaris Lab | 982 | 114,752 | 111 | 109,395 | 114 | 14,851 |
| PSU Bank Bees | - | - | - | - | 49 | 14,620 |
| Revathi Equipment Ltd | - | - | - | - | 90 | 28,818 |
| Sasken communications | - | - | - | - | 119 | 12,340 |
| Selan explosive | 114 | 31,216 | 255 | 29,047 | - | - |
| Shipping Corporation | 1,055 | 56,522 | 41 | 42,833 | - | - |
| Sriram Transport | 27 | 17,570 | 696 | 18,787 | - | - |
| Standard Chartered PLC(IDR) | 792 | 60,375 | 118 | 93,773 | 563 | 39,433 |
| Sterling Holiday Resort India | - | - | - | - | 62 | 4,670 |
| Swaraj Engineering Ltd | 70 | 30,131 | 395 | 27,650 | 55 | 24,207 |
| Tata Motors NPP_DVR | 264 | 22,356 | 153 | 40,379 | 294 | 24,898 |
| Thermax Ltd | 20 | 9,769 | 569 | 11,374 | - | - |
| VIP Industries Ltd | 198 | 11,965 | 61 | 11,989 | - | - |
| VST Tiller Ltd | 49 | 23,921 | 354 | 17,358 | 43 | 21,509 |
| Total- (i) | | 32,211,558 | | 20,632,126 | | 31,851,302 |
| Unquoted Investments: | | | | | | |
| Karrox Technologies Ltd. | 25,000 | 1,000,000 | | - | 50,000 | 2,000,000 |
| Mumbai stock Exchange | 11,401 | 1,140,977 | | - | 11,401 | 1,140,977 |
| Total- (ii) | - | 2,140,977 | | | | 3,140,977 |
| INVESTMENT IN MUTUAL FUNDS | | | | | | |
| Birla SunLife Cash Manager | 4,204 | 1,104,965 | | 1,188,942 | 468,562 | 44,920,238 |
| Birla SunLife Dynamic Bond | 333,158 | 6,600,000 | | 6,609,695 | - | - |

| | | | | | | |
|---|------------|--------------------|--|-------------------|------------|--------------------|
| Franklin Templeton India Sort term | 2,806 | 6,600,000 | | 6,607,113 | - | - |
| HDFC High Interest Fund | 127,485 | 5,000,000 | | 5,000,000 | - | - |
| Total- (iii) | | 19,304,965 | | 19,405,750 | | 44,920,238 |
| INVESTMENT IN SUBSIDIARY COMPANY | | | | | | |
| | | | | | | |
| PPFAS Asset Management Pvt. Ltd | 15,000,000 | 150,000,000 | | - | 15,000,000 | 150,000,000 |
| PPFAS Trustee Co. Pvt. Ltd | 50,000 | 500,000 | | - | 50,000 | 500,000 |
| Total- (iv) | | 150,500,000 | | - | | 150,500,000 |
| Grand Total (i+ii+iii+iv) | | 204,157,500 | | | | 230,412,517 |

| | | | |
|----------|--|------------------|------------------|
| 9 | Long Term Loans and Advances | | |
| | Advances recoverable in cash or kind | | |
| | a) Previous year Taxes Receivable | 7,823,901 | 3,357,673 |
| | b) Advance Tax(Net of Provision for Tax) | (352,620) | 1,672,251 |
| | | 7,471,281 | 5,029,924 |

| | | | |
|-----------|--|------------------|------------------|
| 10 | Deferred Tax Asset | | |
| | Opening Balance | 1,369,639 | 1,235,177 |
| | Fixed Assets:Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law | 97,867 | 134,462 |
| | Net Deferred Tax Asset | 1,467,506 | 1,369,639 |

| | | | |
|-----------|--|-------------------|-------------------|
| 11 | Current Investments | | |
| | Fixed Deposits with maturity less than 12 months | 65,929,683 | 23,699,258 |
| | | 65,929,683 | 23,699,258 |

| | | | |
|-----------|--|-------------------|-------------------|
| 12 | Trade Receivables | | |
| | (1) Debts outstanding for a period exceeding six months from the date they are due | NIL | NIL |
| | (2) Other Debts (Unsecured considered good) | 23,344,748 | 18,873,622 |
| | | 23,344,748 | 18,873,622 |

| 13 | Cash & Cash Equivalents | | |
|-----------|------------------------------------|------------------|------------------|
| | (i) Cash in hand and as Imprest | 50,687 | 71,221 |
| | (ii) On Current Accounts | 8,024,362 | 6,257,634 |
| | | 8,075,049 | 6,328,855 |

| 14 | Short Term Loans and Advances | | |
|-----------|--------------------------------------|-------------------|-------------------|
| | (i) Deposits with Stock Exchange | 12,750,000 | 16,050,000 |
| | (ii) Other Deposits | 17,812,867 | 16,648,360 |
| | (iii) Advances | 1,105,817 | 1,232,103 |
| | | 31,668,684 | 33,930,463 |

| 15 | Other Current Assets | | |
|-----------|------------------------------------|------------------|------------------|
| | Interest accrued on Fixed Deposits | 4,587,503 | 1,195,583 |
| | Prepaid Expenses | 726,016 | 812,247 |
| | | 5,313,519 | 2,007,830 |

Notes to and Forming Part of Statement of Profit & Loss for the year Ended 31st March 2013.

| Note No | Particulars | For the year ended 31st March 2013 | For the year ended 31st March 2012 |
|----------------|--------------------------------|---|---|
| 16 | Revenue From Operations | | |
| | Portfolio Management Fees | 60,857,925 | 50,673,435 |
| | Brokerage | 10,837,029 | 10,601,834 |
| | Placement Charges - MF | 3,114,149 | 3,132,854 |
| | Advisory Fees | 264,896 | 1,614,622 |
| | Dp Fees | 1,624 | 287,702 |
| | | 75,075,623 | 66,310,447 |

| | | | |
|------------|--|------------------|-------------------|
| 17 | Other Income | | |
| (a) | Net Gain/Loss on Sale of Investment | | |
| | Long Term Capital Gain Equity | 547,252 | - |
| | Short Term Capital Gain on Equity | 86,751 | 28,150 |
| | Short Term Capital Gain on Mutual Fund | 67,425 | 36,686 |
| | Profit on share dealings | - | 10,136 |
| | Total (a) | 701,428 | 74,972 |
| (b) | Other Non-Operating Income | | |
| | Interest on Fixed Deposit | 6,282,756 | 1,992,767 |
| | Dividend on Mutual Fund | 1,487,857 | 7,122,201 |
| | Dividend on Shares | 863,314 | 876,710 |
| | Interest on ILFS Margin | 54,868 | 121,602 |
| | Profit on Sale of Car | 41,092 | 222,577 |
| | Other Income | 31,852 | 426,050 |
| | Total (b) | 8,761,739 | 10,761,906 |
| | Total (a + b) | 9,463,167 | 10,836,878 |

| 18 Employee Benefit expenses | | | |
|---|--------------------------------|-------------------|-------------------|
| Salary and Wages | | | |
| | Office Staff Salary | 23,252,034 | 31,798,537 |
| Contribution to Provident Fund and other funds | | | |
| | Contribution to Provident Fund | 794,296 | 2,031,597 |
| Other expenses | | | |
| | Staff Welfare | 300,374 | 631,420 |
| | | 24,346,704 | 34,461,554 |

| 19 Financial Costs | | | |
|---------------------------|-----------------------|---------------|--------------|
| | Interest on Overdraft | 10,275 | 8,378 |
| | | 10,275 | 8,378 |

| 20 Depreciation and Amortization expense | | | |
|---|-----------------------------------|------------------|------------------|
| | Depreciation of Tangible Assets | 1,395,326 | 1,813,151 |
| | Amortization of Intangible Assets | 192,848 | 305,332 |
| | | 1,588,174 | 2,118,483 |

| 21 Other expenses | | | |
|--------------------------|---|-----------|------------|
| | Professional Charges | 6,772,989 | 10,447,249 |
| | Electricity expenses | 1,208,622 | 944,563 |
| | Rent Expenses | 553,483 | 778,387 |
| | Telephone/communication | 543,408 | 747,007 |
| | Entertainment & Business Promotion Expenses | 541,339 | 994,078 |
| | Membership & subscription | 522,864 | 444,699 |
| | Stamp duty | 459,731 | 364,760 |
| | Computer Maintenance | 418,179 | 863,134 |
| | Repairs & maintenance | 536,595 | 538,482 |
| | Conveyance Charges | 390,297 | 372,128 |
| | Audit fees | 350,000 | 345,000 |
| | Motor car expenses | 349,931 | 551,234 |
| | Printing & stationery | 293,044 | 445,087 |
| | Transaction charges | 235,271 | 341,571 |
| | Prior period expenses/income | 436,280 | 537,158 |
| | Lease line charges | 91,403 | 352,172 |

| 21 | Other expenses | | |
|-----------|---|-------------------|-------------------|
| | Postage & Courier Charges | 173,837 | 309,383 |
| | Miscellaneous expenses | 128,298 | 228,932 |
| | Insurance Charges | 145,340 | 169,099 |
| | Security service charges | 144,000 | 143,999 |
| | Vsat charges | 100,000 | 100,000 |
| | Demat charges | 90,248 | 31,720 |
| | Travelling expenses | 79,776 | 444,316 |
| | Seminar fees | 77,023 | 209,576 |
| | BSE rent and maintenance charges | 53,180 | 31,771 |
| | Interest and fine for Taxes | 43,693 | - |
| | Books & periodicals | 30,756 | 65,812 |
| | Advertising expenses | 28,299 | 623,010 |
| | Filing fees | 26,403 | 10,596 |
| | Donations | 25,000 | - |
| | General charges NSDL/NSE/STP | 21,785 | 144,580 |
| | Bank Charges | 19,370 | 36,945 |
| | Turnover (SEBI) | 8,755 | 7,164 |
| | Franking charges | 7,977 | 62,170 |
| | Internet charges | 6,242 | 23,779 |
| | Penalties levied by stock exchange | 3,526 | 31,610 |
| | Professional tax - company | 2,000 | 2,000 |
| | STT,Service Tax & other charges on Share Investment | 1,705 | 16,531 |
| | Maharashtra Labour welfare Fund | 1,548 | 2,772 |
| | Investments written off | - | 318,200 |
| | ILFS charges | - | 7,237 |
| | | 14,922,197 | 22,087,910 |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

K. P. Chaudhari, Partner

M.No.31661

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

Ashish Shah

Director

Neil Parikh

Director

Place: Mumbai

Date: August 27th, 2013

Anindita Sengupta

Company Secretary

General Profile

| Registration Details | |
|---|-------------------|
| Registration No. | 11-68970 of 1992. |
| Balance Sheet Date | March 31, 2013. |
| Capital Raised during the Year | |
| Public Issue | NIL |
| Right Issue | NIL |
| Bonus Issue | NIL |
| Private Placement | NIL |
| Position of Mobilisation and Deployment of Funds: (Rs. in'000) | |
| Total Liabilities | 353,398 |
| Total Assets | 353,398 |
| Sources of Funds | |
| Paid-up Capital | 65,148 |
| Reserves and Surplus | 274,110 |
| Current Liabilities | 14,140 |
| Application of Funds: | |
| Net Fixed Assets | 5,970 |
| Non Current Investments | 204,157 |
| Long Term Loans & Advances | 7,471 |
| Net Deferred Tax Assets | 1,468 |
| Current Assets | 134,332 |
| Accumulated losses | NIL |

| Performance of the Company: (Rs. in'000) | |
|---|----------|
| Turnover | 84,539 |
| Total Expenditure (Including Depreciation.) | 40,867 |
| Profit/(Loss) Before Tax | 43,671 |
| Profit /(Loss) After Tax | 34,534 |
| Earnings Per Share (EPS) (in Rs.) | 5.30 |
| Dividend Declared | 6,514.81 |

Principle Services rendered by the Company:

- **Equity Broking**
- **Portfolio Management Services**
- **Mutual Fund Distribution**
- **Financial Planning**

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

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

K. P. Chaudhari, Partner

M.No.31661

Ashish Shah

Director

Neil Parikh

Director

Anindita Sengupta

Company Secretary

Place: Mumbai

Date: August 27th, 2013

Statement pursuant to Section 212 of the Companies Act, 1956

| Sr. No. | Particulars | PPFAS Asset Management Private Limited | PPFAS Trustee Company Private Limited |
|----------------|--|---|--|
| 1 | Financial years of the Subsidiary Company ended on | 31st March, 2013 | 31st March, 2013 |
| 2 | Date from which it became subsidiary | 8th August 2011 | 24th August 2011 |
| 3 | Number of share hold by the holding company in the subsidiary company at the end of the financial year of the subsidiary company | | |
| | a) Equity Shares | 14,999,999 | 49,999 |
| 4 | The net aggregate amount of the Subsidiaries profit/(loss) so far as it is concerned with the members of the holding company | | |
| | i) Not dealt within the holding company's accounts | | |
| | a) For the financial year ended on 31st March 2013 | Loss of Rs. 6,806,776 | Loss of Rs. 162,355 |
| | b) For the previous financial years of the Subsidiary/since it became the | Profit of Rs. 2,147,405 | Loss of Rs. 131,607 |
| | Holding company's subsidiary | | |
| | ii) Dealt within the holding company's accounts | | |
| | a) For the financial year of the Subsidiary | - | - |
| | b) For the previous financial years of the Subsidiary/since it became the | - | - |
| | Holding company's subsidiary | | |
| 5 | Material changes, if any between the end of the financial year of the subsidiary company and that of the Holding Company | NA | NA |

PPFAS Asset Management Private Limited

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NOTICE

Notice is hereby given that the Second Annual General Meeting of the members of the PPFAS Asset Management Private Limited will be held on Thursday, 29th August 2013 at 11.00 a.m. At 130-132 Great Western Building, S.B. Singh Road, opposite Lion Gate, Fort, Mumbai- 400001 to transact the following business;

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, the Statement of Profit and Loss for the year ended on 31st March 2013 and the Report of Directors' and Auditor's Report thereon.
2. To reappoint CVK & 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 of the company and to fix their remuneration.

"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 re-appoint Mr. Rajnikant Rao, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. Kamlesh Somani, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

5. To approve and ratify the compensation paid to Mr. Parag Parikh as a Director of the Company for the financial year 2012-2013.

The Company paid a compensation of Rs. 1,431,467/- to Mr. Parag Parikh for the financial year 2012-2013. Compensation paid to Mr. Parag Parikh has been as per the terms of appointment as approved by the members of the company in the previous Annual General Meeting.

Following resolution is proposed as ordinary resolution for the approval of members of the company.

"Resolved that a compensation of Rs. 1,431,467/- paid to Mr. Parag Parikh as a Director of the company for the financial year 2012-2013 be and is hereby approved."

"Resolved further that any one director of the company be and is hereby authorised to do all such acts including filing requisite form/s with the Registrar of Companies and/ or any other regulatory authority."

6. To approve and ratify the compensation paid to Mr. Rajeev Thakkar as a Director and Fund Manager of the Company for the financial year 2012-2013.

The Company paid a compensation of Rs. 1,630,300/- to Mr. Rajeev Thakkar for the financial year 2012-2013. Compensation paid to Mr. Rajeev Thakkar has been as per the terms of appointment as approved by the members of the company in the previous Annual General Meeting.

Following resolution is proposed as ordinary resolution for the approval of members of the company.

"Resolved that a compensation of Rs. 1,630,300/- paid to Mr. Rajeev Thakkar as a Director of the company for the financial year 2012-2013 be and is hereby approved."

"Resolved further that any one director of the company be and is hereby authorised to do all such acts including filing requisite form/s with the Registrar of Companies and/ or any other regulatory authority."

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956:**Item 5**

To approve and ratify the compensation paid to Mr. Parag Parikh as a Director of the Company for the financial year 2012-2013.

Mr. Parag Parikh is acting as a Director and Chairman of the Company. His duties involve providing directions to the operations of the Company and represent the Company in public domain. His vast experience in the field of capital markets and fund management industry is a great asset for the Company.

The Board is of the view that the Compensation offered to Mr. Parag Parikh for the financial year 2012-2013 is inline with his educational background, vast experience of capital markets and fund management industry.

Item 6

To approve and ratify the compensation paid to Mr. Rajeev Thakkar as a Director and Fund Manager of the Company for the financial year 2012-2013.

Mr. Rajeev Thakkar is acting as a Chief Investment Officer of the Company. His functions as a Chief Investment Officer involves overlooking the operations of fund management department and drafting investment policies for the PPFAS Mutual Fund.

Board is of the view that the Compensation offered to Mr. Rajeev Thakkar for the financial year 2012-2013 is inline with his educational background, vast experience of capital markets and fund management industry.

**For and on behalf of the Board of Directors of
PPFAS Asset Management Private Limited.**

Place: Mumbai

Parag Parikh

Rajeev Thakkar

Date: June 28th, 2013

Director

Director

Notes

1. A member entitled to attend and vote at meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.
2. 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.
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. Members are requested to notify immediately any change in address to the company.

Directors' Report

To the Shareholders:

We are pleased to present the second annual report on the business operations of the Company and the audited financial statements for the period ended March 31, 2013.

| Particulars | For the year ended March 31, 2013 (Rs. In Lakhs) | For the year ended March 31, 2012 (Rs. In Lakhs) |
|------------------------------------|---|---|
| Operating Income | NIL | NIL |
| Other Income | 132.20 | 78.22 |
| Total Income | 132.20 | 78.22 |
| Profit before depreciation and tax | (55.80) | 32.13 |
| Depreciation | 11.36 | 1.04 |
| Profit before tax | (67.16) | 31.09 |
| Current Tax | - | 8.07 |
| Deferred Tax | 0.91 | 1.54 |
| Profit/ (Loss) after tax | (68.07) | 21.47 |
| Share Capital | 1500 | 1500 |
| Reserves and Surplus | (46.59) | 21.47 |

Dividend

SEBI has registered the Company as an asset management company vide its letter no. MF/069/12/01 dated October 10, 2012. The Company has launched its flagship scheme 'PPFAS Long Value Term Fund' on May 13, 2013.

Board members are of the view to conserve resources and increase net worth of the Company. Capital adequacy is a key factor in the financial markets. Retention of earnings will help the company to provide adequate capital cushioning to the operations of the Company.

Your Directors do not recommend any dividend for the year.

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Rajnikant Rao and Mr. Kamlesh Somani will retire by rotation at this Annual General Meeting. They are eligible for re-appointment and offer themselves for the reappointment as Directors of the Company.

Necessary resolutions for the reappointment of the aforesaid Directors have been included in the notice convening the Annual General Meeting.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 274 (1) (g) of the Companies Act, 1956.

Board Meetings

The meetings of the Board of Directors are held at the Company's corporate office in Mumbai. During the financial year 2012-2013, 5 (five) Board meetings were held.

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 Capital Markets**

The stock markets have been affected due to macro economic concerns like the widened CAD & the subsequent slide of the Rupee against the dollar. This has affected several businesses & their ability to raise capital on account of a rising interest rate environment.

With RBI & the Government in firefighting mode, businesses can only hope that these unsustainable conditions are temporary.

Operations of the Company

The Directors are pleased to inform about the launch of the flagship scheme 'PPFAS Long Term Value Fund' on May 13, 2013 after receiving the scheme approval from SEBI on April 8, 2013.

During the New Fund Offer (NFO) scheme garnered INR 63.87 crores, with 768 investors. It should be noted that out of total inflow during the NFO 97% was through Direct Plan (investment routed otherwise than distributors).

Investor Relations

Company has in house investor relations department which addresses all investor queries. In house investor relations department is supported by CAMS service centres. PPFAS Mutual Fund has appointed CAMS as its registrar and transfer agent.

Finances

The Company has invested the funds received in the form of capital in Liquid Funds of registered Mutual Funds and parked most of the money in Fixed Deposits Receipts with scheduled banks.

Expenses incurred during the year were in the nature of NFO expenses, Legal expenses, expenses to acquire capital assets. Expenses incurred toward acquisition of assets have been capitalised.

Human Resource

The Company is recruiting employees at a gradual pace. All employees for the key functions of the company and the support staff have been appointed. As operations of the mutual fund grow, company will employ more employees to support its operations and service unit holders of PPFAS Mutual Fund. Board is of the opinion that it is a very sensible approach.

Future Outlook

NFO of our flagship scheme started on a strong footing. We are positive in our out look towards gradual and steady growth in the Assets Under Management (AUM).

Directors' Responsibility Statement:

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

- a. that in the preparation of the accounts for the financial year ended on 31st March 2013 the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgements 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 profits 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 any irregularities;
- d. that the Directors have prepared the accounts for the financial year ended on 31st March 2013 on a 'going concern' basis.

Particulars of employee/s as required under section 217 (2A) of the Companies Act, 1956

| Employee Name | Designation | Total Remuneration (INR) |
|---------------|-------------|--------------------------|
| None. | | |

Audit Committee:

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

| | |
|----------------|---------------------------|
| Rajnikant Rao | Chairman of the Committee |
| Kamlesh Somani | Member of the Committee |
| Rajeev Thakkar | 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

The company is engaged in providing investment management and advisory services to the mutual fund. Electricity cost is not a major component of total cost of the company. The company recognises the need and importance to conserve the energy. Company makes sure that it uses electrical equipments which are energy efficient.

b. Technology absorption, adoption and innovation

The company is not engaged in any manufacturing activity and hence this section does not apply to the company.

c. Foreign exchange earning and outgo during the year

During the financial year under consideration there was no foreign exchange remittance, either inbound or otherwise.

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 of the company.

Board recommends the members of the company to approve the reappointment of M/s. CVK & Associates, Chartered Accountants.

Acknowledgement

The Directors wish to acknowledge the valuable assistance provided by the Securities and Exchange Board of India which helped the Company launch its first scheme well ahead of time.

The Directors wish to place on record their sincere appreciation to all employees of PPFAS Asset Management Private Limited (which acts as the Investment Manager to PPFAS Mutual Fund) for their dedication and focused attitude.

The Directors also appreciate the trust of investors for the flagship scheme of PPFAS Mutual Fund and look forward for their continued support.

**For and on behalf of the Board of Directors of
PPFAS Asset Management Private Limited.**

Place: Mumbai

Parag Parikh

Rajeev Thakkar

Date: June 28th, 2013

Director

Director

Independent Auditors' Report

CVK & Associates
Chartered Accountants

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

TO THE MEMBERS OF PPFAS ASSET MANAGEMENT PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PPFAS Asset Management Private Limited ,which comprises the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2013;
 - (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
- and

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act,1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Mumbai
Date: June 28th, 2013

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 PPFAS Asset Management Private Limited (the Company) for the year ended 31st March, 2013. We report that:

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

- x) This Company has not completed 5 years of registration but the Company has incurred cash loss during current year and has earned profit during immediately preceding financial year, being the first year of operation.
- xi) As per the documents and records produced before us, the Company has not defaulted in repayment of dues to institutions, banks or debenture holders.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund, nidhi, mutual benefit fund or society do not apply to the Company.
- xiv) In respect of dealing in Shares, Securities, Debentures and Other Investments, proper records have been maintained by the Company of the transactions and contracts and timely entries have been made therein and the Securities are held by the Company in its own name.
- xv) 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.
- xvi) The Company has not obtained any term loans.
- xvii) The funds raised on short-term basis have not been used by the Company for long-term investment or vice versa.
- xviii) 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.
- xix) The Company has not issued any debentures.
- xx) The Company has not raised any money by public issue.
- xxi) Any fraud on or by the Company has not been noticed or reported during the year.

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

Place: Mumbai
Date: June 28th, 2013

K.P. Chaudhari, Partner
M.No.31661

Balance Sheet as at 31st March, 2013

| Particulars | Note No. | As at 31st March, 2013 (Rs) | As at 31st March, 2012 (Rs) |
|------------------------------------|----------------|-----------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 2 | 150,000,000 | 150,000,000 |
| (b) Reserves And Surplus | 3 | (4,659,371) | 2,147,405 |
| | (a) | 145,340,629 | 152,147,405 |
| Non Current Liabilities | | | |
| (a) Deferred Tax Liabilities (Net) | 4 | 245,002 | 154,387 |
| | (b) | 245,002 | 154,387 |
| Current Liabilities | | | |
| (a) Other Current Liabilities | 5 | - | 251,872 |
| (b) Short Term Provisions | 6 | 154,241 | 1,746,624 |
| | (c) | 154,241 | 1,998,496 |
| Total | (a+b+c) | 145,739,872 | 154,300,288 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 7A | 1,311,063 | 330,612 |
| (ii) Intangibles | 7B | 1,004,579 | 1,674,298 |
| | (d) | 2,315,642 | 2,004,910 |
| (b) Non-Current Investments | 8 | 370,376 | 2,778,639 |
| (c) Long Term Loans & Advances | 9 | 1,230,174 | - |
| | (e) | 1,600,550 | 2,778,639 |
| Current Assets | | | |
| (a) Current Investments | 10 | 139,740,000 | 145,000,000 |
| (b) Cash & Cash Equivalents | 11 | 623,081 | 154,830 |
| (c) Short-Term Loans & Advances | 12 | 100,000 | 140,000 |
| (d) Other Current Assets | 13 | 1,360,599 | 4,221,909 |
| | (f) | 141,823,680 | 149,516,739 |
| Total | (d+e+f) | 145,739,872 | 154,300,288 |
| Notes forming part of accounts | 1 | | |

Notes referred to above form an integral part of the Financial Statements

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
PPFAS Asset Management Private Limited**

K. P. Chaudhari, Partner

M.No.31661

Place: Mumbai

Date: June 28th, 2013

Parag Parikh
Director

Rajeev Thakkar
Director

Swapnil Walimbe
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2013

| Particulars | Note No. | For the year ended 31st March, 2013 (Rs) | For the year ended 31st March, 2012 (Rs) |
|--------------------------------------|----------|--|--|
| Income | | | |
| Revenue from operations | | - | - |
| Other Income | 14 | 13,219,593 | 7,822,321 |
| Total Revenue | | 13,219,593 | 7,822,321 |
| Expenses | | | |
| Employee Benefits Expenses | 15 | 12,687,038 | 2,080,981 |
| Depreciation & Amortization Expenses | 16 | 1,136,166 | 104,114 |
| Other Expenses | 17 | 6,112,550 | 2,528,434 |
| Total Expenses | | 19,935,754 | 4,713,529 |
| Profit Before Tax | | (6,716,161) | 3,108,792 |
| Tax Expense | | | |
| (i) Current Tax | | - | 807,000 |
| (ii) Deferred Tax | | 90,615 | 154,387 |
| | | 90,615 | 961,387 |
| Profit (Loss) for the Period | | (6,806,776) | 2,147,405 |
| Earning Per Equity Share | | | |
| Basic | | (0.45) | 0.14 |
| Diluted | | (0.45) | 0.14 |
| Notes Forming part of accounts | 1 | | |

Notes referred to above form an integral part of Financial Statements

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
PPFAS Asset Management Private Limited**

K. P. Chaudhari, Partner

M.No.31661

Parag Parikh

Director

Rajeev Thakkar

Director

Swapnil Walimbe

Company Secretary

Place: Mumbai

Date: June 28th, 2013

SCHEDULE ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2013.

Note 1: Note to Accounts

I) Company Information

The Company PPFAS Asset Management Private Limited is subsidiary of Parag Parikh Financial Advisory Services Limited. It was incorporated on 08.08.2011. This is the Second year of operations of the Company. The Company is incorporated to function as an investment manager to the PPFAS Mutual Fund. The company has not started its operations as an investment manager till the end of the second year of operations hence only source of income was interest income from fixed deposit with bank and capital gain income. After the Launch of the NFO on 13th May 2013, the company has started its functions as Investment Manager & thus had started earning Management fees as its primary source of Income.

II) 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 management fees, Interest and other business is generally recognized on accrual basis. Dividend on shares is accounted on cash basis for the sake of convenience, and for want of information.

c) Fixed Assets

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

d) Investments

Investments are valued at their acquisition costs.

e) Depreciation

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

f) Share Transactions

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

g) Employee Benefits

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

(ii) The company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The present value of the obligation is determined based on the actuarial valuation. This amount is funded through an employee gratuity trust managed by HDFC Standard Life Insurance.

h) Provision and Contingent Liabilities

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

i) Taxes on Income

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

j) The amount payable to the Small Scale Undertaking is NIL. (Previous year NIL).**k) Contingent Liabilities: NIL****III) Major Components of Deferred Tax Assets**

| Deferred Tax Assets | | (Amount in Rs.) |
|---|-----------|------------------------|
| I. Opening Balance | | 154,387 |
| | | |
| II Changes during the Year | | |
| a. Timing Difference in Depreciation | | |
| As per Accounts | 1,136,166 | |
| As per Income tax Act | 1,429,418 | |
| Overcharged for tax purpose | 293,252 | |
| Deferred Tax @ 30.90% | | 90,615 |
| | | |
| b. Timing difference in Gratuity | | NIL |
| | | |
| III. Deferred Tax Expense charged to P& L Account | 90,615 | |
| IV. Net Deferred tax Assets as per Balance Sheet. | | 90,615 |

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

| Director Name | Amount in Rs. | Head of Expenses |
|----------------|---------------|--------------------------|
| Parag Parikh | 1,431,467/- | Salary and Sitting Fees. |
| Rajeev Thakkar | 1,630,300/- | Salary and Sitting Fees. |
| Rajnikant Rao | 25,000/- | Sitting Fees. |
| Kamlesh Somani | 25,000/- | Sitting Fees. |

b) Particulars of Auditor's Remuneration

| Particulars | FY 2012-2013. | FY 2011-2012. |
|-----------------------|---------------|---------------|
| a) As Auditors | 22,472/- | 20,000/- |
| b) For other Services | - | - |
| TOTAL | 22,472/- | 20,000/- |

c) Value of Imports

| Particulars | FY 2012-2013. | FY 2011-2012. |
|------------------|---------------|---------------|
| Value of Imports | NIL | NIL |

d) Expenditure in Foreign Exchange

| Particulars | FY 2012-2013. | FY 2011-2012. |
|---|---------------|---------------|
| Expenditure in Foreign Exchange (USD)- Professional Charges | NIL | NIL |

e) Foreign Exchange Earnings

| Particulars | FY 2012-2013. | FY 2011-2012. |
|--|---------------|---------------|
| Earnings in Foreign Exchange (USD)-Advisory services | NIL | NIL |

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

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

| Name of the Related Party. | Relationship | Nature of Payment | Amount in Rs. |
|--|--|--------------------------|----------------------|
| Empeegee Portfolio Management Services Pvt. Ltd. | Enterprise over which Key Managerial Personnel are able to exercise significant influence. | Rent | 600,000/- |
| Parag Parikh | Director who is able to exercise significant Influence | Salary | 1,431,467/- |
| Rajeev Thakkar | Director who is able to exercise significant Influence | Salary | 1,630,300/- |

VI) Earnings/(Loss) per share (EPS)

| Particulars | Current year | Previous year |
|--|---------------------|----------------------|
| Profit attributable to equity shareholders | (6,806,776) | 2,147,405 |
| Weighted average number of equity shares Outstanding during the year | 15,000,000 | 15,000,000 |
| Basic & Diluted EPS (Rs) | (0.45) | (0.14) |
| Nominal value per share (Rs) | 10.00 | 10.00 |

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

| Note No. | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|--|-------------------------------|---------------------|-------------------------------|---------------------|
| 2 | Share Capital | | | | |
| | Authorised: | | | | |
| | 15,000,000 Equity Shares of Rs.10/- each | | 150,000,000 | 150,000,000 | |
| | Issued, Subscribed & Paid Up | | | | |
| | 15,000,000 Equity Shares of Rs.10/- each fully paid | | 150,000,000 | 150,000,000 | |
| | | | 150,000,000 | 150,000,000 | |
| | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
| | | Number | (Rs) | Number | (Rs) |
| | Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period. | | | | |
| | At the beginning of the Period | 15,000,000 | 150,000,000 | NIL | NIL |
| | Issued during the period | NIL | NIL | 15,000,000 | 150,000,000 |
| | Outstanding at the end of the period | 15,000,000 | 150,000,000 | 15,000,000 | 150,000,000 |
| | Details of Shareholders holding more than 5 % of Ordinary Shares | | | | |
| | Name of the Shareholders | Number | % of Holding | Number | % of Holding |
| Parag Parikh Financial Advisory Services Limited | 14,999,999 | 100 | 14,999,999 | 100 | |

| 3 Reserves and Surplus | | |
|--|--------------------|------------------|
| Surplus/(deficit) in the statement of Profit and Loss | | |
| At the Beginning of the Accounting Period | 2,147,405 | - |
| Additions During the Year | (6,806,776) | 2,147,405 |
| Profit / (Loss) At the End of the Accounting Period | (4,659,371) | 2,147,405 |

| 4 Deferred Tax Liability | | |
|---|----------------|----------------|
| Opening Balance | 154,387 | - |
| Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law | 90,615 | 154,387 |
| Net Deferred Tax Liability | 245,002 | 154,387 |

| 5 Other Current Liabilities | | |
|------------------------------------|---|----------------|
| TDS Payable on Rent | - | 251,872 |
| | - | 251,872 |

| 6 Short term Provisions | | |
|--------------------------------|----------------|------------------|
| PF Payable | 100,905 | 92,924 |
| Provision for Expenses | 27,664 | 21,548 |
| Provision for Audit Fees | 22,472 | 20,000 |
| Profession Tax Payable | 3,200 | 2,800 |
| Professional Charges Payable | - | 129,050 |
| Provision For Tax | - | 332,632 |
| Salary Payable | - | 1,147,670 |
| | 154,241 | 1,746,624 |

Note 7

| Sr. No | Asset | Rate of Dep. | Gross Block | | | Depreciation | | | | Net Block | | |
|-----------------------------|-------------------------------|--------------|------------------------------|---------------------------|----------------------------|----------------------------|--|---------------------------------|---|----------------------------------|--------------------------|--------------------------|
| | | | Gross Block as at 01/04/2012 | Additions during the year | Deductions during the year | Gross Block as at 31/03/13 | Provision for Depreciation upto 31/03/2012 | Depreciation for the year 12-13 | Accumulated Depreciation on Sold Assets | Total depreciation upto 31/03/13 | Net Block as at 31/03/13 | Net Block as at 31/03/12 |
| A. Tangible Assets | | | | | | | | | | | | |
| 1 | Computer Hardware | 40.00% | 224,235 | 40,968 | - | 265,203 | 20,922 | 89,778 | - | 110,700 | 154,503 | 203,313 |
| 2 | Electrical Fittings | 13.91% | 34,130 | - | - | 34,130 | 692 | 4,651 | - | 5,343 | 28,787 | 33,438 |
| 3 | Office Equipments | 13.91% | 97,159 | 27,157 | - | 124,316 | 3,298 | 15,054 | - | 18,352 | 105,964 | 93,861 |
| 4 | Motor Car | 25.89% | - | 1,378,773 | - | 1,378,773 | - | 356,964 | - | 356,964 | 1,021,809 | - |
| | TOTAL | | 355,524 | 1,446,898 | - | 1,802,422 | 24,912 | 466,447 | - | 491,359 | 1,311,063 | 330,612 |
| B. Intangible Assets | | | | | | | | | | | | |
| | Computer software | 40.00% | 1,753,500 | - | - | 1,753,500 | 79,202 | 669,719 | - | 748,921 | 1,004,579 | 1,674,298 |
| | TOTAL | | 1,753,500 | - | - | 1,753,500 | 79,202 | 669,719 | - | 748,921 | 1,004,579 | 1,674,298 |
| | TOTAL (A+B) | | 2,109,024 | 1,446,898 | - | 3,555,922 | - | 1,136,166 | - | 1,240,280 | 2,315,642 | 2,004,910 |
| | Total Of Previous Year | | - | 2,109,024 | - | 2,109,024 | - | 104,114 | - | 104,114 | 2,004,910 | - |

| 8 | Non Current Investments | | |
|----------|--------------------------------|----------------|------------------|
| | Investment in Mutual Funds | 370,376 | 2,778,639 |
| | | 370,376 | 2,778,639 |

| 9 | Long Term Loans and Advances | | |
|----------|---------------------------------------|------------------|---|
| | Advance Taxes Paid (Net of Provision) | 1,205,884 | - |
| | Previous year Taxes Receivable | 24,290 | - |
| | | 1,230,174 | - |

| 10 | Current Investments | | |
|-----------|--|--------------------|--------------------|
| | Fixed Deposits with maturity less than 12 months | 139,740,000 | 145,000,000 |
| | | 139,740,000 | 145,000,000 |

| 11 | Cash & Cash Equivalents | | |
|-----------|------------------------------------|----------------|----------------|
| | (i) Cash in hand and as Imprest | 6,469 | 8,885 |
| | (ii) On Current Accounts | 616,612 | 145,945 |
| | | 623,081 | 154,830 |

| 12 | Short Term Loans and Advances | | |
|-----------|--------------------------------------|----------------|----------------|
| | (i) Deposits | 100,000 | 100,000 |
| | (ii) Advances | - | 40,000 |
| | | 100,000 | 140,000 |

| 13 | Other Current Assets | | |
|-----------|------------------------------------|------------------|------------------|
| | Interest accrued on Fixed Deposits | 928,360 | 4,221,909 |
| | Prepaid Expenses | 432,239 | - |
| | | 1,360,599 | 4,221,909 |

Notes to and forming part of Statement of Profit and Loss for the year ended 31st March, 2013

| Note No | Particulars | For the year ended 31st March 2013 | For the year ended 31st March 2012 |
|-----------|-------------------------------------|---------------------------------------|---------------------------------------|
| 14 | Other Income | | |
| | Net Gain/Loss on Sale of Investment | 244,479 | 3,078,639 |
| | Other Non-Operating Income | 12,975,114 | 4,743,682 |
| | | 13,219,593 | 7,822,321 |

| 15 | Employee Benefit Expenses | | |
|-----------|---|-------------------|------------------|
| | Salary and Wages | | |
| | Office Staff Salary | 12,035,352 | 1,997,753 |
| | Contribution to Provident Fund and other funds | | |
| | Contribution to Provident Fund | 650,100 | 82,540 |
| | Other Expenses | | |
| | Staff Welfare | 1,586 | 688 |
| | | 12,687,038 | 2,080,981 |

| 16 | Depreciation and Amortzation Expense | | |
|-----------|---|------------------|----------------|
| | Depreciation of Tangible Assets | 466,447 | 24,912 |
| | Amortization of Intangible Assets | 669,719 | 79,202 |
| | | 1,136,166 | 104,114 |

| 17 | Other Expenses | | |
|-----------|-----------------------------|-----------|---------|
| | Registration Charges (SEBI) | 3,000,000 | - |
| | Repairs & Maintenance | 727,641 | 240,375 |
| | Rent,Rates & Taxes | 683,400 | 426,628 |
| | Professional Charges | 665,452 | 355,615 |
| | Vehicle Expenses | 313,233 | - |
| | Communication Expenses | 176,268 | 66,622 |
| | Business Promotion Expenses | 173,755 | - |
| | Filing Fees | 106,793 | - |
| | Membership & Subscription | 68,952 | - |

| 17 | Other Expenses | | |
|-----------|----------------------------------|------------------|------------------|
| | Director's Fees (Sitting Fees) | 50,000 | 10,000 |
| | Internet Expenses | 32,136 | 5,712 |
| | Interest/fines on Taxes | 25,078 | - |
| | Auditor's remuneration | 22,472 | 20,000 |
| | Miscellaneous Expenditure | 19,565 | 25,921 |
| | Travelling Expenses | 17,246 | - |
| | Conveyance | 10,670 | 24,922 |
| | Printing & Stationery | 13,383 | 23,072 |
| | Prior Period Expenses | 2,472 | - |
| | Professional Tax | 2,000 | 2,500 |
| | Books & Periodicals | 1,795 | 3,953 |
| | Postage & Courier charges | 239 | - |
| | Preliminary Expenses Written off | - | 1,323,114 |
| | TOTAL | 6,112,550 | 2,528,434 |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
PPFAS Asset Management Private Limited**

K. P. Chaudhari, Partner

M.No.31661

Parag Parikh

Director

Rajeev Thakkar

Director

Place: Mumbai

Date: June 28th, 2013

Swapnil Walimbe

Company Secretary

General Profile

| Registration Details | |
|--|---------------------------------|
| Registration No | U65100MH2011PTC220623 - 2011-12 |
| Balance Sheet Date | March 31, 2013 |
| Capital Raised during the year | |
| Public Issue | NIL |
| Right Issue | NIL |
| Bonus Issue | NIL |
| Private Placement | NIL |
| Position of Mobilisation and Deployment of Funds: (Rs. in'000) | |
| Total Liabilities | 145,740 |
| Total Assets | 145,740 |
| Sources of Funds | |
| Paid-up Capital | 150,000 |
| Reserves and Surplus | (4,659) |
| Non Current Liabilities | 245 |
| Current Liabilities | 154 |
| Application of Funds | |
| Net Non Current Assets | 2,316 |
| Non Current Investments | 394 |
| Current Assets | 143,030 |
| Net Deferred Tax Assets | - |
| Miscellaneous Expenditures | NIL |
| Accumulated Loss | NIL |

| Performance of the Company (Rs. in '000) | |
|---|---------|
| Turnover | 13,220 |
| Total Expenditure (Including Depreciation) | 19,936 |
| Profit/(Loss) Before Tax | (6,716) |
| Profit/(Loss) After Tax | (6,807) |
| Earnings Per Share (EPS) (In Rs) | (0.45) |
| Dividend Declared | NIL |

PPFAS Trustee Company Private Limited

NOTICE

Notice is hereby given that the Second Annual General Meeting of the members of the PPFAS Trustee Company Private limited will be held on Thursday 29th August 2013 at 1.00 pm at 130-132 Great Western Building, S.B. Singh Road, Opposite Lion Gate, Fort, Mumbai- 400001 to transact the following business;

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, the Statement of Profit and Loss for the period ended on 31st March 2013 and the Report of Directors' and Auditor's Report thereon.
2. To reappoint CVK & 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 of the company and to fix their remuneration.

"Resolved that M/s. CVK and Associates, Chartered Accountants, be and are hereby reappointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at the remuneration to be fixed by the Board of Directors in consultation with the Auditors."

3. To re-appoint Mr. Jayesh Dadia, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. Neil Parikh, a Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

Place: Mumbai.

Date: June 28th, 2013.

**For and on behalf of the Board of Directors of
PPFAS Trustee Company Private Limited.**

Registered office:

103, Veena Chambers, Dalal
Street, Fort, Mumbai- 400001.

P A Balasubramanian

Director

Neil Parikh

Director

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.
2. 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.
3. Members are requested to bring their copies of the Annual Report while attending 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 7 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 certified true copy of the resolution pursuant to section 187 of the Companies Act, 1956 giving authorization for attending the meeting.
6. Members are requested to notify the Company immediately any changes in the address.

Directors' Report

To the Shareholders:

We are pleased to present our second report on the business operations of the Company and the audited financial statements for the period ended March 31, 2013.

| Particulars | For the year ended March 31, 2013 (Rs. In Lakhs) | For the year ended March 31, 2012 (Rs. In Lakhs) |
|---|--|--|
| Operating Income | NIL | NIL |
| Other Income | 0.13 | NIL |
| Total Income | 0.13 | NIL |
| Profit/ (Loss) before depreciation and tax | (1.62) | (1.32) |
| Depreciation | NIL | NIL |
| Profit / (Loss) before tax | (1.62) | (1.32) |
| Provisions for taxation | NIL | NIL |
| Profit/ (Loss) after tax | NIL | (1.32) |
| Share Capital | 5 | 5 |
| Reserves and Surplus (Debit Balance in P&L Account) | (2.94) | (1.32) |

Dividend

Primary objective of the Company is to act as Trustees to PPFAS Mutual Fund and to ensure that the interest of the unit-holders of PPFAS Mutual Fund is protected. Primary source of income to the Company is in the form of 'Trusteeship fees' that flows to the company and is calculated based on the Asset Under Management for the Mutual Fund.

Considering the above facts it has been decided to conserve the resources of the Company.

Directors do not recommend any dividend for this year.

Share Capital

During the year under review, the Company has not issued any shares.

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 Capital Markets

The stock markets have been affected due to macro economic concerns like the widened CAD & the subsequent slide of the Rupee against the dollar. This has affected several businesses & their ability to raise capital on account of a rising interest rate environment.

With RBI & the Government in firefighting mode, businesses can only hope that these unsustainable conditions are temporary.

Operations of the Company

The Directors are pleased to inform about the launch of the flagship scheme 'PPFAS Long Term Value Fund' on May 13, 2013 after receiving the scheme approval from SEBI on April 8, 2013.

During the New Fund Offer (NFO) scheme garnered INR 63.87 crores, with 768 investors. It should be noted that out of total inflow during the NFO 97% was through Direct Plan (investment routed otherwise than distributors).

Finances

The Company has invested the funds received in the form of capital in with scheduled banks.

Expenses incurred during the year were in the nature of Directors' sitting fees, Legal expenses and expenses towards acquisition of assets. Expenses incurred toward acquisition of assets have been capitalised.

Human Resource

Company has not recruited any employees. PPFAS Asset Management Private Limited (investment manager to PPFAS Mutual Fund) has extended required administrative support to the Company.

Future Outlook

NFO of our flagship scheme started on a strong footing. We are positive in our out look towards gradual and steady growth in the Asset Under Management (AUM).

Directors:

In accordance with the provisions of the Companies Act, 1956, Mr. Jayesh Dadia and Mr. Neil Parikh will retire by rotation at the Annual General Meeting. They are eligible for re-appointment.

Necessary resolutions for the reappointment of the aforesaid Directors have been included in the notice convening the Annual General Meeting.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 274 of the Companies Act, 1956.

Directors' Responsibility Statement:

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

1. that in the preparation of the accounts for the financial year ended on 31st March 2013 the applicable accounting standards have been followed;
2. that the Directors have selected such accounting policies and applied them consistently and made judgements 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 profits of the company for the year under review;
3. 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 any irregularities;
4. that the Directors have prepared the accounts for the financial year ended on 31st March 2013 on a 'going concern' basis.

Particulars of employee/s as required under section 217 (2A) of the Companies Act, 1956

| Employee Name | Designation | Total Remuneration (INR) |
|---------------|-------------|--------------------------|
| None. | | |

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:

The company is engaged in providing services as Trustees to mutual fund. Electricity cost is not a major component of total cost of the company. The company recognises the need and importance to conserve the energy. Company makes sure that it uses electrical equipments which are energy efficient.

b. Technology absorption, adoption and innovation:

The company is not engaged in any manufacturing activity and hence this section does not apply to the company.

c. Foreign exchange earning and outgo during the year:

During the financial year under consideration there was no foreign exchange remittance, either inbound or otherwise.

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 of the company.

Board recommends the members of the company to approve the reappointment of M/s. CVK & Associates, Chartered Accountants as statutory auditors of the company.

Acknowledgement:

The directors wish to place on record their sincere appreciation to all employees of PPFAS Asset Management Private Limited (which acts as the Investment Manager to PPFAS Mutual Fund) for their dedication and focused attitude.

The Directors also appreciate the trust of investors for the flagship scheme of PPFAS Mutual Fund and look forward for their continued support.

Place: Mumbai.

Date: June 28th, 2013.

**For and on behalf of the Board of Directors of
PPFAS Trustee Company Private Limited.**

Registered office:

103, Veena Chambers, Dalal
Street, Fort, Mumbai- 400001.

P A Balasubramanian

Director

Neil Parikh

Director

Independent Auditors' Report

CVK & Associates
Chartered Accountants

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

To the members of PPFAS Trustee Company Private Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of PPFAS Trustee Company Pvt Ltd., which comprises the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
- and

Report on Other Legal and Regulatory Requirements

1. The matters specified in paragraphs 4 and 5 of Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub-section 4A of Section 227 of Companies Act, 1956, have not been commented upon, being inapplicable.

2. As required by section 227(3) of the Act, 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 purpose 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 Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For CVK & Associates

Chartered Accountants
(Firm's Registration no.-101745W)

Place: Mumbai
Date: June 28th, 2013

K.P. Chaudhari, Partner
M.No.31661

Balance Sheet as at 31st March, 2013

| Particulars | Note No | As at 31st March, 2013 (Rs) | As at 31st March, 2012 (Rs) |
|---|--------------|--------------------------------|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 2 | 500,000 | 500,000 |
| (b) Reserves And Surplus | 3 | (293,962) | (131,607) |
| | (a) | 206,038 | 368,393 |
| Current Liabilities | | | |
| (a) Other Current Liabilities | 4 | - | 1,500 |
| (b) Short Term Provisions | 5 | 22,472 | 20,000 |
| | (b) | 22,472 | 21,500 |
| Total Equity and Liabilities | (a+b) | 228,510 | 389,893 |
| ASSETS | | | |
| Current Assets | | | |
| (a) Current Investments | 6 | 200,000 | - |
| (b) Cash & Cash Equivalents | 7 | 6,759 | 379,893 |
| (c) Short-Term Loans & Advances | 8 | 10,000 | 10,000 |
| (d) Other Current Assets | 9 | 11,751 | - |
| | | 228,510 | 389,893 |
| Total Assets | | 228,510 | 389,893 |
| Notes Forming Part of accounts | 1 | | |
| Other notes referred to above form an integral part of the Financial Statements | | | |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
PPFAS Trustee Company Private Limited****K. P. Chaudhari**, Partner

M.No.31661

P A Balasubramanian

Director

Neil Parikh

Director

Place: Mumbai

Date: June 28th, 2013

Statement of Profit and Loss as at 31st March, 2013

| Particulars | Note No | For the Year Ended 31st March 2013 (Rs) | For the Year Ended 31st March 2012 (Rs) |
|---|---------|--|--|
| REVENUE | | | |
| Revenue from operations | | NIL | - |
| Other Income | 10 | 13,053 | - |
| Total Revenue | | 13,053 | - |
| EXPENSES | | | |
| Administrative expenses | 11 | 175,409 | 131,607 |
| Total Expenses | | 175,409 | 131,607 |
| Profit Before Tax | | (162,355) | (131,607) |
| Tax Expense | | - | |
| Profit (Loss) for the Period | | (162,355) | (131,607) |
| Earning Per Equity Share | | | |
| Basic | | (3.25) | (2.63) |
| Diluted | | (3.25) | (2.63) |
| Notes Forming Part of accounts | 1 | | |
| Other notes referred to above form an integral part of the Financial Statements | | | |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
PPFAS Trustee Company Private Limited**

K. P. Chaudhari, Partner

M.No.31661

Place: Mumbai

Date: June 28th, 2013

P A Balasubramanian

Director

Neil Parikh

Director

SCHEDULE ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2013.

Note 1: Notes to Accounts

I) Company Information

The Company PPFAS Trustee Company Private Limited is subsidiary of Parag Parikh Financial Advisory Services Limited. It is incorporated on 24.08.2011. This is the second year of operations of the Company. The Company is incorporated to function as trustee to the PPFAS Mutual Fund. The company has not started its operations as on 31st March 2013. Primary source of income to the Company is in the form of 'Trusteeship fees' that flows to the company and is calculated based on the Asset Under Management for the Mutual Fund.

II) 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 Trusteeship fees, Interest and other business is generally recognized on accrual basis. Dividend on shares is accounted on cash basis for the sake of convenience, and for want of information.

c. Investments

Investments are valued at their acquisition costs.

d. Provision and Contingent Liabilities

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

e. Taxes on Income

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

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

g. Contingent Liabilities: NIL

III) Major Components of Deferred Tax Assets: NIL

IV) Disclosure as required by Schedule VI of the Companies Act, 1956**a) Particulars of Directors' Remuneration**

| Director Name | Amount in Rs. | Head of Expenses |
|-----------------------|---------------|------------------|
| P. A. Subramanian | 25,000 | Sitting Fees. |
| Satya Prakash Agarwal | 20,000 | Sitting Fees. |
| Jayesh Dadia | 20,000 | Sitting Fees. |

b) Particulars of Auditor's Remuneration

| Particulars | FY 2012-2013. | FY 2011-2012. |
|-----------------------|---------------|---------------|
| a) As Auditors | 22,472 | 20,000 |
| b) For other Services | - | - |
| Total | 22,472 | 20,000 |

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

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

| Name of the Related Party. | Relationship | Nature of Payment | Amount in Rs. |
|--|--|-------------------|---------------|
| Empeegee Portfolio Management Services Pvt. Ltd. | Enterprise over which Key Managerial Personnel are able to exercise significant influence. | Rent | 67,416/- |

VI) Earnings per share (EPS):

| Particulars | Current year | Previous year |
|--|--------------|---------------|
| Profit attributable to equity shareholders (Rs) | (162,335) | (131,607) |
| Weighted average number of equity shares Outstanding during the year | 50,000 | 50,000 |
| Basic & Diluted EPS (Rs) | (3.25) | (2.63) |
| Nominal value per share (Rs) | 10.00 | 10.00 |

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

| Note No | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|--|-------------------------------|----------------|-------------------------------|-------------|
| 2 | Share Capital Authorized: | | | | |
| | 50,000 Equity Shares of Rs.10 each | | 500,000 | 500,000 | |
| | Issued, Subscribed & Paid Up | | | | |
| | 50,000 Equity Shares of Rs.10 each | | 500,000 | 500,000 | |
| | | | 500,000 | 500,000 | |
| | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
| | | Number | (Rs) | Number | (Rs) |
| | Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period. | | | | |
| | At the beginning of the Period | 50,000 | 500,000 | NIL | NIL |
| | Issued during the period | NIL | NIL | 50,000 | 500,000 |
| Outstanding at the end of the period | 50,000 | 500,000 | 50,000 | 500,000 | |
| Details of Shareholders holding more than 5 % of Ordinary Shares | | | | | |
| Name of the Shareholders | Number | % of Holding | Number | % of Holding | |
| Parag Parikh Financial Advisory Services Limited | 49,999 | 99.99 | 49,999 | 99.99 | |

| 3 | Reserves and Surplus | | | |
|----------|---|------------------|------------------|--|
| | Surplus/(deficit) in the statement of Profit and Loss | | | |
| | At the Beginning of the Accounting Period | (131,607) | - | |
| | Additions During the Year | (162,355) | (131,607) | |
| | (Balance in statement of Profit & Loss a/c) | | | |
| | At the End of the Accounting Period | (293,962) | (131,607) | |

| 4 | Other Current Liabilities | | | |
|----------|----------------------------------|--|---|--------------|
| | TDS Payable on Rent | | - | 1,500 |
| | | | - | 1,500 |

| 5 | Short term Provisions | | |
|----------|------------------------------|---------------|---------------|
| | Provision For Audit Fees | 22,472 | 20,000 |
| | | 22,472 | 20,000 |

| 6 | Current Investments | | |
|----------|--|----------------|---|
| | Fixed Deposits with maturity less than 12 months | 200,000 | - |
| | | 200,000 | - |

| 7 | Cash & Cash Equivalents | | |
|----------|------------------------------------|--------------|----------------|
| | Cash in hand and as Imprest | 609 | 470 |
| | On Current Accounts | 6,150 | 379,423 |
| | | 6,759 | 379,893 |

| 8 | Short Term Loans and Advances | | |
|----------|--------------------------------------|---------------|---------------|
| | Deposits | 10,000 | 10,000 |
| | | 10,000 | 10,000 |

| 9 | Other Current Assets | | |
|----------|---|---------------|---|
| | Prepaid Expenses | 8,000 | - |
| | Interest Accrued on Fixed Deposits | 2,445 | - |
| | TDS on Interest Accrued on Fixed Deposits | 1,305 | - |
| | | 11,751 | - |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
PPFAS Trustee Company Private Limited**

K. P. Chaudhari, Partner

M.No.31661

P A Balasubramanian

Director

Neil Parikh

Director

Place: Mumbai

Date: June 28th, 2013

Notes to and forming part of Statement of Profit and Loss for the year ended 31st March, 2013

| Note No | Particulars | For the year ended 31st March,2013 | For the year ended 31st March,2012 |
|----------------|---------------------------|---|---|
| 10 | Other Income | | |
| | Interest on Fixed Deposit | 13,053 | - |
| | Total | 13,053 | - |

| 11 | Administrative Expenses | | |
|-----------|---|----------------|----------------|
| | Rent | 67,416 | 39,850 |
| | Director's Remuneration | 65,000 | 15,000 |
| | Auditors' Remuneration | 22,472 | 20,000 |
| | Professional Fees | 13,483 | 5,515 |
| | Profession Tax | 2,000 | 2,500 |
| | Miscellaneous expenses | 1,231 | 1,129 |
| | Conveyance Expenses | 800 | - |
| | Franking Charges | 310 | - |
| | Bank Charges | 225 | - |
| | Prior Period Expenses | 2,472 | - |
| | Preliminary and Preoperative Expenses written off | - | 31,500 |
| | Printing & Stationary | - | 12,023 |
| | Rates & Taxes | - | 4,090 |
| | Total | 175,409 | 131,607 |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
PPFAS Trustee Company Private Limited**

K. P. Chaudhari, Partner

M.No.31661

P A Balasubramanian

Director

Neil Parikh

Director

Place: Mumbai

Date: June 28th, 2013

General Profile

| Registration Details | |
|--|---------------------------------|
| Registration No | U65100MH2011PTC221203 - 2011-12 |
| Balance Sheet Date | March 31, 2013 |
| Capital Raised during the year | |
| Public Issue | NIL |
| Right Issue | NIL |
| Bonus Issue | NIL |
| Private Placement | NIL |
| Position of Mobilisation and Deployment of Funds: (Rs. in'000) | |
| Total Liabilities | 229 |
| Total Assets | 229 |
| Sources of Funds | |
| Paid-up Capital | 500 |
| Reserves and Surplus | (294) |
| Non Current Liabilities | - |
| Current Liabilities | 23 |
| Application of Funds | |
| Net Non Current Assets | - |
| Non Current Investments | - |
| Current Assets | 229 |
| Net Deferred Tax Assets | - |
| Miscellaneous Expenditures | - |
| Accumulated Loss | - |

| Performance of the Company (Rs. in '000) | |
|---|--------|
| Turnover | 13 |
| Total Expenditure (Including Depreciation) | 175 |
| Profit/(Loss) Before Tax | (162) |
| Profit/(Loss) After Tax | (162) |
| Earnings Per Share (EPS) (In Rs) | (3.25) |
| Dividend Declared | NIL |

Consolidated Accounts

Independent Auditors' Report

CVK & Associates
Chartered Accountants

2, Samarth Apartments
D. S. Babrekar 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 subsidiaries PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited.

TO THE MEMBERS OF PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Parag Parikh Financial Advisory Services Limited and its subsidiaries PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited, which comprises the Balance Sheet as at March 31, 2013, and also the Consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
- and

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Mumbai
Date: August 27th, 2013

K. P. Chaudhari, Partner
M.No.31661

Consolidated Balance Sheet as at 31st March, 2013

| Particulars | Note No | As at 31st March, 2013 (Rs) | As at 31st March, 2012 (Rs) |
|---|----------------|-----------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 2 | 65,148,050 | 65,148,050 |
| (b) Reserves And Surplus | 3 | 269,156,976 | 249,213,798 |
| | (a) | 334,305,026 | 314,361,848 |
| Current Liabilities | | | |
| (a) Trade Payables | 4 | 4,996,644 | 1,409,870 |
| (b) Other Current Liabilities | 5 | 178,372 | 2,920,111 |
| (c) Short Term Provisions | 6 | 9,141,679 | 14,334,012 |
| | (b) | 14,316,695 | 18,663,993 |
| Total | (a+b) | 348,621,721 | 333,025,841 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 7A | 6,992,166 | 7,519,064 |
| (ii) Intangible Assets | 7B | 1,293,850 | 2,156,417 |
| | (c) | 8,286,016 | 9,675,481 |
| (b) Non-Current Investments | 8 | 54,027,874 | 82,691,156 |
| (c) Long-Term Loans & Advances | 9 | 8,702,760 | 4,697,292 |
| (d) Deferred Tax Assets | 10 | 1,222,504 | 1,215,252 |
| | (d) | 63,953,138 | 88,603,700 |
| Current Assets | | | |
| (a) Current Investments | 11 | 205,869,683 | 168,699,258 |
| (b) Trade Receivables | 12 | 23,344,748 | 18,873,622 |
| (c) Cash & Cash Equivalents | 13 | 8,704,889 | 6,863,578 |
| (d) Short-Term Loans & Advances | 14 | 31,778,684 | 34,080,463 |
| (e) Other Current Assets | 15 | 6,684,563 | 6,229,739 |
| | (e) | 276,382,567 | 234,746,660 |
| Total | (c+d+e) | 348,621,721 | 333,025,841 |
| Notes to & Forming part of accounts | 1 | | |
| Other notes referred to above form an integral part of the Financial Statements | | | |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

**For and on behalf of the Board of Directors of
Parag Parikh Financial Advisory Services Limited****K. P. Chaudhari**, Partner

M.No.31661

Place: Mumbai

Date: August 27th, 2013

Ashish Shah

Director

Neil Parikh

Director

Anindita Sengupta

Company Secretary

Consolidated Statement of Profit & Loss at at 31st March, 2013

| Particulars | Note No | For the Year Ended 31st March 2013 | For the Year Ended 31st March 2012 |
|---|---------|---------------------------------------|---------------------------------------|
| Income | | | |
| Revenue From Operations | 16 | 75,075,623 | 66,310,447 |
| Other Income | 17 | 22,695,813 | 18,659,539 |
| Deferred Tax Income | | - | - |
| Total Revenue | | 97,771,436 | 84,969,986 |
| Expenses | | | |
| Employee Benefits Expenses | 18 | 37,033,742 | 36,542,535 |
| Finance Costs | 19 | 10,275 | 8,378 |
| Depreciation & Amortization Expenses | 20 | 2,724,340 | 2,224,327 |
| Other Expenses | 21 | 21,210,157 | 24,869,448 |
| Total Expenses | | 60,978,514 | 63,644,688 |
| Profit Before Tax | | 36,792,922 | 21,325,298 |
| Exceptional Items | | - | - |
| Profit Before Extra Ordinary Items and Tax | | 36,792,922 | 21,325,298 |
| Extra Ordinary Items | | - | - |
| Profit Before Tax | | 36,792,922 | 21,325,298 |
| Tax Expense | | | |
| Current Tax | | 9,235,000 | 3,136,081 |
| Deferred Tax Expenses | | (7,252) | 19,925 |
| Profit (Loss) for the Period | | 27,565,174 | 18,169,292 |
| Earning Per Equity Share | | | |
| Basic | | 4.23 | 2.79 |
| Diluted | | 4.23 | 2.79 |
| Notes to & Forming part of accounts | 1 | | |
| Notes referred to above form an integral part of the Financial Statements | | | |

As per our Report of even date
For CVK & Associates
Chartered Accountants
(Firm's Registration no.-101745W)

K. P. Chaudhari, Partner
M.No.31661
Place: Mumbai
Date: August 27th, 2013

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

Ashish Shah
Director

Neil Parikh
Director

Anindita Sengupta
Company Secretary

SCHEDULE ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2013.

Note 1: 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 the incorporation.
- b. Notes on consolidation:** The consolidated financial statements are related to Parag Parikh Financial Advisory Services Limited and its subsidiaries PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited. The consolidated statements have been prepared on the following basis:

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.

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

Moreover, PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited are 100% subsidiaries of Parag Parikh Financial Advisory Services Limited. Accordingly these accounts have been considered for the purpose of consolidation for the year ended 31st March, 2013.

- 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 figure have been regrouped wherever necessary.

| Note No | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|----------|---|-------------------------------|-------------------|-------------------------------|-------------------|
| 2 | Share Capital | | | | |
| | Authorized: | | | | |
| | 20,000,000 Equity Shares of Rs.10/- each | 200,000,000 | | 200,000,000 | |
| | Issued, Subscribed & Paid Up | | | | |
| | 6,514,805 Equity Shares of Rs.10/- each fully paid | 65,148,050 | | 65,148,050 | |
| | (Inclusive of 2,646,805 shares issued to shareholders of Parag Parikh Securities Ltd at par on Amalgamation) | | | | |
| | | 65,148,050 | | 65,148,050 | |
| | Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
| | | Number | (Rs) | Number | (Rs) |
| | Share Capital | | | | |
| | Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period. | | | | |
| | At the beginning of the Period | 6,514,805 | 65,148,050 | 6,514,805 | 65,148,050 |
| | Issued during the period (PPFAS Asset Management Private Limited) | | | - | - |
| | Issued during the period (PPFAS Trustee Company Private Limited) | | | - | - |
| | Outstanding at the end of the period | 6,514,805 | 65,148,050 | 6,514,805 | 65,148,050 |

| 3 | Reserves and Surplus | | |
|----------|---|--------------------|--------------------|
| | General Reserve (a) | 385,000 | 385,000 |
| | Capital Redemption Reserves (b) | 10,100,000 | 10,100,000 |
| | Surplus/(deficit) in the statement of Profit and Loss | | |
| | At the Beginning of the Accounting Period | 238,728,798 | 220,869,603 |
| | Balance of Liquidated Subsidiary | | (310,097) |
| | Additions During the Year | | |
| | Additions During the Year | 27,565,174 | 18,169,292 |
| | Amount available for Appropriation | 266,293,972 | 238,728,798 |
| | Appropriations | | |
| | Final Dividend | 6,514,805 | |
| | Tax on Dividend | 1,107,191 | |
| | Closing Balance of Surplus in the Statement of Profit & Loss(c) | 258,671,976 | 238,728,798 |
| | | 269,156,976 | 249,213,798 |

| 4 | Trade Payables | | |
|----------|-----------------------|------------------|------------------|
| | Sundry Creditors | 4,996,644 | 1,409,870 |
| | | 4,996,644 | 1,409,870 |

| 5 | Other Current Liabilities | | |
|----------|----------------------------------|----------------|------------------|
| | TDS - Professional Fees | 177,978 | 408,712 |
| | TDS - Salaries | - | 2,479,056 |
| | TDS - Rent | - | 31,391 |
| | TDS - Contractor | 394 | 952 |
| | | 178,372 | 2,920,111 |

| 6 | Short term Provisions | | |
|----------|--|------------------|-------------------|
| | Profession Charges Payable | 535,034 | 3,093,026 |
| | Provisions For Audit Fees | 359,944 | 355,000 |
| | Provident Fund Payable | 211,596 | 221,166 |
| | Provision for Expenses | 175,659 | 233,268 |
| | Stamp Duty Payable | 79,070 | 27,265 |
| | Provision for Bad Debts | 62,058 | 62,058 |
| | Security Transaction Tax Payable | 60,192 | 20,420 |
| | PMS-Service Tax Payable Banking | 19,910 | 48,125 |
| | Profession Tax Payable | 9,000 | 9,550 |
| | ESIC Payable | 6,120 | 5,203 |
| | Service Tax payable Financial Planner | 1,100 | - |
| | Salary Payable | - | 10,258,931 |
| | Other Provisions | | |
| | Proposed Dividend | 6,514,805 | - |
| | Provision for Tax on Proposed Dividend | 1,107,191 | - |
| | | 9,141,679 | 14,334,012 |

Note 7: Particulars of fixed assets for the year ended 31st March, 2013

| Sr. No | Asset | Rate of Dep | Gross Block as at 01/04/2012 | Additions during the year | Deductions during the year | Gross Block as at 31/03/13 | Provision for Dep upto 31/03/12 | Depreciated on for the year 12-13 | Accu. Dep. on Sold Assets | Total dep upto 31/03/13 | Net Block as at 31/03/13 | Net Block as at 31/03/12 |
|-----------------------------|-------------------------|-------------|------------------------------|---------------------------|----------------------------|----------------------------|---------------------------------|-----------------------------------|---------------------------|-------------------------|--------------------------|--------------------------|
| A. Tangible Assets | | | | | | | | | | | | |
| 1 | Computer | 40.00% | 9,509,657 | 216,335 | - | 9,725,992 | 8,573,032 | 413,881 | - | 8,986,913 | 739,079 | 936,625 |
| 2 | Electrical Equipment | 13.91% | 4,559,472 | 120,800 | - | 4,680,272 | 3,474,118 | 159,980 | - | 3,634,098 | 1,046,175 | 1,085,354 |
| 3 | Electrical Installation | 13.91% | 410,420 | - | - | 410,420 | 277,434 | 18,498 | - | 295,932 | 114,488 | 132,986 |
| 4 | Motor Car* | 25.91% | 5,723,636 | 2,485,421 | 3,061,964 | 5,147,093 | 2,081,225 | 957,789 | 1,574,283 | 1,464,731 | 3,682,362 | 3,642,411 |
| 5 | Furniture & Equipments | 18.10% | 4,757,641 | - | - | 4,757,641 | 3,035,954 | 311,625 | - | 3,347,579 | 1,410,062 | 1,721,687 |
| | TOTAL | | 24,960,826 | 2,822,556 | 3,061,964 | 24,721,418 | 17,441,763 | 1,861,773 | 1,574,283 | 17,729,253 | 6,992,166 | 7,519,063 |
| B. Intangible Assets | | | | | | | | | | | | |
| 1 | Computer Software | 40.00% | 6,930,268 | - | - | 6,930,268 | 4,773,851 | 862,567 | - | 5,636,418 | 1,293,850 | 2,156,417 |
| | TOTAL | | 6,930,268 | - | - | 6,930,268 | 4,773,851 | 862,567 | - | 5,636,418 | 1,293,850 | 2,156,417 |
| | TOTAL (A+B) | | 31,891,094 | 2,822,556 | 3,061,964 | 31,651,686 | 22,215,614 | 2,724,340 | 1,574,283 | 23,365,671 | 8,286,016 | 9,675,480 |
| | Previous Year | | 27,781,206 | 6,548,219 | 2,438,331 | 31,891,094 | 21,550,081 | 2,224,327 | 1,558,794 | 22,215,614 | 9,675,480 | - |

* Assets Registered in the personal name of Directors.

Note 8 - Long Term Investment

| Particulars | No of Shares | Cost for 31/03/2013 | MKT. Rate 31/03/2013 | MKT. Value on 31/03/2013 | No of Shares | Cost for 31/03/2012 |
|--|--------------|---------------------|----------------------|--------------------------|--------------|---------------------|
| Quoted Investment: Equity Shares fully paid | | | | | | |
| Action Construction | - | - | - | - | 558 | 17,247 |
| Aditya Birla Nuvo Ltd | 25 | 18,896 | 979 | 24,470 | 35 | 28,604 |
| Aegis Logistics Ltd | - | - | - | - | 528 | 69,035 |
| Arvind Limited | 200 | 13,830 | 77 | 15,480 | - | - |
| Asiana House | - | - | - | - | 80 | 11,806 |
| Axis Bank | 6,046 | 4,965,979 | 1,301 | 7,867,358 | 6,041 | 4,961,116 |
| Bajaj corp. | 145 | 14,995 | 220 | 31,857 | 145 | 14,995 |
| Balmer Lawrie Van Ltd | 51 | 28,478 | 606 | 30,896 | 51 | 28,478 |
| Bharat Electricals | 14 | 17,519 | 1,149 | 16,088 | - | - |
| Blissgvs PH | 75 | 1,981 | 27 | 2,003 | - | - |
| Blue Star Limited | 72 | 12,154 | 158 | 11,362 | 47 | 7,887 |
| Camlin Ltd | 444 | 14,955 | 31 | 13,720 | 147 | 4,998 |
| CEBBco | 152 | 4,849 | 30 | 4,484 | - | - |
| Cravatex Ltd | 21 | 8,730 | 302 | 6,342 | - | - |
| Crompton Greaves Ltd | 621 | 83,166 | 94 | 58,188 | 750 | 105,642 |
| Engineers India Ltd | - | - | - | - | 77 | 16,969 |
| FIEM Industries | 25 | 4,625 | 194 | 4,839 | - | - |
| Fortis MLR | 330 | 9,984 | 30 | 9,735 | 234 | 7,488 |
| Foseco India | 120 | 55,840 | 431 | 51,720 | - | - |
| G M BREWERIE | 125 | 10,024 | 65 | 8,113 | - | - |
| Geogit BNP | 786 | 17,018 | 19 | 15,131 | - | - |
| Greaves Cotton Ltd | 619 | 48,710 | 64 | 39,399 | 346 | 29,736 |
| Gujrat Gas | - | - | - | - | 20 | 6,690 |
| Gujarat State Fertilisers | 35 | 2,037 | 58 | 2,046 | - | - |
| Hexaware ltd | 488 | 39,016 | 85 | 41,431 | - | - |
| Hindalco Industries | 100 | 9,155 | 92 | 9,150 | - | - |
| Honda Seil Power Ltd | - | - | - | - | 71 | 23,243 |
| ICICI Bank | 15 | 9,784 | 1,045 | 15,680 | 71 | 49,025 |
| ICRA Ltd | 16 | 14,720 | 1,009 | 16,142 | 16 | 14,720 |
| ILFS & Investment Managers | 236,926 | 10,122,761 | 20 | 4,726,674 | 236,926 | 10,122,761 |
| Indra Gas | 100 | 27,325 | 275 | 27,545 | 50 | 15,825 |
| Infra Development Finance | 16 | 1,478 | 144 | 2,298 | 356 | 37,161 |
| J K & Bank | 37 | 26,732 | 1,191 | 44,061 | 37 | 26,732 |
| JK Lakshmi | 400 | 14,800 | 97 | 38,940 | 500 | 18,500 |
| Maharashtra Scooter | 9,132 | 2,743,660 | 369 | 3,370,621 | 9,132 | 2,743,660 |
| Mazda Ltd | 170 | 14,428 | 115 | 19,627 | 170 | 14,428 |

| Particulars | No of Shares | Cost for 31/03/2013 | MKT. Rate 31/03/2013 | MKT. Value on 31/03/2013 | No of Shares | Cost for 31/03/2012 |
|------------------------------------|--------------|---------------------|----------------------|--------------------------|--------------|---------------------|
| Mphasis Ltd | 306 | 98,463 | 392 | 119,952 | 250 | 78,095 |
| NESCO Ltd | 13 | 7,150 | 769 | 9,992 | 13 | 7,150 |
| NMDC Ltd | 251 | 36,494 | 138 | 34,525 | - | - |
| NOIDA Toll Bridge Ltd | 341,188 | 10,167,221 | 20 | 6,806,701 | 340,761 | 10,158,225 |
| Petronet LNG | 490 | 70,732 | 135 | 66,346 | - | - |
| Piramal Healthcare Ltd | 7,607 | 3,081,527 | 610 | 4,643,313 | 7,525 | 3,045,740 |
| Piramal Glas | 150 | 13,765 | 76 | 11,468 | - | - |
| Polaris Lab | 982 | 114,752 | 111 | 109,395 | 114 | 14,851 |
| PSU Bank Bees | - | - | - | - | 49 | 14,620 |
| Revathi Equipment Ltd | - | - | - | - | 90 | 28,818 |
| Sasken communications | - | - | - | - | 119 | 12,340 |
| selan explosive | 114 | 31,216 | 255 | 29,047 | - | - |
| Shipping Corporation | 1,055 | 56,522 | 41 | 42,833 | - | - |
| Sriram Transport | 27 | 17,570 | 696 | 18,787 | - | - |
| Standard Chartered PLC(IDR) | 792 | 60,375 | 118 | 93,773 | 563 | 39,433 |
| Sterling Holiday Resort India | - | - | - | - | 62 | 4,670 |
| Swaraj Engineering Ltd | 70 | 30,131 | 395 | 27,650 | 55 | 24,207 |
| Tata Motors NPP_DVR | 264 | 22,356 | 153 | 40,379 | 294 | 24,898 |
| Thermax Ltd | 20 | 9,769 | 569 | 11,374 | - | - |
| VIP Industries Ltd | 198 | 11,965 | 61 | 11,989 | - | - |
| VST Tiller Ltd | 49 | 23,921 | 354 | 17,358 | 43 | 21,509 |
| Total- (i) | | 32,211,557 | | 28,620,277 | | 31,851,302 |
| Unquoted Investments: | | | | | | |
| Karrox Technologies Ltd. | 25,000 | 1,000,000 | | - | 50,000 | 2,000,000 |
| Mumbai stock Exchange | 11,401 | 1,140,977 | | - | 11,401 | 1,140,977 |
| Total- (ii) | | 2,140,977 | | | | 3,140,977 |
| Investment in mutual Fund | | | | | | |
| Birla SunLife Cash Manager | 4,204 | 1,104,965 | | 1,188,942 | 468,562 | 44,920,238 |
| Birla SunLife Dynamic Bond | 333,158 | 6,600,000 | | 6,609,695 | - | - |
| Franklin Templeton India Sort term | 2,806 | 6,600,000 | | 6,607,113 | - | - |
| HDFC High Interest Fund | 127,485 | 5,000,000 | | 5,000,000 | - | - |
| Birla SunLife Cash Manager AMC | | 370,375 | | | | 2,778,639 |
| Total- (iii) | | 19,675,340 | | 19,405,750 | | 47,698,877 |
| Grand Total (i+ii+iii) | | 54,027,874 | | | | 82,691,156 |

| 9 | Long Term Loans and Advances | | |
|----------|---|------------------|------------------|
| | Advances recoverable in cash or kind | | |
| | a) Previous year Taxes Receivable | 7,848,191 | 3,357,673 |
| | b) Advance Tax (Net of Provision for Tax) | 852,569 | 1,339,619 |
| | | 8,702,760 | 4,697,292 |

| 10 | Deferred Tax Asset (Net) | | |
|-----------|---|------------------|------------------|
| | Deferred Tax Asset | | |
| | Opening Balance | 1,215,252 | 1,235,177 |
| | Fixed Assets: Impact of difference between Depreciation charged as per Company Law & Depreciation charged as per Taxation Law | 7,252 | (19,925) |
| | Net Deferred Tax Asset | 1,222,504 | 1,215,252 |

| 11 | Current Investments | | |
|-----------|--|--------------------|--------------------|
| | Fixed Deposits with maturity less than 12 months | 205,869,683 | 168,699,258 |
| | | 205,869,683 | 168,699,258 |

| 12 | Trade Receivables | | |
|-----------|--|-------------------|-------------------|
| | (Unsecured considered good unless otherwise stated) | | |
| | (1) Debts outstanding for a period exceeding six months from the date they are due | NIL | NIL |
| | (2) Other Debts (Unsecured considered good) | 23,344,748 | 18,873,622 |
| | | 23,344,748 | 18,873,622 |

| 13 | Cash & Cash Equivalents | | |
|-----------|------------------------------------|------------------|------------------|
| | (i) On Current Accounts | 8,647,124 | 6,783,002 |
| | (ii) Cash in hand and as Imprest | 57,765 | 80,576 |
| | | 8,704,889 | 6,863,578 |

| 14 | Short Term Loans and Advances | | |
|-----------|--------------------------------------|-------------------|-------------------|
| | (i) Other Deposits | 17,922,867 | 16,758,360 |
| | (ii) Deposits with Stock Exchange | 12,750,000 | 16,050,000 |
| | (iii) Advances | 1,105,817 | 1,272,103 |
| | | 31,778,684 | 34,080,463 |

| 15 | Other Current Assets | | |
|-----------|------------------------------------|------------------|------------------|
| | Interest accrued on Fixed Deposits | 5,518,308 | 5,417,492 |
| | Prepaid Expenses | 1,166,255 | 812,247 |
| | | 6,684,563 | 6,229,739 |

Schedules Forming Part of Consolidated Statement of Profit & Loss for the year ended March 31st, 2013.

| 16 | Revenue From Operations | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|-----------|--------------------------------|--|--|
| | Portfolio Management Fees | 60,857,925 | 50,673,435 |
| | Brokerage | 10,837,029 | 10,601,834 |
| | Placement Charges - MF | 3,114,149 | 3,132,854 |
| | Advisory Fees | 264,896 | 1,614,622 |
| | Dp Fees | 1,624 | 287,702 |
| | | 75,075,623 | 66,310,447 |

| 17 | Other Income | | |
|-----------|--|-------------------|-------------------|
| a | Net Gain/Loss on Sale of Investment | | |
| | Long Term Capital Gain Equity | 547,252 | |
| | Short Term Capital Gain on Mutual Fund | 311,904 | 3,115,325 |
| | Short Term Capital Gain on Equity | 86,751 | 28,150 |
| | Profit on share dealings | - | 10,136 |
| | Total (a) | 945,907 | 3,153,611 |
| b | Other Non-Operating Income | | |
| | Interest on Fixed Deposit | 19,270,923 | 6,736,449 |
| | Dividend on Mutual Fund | 1,487,857 | 7,122,201 |
| | Dividend on Shares | 863,314 | 876,710 |
| | Interest on ILFS Margin | 54,868 | 121,602 |
| | Profit on Sale of Car | 41,092 | 222,577 |
| | Other Income | 31,852 | 426,390 |
| | Total (b) | 21,749,906 | 15,505,928 |
| | Total (a + b) | 22,695,813 | 18,659,539 |

| 18 | Employee Benefit expenses | | |
|-----------|---|-------------------|-------------------|
| | Salary and Wages | | |
| | Office Staff Salary | 35,287,386 | 33,796,290 |
| | Directors Remunerations | - | - |
| | Contribution to Provident Fund and other funds | | |
| | Contribution to Provident Fund | 1,444,396 | 2,114,137 |
| | Other expenses | | |
| | Staff Welfare | 301,960 | 632,108 |
| | | 37,033,742 | 36,542,535 |

| 19 | Financial Costs | | |
|-----------|-------------------------|---------------|--------------|
| | Interest expense | | |
| | Interest on Overdraft | 10,275 | 8,378 |
| | | 10,275 | 8,378 |

| 20 | Depreciation and Amortization expense | | |
|-----------|--|------------------|------------------|
| | Depreciation of Tangible Assets | 1,861,773 | 1,839,793 |
| | Amortization of Intangible Assets | 862,567 | 384,534 |
| | | 2,724,340 | 2,224,327 |

| 21 | Other expenses | | |
|-----------|---|-----------|------------|
| | Professional Charges | 7,451,924 | 10,929,012 |
| | Registration Fees | 3,000,000 | - |
| | Rent Expenses | 1,304,299 | 1,248,955 |
| | Repairs & maintenance | 1,264,236 | 778,857 |
| | Electricity expenses | 1,208,622 | 944,563 |
| | Telephone/communication | 719,676 | 813,629 |
| | Entertainment & Business Promotion Expenses | 715,094 | 994,078 |
| | Motor car expenses | 663,164 | 551,234 |
| | Membership & subscription | 591,816 | 444,699 |
| | Stamp duty. | 459,731 | 364,760 |
| | Prior period expenses/income | 441,224 | 537,158 |
| | Computer Maintenance | 418,179 | 863,134 |

| 21 | Other expenses | | |
|-----------|---|-------------------|-------------------|
| | Conveyance Charges | 401,767 | 397,050 |
| | Audit fees | 394,944 | 385,000 |
| | Printing & stationery | 306,427 | 480,182 |
| | Transaction charges | 235,271 | 341,571 |
| | Postage & Courier Charges | 174,076 | 309,383 |
| | Miscellaneous expenses | 149,094 | 256,791 |
| | Insurance Charges | 145,340 | 169,099 |
| | Security service charges | 144,000 | 143,999 |
| | Filing fees | 133,196 | 10,596 |
| | Director's Fees | 115,000 | 25,000 |
| | Vsat charges | 100,000 | 100,000 |
| | Travelling expenses | 97,022 | 444,316 |
| | Lease line charges | 91,403 | 352,172 |
| | Demat charges | 90,248 | 31,720 |
| | Seminar fees | 77,023 | 209,576 |
| | Interest and fine for Taxes | 68,771 | - |
| | BSE rent and maintenance charges | 53,180 | 31,771 |
| | Internet charges | 38,378 | 29,491 |
| | Books & periodicals | 32,551 | 69,765 |
| | Advertising expenses | 28,299 | 623,010 |
| | Donations | 25,000 | |
| | General charges NSDL/NSE/STP | 21,785 | 144,580 |
| | Bank Charges | 19,595 | 37,000 |
| | Turnover(SEBI) | 8,755 | 7,164 |
| | Franking charges | 8,287 | 62,170 |
| | Professional tax - company. | 6,000 | 7,000 |
| | Penalties levied by stock exchange | 3,526 | 31,610 |
| | STT,Service Tax & other charges on Share Investment | 1,706 | 16,531 |
| | Maharashtra Labour welfare Fund | 1,548 | 2,772 |
| | Investments written off | - | 318,200 |
| | ILFS charges | - | 7,237 |
| | Preliminary Expenses Written Off | | 1,354,614 |
| | TOTAL | 21,210,157 | 24,869,448 |

As per our Report of even date

For CVK & Associates

Chartered Accountants

(Firm's Registration no.-101745W)

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

Ashish Shah

Director

Neil Parikh

Director

K.P.Chaudhari, Partner

M.No.31661

Place: Mumbai

Date: August 27th, 2013

Anindita Sengupta

Company Secretary

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Parag Parikh Financial Advisory Services Limited

Registered Office: 103, Veena Chambers, 21 Dalal Street, Mumbai - 400001

Attendance Card

Twenty-first Annual General Meeting - September 30th 2013 at. 4.00 pm

| | |
|----------------------------|--|
| Full name of Member | |
| Registered Folio No. | |
| Full Name of Proxy, if Any | |

I hereby record my presence at the Twenty first Annual General Meeting of the Company on September 30th, 2013 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 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 21st Annual General Meeting of the Company to be held on September 30th, 2013 at. 4.00 pm and at any adjournment thereof.

Dated this _____ day of _____ 2013.

| For Office Use Only | | Affix one Rupee Revenue Stamp |
|---------------------|--|-------------------------------|
| Proxy No. | | |
| Registered Folio No | | |
| No of Shares | | |

Notes:

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

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Parag Parikh Financial Advisory Services Limited

Great Western Building, 130/132, S B S Marg, Opp Lion Gate,
Fort, Mumbai - 400 001

Tel: 91 22 6140 6555 Fax: 91 22 2284 6555
email@ppfas.com | www.ppfas.com