

“ **Our goal is not higher AUM
but a preferred fund house for equity investments.** ”

PPFAS Mutual Fund

Abridged Annual Report For The Financial Year 2016-17

Scheme Name: **Parag Parikh Long Term Value Fund**
(formerly known as PPFAS Long Term Value Fund)

Sponsor of PPFAS Mutual Fund Parag Parikh Financial Advisory Services Private Limited Registered office: 103, Veena Chambers, 21 Dalal Street, Fort, Mumbai - 400001.	Trustee to PPFAS Mutual Fund PPFAS Trustee Company Private Limited. Registered office: 103, Veena Chambers, 21 Dalal Street, Fort, Mumbai - 400001.
Asset Management Company (Investment Manager to PPFAS Mutual Fund) PPFAS Asset Management Private Limited Registered office: 103, Veena Chambers, 21 Dalal Street, Fort, Mumbai - 400001	Custodian to scheme(s) of PPFAS Mutual Fund: Stock Holding Corporation of India Limited SHCIL House, Plot No P-51, MIDC, Mahape, Navi Mumbai - 400710
Statutory Auditors Sudit K. Parekh & Co. Chartered Accountants Ballard House, 2nd Floor, Adi Marzban Path, Ballard Pier, Fort, Mumbai - 400001.	Internal Auditors Sanjay Panse and Co., Chartered Accountants 9, Three View Society Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
Registrar and Transfer Agent Computer Age Management Services Private Limited (CAMS) New No.10 / Old No.178 M G R Salai Kodambakkam High Road, Opp Palm Grove Hotel, Chennai - 600034. Tamil Nadu.	Fund Accountant for scheme (s) of PPFAS Mutual Fund. Sundaram BNP Paribas Fund Services. No.23 Cathedral Garden Road Nungambakkam, Chennai-600 034
Board of Directors of PPFAS Trustee Company Private Limited Mr. P A Balasubramanian Mr. Rajan Mehta Mr. Dhaval Desai Mr. Suneel Gautam	Board of Directors of PPFAS Asset Management Private Limited Mr. Neil Parag Parikh Mr. Rajeev Thakkar Mr. Rajesh Bhojani Mr. Arindam Ghosh Mr. Kamlesh Somani

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Chairman's Letter

Dear Investors,

Greetings!

Let me first begin by thanking you for your continued faith and support in Parag Parikh Long Term Value Fund.

Our Fund aims to provide positive inflation-adjusted returns and at the same time protect the capital from loss by ensuring adequate margin of safety while constructing our portfolio. Our goal is to optimize returns and not necessarily maximize returns. We have and will continue to maintain our investment discipline and philosophy and avoid chasing market fancies. We will continue to stay away from businesses we do not understand and promoters we do not have confidence in. At PPFAS, our whole focus has been to do the right things and merely not do things right. By following the common-sense approach to investing, I am confident over time we will be able to deliver consistent returns.

At the start of last year, we had laid out a plan to reach certain milestones, which I am happy to say have been achieved. The most important was to reach the SEBI mandated net worth criteria of 50 crores. We completed this milestone in December 2016 through the organic route and internal accruals. This gave us the flexibility of fulfilling our other promise to lower the expense ratio in both, the Direct as well as Regular Plan. The expense ratios were reduced by 20 basis points to 1.8% in the Direct Plan and 2.3% in the Regular Plan in January 2017.

The scheme name was also successfully changed from 'PPFAS Long Term Value Fund' to 'Parag Parikh Long Term Value Fund' in the year. This has been accepted really well by our investors, distributors and other market participants as it ensures better connect and recall.

The endeavour going forward is to continue reducing the expense ratio for the benefit of our investors. As Assets Under Management (AUM) grows, we will bring down the expense ratio. At an AUM of 1000 crores, we propose to bring down the expense ratio to 1.5% in Direct Plan and 2% in Regular Plan.

Parag Parikh Long Term Value Fund continues to be our flagship fund and we do not have any plans to launch another equity fund in the coming year.

I am happy to let you know that in the coming year, we will be moving to our new office premise at Nariman Point from our current premise in Fort. This move was much needed as the new office will have a bigger, more sophisticated space, a better address and superior working conditions which will lead to increased productivity. This move will also help us better plan for current and future business expansion.

We will continue to communicate with you regarding any updates or changes that the Fund goes through.

I once again wholeheartedly thank you for your support and investments in Parag Parikh Long Term Value Fund.

Neil Parag Parikh
Chairman.

Trustee Report

Dear Fellow Investors,

We the Trustee to PPFAS Mutual Fund, proudly present our 4th annual report and the audited financial statements of the Scheme(s) of PPFAS Mutual Fund (the 'Fund'), for the year ended March 31, 2017. In our previous reports, we have provided information on how a mutual fund is structured and basic information on various ratios/ measures which an investor needs to know, note on benefits of 'compounding' and 'SIP' investment. In this year's report, we are providing you a note on why low 'Portfolio Turnover' matters.

Why low 'Portfolio Turnover' matters

The distillate of the term 'investing', shorn of all its froth, involves choosing good businesses and holding on to them for a long time. In doing so, the investor makes a conscious decision to forego current consumption with the hope of reaping financial rewards in the distant future. Those individuals who are unable or unwilling to go through the grind of choosing good businesses, outsource the task to equity mutual fund schemes.

However, all such schemes are not the same. Though they adhere to due process, it is inevitable that every actively managed scheme will reflect the personality of its Fund Manager. Some of them track price changes very closely and are not averse to timing the market, albeit in a measured manner. Others believe that daily price fluctuations are not central to the investing process. They are more concerned with the long-term fundamentals of the business they plan to purchase, tracking those closely and then jettisoning only those companies whose fundamentals have changed for the worse.

If you believe in long-term investing, you should opt for a scheme which does not churn its portfolio actively. A few reasons why this is vital are:

1. Every business passes through a cycle. This cycle often lasts for five to seven years. It is important to hold on to the stock for at least one cycle, in order to reap the full benefits.
2. Low Turnover often mirrors the conviction of the Fund Manager. To paraphrase a mutual fund's byline...Investing success often relies on choosing right and then sitting tight. This applies to both, you as well as the Fund Manager.
3. Schemes which actively churn their portfolio often incur higher transaction and impact cost, a portion of which is passed on to the investor.
4. While mutual funds in India are currently not taxed for each transaction, any change in the Tax code will mean that other things being equal, investment returns from schemes having higher turnover will be lower than those churn less.

While on this theme, here is an observation by Warren Buffett in one of his annual newsletters:

"Inactivity strikes us as intelligent behavior. Neither we nor most business managers would dream of feverishly trading highly-profitable subsidiaries because a small move in the Federal Reserve's discount rate was predicted or because some Wall Street pundit had reversed his views on the market. Why, then, should we behave differently with our minority positions in wonderful businesses? The art of investing in public companies successfully is little different from the art of successfully acquiring subsidiaries. In each case you simply want to acquire, at a sensible price, a business with excellent economics and able, honest management. Thereafter, you need only monitor whether these qualities are being preserved

I should emphasize that, as citizens, Charlie and I welcome change: Fresh ideas, new products, innovative processes and the like cause our country's standard of living to rise, and that's clearly good.

As investors, however, our reaction to a fermenting industry is much like our attitude toward space exploration: We applaud the endeavor but prefer to skip the ride."

We can only say..."Quod Erat Demonstrandum (QED)".

How the fund is performing after four years of operations?

To provide investors a holistic picture of the growth we are stating here data on number of fellow investors in the scheme, retail participation, AUM participation through SIP route and from B 15 and T 15 cities and towns. Data related to aging analysis will help to understand how long investors stayed invested in the scheme.

Particulars	As on 31st March 2017	As on 31st March 2016	% Change (+/-)
Total Number of investors	11297	6983	61.81
Number of Retail Investors	10405	6230	59.87
Geographical Coverage*	737	320	-
% of AUM from SIP investment	10.82%	5.71%	52.77
Number of SIP registered from B15 cities	1437	693	48.23
Number of SIP registered from T 15 cities	4364	2570	58.89

* Investors are spread across the cities and towns of the country and overseas. The Fund has received investments from 737 cities and towns in India and from Overseas destinations. Out of total investor base, retail investors count for 92.10%.

If you glance through table provided above, you can notice that change is positive for all the parameters. Participation from T 15 towns has shown decent increase. Investors' participation through SIP route has shown healthy growth. The percentage of AUM coming from SIP route is 10.82% almost double from the last years' figure. We feel that AUM contribution from SIP needs to grow more in order to have a steady flow of income. Being a young fund house, there has been a remarkable growth during the fiscal 2017. As we continue our journey the fund will have a higher contribution to AUM through SIP route. It is also worthwhile to take a note of the table provided below. You can notice that retail participation of the scheme is much higher. This indicates wider acceptance of the scheme by retail investors.

Investor classification	Number of investors as on 31st March 2017	Number of investors as on 31st March 2016
Non individual	267	221
HNI (individual)	625	532
Retail (individual)	10405	6230

Aging analysis data:

(Rupees in crores)

Period	AuM as on 31st March 2017	AuM as on 31st March 2016
0-1 month	21.24	12.58
1-3 months	141.79	25.29
3-6 months	36.60	27.94
6-12 months	71.60	70.30
12-24 months	135.48	117.72
24-36 months	92.71	397.11
> 36 months	226.68	Not applicable
Total AUM (Rupees in crores)	726.14	650.92

Above table reveals that more than 30% of investment has stayed invested for more than 36 months. This is a good sign and investment which is made for long term provide greater stability.

Assets Under Management (AUM)

As on March 31, 2016, the total assets of the Scheme were INR 650.92 Crores. As on March 31, 2017, the total assets of the Scheme stood at INR 726.14 Crores. Increase in AUM is due to incremental inflow into the scheme and capital appreciation of the existing portfolio.

Now, we will proceed with providing you details which are required to be provided to investors in accordance with applicable SEBI (Mutual Fund) Regulations, 1996.

Scheme performance, future outlook and operations of the Scheme

'Parag Parikh Long Term Value Fund' (Formerly known as PPFAS Long Term Value Fund' (the 'Scheme')

The Scheme is an open-ended equity scheme.

What is the Investment Objective of the Scheme?

The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of equity and Equity Related Securities.

Scheme shall be investing in Indian equities, foreign equities and related instruments and debt securities. Buying securities at a discount to intrinsic value will help to create value for investors. Our investment philosophy is to invest in such value stocks.

Long Term refers to an investment horizon of 5 years and more. In this Scheme Information Document (SID) it is mentioned that the Scheme is not suitable for investment horizon of less than 5 years. The Scheme will evaluate different companies based on their long-term prospects (5 years and more) rather than just looking at next quarter or a few quarters' earnings. Since the objective of the Scheme is to hold the investments in the companies where the Scheme has invested for the long term, it is essential that the investors in the Scheme have a similar outlook. It is expected that the core equity portfolio of the Scheme will have low churn (portfolio turnover). However, the actual churn (portfolio turnover) could be higher depending on circumstances prevailing at respective times.

Scheme Performance

The performance of the Scheme (Parag Parikh Long Term Value Fund) is provided below:

Since Inception returns till 31/03/2017	
	CAGR Return
NIFTY 500	14.45%
Direct Plan NAV	19.65%
Regular Plan NAV	19.04%

Last 3-year return	
	CAGR Return
NIFTY 500	15.22%
Direct Plan NAV	19.04%
Regular Plan NAV	18.42%

Scheme return for FY 2014-15	
	Absolute Return
NIFTY 500	33.56%
Direct Plan NAV	39.41%
Regular Plan NAV	38.75%

Scheme return for FY 2015-16	
	Absolute Return
NIFTY 500	-7.54%
Direct Plan NAV	3.62%
Regular Plan NAV	3.08%

Last 1 year return (FY 2016-17)	
	Absolute Return
NIFTY 500	23.91%
Direct Plan NAV	16.83%
Regular Plan NAV	16.17%

Past performance may or may not be sustained in the future.

- Above one year returns are CAGR returns
- The Scheme offers only Growth Option
- Since Inception returns are calculated on Rs.10 (allotment price per Unit)
- ^ Scheme returns for last three years are computed as on 31st March 2017.

The NAV (net asset value) of the scheme as on March 31, 2017 are as under:-

Plan/Option wise Net Asset Value (NAV) for the year ended March 31, 2017 is as follows:-

Scheme Name	NAV per unit (Rs.) as on March 31, 2017	
	Direct	Regular
Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund)	19.9376	19.5487

Commentary from the Trustee on Scheme Performance.

As stated in all the literature relating to the scheme, this scheme is for long term investors.

The core portfolio of the Scheme consists of equity investments made with a long-term outlook and the factors considered while investing are quality of management, quality of the sector and the business (return on capital, entry barriers, capital intensity, use of debt, growth prospects etc) and the valuation of the companies. The endeavor of the fund management team is to identify opportunities for long term investments.

The Scheme invests with an investment horizon of a minimum of 5 years. Since over the long term, the economic variables like interest rates, liquidity, GDP growth rate etc. can have a lot of fluctuations and in most cases, see mean reversion, the Scheme focuses on company fundamentals more than macro-economic variables. The Scheme does not seek to time the markets or to make top down investment strategies based on macro-economic forecasts.

Future Outlook

We have completed four years since the launch of "Parag Parikh Long Term Value Fund" (Formerly known as PPFAS Long Term Value Fund) in May of 2013.

We continue to abide by our investment approach of looking at investments as ownership stakes in businesses and a buy and hold long term approach. Our portfolio comprises of individually selected companies rather than top down macro or sectoral themes.

Valuations of equities on an overall basis, is clearly at above average levels. The earnings growth for companies in India has been subdued and also the return on equity has fallen in recent years. Significant sectors like IT, Pharma, Metals suffer from global headwinds while the banking sector is still suffering from past lending turning bad. Some sectors like telecom and retail are seeing competitive intensity which will lead to profit erosion for existing players.

This is not to say that there are no quality companies available. It is just that the quality names are well recognised and the valuations are high. Stock price growth has been far in excess of earnings growth in the quality names. Given this scenario, we have been trimming positions wherever the valuations look stretched or the business is not performing as per expectations. There is some cash which will be deployed on getting the right opportunities.

We continue to have a mix of Indian and overseas stocks. We maintain a currency hedge for approximately 80% of our overseas currency exposure which besides reducing the overall volatility of the portfolio also give a positive yield of about 4.50% to 5% p.a.

Details of Investor Services:

When we launched our Fund, we knew that we were entering a competitive space.

As building a performance track record would take its own time, the only way we could differentiate ourselves from the others initially, was by offering customer service of the highest degree. Now, four years have elapsed and we have the requisite track record in place. Our scheme has performed well on various metrics over this period. However, this does not mean that we can afford to drop the ball when it comes to serving our investors.

It is our understanding and belief that as a mutual fund it is our duty to talk to our investors. We love to talk to you, understand your needs and solve your queries. This practice has helped us to improve our services and investor experience.

However, given the steadily increasing number of Folios, it is imperative that we too up the ante, with regard to Customer Service.

This is being done in the following manner:

1. Increased touch-points :

As stated in our previous year report about exploring the option of allying with CAMS call centre. We would like to inform you that apart from maintaining our dedicated in-house team, we have outsourced the customer service cell to the CAMS call Centre w.e.f 15th May, 2017.

Our 'Online Chat' feature is greatly helping us in swift redressal of grievances and in addressing routine queries without any material delay.

Our 'Online Folio Creation' and 'Online SIP' facilities gained further traction this year. As on May 31st, 2017, 55 % of our Scheme's Folios and 25% of our SIP Folios have been created online, despite both these options being launched well after the scheme's New Fund Offer.

Recently, we have launched our Mobile application "PPFAS Self Invest". Existing investors can register for 'PPFAS Self Invest' after completing a simple One-Time-Password (OTP) based registration process and choosing their Mobile Personal Identification Number (M-PIN) for each Folio. New investors who are KRA/KIN(CKYC) compliant, would be able to create their Folio online.

Sections pertaining to Investor Education and Content originating from or disseminated by PPFAS Mutual Fund will be added within the next few months.

Also, we have now enabled payment of distributor commission in the form of units. We are restricting this only to the portion of the payout from the scheme (i.e. 50% of the total commission) and not the amount paid out by the AMC. The units will be allotted as per the terms and conditions contained in the Enrolment / Cancellation of Mandate Form and as per SID.

2. Initiatives planned over the next few months include:

Revamping our transaction portal and very soon we will enable online on-boarding of distributors.

We are in process of initiating the web version of 'PPFAS Self Invest'. It is currently in 'Beta mode'. Sections pertaining to Transacting through One Time Mandate 'OTM', Transaction History, Creation/Change in nomination, Change of Contact details will be added in next few weeks.

CAMS, our Registrar and Transfer Agent continues to assist us in our customer service efforts.

As has happened since inception, last year too we conducted meetings of investors, where we offered a platform to our investors to interact with representatives of the Fund (who are also co-investors along with you) These meetings were held at Mumbai, Chennai and Bengaluru. The dates for this year's meeting will be announced soon.

Brief Background of Sponsor, Trust, Trustee Company and Asset Management Company

(a) Parag Parikh Financial Advisory Services Private Limited (Sponsor)

PPFAS Mutual Fund is sponsored by Parag Parikh Financial Advisory Services Private Limited. The Sponsor is the Settlor of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. 1 lakh to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

The Sponsor is engaged in providing services of Portfolio Management Services and distribution of third party mutual fund products. For the Sponsor, substantial part of the revenue comes from providing PMS services to its clients.

(b) PPFAS Mutual Fund (the Fund)

PPFAS Mutual Fund (the "Fund") has been constituted as a trust on April 13, 2012 in accordance with the provisions of the Indian Trusts Act, 1882, as per the terms of trust deed, dated April 13, 2012, with Parag Parikh Financial Advisory Services Private Limited (PPFAS) as the Sponsor / Settlor and PPFAS Trustee Company Private Limited, as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated May 22, 2012 with PPFAS Asset Management Private Ltd. To function as the Investment Manager for all the Schemes of the Fund. The Fund is registered with SEBI on October 17, 2012 under the Registration Code MF/069/12/01.

(c) PPFAS Trustee Company Private Limited (Trustee Company)

PPFAS Trustee Company Private Limited (the "Trustee") is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the Unit-holders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the SEBI (Mutual Funds) Regulations, 1996 (the "Regulations") and the Trust Deed. The Trustee seeks to ensure that the Fund and the Scheme/s floated there under are managed by PPFAS Asset Management Private Limited in accordance with the Scheme Information Document (SID), the Trust Deed, the applicable Regulations, directions and guidelines issued by the SEBI, the Association of Mutual Funds in India (AMFI), Stock Exchanges and other regulatory agencies. As at March 31, 2017, PPFAS Pvt. Ltd. holds 100% of the paid-up equity share capital of PPFAS Trustee Company Private Limited.

Change in the composition of the Board of Directors of the Trustee Company is provided below;

There is no change in the composition of the Board of Directors of PPFAS Trustee Company Private Limited during the financial year 2016-17.

(d) PPFAS Asset Management Private Limited (Asset Management Company/ Investment Manager)

PPFAS Asset Management Private Limited ("PPFAS AMC") is a private limited company incorporated under the provisions of the Companies Act, 1956 on August 8, 2011. PPFAS AMC has been appointed as an Asset Management Company of PPFAS Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated May 22, 2012, and executed between PPFAS Trustee Company Private Limited and PPFAS AMC. PPFAS AMC is approved to act as an Asset Management Company for PPFAS Mutual Fund by the SEBI vide its letter dated October 17, 2012. Parag Parikh Financial Advisory Services Private Limited (PPFAS) holds 100% of the paid-up equity share capital of PPFAS Asset Management Private Limited.

During the financial year 2016-2017, PPFAS AMC has issued 35,20,000 equity shares of Rs. 10 each. This additional investment by the Sponsor has helped PPFAS AMC to increase its net-worth and meet the SEBI mandated net worth criteria of Rs. 50 crores well before the deadline. Net worth of PPFAS AMC as on 31st March 2017 is Rs. 53.39 Crores.

Details of changes in composition of the Board of Directors of the Asset Management Company effected are provided below;

Mr. Anil Singhvi, an Independent Director has resigned from the company with effect from 9th May 2016 and Mr. Arindam Ghosh is appointed as an Independent Director of the Company with effect from 13th May 2016. Mr. Swapnil Walimbe, Director and Company Secretary of PPFAS Asset Management Private Limited has resigned from the company with effect from 8th December, 2016. Ms. Priya Hariani is appointed as a Company Secretary and Compliance officer of PPFAS Asset Management Private Limited with effect from 9th December, 2016.

Shareholding Pattern

PPFAS Asset Management Private Limited:

Name of Shareholder	Number of Equity shares of Rs. 10 each fully paid	Percentage Holding
Parag Parikh Financial Advisory Services Private Limited	3,57,30,003	100.00%
(1 share each is held by Rajeev Thakkar, Geeta Parikh, Neil Parikh, Sahil Parikh, Sitanshi Parikh & Khushboo Parikh as nominee for Parag Parikh Financial Advisory Services Private Limited)	6	0.00%
Total	3,57,30,009	100.00%

PPFAS Trustee Company Private Limited:

Name of Shareholder	Number of Equity shares of Rs. 10 each fully paid	Percentage Holding
Parag Parikh Financial Advisory Services Private Limited	49,994	100.00%
(1 share each is held by Rajeev Thakkar, Geeta Parikh, Neil Parikh, Sahil Parikh, Sitanshi Parikh & Khushboo Parikh as nominee for Parag Parikh Financial Advisory Services Private Limited)	6	0.00%
Total	50,000	100.00%

Details of Unclaimed Dividend And Redemption.

There has been no instance of unclaimed redemption for the year ended March 31, 2017.

Scheme Name	Unclaimed Redemption Proceeds		Unclaimed Dividend Proceeds	
	Number of Investor	Amount (INR)	Number of Investor	Amount (INR)
Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund)				
Direct Plan	Nil	Nil	Not Applicable #	
Regular Plan	Nil	Nil		

The Scheme does not offer Dividend option.

Significant Accounting Policies

The Significant Accounting Policies form part of the Notes to the Accounts annexed to the Balance Sheet of the Scheme(s). The Accounting Policies are in accordance with Securities Exchange Board of India (Mutual Funds) Regulations, 1996.

Liability and Responsibility of Trustee and Sponsor

The main responsibility of the Trustee is to safeguard the interest of the Unit holders and inter-alia ensure that PPFAS Asset Management Private Limited (PPFAS AMC) functions in the interest of investors and in accordance with the

PPFAS Mutual Fund

Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the provisions of the Trust Deed and the Statement of Additional Information, Scheme Information Document/Offer Document of the Scheme. From the information provided to the Trustee and the reviews the Trustee has undertaken, the Trustee believes PPFAS AMC has operated in the interests of the Unit holders.

The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Scheme beyond the initial contribution of Rs.1 lakh made by them towards setting up of PPFAS Mutual Fund.

Other Statutory Information

1. Parag Parikh Financial Advisory Services Private Limited (the "Sponsor") is not responsible or liable from any loss resulting from the operations of the scheme/s of the Fund beyond its initial contribution of INR 1 Lakh for setting up the Fund, and such other accretions/ additions to the same.
2. The price and redemption value of the units and income from them can go up as well as down with fluctuations in the market value of its underlying investments.
3. Full Annual Report shall be disclosed on the website (www.amc.ppfas.com) and shall be available for inspection at the Head / Corporate Office of the PPFAS Mutual Fund. Present and prospective unit holders can obtain copy of the trust deed, the Full Annual Report of the Fund/ AMC at a price.

Voting Policy and Details of Proxy Voting exercised during the year

Voting Policy and details of proxy voting exercised during the financial year 2016-2017 of PPFAS Mutual Fund are provided after Notes to Accounts.

Acknowledgments

The Trustees wish to thank the fellow investors of the Fund for placing their trust in the Fund, Securities Exchange Board of India (SEBI), Association of Mutual Funds in India (AMFI) for their continued support and guidance. We would also like to appreciate the service and guidance provided by the CAMS (RTA) and Stock Holding Corporation India Limited (Custodian) and Sundaram BNP Paribas Fund Services (Fund Accountant), HDFC Bank, ICICI Bank (Collection Bankers) our Statutory and Internal Auditors.

For and on behalf of the Board of Directors
PPFAS Trustee Company Private Limited.
(Trustee to PPFAS Mutual Fund)

Sd/-

Sd/-

Rajan Mehta
Director

Suneel Gautam
Director

Place: Mumbai
Date: 22nd June 2017

Auditors' Report

Sudit K Parekh & Co

Chartered Accountants

Ballard House, 2nd Floor, Adi Marzban Path, Ballard Pier, Fort, Mumbai – 400 001

Ph: + 91 22 6617 8000, Fax: + 91 22 6617 8002

Email: admin@skparekh.com

Independent Auditors' Report

To The Board of Directors of

PPFAS Trustee Company Private Limited

PPFAS Mutual Fund- Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund)

Report on the Financial Statements

1. We have audited the accompanying financial statements of PPFAS Mutual Fund – Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund) (the "Scheme"), which comprise the Balance Sheet as at March 31, 2017, the Revenue Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Board of Directors of PPFAS Trustee Company Private Limited (the "Trustee") and the Management of PPFAS Asset Management Private Limited (the "Management") are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto (the "Regulations"). 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.

Auditors' Responsibility

3. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider internal control relevant to the preparation of financial statements that give a true and fair view of the financial statements 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 Scheme's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. 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 Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India for mutual funds:

(a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2017;

(b) in the case of the Revenue Account, of the net surplus for the year ended on that date; and

(c) in the case of Cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by Regulation 55 and clause 5 of Eleventh Schedule to the Regulations, we report that:

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

(b) the Balance Sheet, Revenue Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Scheme; and

(c) the Balance sheet and Revenue Account dealt with by this report have been prepared in accordance with the accounting policies and standard as specified in the Ninth Schedule of the Regulations.

8. The Scheme does not hold any non-traded securities as at March 31, 2017.

For SUDIT K PAREKH & CO.

Chartered Accountants

Firm Registration No.: 110512W

Sd/-

(Durgaprasad .S.Khatri)

Partner

Membership No.: 16316

Place : Mumbai

Date: 22nd June 2017

Abridged Balance Sheet as at March 31, 2017

	Parag Parikh Long Term Value Fund (formerly known as PPFAS Long Term Value Fund)	"Rupees in Lakhs"	"Rupees in Lakhs"
		As at March 31, 2017	As at March 31, 2016
	LIABILITIES		
1	Unit Capital	36,521.89	38,184.36
2	Reserves & Surplus		
2.1	Unit Premium Reserves	5,731.02	4,696.17
2.2	Unrealised Appreciation Reserve	-	-
2.3	Other Reserves	30,360.62	22,211.98
3	Loans & Borrowings	-	-
4	Current Liabilities & Provisions		
4.1	Provision for doubtful Income/Deposits	-	-
4.2	Other Current Liabilities & Provisions	2,036.64	1,917.11
	TOTAL	74,650.17	67,009.62
	ASSETS		
1	Investments		
1.1.	Listed Securities:		
1.1.1	Equity Shares	47,665.51	42,465.11
1.1.2	Preference Shares	-	-
1.1.3	Equity Linked Debentures	-	-
1.1.4	Other Debentures & Bonds	-	-
1.1.5	Securitized Debt securities	-	-
1.1.6	Indian Depository Receipt	-	105.47
1.2	Securities Awaited Listing:		
1.2.1	Equity Shares	-	-
1.2.2	Preference Shares	-	-
1.2.3	Equity Linked Debentures	-	-
1.2.4	Other Debentures & Bonds	-	-
1.2.5	Securitized Debt securities	-	-

Abridged Balance Sheet as at March 31, 2017

1.3	Unlisted Securities		
1.3.1	Equity Shares	-	-
1.3.2	Preference Shares	-	-
1.3.3	Equity Linked Debentures	-	-
1.3.4	Other Debentures & Bonds	-	-
1.3.5	Securitized Debt securities	-	-
1.4	Government Securities	-	-
1.5	Treasury Bills	-	-
1.6	Commercial Paper	-	-
1.7	Certificate of Deposits	-	-
1.8	Bill Rediscounting	-	-
1.9	Units of Domestic Mutual Fund	-	-
1.10	Foreign Securities		
1.10.1	International Equity Shares	16,970.23	15,188.86
1.10.2	International Equity American Depository Receipts (ADR)	2,630.96	2,530.66
	Total Investments	67,266.70	60,290.10
2	Deposits	905.00	200.00
3	Other Current Assets		
3.1	Cash & Bank Balance	134.76	263.10
3.2	CBLO/ Reverse Repo Lending	3,438.94	3,257.98
3.3	Others	2,904.77	2,998.44
4	Deferred Revenue Expenditure (to the extent not written off)	-	-
	TOTAL	74,650.17	67,009.62
Notes to Accounts - Annexure I			

Abridged Revenue Account for the period ended March 31, 2017

Parag Parikh Long Term Value Fund (formerly known as PPFAS Long Term Value Fund)		"Rupees in Lakhs"	"Rupees in Lakhs"
		Period ended March 31, 2017	Period ended March 31, 2016
1	INCOME		
1.1	Dividend	882.06	1,229.07
1.2	Interest	258.99	324.16
1.3	Realised Gain / (Loss) on Foreign Exchange Transactions	56.54	11.06
1.4	Realised Gains / (Losses) on Interscheme sale of investments	-	-
1.5	Realised Gains / (Losses) on External sale / redemption of investments	6,346.95	963.60
1.6	Realised Gains / (Losses) on Derivative Transactions ¹	-	-
1.7	Other Income	38.29	10.04
	(A)	7,582.83	2,537.93
2	EXPENSES		
2.1	Management fees	1,265.78	1,184.98
2.2	Service tax on Management fees	188.79	165.01
2.3	Transfer agents fees and expenses	-	-
2.4	Custodian fees	-	-
2.5	Trusteeship fees	-	-
2.6	Commission to Agents	36.72	19.46
2.7	Marketing & Distribution expenses	-	-
2.8	Audit fees	-	-
2.9	Other operating expenses	13.52	12.19
	(B)	1,504.81	1,381.64
3	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A - B = C)	6,078.02	1,156.29
4	Change in Unrealised Depreciation in value of investments (D)	(891.34)	1,136.46
5	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD [E=(C-D)]	6,969.36	19.83
6	Change in unrealised appreciation in the value of investments (F)	3,486.33	2,210.70
7	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	10,455.69	2,230.53
7.1	Add: Balance transfer from Unrealised Appreciation Reserve	-	-
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	-	-
7.3	Add / (Less): Equalisation	(2,307.05)	(46.01)
8	Total	8,148.64	2,184.52
9	Dividend appropriation		
9.1	Income Distributed during the year / period	-	-
9.2	Tax on income distributed during the year / period	-	-
10	Retained Surplus / (Deficit) carried forward to Balance sheet	8,148.64	2,184.52

Notes to Accounts - Annexure I

1 Realised Gains / (Losses) on Derivative Transactions is clubbed with "Realised Gains / (Losses) on External sale / redemption of investments"

Notes to Accounts

Annexure I

Notes to Accounts to the Abridged Balance Sheet as at March 31, 2017 and Revenue Account for the period ended March 31, 2017.

- The Scheme hold Investments in the name of Scheme(s) / Trustees for the benefits of the Schemes Unitholders.
- The scheme have exposure in Foreign Securities and ADRs as on :

Scheme	As on March 31, 2017		As on March 31, 2016	
	Market /Fair Value (Rs. in Lakhs)	% of Net Assets	Market /Fair Value (Rs. in Lakhs)	% of Net Assets
Parag Parikh Long Term Value Fund	19,601.19	26.99	17,719.51	27.22

- The scheme have open position in Index / Stock Future Derivative as on :

Scheme	As on March 31, 2017		As on March 31, 2016	
	Market /Fair Value (Rs. in Lakhs)	% of Net Assets	Market /Fair Value (Rs. in Lakhs)	% of Net Assets
Parag Parikh Long Term Value Fund	(21,071.97)	(29.02)	(20,061.72)	(30.82)

- The investments in Associates and Group Companies as on March 31, 2017 is NIL.
- Disclosure under Regulation 25(8) of SEBI (Mutual Fund) Regulations 1996, is as below.

Brokerage paid to associates/related parties/group companies of Sponsor/AMC is as under:

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association/Nature of relation	Period covered	Value of transaction (in Rs & % of total value of transaction of the fund)		Brokerage (Rs. & % of total brokerage paid by the fund)	
			Rs.	%	Rs.	%
Parag Parikh Financial Advisory Services Private Limited	Parent Company (Sponsor)	April 01, 2016 -to- March 31, 2017	NIL	NIL	NIL	NIL
Parag Parikh Financial Advisory Services Private Limited	Parent Company (Sponsor)	April 01, 2015 -to- March 31, 2016	NIL	NIL	NIL	NIL

- Aggregate Unrealised Gain / (Loss) as at the end of the Financial Period and percentage to net assets is as under :

Scheme	Aggregate Appreciation and Depreciation in Value of Investments			
	Appreciation (Rupees in Lakhs)	Depreciation (Rupees in Lakhs)	Net Appreciation / (Depreciation) (Rupees in Lakhs)	As a percentage (%) to Net Assets
Parag Parikh Long Term Value Fund as on 31.03.2017	20,995.01	(928.10)	20,066.91	27.64%
Parag Parikh Long Term Value Fund as on 31.03.2016	17,508.68	(1,819.44)	15,689.24	24.10%

- The aggregate value of purchases and sales of investments during the year expressed as a % of average daily Net assets is as under :

Scheme	As on March 31, 2017		As on March 31, 2016	
	Amount (Rs.in Lakhs)	% of Avg Daily Net Assets	Amount (Rs.in Lakhs)	% of Avg Daily Net Assets
Parag Parikh Long Term Value Fund				
- Purchase	13,194	19.52	12,552	20.59
- Sales	11,186	16.55	4,033	6.61

Note: Purchase excludes FD, Future & Options(Excluding Open position as on 31st March 2017), Repo and CBLO. Sales excludes Future & Options and Maturity.

PPFAS Mutual Fund

- 8** The details of Non Traded Securities along with % of Net Assets in schemes are NIL.
- 9** The details of holding over 25% of Net Assets in schemes are NIL.
- 10** The Plan wise movement of Unit Capital during the year for the Schemes is attached herewith as Annexure II.

Parag Parikh Long Term Value Fund	March 31, 2017		March 31, 2016	
	Units	Face Value	Units	Face Value
Unit Capital at the beginning of the year				
- Regular Plan	30,881,141.763	308,811,417.630	18,599,331.039	185,993,310.390
- Direct Plan	350,962,454.668	3,509,624,546.680	329,170,993.484	3,291,709,934.840
Units sold during the year				
- Regular Plan	26,441,994.622	264,419,946.22	16,661,072.893	166,610,728.93
- Direct Plan	111,208,926.223	1,112,089,262.23	64,969,040.347	649,690,403.47
Redeemed during the year				
- Regular Plan	5,263,157.297	52,631,572.97	4,379,262.169	43,792,621.69
- Direct Plan	149,012,430.182	1,490,124,301.82	43,177,579.163	431,775,791.63
Balance at the end of the year				
- Regular Plan	52,059,979.088	520,599,790.880	30,881,141.763	308,811,417.630
- Direct Plan	313,158,950.709	3,131,589,507.090	350,962,454.668	3,509,624,546.680

- 11** The Expenses other than management fee are inclusive of service tax where applicable.
- 12** There is no contingent liability in any of the schemes during the current period.
- 13** Prior year figures have been reclassified, wherever applicable, to conform to current years' presentation.
- 14** Open Positions of Securities Lending and Borrowing (SLB) are NIL.
- 15** There are no Non-Performing Assets (NPA) during the FY 2016-2017.

Key Statistics

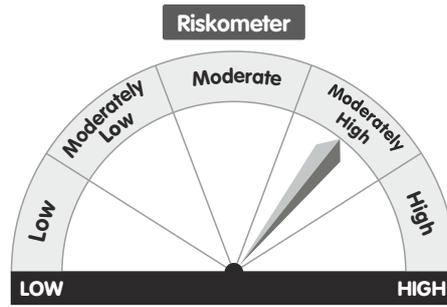
Parag Parikh Long Term Value Fund (Formerly known as PPFAS Long Term Value Fund)	Rupees in Lakhs	Rupees in Lakhs
	Period ended March 31, 2017	Period ended March 31, 2016
1. NAV per unit (Rs.):		
Open (NAV as on 01st April 2016)		
- Regular Plan	16.8282	16.3257
- Direct Plan	17.0661	16.4697
High		
- Regular Plan	19.5887	17.5993
- Direct Plan	19.9781	17.8154
Low		
- Regular Plan	16.5910	15.3812
- Direct Plan	16.8273	15.5877
End		
- Regular Plan	19.5487	16.8282
- Direct Plan	19.9376	17.0661
2. Closing Assets Under Management (Rs. in Lakhs)		
End	72,613.53	65,092.51
Average (AAuM) ¹	67,578.06	60,963.24
3. Gross income as % of AAuM ²	11.22	4.16
4. Expense Ratio:		
a. Total Expense as % of AAuM (plan wise)		
- Regular Plan	2.72	2.76
- Direct Plan	2.17	2.23
b. Management Fee as % of AAuM (plan wise)		
- Regular Plan	1.92	1.98
- Direct Plan	1.87	1.98
5. Net Income as a percentage of AAuM ³	8.99	1.90
6. Portfolio turnover ratio ⁴	0.17	0.04
7. Total Dividend per unit distributed during the year / period (plan wise)		
- Regular Plan	-	-
- Direct Plan	-	-
8. Returns:		
a. Last One Year (%)		
Scheme		-
- Regular Plan	16.17	3.08
- Direct Plan	16.83	3.62
Benchmark - NIFTY 500	23.91	(7.54)
b. Since Inception (%)		
Scheme		
- Regular Plan	19.04	20.06
- Direct Plan	19.65	20.66
Benchmark - NIFTY 500	14.45	11.31

1. AAuM=Average Assets under Management.

2. Gross income = Amount against (A) in the Revenue account i.e. Income.

3. Net Income = Amount Against (C) In The Revenue Account i.e. Net Realised Gains / (Losses) for the year / period.

4. Portfolio Turnover = Lower of sales or purchase divided by the Average AUM for the year/period.



Investors understand that their principal will be at moderately high risk.

This product is suitable for investors who are seeking long term capital growth.

Investment Objective of the Scheme

The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of Equity and Equity Related Securities. Scheme shall be investing in Indian equities, foreign equities and related instruments and debt securities.

Investors should consult their financial advisers if in doubt about whether this scheme is suitable for them.

**Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.**



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