PRINCIPAL TRUSTEE COMPANY PRIVATE LIMITED
(Regd. Office: Exchange Plaza, B Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra East, Mumbai - 400051)
Tel: 022 67720555; Fax: 022 67720512, CIN: U67110MH2000PTC129483

NOTICE OF THE NINETEENTH (19TH) ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth (19th) Annual General Meeting of the Members of Principal Trustee Company Private Limited will be held Tuesday, September 15, 2020 at 12.00 P.M. through Video Conferencing (VC)/Other Audio Video Means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2020, the Profit & Loss Account, the Statement of Receipts and Payments [Cash Flow Statement] for the financial year ended on March 31, 2020, the Auditors’ Report thereon and the Directors’ Report & Management Report for the aforesaid period and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. Re-appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants as the Statutory Auditors and if thought fit to pass, with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration No – 103523W) be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (Five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company, at such remuneration as shall be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

By Order of the Board of Directors

Michael Pinto
Director
DIN: 00021565

Ameet Parikh
Director
DIN: 00007036

Date: 12.08.2020
Place: Mumbai

Principal Trustee Company Private Limited
CIN: U67110MH2000PTC129483
Exchange Plaza, B Wing, Ground Floor,
NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Tel: 022 67720555 Fax: 022 67720512
E-mail: Pcompanysecretary@principalindia.com
Web-site: www.principalindia.com
NOTES:

1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

2) Members will be able to attend the 19th Annual General Meeting to be held on Tuesday, September 15, 2020 through Video Conferencing by using the below mentioned link: https://support.microsoft.com/en-us/office/join-a-meeting-in-teams-1613bb53-f3fa-431c-85a9-d6a91c3468c9?ui=cn-us&rs=cn-us&ad=us

3) Pursuant to the provisions of the Act, A Member Entitled to Attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circular through VC/OAVM dated April 08, 2020, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence, the proxy form and Attendance slip are not annexed to this Notice.

4) Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

5) The Attendance of Members attending the Annual General Meeting through VC/OAVM, will be counted for the purpose of reckoning the Quorum.

6) A member of the Company, which is a body corporate, is entitled to appoint its representative duly authorized in accordance with Section 113 of the Companies Act, 2013, to vote on its behalf.

7) Statutory Registers and document(s) including Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to Pcompanysecretary@principalindia.com.

8) Members joining the AGM in VC/OVAM Mode, may join the meeting 15 Minutes before the time scheduled for the meeting.

9) Members who need technical Assistance before or during the AGM to access and participate in the meeting may contact Helpdesk@principalindia.com

By Order of the Board of Directors

Michael Pinto
Director
DIN: 00021565

Ameet Parikh
Director
DIN: 00007036

Date: 12.08.2020
Place: Mumbai

Principal Trustee Company Private Limited
CIN: U67110MH2000PTC129483
Exchange Plaza, B Wing, Ground Floor,
NSE Building, Bandra Kurla Complex,
Bandra (East), Mumbai - 400001
Tel: 022 67720555 Fax: 022 67720512
E-mail: Pcompanysecretary@principalindia.com
Web-site: www.principalindia.com

Annual Report 2019-20
DIRECTORS’ REPORT

To,
The Members,
Principal Trustee Company Private Limited,
CIN: U67110MH2000PTC129483,

Your Directors have pleasure in presenting the Nineteenth (19th) Annual Report on the business and performance of the Company together with the audited financial statements for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>Particular</th>
<th>For the financial year ended March 31, 2020</th>
<th>For the financial year ended March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>84.91</td>
<td>108.88</td>
</tr>
<tr>
<td>Less: Expenses</td>
<td>69.94</td>
<td>98.56</td>
</tr>
<tr>
<td>Profit/ (Loss) before tax</td>
<td>14.97</td>
<td>10.31</td>
</tr>
<tr>
<td>Less: Provision for tax</td>
<td>2.35</td>
<td>1.98</td>
</tr>
<tr>
<td>Less; Income Tax of earlier years w/off</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Exception Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exception expenditure</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>12.62</td>
<td>8.33</td>
</tr>
</tbody>
</table>

APPROPRIATION

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim Dividend</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Final Dividend</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax on distribution of dividend</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer of General Reserve</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance carried to Balance sheet</td>
<td>12.62</td>
<td>8.33</td>
</tr>
</tbody>
</table>

Income during the current financial year was Rs. 84.91 lakh compared to Rs. 108.88 lakh in the previous year. Trustee fees during the current year was Rs. 68.16 lakh reduced from Rs. 73.50 lakh in the previous year. Investment income was recorded at Rs. 5.65 lakh in the current year compared to Rs. 34.38 lakh in the previous year. Though the overall income was lower compared to last year, however, the company recorded a profit of Rs. 12.62 lakhs compared to Rs. 8.33 lakhs last year due to lower expenses of Rs. 69.94 lakh in current year compared to Rs. 98.56 lakh last year.

FUND PERFORMANCE

The performance of various funds of the Principal Mutual Fund during the Financial Year 2019-20 is as under:
<table>
<thead>
<tr>
<th>Name of Fund</th>
<th>Plan &amp; Year of Launch (DD/MM/YYYY)</th>
<th>1 Year Return (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Hybrid Equity Fund (formerly known as Principal Balanced Fund)</td>
<td>Regular Plan - 14/01/2000</td>
<td>-19.85</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-18.86</td>
</tr>
<tr>
<td>Principal Dividend Yield Fund</td>
<td>Regular Plan - 15/10/2004</td>
<td>-19.68</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-19.20</td>
</tr>
<tr>
<td>Principal Global Opportunities Fund</td>
<td>Regular Plan - 29/03/2004</td>
<td>-13.06</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 02/01/2013</td>
<td>-12.76</td>
</tr>
<tr>
<td>Principal Multicap Growth Fund (formerly known as Principal Growth Fund)</td>
<td>Regular Plan - 25/10/2000</td>
<td>-25.79</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-25.12</td>
</tr>
<tr>
<td>Principal Nifty 100 Equal Weight Fund</td>
<td>Regular Plan - 27/07/1999</td>
<td>-29.81</td>
</tr>
<tr>
<td>(formerly known as Principal Index Fund - Nifty)</td>
<td>Direct Plan - 1/1/2013</td>
<td>-29.70</td>
</tr>
<tr>
<td>Principal Focused Multicap Fund (formerly known as Principal Large Cap Fund)</td>
<td>Regular Plan - 11/11/2005</td>
<td>-13.21</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-12.66</td>
</tr>
<tr>
<td>Principal Personal Tax Saver Fund</td>
<td>Regular Plan - 31/03/1996</td>
<td>-27.82</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-27.58</td>
</tr>
<tr>
<td>Principal Emerging Bluechip Fund</td>
<td>Regular Plan - 12/11/2008</td>
<td>-21.54</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-20.64</td>
</tr>
<tr>
<td>Principal Low Duration Fund</td>
<td>Regular Plan - 14/09/2004</td>
<td>-10.71</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-10.54</td>
</tr>
<tr>
<td>Principal Dynamic Bond Fund</td>
<td>Regular Plan - 09/05/2003</td>
<td>-1.74</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-1.37</td>
</tr>
<tr>
<td>Principal Short Term Debt Fund (formerly known as Principal Short Term Income Fund)</td>
<td>Regular Plan - 09/05/2003</td>
<td>-1.78</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-1.33</td>
</tr>
<tr>
<td>Principal Equity Savings Fund</td>
<td>Regular Plan - 23/05/2002</td>
<td>-6.59</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-5.51</td>
</tr>
<tr>
<td>Principal Cash Management Fund</td>
<td>Regular Plan - 30/08/2004</td>
<td>5.69</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>5.72</td>
</tr>
<tr>
<td>Principal Credit Risk Fund (formerly known as Principal Credit Opportunities Fund)</td>
<td>Regular Plan - 14/09/2004</td>
<td>-0.75</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>0.10</td>
</tr>
<tr>
<td>Principal Ultra Short Term Fund (formerly known as Principal Retail Money Manager Fund)</td>
<td>Regular Plan - 28/12/2007</td>
<td>5.85</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>6.72</td>
</tr>
<tr>
<td>Principal Balanced Advantage Fund (formerly known as Principal Smart Equity Fund)</td>
<td>Regular Plan - 16/12/2010</td>
<td>-8.64</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-7.33</td>
</tr>
<tr>
<td>Principal Tax Savings Fund</td>
<td>Regular Plan - 31/03/1996</td>
<td>-27.07</td>
</tr>
<tr>
<td></td>
<td>Direct Plan - 1/1/2013</td>
<td>-26.73</td>
</tr>
<tr>
<td>Principal Retirement Savings Fund-Conservative Plan</td>
<td>Regular Plan - 1412/2015</td>
<td>-5.85</td>
</tr>
<tr>
<td>(formerly known as Principal Asset Allocation Fund-of-Funds – Conservative Plan)</td>
<td>Direct Plan - 14/12/2015</td>
<td>-5.41</td>
</tr>
<tr>
<td>Principal Retirement Savings Fund - Moderate Plan</td>
<td>Regular Plan - 1412/2015</td>
<td>-10.57</td>
</tr>
<tr>
<td>(formerly known as Principal Asset Allocation Fund-of-Funds – Moderate Plan)</td>
<td>Direct Plan - 14/12/2015</td>
<td>-9.98</td>
</tr>
<tr>
<td>Principal Retirement Savings Fund - Progressive Plan (formerly known as Principal Asset Allocation Fund-of-Funds - Aggressive Plan)</td>
<td>Regular Plan – 14/12/2015</td>
<td>-24.43</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>---------------------------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td>Direct Plan – 14/12/2015</td>
<td>-23.73</td>
</tr>
<tr>
<td>Principal Arbitrage Fund</td>
<td>Regular Plan – 21/04/2016</td>
<td>4.22</td>
</tr>
<tr>
<td></td>
<td>Direct Plan – 21/04/2016</td>
<td>4.72</td>
</tr>
<tr>
<td>Principal Small Cap Fund</td>
<td>Regular Plan – 13/05/2019</td>
<td>Scheme has not completed 1 Year</td>
</tr>
<tr>
<td></td>
<td>Direct Plan – 13/05/2019</td>
<td></td>
</tr>
<tr>
<td>Principal Mid Cap Fund</td>
<td>Regular Plan – 30/12/2019</td>
<td>Scheme has not completed 1 Year</td>
</tr>
<tr>
<td></td>
<td>Direct Plan – 30/12/2019</td>
<td></td>
</tr>
</tbody>
</table>

**OUTLOOK**

At Principal Mutual Funds, our focus is not only to grow our AUM, but also to provide right products to the investors and staying relevant in their minds. We have taken several actions during the year to position the company for increasing its retail business while aligning our institutional business strategy towards higher margin products. Our plans for the next three to five years is to position the Company as a dominant player in ‘long term’ asset management business. Besides developing new solutions to meet needs of the investors through our domestic funds, we continue to pursue bringing in unique global investment options from our international product suite for our clients. Additionally, we are investing aggressively to enhance our digital infrastructure and brand positioning to increase our relevance in minds of millennia investors.

**IMPACT OF COVID**

As COVID 19 has been declared as global pandemic which has not only affected the health and lifestyle of the people across the globe but has also caused severe disturbances in the global economy, leading to consequential impact on the external as well as internal business environment, financial statements and reporting.

In these difficult times the Company is responsible for safeguarding the governance, reputation, viability and future value of the organization, while ensuring the safety of its employees and their families. Therefore, crisis management has been a central focus during this time. The Company is actively monitoring & taking actions in terms of:

- Business continuity and ongoing sales/growth
- Enhanced business culture and operational framework
- New digital strategies
- Communication, both internal and external with distribution partners and investors
- Employee engagement; and
- Marketing, Branding & Reputation management
OPERATIONS

Principal Mutual Fund as at March 31, 2020 offers 23 Schemes. These include twelve Equity Schemes (including two Equity Linked Savings Schemes, Three Solution Oriented Schemes, one Index Fund), Four hybrid Schemes, one Fund of Fund Overseas (investing in international fund/s), five Debt Schemes/ Plans and one Liquid Scheme. The Assets under Management (AUM) from all these Schemes as on March 31, 2020 was Rs. 5142.01 crore.


To enhance or reach to Distributors and Customers, the Company operates out of 11 branches in India, including Mumbai and has 111 Investor Service Centers (of KFin Technologies Pvt. Ltd., Limited) across India, as Official Point of Acceptance.

There was no change in nature of the business of the Company, during the year under review.

DIRECTORS

The Board represents an optimum combination of Non-Executive Directors, who possess varied professional knowledge and experience in diverse fields like finance, economics, information technology, administration etc.

On the date of report, the Board consists of 4 Members as follows:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Current Position per Company law – SEBI regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Michael Pinto</td>
<td>Non-Executive Director – Independent</td>
</tr>
<tr>
<td>Mr. Ameet Parikh</td>
<td>Non-Executive Director – Independent</td>
</tr>
<tr>
<td>Mr. Raman Uberoi</td>
<td>Non-Executive Director - Independent</td>
</tr>
<tr>
<td>Mr. Alejandro Echegorri Rodriguez</td>
<td>Non-Executive Director - Associate</td>
</tr>
</tbody>
</table>

The Composition of the Board of Directors is in line with the requirements prescribed under the Companies Act 2013 and SEBI (Mutual Funds) Regulations, 1996.

Following changes took place in the composition of the Board since last report:

1. Mr. Ameet Parikh, who was appointed as an Additional Director – Independent of the Company with effect from June 27, 2019, was appointed as regular Director by the shareholders of the Company at the Annual General Meeting held on August 23, 2019;

2. Mr. Raman Uberoi, who was appointed as an Additional Director – Independent of the Company with effect from June 27, 2019, was appointed as regular Director by the shareholders of the Company at the Annual General Meeting held on August 23, 2019;

3. Mr. Alejandro Echegorri Rodriguez, who was appointed as an Additional Director – Associate of the Company with effect from July 15, 2019, was appointed as regular Director by the shareholders of the Company at the Annual General Meeting held on August 23, 2019.

Annual Report 2019-20
4. Mr. O. V. Bundellu having completed its 10 years as Non-Executive Director – Independent of the Company, resigned with effect from August 03, 2020.

5. Ms. Tess Downey resigned as Non-Executive Director – Associate of the Company effective August 04, 2020.

DIRECTORS’ RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2020, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit/loss of the Company for that year;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a going concern basis;

e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

INTERNAL FINANCIAL CONTROL

Your Company’s Internal Control Systems are generally found commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

BOARD MEETINGS

During the Financial Year 2019-20, Seven meetings of Board of Directors were held on April 26, 2019, June 26, 2019, July 24, 2019, September 18, 2019, October 25, 2019, December 17, 2019 and February 13, 2020:

Attendance of the director at the Board Meetings during the year ended March 31st, 2020 is as follows:
<table>
<thead>
<tr>
<th>Name of the director</th>
<th>No. of Board meeting eligible to attend</th>
<th>No. of board meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Michael Pinto</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Mr. O. V. Bundellu</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Ms. Tess Downey</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Mr. Ameet Parikh®</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Mr. Raman Uoberoi®</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Mr. Alejandro Echegorri Rodriguez ^</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Mr. Viresh Mathur*</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mr. H M Singh**</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

* appointed on June 27, 2019  
*resigned on July 3, 2019  
**resigned on June 28, 2019  
*appointed on July 15, 2019

AUDIT COMMITTEE

The Company has constituted Audit Committee as per the provisions of the SEBI (Mutual Funds) Regulations, 1996.

During the year due to change in Directors, the Audit committee was reconstituted and as on the date of this report the Members of the Audit Committee are Mr. Michael Pinto, Mr. Ameet Parikh and Mr. Raman Uoberoi. During the Financial Year 2019-20, four Audit Committee meetings were held i.e. April 26, 2019, July 24, 2019, October 25, 2019 and February 13, 2020.

Attendance of the members at the Audit Committee Meetings during the year April 1st, 2019 to March 31st, 2020 is as follows:

<table>
<thead>
<tr>
<th>Name of the Director</th>
<th>No. of meetings eligible to attend</th>
<th>Meeting attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Michael Pinto</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr. O V Bundellu^</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr. Ameet Parikh®</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr. Raman Uoberoi®</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr. Viresh Mathur*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr. H M Singh**</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

* Ceased to be member on July 3, 2019  
** Ceased to be member on June 28, 2019  
^ appointed on June 27, 2020  
^ Resigned effective August 3, 2020

INVESTMENT COMMITTEE:

At the Board meeting held on February 13, 2020, the Board of Directors constituted Investment Committee u/s 179 of the Companies Act, 2013 with Ms. Tess Downey and Mr. Alejandro Echegorri Rodriguez as its members. During the Financial Year 2019-20 the Investment Committee meeting was held on March 23, 2020.
CORPORATE SOCIAL RESPONSIBILITY

During the Financial Year 2019-20, the Company was not required to constitute a Corporate Social Responsibility Committee of the Board as per Section 135 of the Companies Act, 2013.

STATUTORY AUDITORS

M/s. Haribhakti & Co. LLP, Chartered Accountants, bearing Registration No.103523W were the Statutory Auditors of the Company to hold office until the conclusion of upcoming 19th Annual General Meeting of the Company. Being eligible for reappointment and based upon consent received, the Board recommends reappointment of M/s Haribhakti & Co. LLP for a term of 5 (five) consecutive years i.e; from the conclusion of this (19th) Annual general Meeting till the conclusion of the 24th Annual General Meeting to be held in 2025.

PUBLIC DEPOSITS

During the Financial Year 2019-20, the Company did not accept any fixed deposits under the applicable provisions of the Companies Act, 2013.

AUDITORS’ REPORT

The Auditors’ Report to the Members on the Final Accounts of the Company for the Financial Year ended on March, 31, 2020 does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

In compliance with section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 forms part of this Report annexed as Annexure I. The Annual return shall also be placed at the website of the Company i.e. www.principalindia.com.

SHARE CAPITAL

During the financial year, no further shares were issued.

The issued, subscribed and paid-up equity share capital of the Company stands at 100,000 equity shares of Rs. 10/- each.

STATEMENT OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATES

Your Company has no subsidiary, joint ventures or associates and hence the statement to be annexed pursuant to Section 129 of Companies Act, 2013 is not applicable.

TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties are subject to the applicable provisions of Companies Act, 2013 and are entered into with the approval of the Board of Directors and shareholders (wherever applicable).

There were new no contracts / arrangements entered with the related parties during the Financial Year 2019-20. The transactions entered into with the related parties during the Financial Year 2019-20 are stated under ‘Notes to the Accounts’ in the Audited Financial Statements of the Company.
LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The Company has not given any Loan, Guarantee, provided Securities or made any investments under the provisions of Section 186 of the Companies Act, 2013 during the year.

RISK MANAGEMENT APPROACH

Risk Management is an integral part of the Company’s business. The Company has a Risk Management Framework in place under which the key financial and non-financial risks applicable to the Company and the mitigation measures are identified and are periodically monitored.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has no employees and hence the requirement of having Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is not applicable.

COMPANIES DISCLOSURE OF PARTICULARS PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 IS AS UNDER:

(A) **Foreign Exchange Earnings and Outflow:**

During the Financial Year 2019-20, there were no foreign exchange earnings and outflow.

(B) **Conservation of Energy & Technology Absorption:**

While the Company is a trustee to the mutual fund, it constantly endeavors to conserve energy and to improve upon the existing technology to meet global standards and adopt the best available technology for servicing customers.

DIVIDEND

The Board of Directors do not recommend any dividend for the financial year ended March 31, 2020.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIALS STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

During the year, there has been no significant and material orders being passed by the regulators or courts or tribunals which would impact the going concern status and company’s operations in future.
OTHER DISCLOSURES

The financial statements for any of the previous years have not been reinstated by the Company. There were no recommendations of the Audit Committee which were not concurred or accepted by the Board of Directors.

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, Securities and Exchange Board of India, Ministry of Corporate Affairs, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board of
Principal Trustee Company Private Limited

Michael Pinto  Ameet Nalin Parikh
Director       Director
DIN: 00021565  DIN: 0007036

Date: 12.08.2020
Place: Mumbai

Registered Office
Exchange Plaza, B Wing, Ground Floor, NSE Building,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.
CIN: U67110MH2000PTC129483
Tel No. 022-67720555
Fax No. 022 67720512
E-mail: Plcompanysecretary@principalindia.com
Web-site: www.principalindia.com
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

<table>
<thead>
<tr>
<th>CIN</th>
<th>U67110MH2000PTC129483</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Date</td>
<td>06.11.2000</td>
</tr>
<tr>
<td>Name of the Company</td>
<td>Principal Trustee Company Private Limited</td>
</tr>
<tr>
<td>Category / Sub-Category of the Company</td>
<td>Category: Company Limited by Shares Sub - Category : Indian Non-Government Company</td>
</tr>
<tr>
<td>Address of the Registered office and contact details</td>
<td>Exchange Plaza, B Wing, Ground Floor, NSE Bldg, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. Contact No.: 022-67720555</td>
</tr>
<tr>
<td>Whether listed company</td>
<td>No</td>
</tr>
<tr>
<td>Name, Address and Contact details of Registrar and Transfer Agent, if any:</td>
<td>Karvy Computershare Private Limited Address: 24 B, Rajabahadur Mansion, Ground Floor, Amabdlal Doshi Marg, Mumbai, Maharashtra 400023 Contact: 022 3292 0444</td>
</tr>
</tbody>
</table>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name and Description of main products / services</th>
<th>NIC Code of the Product/service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Trusteeship Services to Mutual Fund</td>
<td>66190</td>
<td>100%</td>
</tr>
</tbody>
</table>

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Name and address of the Company</th>
<th>CIN / GLN</th>
<th>Holding / subsidiary / associate</th>
<th>% of shares held by Holding Company</th>
<th>Applicable section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Principal Group Limited (Mauritius)</td>
<td>-</td>
<td>Holding Company</td>
<td>70.00%</td>
<td>Section 2(46) of the Companies Act, 2013.</td>
</tr>
</tbody>
</table>
### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat Physical Total % of Total Shares</td>
<td>Demat Physical Total % of Total Shares</td>
<td></td>
</tr>
<tr>
<td>A. Promoters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual/ HUF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Govt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Govt(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodies Corp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banks / FI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total(A)(1):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NRIs-Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodies Corp</td>
<td>100,000* - 100,000 100%</td>
<td>100,000* - 100,000 100%</td>
<td></td>
</tr>
<tr>
<td>Banks/Fl</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub total (A)(2)</strong></td>
<td>100,000 - 100,000 100%</td>
<td>100,000 - 100,000 100%</td>
<td></td>
</tr>
<tr>
<td><strong>Total shareholding of Promoter (A)</strong></td>
<td>100,000 - 100,000 100%</td>
<td>100,000 - 100,000 100%</td>
<td></td>
</tr>
<tr>
<td><strong>=(A)(1)+(A)(2)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B Public Shareholding

#### 1. Institutions

<table>
<thead>
<tr>
<th></th>
<th>Demat Physical Total % of Total Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual Funds</td>
<td></td>
</tr>
<tr>
<td>Banks / FI</td>
<td></td>
</tr>
<tr>
<td>Central Govt</td>
<td></td>
</tr>
<tr>
<td>State Govt(s)</td>
<td></td>
</tr>
<tr>
<td>Venture Capital Funds</td>
<td></td>
</tr>
<tr>
<td>Insurance Companies</td>
<td></td>
</tr>
<tr>
<td>FIIs</td>
<td></td>
</tr>
</tbody>
</table>

<p>| Annual Report 2019-20   |                                               |</p>
<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Venture Capital Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others (specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total (B)(1):</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>2. Non-Institutions</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indian</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Overseas</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Individual shareholders holding nominal share capital up to Rs. 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Individual shareholders holding nominal share capital in excess of Rs 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Others (specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total (B)(2):</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Public Shareholding (B) = (B)(1) + (B)(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total (A+B+C):</strong></td>
<td>100,000</td>
<td>0</td>
<td>100,000</td>
<td>100%</td>
<td>100,000</td>
<td>-</td>
<td>100,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Includes 6 equity shares by Mr. Sudhin Padhye in demat form, Nominee of Principal Financial Group (Mauritius) Ltd.
(ii) Shareholding of Promoters:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Shareholder's Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
<th>% change in shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
<td>% of Shares Pledged/encumbered to total shares</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>1.</td>
<td>Principal Financial Group (Mauritius) Limited</td>
<td>70,000*</td>
<td>70%</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Principal International India Pvt Ltd</td>
<td>30,000</td>
<td>30%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100,000</td>
<td>100%</td>
<td>100,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Includes 6 equity shares by Mr. Sudhin Padhye in demat form, Nominee of Principal Financial Group (Mauritius) Ltd

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

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total Shares of the company</td>
<td>No. of shares</td>
</tr>
<tr>
<td>a)</td>
<td>Principal Financial Group (Mauritius) Limited</td>
<td>At the beginning of the year</td>
<td>At the end of the year</td>
</tr>
<tr>
<td></td>
<td>Principal International India Pvt Ltd</td>
<td>At the beginning of the year</td>
<td>At the end of the year</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>For Each of the Top 10 Shareholders</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total Shares of the company</td>
<td>No. of shares</td>
</tr>
<tr>
<td>1</td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sl. No.</td>
<td>For each of Directors and Key Managerial Personnel</td>
<td>Shareholding at the beginning of the year</td>
<td>Cumulative Shareholding during the Year</td>
</tr>
<tr>
<td>--------</td>
<td>------------------------------------------------</td>
<td>--</td>
<td>----------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the Company</td>
</tr>
<tr>
<td>1</td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>At the end of the year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

<table>
<thead>
<tr>
<th>Indebtedness at the beginning of the financial year</th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Principal Amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Interest due but not paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Interest accrued but not due</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong> (i+ii+iii)</td>
<td></td>
<td></td>
<td></td>
<td><strong>NIL</strong></td>
</tr>
</tbody>
</table>

Change in Indebtedness during the financial year

- * Addition
- * Reduction

Net Change

Indebtedness at the end of the financial year

Annual Report 2019-20
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Gross salary</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>b. Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Stock Option</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Sweat Equity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (A)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

B. Remuneration to other directors:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Independent Directors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board and committee meetings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td></td>
</tr>
</tbody>
</table>

(Rs. in lakhs)
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CS</td>
</tr>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>b. Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief Description</th>
<th>Details of Penalty / Punishment/ Compounding fees imposed</th>
<th>Authority [RD / NCLT/ COURT ]</th>
<th>Appeal made, if any (give Details)</th>
</tr>
</thead>
</table>

**A. COMPANY:**
<table>
<thead>
<tr>
<th>Penalty</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Punishment</td>
<td>Nil</td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
</tr>
</tbody>
</table>

**B. DIRECTORS:**

<table>
<thead>
<tr>
<th>Penalty</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Punishment</td>
<td>Nil</td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
</tr>
</tbody>
</table>

**C. OTHER OFFICERS IN DEFAULT:**

<table>
<thead>
<tr>
<th>Penalty</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Punishment</td>
<td>Nil</td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
</tr>
</tbody>
</table>

For and on behalf of the Board of  
Principal Trustee Company Private Limited

Michael Pinto  
Director  
DIN: 00021565

Ameet Nalin Parikh  
Director  
DIN: 0007036

Date: 12.08.2020  
Place: Mumbai

**Registered Office**  
Exchange Plaza, B Wing, Ground Floor, NSE Building,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051.  
CIN: U67110MH2000PTC129483  
Tel No. 022-67720555  
Fax No. 022 67720512  
E-mail: Pcompanysecretary@principalindia.com  
Web-site: www.principalindia.com
INDEPENDENT AUDITOR’S REPORT

To the Members of Principal Trustee Company Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Principal Trustee Company Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are Independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors’ Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Material misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Act, we give in “Annexure 1”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

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

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

c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. We do not report on the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls in terms of section 143(3)(i) of the Act, since in our opinion and according to the information and explanations given to us, the said reporting is not applicable to the Company;

g. With respect to the other matter to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAEEZ5519
Place: Mumbai August 12, 2020,
ANNEXURE 1 TO THE INDEPENDENT AUDITOR’S REPORT
[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section in the Independent Auditor’s Report of even date to the members of Principal Trustee Company Private Limited on the financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable properties. Therefore, clause 3(i) (c) of the Order is not applicable to the Company.

(ii) The Company doesn’t have any inventory hence the clause 3(ii) of the Order are not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order are not applicable to the Company.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has not given any loans, investments, guarantees and securities so the provisions of section 185 and 186 of the Act are not applicable to the Company. Accordingly, clause 3(iv) of the Order are not applicable to the Company.

(v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it.

AND

No undisputed amounts payable in respect of income tax, GST, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to income tax and GST which have not been deposited on account of any dispute.
(viii) During the year, the Company has not taken any loans or borrowings from any financial institution, bank or government nor has it issued any debentures. Accordingly, clause 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) As the Company is a private limited company, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, clause 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAEZ5519
Place: Mumbai August 12, 2020.

Haribhakti & Co. LLP, Chartered Accountants Regn. No. AAC- 3768, a limited liability partnership registered in India (converted on 17th June, 2014 from a firm Haribhakti & Co. FRN: 103523W).
Registered offices: 705, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059, India. Tel:+91 22 6672 9999 Fax:+91 22 6672 9777
Other offices: Ahmedabad, Bengaluru, Chennai, Kolkata, New Delhi.
Principal Trustee Company Private Limited  
Balance Sheet as at March 31, 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at March 31, 2020 Rs.</th>
<th>As at March 31, 2019 Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ Fund :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
<td>3'</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Reserves &amp; Surplus</td>
<td>4'</td>
<td>56,979,589</td>
</tr>
<tr>
<td><strong>Non Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Tax Liability</td>
<td>5'</td>
<td>1,202</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>6'</td>
<td>225,327</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>58,206,118</strong></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipments</td>
<td>7'</td>
<td>43,140</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Investments</td>
<td>8'</td>
<td>54,836,472</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>9'</td>
<td>518,769</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>10'</td>
<td>810,263</td>
</tr>
<tr>
<td>Short Term Loans and Advances</td>
<td>11'</td>
<td>1,997,474</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>58,206,118</strong></td>
</tr>
</tbody>
</table>

Significant Accounting Policies  
'2.1'  
The note nos. 1 to 22 form integral part of financial statements  

As per our attached report of even date  

For Haribhakti & Co. LLP  
Chartered Accountants  
Firm Registration No. 103523W/W100048

For and on behalf of the Board of  
Principal Trustee Company Private Limited

Michael Pinto  
Director  
DIN:-00021565  
Ameet Parikh  
Director  
DIN:-00007036

Sumant Sakhardande  
Partner  
Membership No. 034828

Mumbai,  
August 12, 2020

Mumbai,  
August 12, 2020
Principal Trustee Company Private Limited  
Statement of Profit and Loss for the year ended March 31, 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>Year ended March 31, 2020 Rs.</th>
<th>Year ended March 31, 2019 Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue from Operations '12'</td>
<td>6,816,275</td>
</tr>
<tr>
<td></td>
<td>Other Income '13'</td>
<td>1,674,249</td>
</tr>
<tr>
<td></td>
<td>Total Revenue</td>
<td>8,490,524</td>
</tr>
<tr>
<td></td>
<td>Expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operating and Other Expenses '14'</td>
<td>6,988,630</td>
</tr>
<tr>
<td></td>
<td>Depreciation '7'</td>
<td>5,004</td>
</tr>
<tr>
<td></td>
<td>Total Expenses</td>
<td>6,993,634</td>
</tr>
<tr>
<td></td>
<td>Profit before Tax</td>
<td>1,496,890</td>
</tr>
<tr>
<td></td>
<td>Tax Expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current Tax</td>
<td>233,515</td>
</tr>
<tr>
<td></td>
<td>Deferred Tax</td>
<td>1,202</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>234,717</td>
</tr>
<tr>
<td></td>
<td>Profit after Tax</td>
<td>1,262,173</td>
</tr>
</tbody>
</table>

Earning Per Share (Basic as well as diluted) (Refer note no. 21)  
[Face Value Rs. 10 per share]  
12.62  
8.33

Significant Accounting Policies  
'2.1'  
The note nos. 1 to 22 form integral part of financial statements

As per our attached report of even date

For Haribhakti & Co. LLP  
Chartered Accountants  
Firm Registration No. 103523W/W100048

Sumant Sakhardande  
Partner  
Membership No. 034828  
Mumbai,  
August 12, 2020

For and on behalf of the Board of  
Principal Trustee Company Private Limited

Michael Pinto  
Director  
DIN: 00021565  
Mumbai,  
August 12, 2020

Ameet Parikh  
Director  
DIN: 00007036
# Cash Flow Statement for the Year ended March 31, 2020

<table>
<thead>
<tr>
<th>Cash Flow from Operating Activities</th>
<th>Year ended March 31, 2020</th>
<th>Year ended March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(Loss) before Tax</td>
<td>1,496,890</td>
<td>1,031,097</td>
</tr>
<tr>
<td>Non-Cash Adjustment to reconcile Profit/(Loss) before Tax to Net Cash Flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,004</td>
<td>-</td>
</tr>
<tr>
<td>Net (Profit) / Loss on Sale of Current Investments (considered separately)</td>
<td>(565,360)</td>
<td>(2,430,117)</td>
</tr>
<tr>
<td>Operating Profit/(Loss) before Working Capital Changes</td>
<td>936,524</td>
<td>(2,407,020)</td>
</tr>
<tr>
<td>Movements in Working Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase / (Decrease) in Other Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) / Decrease in Short-term Loans and Advances</td>
<td>(160,832)</td>
<td>(399,603)</td>
</tr>
<tr>
<td>(Increase) / Decrease in Trade Receivables</td>
<td>208,456</td>
<td>(138,992)</td>
</tr>
<tr>
<td>(Increase) / Decrease in Trade Receivables</td>
<td>142,589</td>
<td>(134,730)</td>
</tr>
<tr>
<td>Loss: Taxes Refund (net)</td>
<td>1,030,920</td>
<td>277,572</td>
</tr>
<tr>
<td>Net Cash Flow from Operating Activities (A)</td>
<td>2,157,667</td>
<td>(2,702,773)</td>
</tr>
</tbody>
</table>

| Cash Flow from Investing Activities |                          |                           |
| Purchase of Fixed Assets            | (46,144)                  | -                         |
| Sale/(Purchase) of Current Investments (net) | (2,100,001)             | 1,103,309                 |
| Net Cash Flow from Investing Activities (B) | (2,148,145)             | 1,103,309                 |

| Net Increase / (Decrease) in Cash and Cash Equivalents (A + B) | 9,522 | (1,599,464) |
| Cash and Cash Equivalents at the beginning of the year | 800,741 | 2,400,205 |
| Cash and Cash Equivalents at the end of the Year | 810,263 | 800,741 |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3, Cash Flow Statements notifies under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. Cash and Cash Equivalents in the balance sheet comprises of cash at bank and cash at hand.

As per our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No. 103523/W100048

Sumant Sakhardande
Partner
Membership No. 034628
Mumbai, August 12, 2020

For and on behalf of the Board of
Principal Trustee Company Private Limited

Michael Pinto
Director
DIN: 00021565
Mumbai, August 12, 2020

Ameet Parikh
Director
DIN: 00007036
NOTE 1: CORPORATE INFORMATION

Principal Trustee Company Private Limited is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company provides trusteeship services to Principal Mutual Fund.

As of March 31, 2020, the share holding pattern of Principal Trustee Company Private Limited ("PTC") is Principal Financial Group (Mauritius) Ltd, the holding company-70% and Principal International India Limited-30%.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognized prospectively in the current and future periods.

c) Method of Accounting

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared as a going concern, under the historical cost convention, in accordance with generally accepted accounting principal and the provisions of the Companies Act, 2013.

d) Property, Plant & Equipment

Property, plant & equipment (PPE) acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.
The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services. Depreciation is charged over the estimated useful life of PPE on a straight line basis. If the management’s estimate based on technical assessment of the useful life of the PPE at the time of acquisition of the asset or of the remaining useful life on a subsequent review is different than that envisaged in the Schedule II, depreciation is charged based on the management’s estimate of the useful life or remaining useful life of the PPE. Pursuant to this policy, depreciation on the following assets is provided over the estimated useful lives stated below:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>As per Schedule II</th>
<th>As per Estimated Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Equipments</td>
<td>3 years</td>
<td>3 years</td>
</tr>
</tbody>
</table>

e) Investments

Investments are treated as Current Investments and are valued at Cost or Market Value, whichever is lower.

f) Trusteeship fees

Pursuant to the Trust Deed constituting the Fund, the trusteeship fees are accrued in the books at the rate 0.01% p.a. of daily net assets of the trust fund of all the schemes with a minimum of Rs. 5,00,000.

g) Profit / Loss on Sale of Investments

The difference between the cost and the redemption / sale proceeds net of expenses is recognised in the statement of profit and loss. For calculation of profit/loss on investments, cost is calculated on weighted average basis.

h) Dividend Income

Dividend income is accrued on ex-dividend date.

i) Taxes on Income

Current tax is the amount of tax on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised, 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) Retirement Benefits

As the company does not have any employee it does not provide for retirement benefits.
k) Operating cycle

Based on the nature of its activities the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

l) Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

m) Foreign currency transactions

(a) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Differences
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

n) Cash & cash equivalents

Cash and cash equivalent includes cash on hand and balances held in current accounts with scheduled banks.

o) Provisions and contingencies

A provision is recognised when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised, however adequate disclosure has been made for the same. A contingent asset is neither recognised nor disclosed.
3. Share Capital

<table>
<thead>
<tr>
<th>Authorized Shares</th>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000,000 (31, 2019: 1,000,000) Equity shares of Rs. 10 each</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,000,000</strong></td>
<td><strong>10,000,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issued, Subscribed and Fully Paid-up Shares</th>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000 (March 31, 2019: 100,000) Equity shares of Rs. 10 each</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,000,000</strong></td>
<td><strong>1,000,000</strong></td>
</tr>
</tbody>
</table>

a. Reconciliation of Shares at the beginning and at the end of the year

<table>
<thead>
<tr>
<th>Equity Shares</th>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the beginning of the year</td>
<td>100,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Issued during the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td><strong>100,000</strong></td>
<td><strong>1,000,000</strong></td>
</tr>
</tbody>
</table>

b. Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c. Shares held by Holding Company

Out of Equity Shares issued by the Company, shares held by its Holding Company are as below:

<table>
<thead>
<tr>
<th>Principal Financial Group (Mauritius) Ltd., the holding Company</th>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>70,000 (March 31, 2019: 70,000) Equity Shares of Rs.10 each fully paid</td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>700,000</strong></td>
<td><strong>700,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity Shares of Rs.10 each fully paid</th>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Financial Group (Mauritius) Ltd</td>
<td>70,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Principal International India (UK) Ltd</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,000</strong></td>
<td><strong>100,000</strong></td>
</tr>
</tbody>
</table>

d. Details of Shareholders holding more than 5% shares in the Company

<table>
<thead>
<tr>
<th>Equity Shares</th>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>% holding in the class</td>
<td>% holding in the class</td>
<td></td>
</tr>
<tr>
<td>Principal Financial Group (Mauritius) Ltd</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Principal International India (UK) Ltd</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

e. Details of bonus shares issued, shares issued for consideration other than cash and shares bought back

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Shares</td>
<td>No. of Shares</td>
<td>No. of Shares</td>
<td>No. of Shares</td>
<td>No. of Shares</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>Fully paid up pursuant to contract(s) without payment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>being received in cash</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fully paid up by way of bonus shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares bought back</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>102</strong></td>
<td><strong>102</strong></td>
<td><strong>102</strong></td>
<td><strong>102</strong></td>
<td><strong>102</strong></td>
</tr>
</tbody>
</table>

4. Reserves and Surplus

<table>
<thead>
<tr>
<th>Surplus in the Profit &amp; Loss statement</th>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as per last financial statements</td>
<td>55,717,416</td>
<td>54,884,702</td>
</tr>
<tr>
<td>Add: Profit for the year</td>
<td>1,264,173</td>
<td>832,714</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td><strong>56,979,589</strong></td>
<td><strong>55,717,416</strong></td>
</tr>
</tbody>
</table>

5. Deferred Tax Liability

<table>
<thead>
<tr>
<th>March 31, 2020</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>1,202</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,202</strong></td>
</tr>
</tbody>
</table>

6. Other Current Liabilities

<table>
<thead>
<tr>
<th>As at March 31, 2020</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>21,642</td>
<td>60,757</td>
</tr>
<tr>
<td>203,686</td>
<td>326,402</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>225,327</strong></td>
</tr>
</tbody>
</table>
# 7. TANGIBLE ASSETS

<table>
<thead>
<tr>
<th>Cost or Valuation</th>
<th>Office Equipments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at March 31, 2018</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>As at March 31, 2019</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>48,144</td>
<td>48,144</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>As at March 31, 2020</strong></td>
<td>48,144</td>
<td>48,144</td>
</tr>
</tbody>
</table>

## Depreciation

| As at March 31, 2018      | -                 | -      |
| Additions                  | -                 | -      |
| Disposals                  | -                 | -      |
| **As at March 31, 2019**   | -                 | -      |
| Additions                  | 5,004             | 5,004  |
| Disposals                  | -                 | -      |
| **As at March 31, 2020**   | 5,004             | 5,004  |

| Net Block                  | -                 | -      |
| **As at March 31, 2019**   |  -                | -      |
| **As at March 31, 2020**   | 43,140            | 43,140 |
8. Current Investments

(valued at lower of cost and fair value, unless stated otherwise)

Unquoted Mutual Funds

- 23,791,037 units (March 31, 2019: 23,001,104 units) Face Value of Rs 1,000 each fully paid-up of Principal Cash Management Fund - Direct Plan Growth
  - As at March 31, 2020: Rs. 32,202,947
  - As at March 31, 2019: Rs. 30,337,586

- 928,334 units (March 31, 2019: 666,202 units) Face Value of Rs 1,000 each fully paid-up of Principal Low duration Fund - Direct Plan Growth
  - As at March 31, 2020: Rs. 2,800,000
  - As at March 31, 2019: Rs. 2,000,000

- 6,652,201 units (March 31, 2019: 6,652,201 units) Face Value of Rs 1,000 each fully paid-up of Principal Credit Risk Fund - Direct Plan Growth
  - As at March 31, 2020: Rs. 19,833,525
  - As at March 31, 2019: Rs. 19,833,525

Aggregate amount of Unquoted investments-Repurchase Value

- Rs. 54,836,472
- Rs. 52,171,111

9. Trade Receivables

Unsecured, considered good
Less than six months
- As at March 31, 2020: Rs. 518,769
- As at March 31, 2019: Rs. 661,358

10. Cash and Bank Balances

Cash and Cash Equivalents
Balances with Banks in Current accounts
Cash on hand
- As at March 31, 2020: Rs. 809,965
- As at March 31, 2019: Rs. 800,741

11. LOANS AND ADVANCES

Advances Recoverable in Cash or Kind
Unsecured, considered good
- (A)

Other Loans and Advances
Advance Income Tax (net of provision for taxation)
Prepaid Expenses
- (B)

Total (A + B)

As at March 31, 2020 As at March 31, 2019
Rs. Rs.

---

---
Principal Trustee Company Private Limited  
Notes forming part of the Statement of Profit and Loss for the year ended March 31, 2020

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2020</td>
<td>March 31, 2019</td>
</tr>
<tr>
<td>Rs.</td>
<td>Rs.</td>
</tr>
</tbody>
</table>

12. Revenue from Operations

<table>
<thead>
<tr>
<th>Details of Services Rendered</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trusteeship Fees</td>
<td>6,816,275</td>
<td>7,350,793</td>
</tr>
</tbody>
</table>

13. Other Income

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Gain on Sale of Current Investments</td>
<td>565,360</td>
<td>3,438,117</td>
</tr>
<tr>
<td>Interest on Income Tax Refund</td>
<td>1,027,146</td>
<td>98,674</td>
</tr>
<tr>
<td>Interest on Fixed Deposits</td>
<td>36,008</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>45,735</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,674,249</strong></td>
<td><strong>3,536,791</strong></td>
</tr>
</tbody>
</table>

14. Operating and Other Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and Professional fees (Refer note no. 15)</td>
<td>2,195,068</td>
<td>1,597,168</td>
</tr>
<tr>
<td>Travelling Expenses</td>
<td>591,775</td>
<td>967,889</td>
</tr>
<tr>
<td>Directors' Sitting Fees (Refer note no. 16)</td>
<td>2,150,000</td>
<td>2,450,000</td>
</tr>
<tr>
<td>Auditors' Remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>100,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Out of pocket expenses</td>
<td>2,150</td>
<td>2,551</td>
</tr>
<tr>
<td>SEBI Fees</td>
<td>1,096,697</td>
<td>940,517</td>
</tr>
<tr>
<td>Postage and Courier (Refer Note no. 17)</td>
<td>-</td>
<td>3,030,567</td>
</tr>
<tr>
<td>Insurance for Directors Liability</td>
<td>417,553</td>
<td>351,021</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>435,387</td>
<td>461,774</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,988,630</strong></td>
<td><strong>9,856,487</strong></td>
</tr>
</tbody>
</table>
PRINCIPAL TRUSTEE COMPANY PRIVATE LIMITED

Significant Accounting Policies and Notes to Accounts Forming Part of the Accounts for the year ended March 31, 2020

15. The company has incurred an expenditure of Rs. 1,631,480 (previous year Rs. 95,919) towards legal expenses for pursuing recovery of outstanding dues on account of default in securities held in some of the Schemes of Principal Mutual Fund.

16. Directors’ Sitting Fees:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Year ended March 31, 2020 (Rs.)</th>
<th>Year ended March 31, 2019 (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sitting Fees paid to Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Board Meetings</td>
<td>1,350,000/-</td>
<td>1,500,000/-</td>
</tr>
<tr>
<td>For Audit Committee Meetings</td>
<td>800,000/-</td>
<td>950,000/-</td>
</tr>
<tr>
<td>Total</td>
<td>2,150,000/-</td>
<td>2,450,000/-</td>
</tr>
</tbody>
</table>

17. The cost incurred by Principal Asset Management Private Limited (PAMPL) and Principal Trustee Company Private Limited (PTC) on the joint communication sent to the Unitholders as per SEBI approval for the acquisition of shares held by Punjab National Bank in PAMPL and PTC, has been shared equally by PAMPL and PTC.

18. The Company did not recognise deferred tax asset on Long term capital losses and Mat Credit Entitlement on account of prudence.

19. The Company is engaged in the business of providing trusteeship services in India. There are no other separate business segments and/or geographical segments as per Accounting Standard 17 – Segment Reporting issued by The Institute of Chartered Accountants of India.

20. Disclosure as required by Accounting Standard (AS) - 18 “Related Party Disclosures”

A. Names of the related parties and their relationship with the Company:

<table>
<thead>
<tr>
<th>Nature of Relationship</th>
<th>Name of the related party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ultimate Holding Company</td>
<td>Principal Financial Group, Inc</td>
</tr>
<tr>
<td>Holding Company of Principal Financial Group</td>
<td>Principal Financial Services, Inc</td>
</tr>
<tr>
<td>Holding Company</td>
<td>Principal Financial Group (Mauritius) Limited</td>
</tr>
<tr>
<td>Substantive Shareholder</td>
<td>Punjab National Bank (till August 24, 2018) Principal International India Limited (w.e.f. from August 24, 2018)</td>
</tr>
<tr>
<td>Fellow Subsidiaries</td>
<td>Principal Asset Management Private Limited</td>
</tr>
<tr>
<td></td>
<td>Principal Retirement Advisors Private Limited</td>
</tr>
</tbody>
</table>

B. Transactions with related party:

<table>
<thead>
<tr>
<th>Name of the related party</th>
<th>Particulars</th>
<th>2019-2020</th>
<th>2018-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Asset Management Private Limited</td>
<td>Payments related to sharing/ reimbursement of expenses</td>
<td>1,536,019</td>
<td>400,000</td>
</tr>
<tr>
<td></td>
<td>Balance Receivable/(Payable)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
21. Earnings Per Share (EPS):

As per Accounting Standard 20-Earning per share, the basic / diluted earning per equity share is calculated as stated below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2020</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after tax</td>
<td>1,262,173</td>
<td>Rs. 832,714</td>
</tr>
<tr>
<td>Weighted Average Number of equity shares</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Basic/diluted</td>
<td>12.62</td>
<td>8.33</td>
</tr>
<tr>
<td>Nominal value per share</td>
<td>Rs. 10.00</td>
<td>Rs. 10.00</td>
</tr>
</tbody>
</table>

22. Figures for the previous year have been regrouped, wherever necessary to correspond with those of the current year.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No.

For and on behalf of the Board of
Principal Trustee Company Private Limited

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, August 12, 2020

Michael Pinto
Director
DIN: 00021565
August 12, 2020

Ameet Parikh
Director
DIN: 00007036