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**We rely on the  
timeless principles  
of Value Investing  
to create wealth  
for you**

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## PPFAS Mutual Fund Annual Report for the Financial Year 2021-2022

<b>Sponsor of PPFAS Mutual Fund</b>	<b>Trustee to PPFAS Mutual Fund</b>
<b>Parag Parikh Financial Advisory Services Limited</b>  Registered office: 81/82, 8 <sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai – 400021.	<b>PPFAS Trustee Company Private Limited.</b>  Registered office: 81/82, 8 <sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai - 400021.
<b>Asset Management Company (Investment Manager to PPFAS Mutual Fund)</b>	<b>Custodian to schemes of PPFAS Mutual Fund:</b>
<b>PPFAS Asset Management Private Limited</b>  <b>Registered office:</b> 81/82, 8 <sup>th</sup> Floor, Sakhar Bhavan, Ramnath Goenka Marg, Nariman Point, Mumbai - 400021.  <b>Corporate Office:</b> 305, 3rd Floor, 349 Business Point Commercial Premises Co-op. Society Ltd., Western Express Highway, Andheri (East), Mumbai - 400 069.	<b>DBS Bank (India) Limited</b>  Express Towers, Ground Floor, Nariman Point, Mumbai-400021
<b>Statutory Auditors</b>	<b>Internal Auditors</b>
<b>Sudit K. Parekh &amp; Co. LLP</b>  Chartered Accountants 6th Floor, Urmi Axis, Famous Studio Lane, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400 011.	<b>S. Panse and Co. LLP</b>  Chartered Accountants 9, Three View Society Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
<b>Registrar and Transfer Agent</b>	<b>Fund Accountant for schemes of PPFAS Mutual Fund.</b>
<b>Computer Age Management Services Limited (CAMS)</b> New No.10 / Old No.178 M G R Salai Kodambakkam High Road, Opp Palm Grove Hotel, Chennai - 600034. Tamil Nadu.	<b>SBI - SG Global Securities Services Private Limited</b> B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054.
<b>Board of Directors</b>	<b>Board of Directors</b>
<b>PPFAS Trustee Company Private Limited</b> Dhaval Desai Burjor Nariman Suneel Gautam	<b>PPFAS Asset Management Private Limited</b> Neil Parag Parikh Rajeev Thakkar Shashi Kataria Rajesh Bhojani Ramesh Venkateswaran Subrata Kumar Mitra

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# Chairman's Letter

Dear Investors,

Greetings!

After the past two years of lockdowns and the pandemic, it sure feels good to write you this letter from the office, rather than my residence. Though we are still not out of the woods in terms of Covid, things seem to be getting normalized. So, I truly do hope this letter finds you and your loved ones well.

Let me begin by thanking you for your continued faith and support in the four schemes of PPFAS Mutual Fund.

Our Equity Funds aim 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 for the long term, rather than maximize returns for the short term. 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.

Our debt funds aim to provide safety and liquidity while taking no to low credit risk.

The Financial year (1st April 2021- 31st March 2022) was a tale of two halves for the markets. The first six months of the year saw the growth momentum continuing from the lows of Covid in March 2020. Post that the markets started showing some weakness amid market volatility due to macroeconomic challenges, such as rising inflation, higher interest rates, supply chain disruption due to covid and the war in Europe. Amidst these challenges, all our scheme performances have been satisfactory. Going forward, it will be in investors best interest to lower return expectations from equities, due to the factors mentioned above.

The growth momentum continued to stay strong, which reflect in the numbers. It was heartening to see our investor base grow from 6,55,738 at the start of the financial year to 18,05,822 by the end of it. The Assets Under Management (AUM) rose from Rs. 9,619.90 crores to Rs. 24,465.34 crores by the end of the year. The patience, hard work and discipline in our initial years is starting to bear fruits now.

We have recently completed the one-year anniversary of our 4th scheme- Parag Parikh Conservative Hybrid Fund (PPCHF). We consider this as our debt offering as we are allowed to invest 75-90% in the Debt asset class, though it is in the conservative hybrid fund category. This fund fills a major need in our product portfolio. The journey so far has been pleasing, and we are excited for this Fund to make a mark in the Debt category. We are confident this will be a credible and safe alternative to other debt offerings in the market.

In addition to Mumbai, Delhi, Bangalore, and Pune, we were able to open branch offices in Chennai, Hyderabad, Ahmedabad, and Kolkata. We also opened an additional Mumbai office at Andheri. Moreover, we have PPFAS representatives in Kochi, Nashik, Vadodara, Surat, Chandigarh, and Jaipur.

Our journey over the last 9 years has been quite satisfactory thus far. We need to continue to keep doing what we are doing and not waver from our core values and philosophy. I believe this will ensure continued success going forward. I hope you continue this journey with us.

Thank you for your continued support, trust, and investments in the schemes of PPFAS Mutual Fund.

Sd/-

**Neil Parag Parikh**  
**Chairman & CEO**

# Trustee Report

Dear Unitholder,

We, the Trustees to PPFAS Mutual Fund, proudly present our 9<sup>th</sup> annual report along with the audited financial statements of the Schemes of PPFAS Mutual Fund (the 'Fund'), for the year ended March 31, 2022.

## Performance of the Fund post nine years of operation:

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, participation from B 30 and T 30 cities and towns. Data related to aging analysis will help to understand how long investors stayed invested in the scheme.

Particulars	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021	% Change (+/-)
Total Number of investors	1,805,822	655,738	175.39
Number of Retail investors	1,716,412	616,464	178.43
Geographical Coverage*	11,739	2,023	-
% of AUM from SIP investment	30.46%	25.44%	19.73
Number of SIP registered from B30 cities	623,670	186,894	233.70
Number of SIP registered from T30 cities	655,024	236,178	177.34

\*Investors are spread across the cities and towns of the country and overseas. The Fund has received investments from 11,739 cities and towns in India and from 373 Overseas destinations. Out of total investor base, retail investors count for 95.05%.

If you glance through table provided above, you can notice that change is positive for all the parameters. Participation from T30/ B30 towns has shown healthy growth. Investors' participation through SIP route has shown healthy growth. We feel that AUM contribution from SIP needs to grow more to have a steady flow of income. Being one of the young fund houses, there has been a remarkable growth during the fiscal year 2021-22. As we continue our journey, the fund aims to 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 31 <sup>st</sup> March 2022	Number of investors as on 31 <sup>st</sup> March 2021
Non-Individual	4,022	1,677
HNI (High Net Worth Individuals)	85,388	37,597
Retail	1,716,412	616,464

## Aging analysis data:

(Rupees in crores)

Period	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
0_1 Months	1,249.97	727.86
1_3 Months	2,530.71	1,328.84
3_6 Months	3,809.30	1,725.38
6_12 Months	6,393.92	1,944.50
12_24 Months	5,828.29	1,892.05
24_36 Months	2,229.37	802.44
36_48 Months	942.77	274.67
48_60 Months	323.48	285.70
60-72 months	357.01	137.57
72_84 months	165.82	138.54
84_96 months	173.86	362.35
>96 months	460.84	0.00
<b>Total AUM</b>	<b>24,465.34</b>	<b>9,619.90</b>

Above table reveals that more than 9.91% of investment has stayed invested for more than 36 months in the Financial Year 2021-22. This is a good sign and investment which is made for long term provide greater stability.

## Assets Under Management (AUM)

As on March 31, 2022, the total assets of the Scheme stood at INR 24,465.34 Crores vis-à-vis INR 9,619.90 Crores as on March 31, 2021. Increase in AUM is due to incremental inflows into the schemes 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 Funds) Regulations, 1996.

## Launch of New Scheme

During the Financial Year 2021-22, PPFAS Mutual Fund launched a new scheme i.e. Parag Parikh Conservative Hybrid Fund (An open-ended hybrid scheme investing predominantly in debt instruments) in the month of May 2021.

## Scheme performance, Future Outlook and Operations of the Scheme

The Fund continues its focus on delivering long-term returns. Scheme specific comments on performance are provided hereinafter.

### A. Scheme Performance and Operations:

#### Parag Parikh Flexi Cap Fund - An open-ended dynamic equity Scheme investing across large cap, mid cap, small cap stocks

Parag Parikh Flexi Cap Fund (PPFCF) is an open-ended equity-oriented scheme with flexibility to invest a minimum of 65% in Indian equities and up to 35% in overseas equity securities and domestic debt / money market securities. The core portfolio of PPFCF 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 performance of Parag Parikh Flexi Cap Fund - Direct & Regular Plan - Growth Option as at March 31, 2022 is presented below:

Period	Direct Plan-Returns (%) ^	Regular Plan-Returns (%) ^	Benchmark Returns (%) #	Additional Benchmark (%) ##
Last 1 Year	31.52%	30.19%	22.29%	20.26%
Last 3 Years	26.76%	25.60%	16.75%	15.82%
Last 5 Years	21.36%	20.40%	14.55%	15.14%
Since Inception (CAGR Returns) as on March 31, 2022. Allotment Date: 24th May, 2013 @	20.59%	19.78%	15.28%	14.27%

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

# Benchmark Index : Nifty 500 (TRI)

## Additional Benchmark Index : Nifty 50 (TRI)

Returns greater than one year are compounded annualized (CAGR)

@Since Inception returns are calculated on Rs.10 (allotment price per Unit)

#### Parag Parikh Liquid Fund - An Open-ended Liquid Scheme

Parag Parikh Liquid Fund focuses on managing liquid investments only, like cash equivalents. The idea is to create a mechanism for investors to implement the systematic transfer of their lump sum liquid funds into our Equity Scheme. The liquid fund primarily invests in overnight Tri-Party REPO (TREPs) market, Sovereign Securities with short term maturity and occasionally in CP/CD. The idea is to provide a place to park liquid funds by taking as little risk as possible.

The performance of Parag Parikh Liquid Fund - Direct & Regular Plan - Growth Option as at March 31, 2022 is presented below:

Period	Direct Plan-Returns (%) ^	Regular Plan-Returns (%) ^	Benchmark Returns (%) #	Additional Benchmark (%) ##
March 24, 2022 to March 31, 2022 (Last 7 Days)	3.84%	3.75%	4.10%	5.55%
March 16, 2022 to March 31, 2022 (Last 15 days)	3.66%	3.56%	3.95%	5.96%
February 28, 2022 to March 31, 2022 (Last 1 Month)	3.60%	3.50%	3.95%	5.65%
March 31, 2021 to March 31, 2022 (Last 1 year)	3.33%	3.22%	3.68%	3.76%
March 31, 2019 to March 31, 2022 (Last 3 year)	4.04%	3.94%	4.70%	5.28%
Since Inception (CAGR Returns) as on March 31, 2022. Allotment Date: 11 <sup>th</sup> May, 2018 @	4.61%	4.50%	5.39%	5.82%

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

# Benchmark Index : CRISIL Liquid Fund Index

##Additional Benchmark : CRISIL 1 Year T-Bill index

@Since Inception returns are calculated on Rs.1000 (allotment price per Unit)

Less than 1-year returns are simple annualised returns.

Greater than 1-year returns are CAGR returns

### **Parag Parikh Tax Saver Fund- An open-ended equity linked savings scheme with a statutory lock in of 3 years and tax benefit**

The Scheme is an open-ended Equity Linked Savings Scheme, offering income tax benefits up to Rs. 1.50 lakh under section 80C with a mandatory lock-in period of 3 years. The scheme enables investors to save on tax while earning equity linked returns. The core portfolio of PPTSF 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 performance of Parag Parikh Tax Saver Fund - Direct & Regular Plan - Growth Option as at March 31, 2022 is presented below:

Period	Direct Plan-Returns (%) ^	Regular Plan-Returns (%) ^	Benchmark Returns (%) #	Additional Benchmark (%) ##
Last 1 Year	28.54%	26.88%	22.29%	20.26%
Since Inception Returns as on March 31, 2022. Allotment Date: 24th July, 2019 @	27.33%	25.76%	21.08%	18.97%

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

# Benchmark Index : Nifty 500 (TRI)

##Additional Benchmark : Nifty 50 (TRI)

Returns greater than one year are compounded annualized (CAGR)

@Since Inception returns are calculated on Rs.10 (allotment price per Unit)

### **Parag Parikh Conservative Hybrid Fund (PPCHF)- An open-ended hybrid scheme investing predominantly in debt instruments**

The Scheme is an open-ended Hybrid Scheme investing predominantly in debt instruments. The scheme enables investors to make investments in debt securities along with small investments in equities, real estate investment trusts (REITS). The core portfolio of PPCHF consists of medium term debt securities of sovereign and highly rated corporate bonds.



The performance of Parag Parikh Conservative Hybrid Fund - Direct & Regular Plan - Growth Option as at March 31, 2022 is presented below

Period	Direct Plan-Returns (%) ^	Regular Plan-Returns (%) ^	Benchmark Returns (%) #	Additional Benchmark (%) ##
September 30, 2021 to March 31, 2022 (Last 6 Months)	5.82%	5.51%	1.69%	-2.25%
Since Inception Returns as on March 31, 2022. Allotment Date: 26 <sup>th</sup> May, 2021 @	8.46%	8.14%	5.45%	-1.37%

^ Past performance may or may not be sustained in the future.  
# Benchmark Index : CRISIL Hybrid 85+15 - Conservative Index TRI  
##Additional Benchmark: CRISIL 10 year Gilt Index  
Returns less than 1 year returns are annualised returns  
@Since Inception returns are calculated on Rs.10 (allotment price per Unit)

### The Investment Objective of the Scheme

#### Parag Parikh Flexi Cap Fund

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. The 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 the Scheme Information Document (SID) it is mentioned that the Scheme is not suitable for an 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.

#### Parag Parikh Liquid Fund

The primary investment objective of the Scheme is to deliver reasonable market related returns with lower risk and high liquidity through judicious investments in money market and debt instruments. However, there is no assurance that the investment objective of the scheme will be realized and the scheme does not assure or guarantee any returns.

#### Parag Parikh Tax Saver Fund

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. The Scheme is an open-ended Equity Linked Savings Scheme, offering income tax benefits up to Rs. 1.50 lakh under section 80C with a mandatory lock-in period of 3 years. The scheme enables investors to save on tax while earning equity linked returns. The scheme shall be investing in Indian equities and equity 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.

#### Parag Parikh Conservative Hybrid Fund

The investment objective is to generate regular income through investments predominantly in debt and money market instruments. The Scheme also seeks to generate long term capital appreciation from the portion of equity investments under the scheme. However, there is no assurance or guarantee that the investment objective of the Scheme will be realized. The Scheme aims to generate regular cash flow through interest receipt on debt securities, quarterly payouts and growth on REIT investments and dividend / buyback / arbitrage income and growth on equity investments. The scheme is suitable for investors who are looking for a medium to long term avenue to invest their debt allocation and for investors looking for periodic cash flow on their investments via investing predominantly in debt instruments

## Commentary from the Trustee on Scheme Performance.

The end of the financial year 2021-22 is seeing the world largely coping with the COVID crisis although one is still seeing lingering effects in some parts of the world, most notably China. While the COVID crisis largely seems behind us, there are new worries in terms of the war between Russia and Ukraine, higher commodity and energy prices and high inflation rates and clogged up supply chains. The equity, bond and money markets have been very volatile given this environment. At PPFAS, for equity investments, we continued to invest in companies which are robust in terms of not having too much leverage (financial stocks like banks being the exception). Our investment is driven by valuations and the merits of individual companies and we do not try to predict events. In the Parag Parikh Flexi Cap Fund, we try to reduce the portfolio volatility and at the same time try to widen the opportunity set by investing in Indian as well as global companies. The Parag Parikh Liquid Fund and the Parag Parikh Conservative Hybrid Fund seek to meet the investing needs of debt investors for the short term and medium / long term respectively. The performance of the schemes has been satisfactory.

### Proxy exercise

At PPFAS Mutual Fund, our research and investment team's views were largely in concurrence with the company management on most issues, however wherever there was disagreement, we have voted against the management. The details of voting rights exercised during FY 2021-2022, is displayed on the website- <https://amc.ppfas.com/exercise-of-voting-rights/>

### A. Future Outlook

Equity prices and Indices have been very volatile. Last year, we had highlighted some of the excesses that were happening in the markets and we have stayed away from investing in IPOs which in our opinion were overvalued or where the path to profitability was unclear. We continue to invest in high quality businesses run by managements with competence and integrity and where the valuations are reasonable. Over the longer term, we expect a reasonable and satisfactory investment return from our schemes.

On the debt side, central banks the world over have been raising short term interest rates given the elevated inflation levels. This does not affect the liquid fund much and as the older investments mature in a few months, we re-invest at the higher rates. For the medium-term bonds, we believe that most of the anticipated rate hikes may be already reflected in the prevailing yields and continue to invest where we find the opportunities attractive.

### 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, nine years have elapsed, and we have the requisite track record in place. Our Schemes have 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:

### Increased touch-points:

In addition to maintaining an in-house team, a dedicated contact center at CAMS has been effective in providing investor support and redressing their grievances.

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

Pursuant to SEBI and AMFI Circulars regarding the security of Electronic Transaction – We have activated the End level Security i.e. 2FA (Two Factor Authentication) for login, STP, SWP, Switch and redemption.

We have activated Penny drop facility where we do validate investor's bank accounts details in real time while onboarding.

**With PPFAS Selfinvest Mobile and Web apps investors can:**

- Create a new Folio (Currently, it is available only for investors who are KRA/KYC compliant before February 1, 2017)
- Aadhaar Based eKYC - A fresh investor can do his/her KYC using our eKYC platform and simultaneously start investing w.e.f. June 2020
- View your investments
- Add other schemes of PPFAS to the existing folio
- Make additional purchases in the existing schemes, redeem, switch, register for SIP, STP, and SWP
- Cancel or Pause running SIPs, STPs
- Update contact details (Email and Mobile)
- Register or Modify Nominee Details (Only for the investors with Single-mode of holding)
- Fetch your Account Statement for the specific date ranges
- View Transaction status and history
- Pay using a UPI method
- Any Day SIP and STP
- View exit load amount while redemption

In the Web and Mobile App. version of PPFAS Selfinvest, the following will be added in the coming months:

- Online OTM
- Change of Bank Mandate
- Existing SIP Modification
- SIP Top-up

**Web app for our Partners:**

We have been developing a web app for our partners and currently it is in Beta testing. This would help our partners onboard new investors and do the further transactions on behalf of them. This, as well, backed up by a 2FA (2 Factor Authentication) level security for each transaction.

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

As has happened since inception, last year too we conducted a virtual meeting for our investors across globe, where we offered a platform to our investors to interact with representatives of the Fund (who are also co-investors along with you).

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

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

PPFAS Mutual Fund is sponsored by Parag Parikh Financial Advisory Services 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 Portfolio Management Services (PMS) since the year 1996.

**(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 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 Limited 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 Unitholders. 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 thereunder 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, 2022, Parag Parikh Financial Advisory Services Limited 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 are provided below;

Sr. No.	Name of Director	Appointment/Retirement/Resignation	Effective Date of Appointment/Retirement/Resignation
1.	Mr. Burjor Nariman	Appointment as Independent Director	June 16, 2021
2.	Mr. Rajan Mehta	Resignation by Director	July 01, 2021
3.	Mr. P. A. Balasubramanian	Retired as Independent Director	January 13, 2022
4.	Ms. Prajakta Naik	Appointment as Independent Director	January 28, 2022
		Resignation by Director	February 22, 2022

#### Composition of Board of Directors as on March 31, 2022 :

1. Mr. Dhaval Desai – Independent Director
2. Mr. Suneel Gautam – Associate Director
3. Mr. Burjor Nariman – Independent Director

It is to be noted that Mr. Bhagirat Merchant (DIN- 00375025) has been appointed as an Additional Director (Non-Executive & Independent) on the board of PPFAS Trustee Company Pvt. Ltd. w.e.f April 29, 2022

### (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 Asset Management Private Limited (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. As at March 31, 2022, Parag Parikh Financial Advisory Services Limited (PPFAS) holds 100% of the paid-up equity share capital of PPFAS Asset Management Private Limited.

Change in the composition of the Board of Directors of the PPFAS Asset Management Private Limited are provided below;

Sr. No.	Name of Director	Appointment/Retirement/Resignation	Effective Date of Appointment/Retirement/Resignation
1.	Mr. Arindam Ghosh	Resignation by Director	April 06, 2021
2.	Mr. Ramesh Venkateswaran	Appointment as Independent Director	June 25, 2021
3.	Mr. Kamlesh Somani	Retired on Completion of tenure as an Independent Director	January 13, 2022
4.	Mr. Subrata Kumar Mitra	Appointment as Independent Director	January 28, 2022

**Composition of Board of Directors as on March 31, 2022 :**

1. Mr. Neil Parag Parikh – CEO & Whole time Director
2. Mr. Rajeev Thakkar – CIO & Whole Time Director
3. Mr. Shashi Kataria - CFO & Whole Time Director
4. Mr. V. Ramesh - Independent Director
5. Mr. Rajesh Bhojani - Independent Director
6. Mr. Subrata Kumar Mitra - Independent Director

**Shareholding Pattern**

**PPFAS Asset Management Private Limited:**

Name of Shareholder(s)	Number of Equity shares of Rs. 10 each fully paid	Percentage Holding (%)
Parag Parikh Financial Advisory Services Limited	35,730,003	99.99%
1 share each is held by Rajeev Thakkar, Geeta Parikh, Neil Parikh, Sahil Parikh, Sitanshi Parikh and Khushboo Parikh as nominee for Parag Parikh Financial Advisory Services Limited	6	0.01%
<b>Total</b>	<b>35,730,009</b>	<b>100.00%</b>

**PPFAS Trustee Company Private Limited:**

Name of Shareholder(s)	Number of Equity shares of Rs. 10 each fully paid	Percentage Holding (%)
Parag Parikh Financial Advisory Services Limited	49,994	99.99%
(1 share each is held by Rajeev Thakkar, Geeta Parikh, Neil Parikh, Sahil Parikh, Sitanshi Parikh and Khushboo Parikh as nominee for Parag Parikh Financial Advisory Services Limited)	6	0.01%
<b>Total</b>	<b>50,000</b>	<b>100.00%</b>

**Details of Unclaimed Dividend and Redemption.**

The details are as follows for the year ended March 31, 2022.

Scheme Name	Unclaimed Redemption Proceeds		Unclaimed Dividend	
	Number of Investors	Amount (INR)	Number of Investors	Amount (INR)
<b>Parag Parikh Flexi Cap Fund</b>				
Direct Plan	155	1,093,776.85	Not applicable #	
Regular Plan	19	180,925.45		
<b>Parag Parikh Liquid Fund</b>				
Direct Plan	4	37,337.96	Nil	Nil
Regular Plan	4	16,254.31	Nil	Nil
<b>Parag Parikh Tax Saver Fund</b>				
Direct Plan	Not applicable as there is statutory lock in of 3 years.		Not applicable #	
Regular Plan				
<b>Parag Parikh Conservative Hybrid Fund</b>				
Direct Plan	Nil	Nil	Nil	Nil
Regular Plan	Nil	Nil	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 Schemes. The Accounting Policies are in accordance with Securities Exchange Board of India (Mutual Funds) Regulations, 1996.

### Scheme wise Changes in Risk-O-Meter

SEBI vide its Circular No. SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 05, 2020, has revised guidelines on the Product Labelling ('Risk-o-meter') for Mutual Funds. Accordingly, Product Labelling ('Risk-o-meter') for all schemes of PPFAS Mutual Fund basis the portfolio of schemes, the risk level of schemes as on March 31 of every year, along with number of times the risk level has changed over the year is as follows:

Scheme name	Risk-o-meter level at start of the financial year	Risk-o-meter level at end of the financial year (March 31, 2022)	Number of changes in Risk-o-meter during the financial year 2021-2022
Parag Parikh Flexi Cap Fund	Very High	Very High	0
Parag Parikh Tax Saver Fund	Very High	Very High	0
Parag Parikh Liquid Fund	Low to Moderate	Low to Moderate	2
Parag Parikh Conservative Hybrid Fund	Moderately High*	Moderately High	2

Note: \* Risk level at the time of launch of the scheme is provided as the scheme was launched during the financial year 2021- 2022.

### Liability and Responsibility of Trustee and Sponsors

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 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(s). 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.

### Other Statutory Information

1. Parag Parikh Financial Advisory Services Limited (the "Sponsor") is not responsible or liable for any loss resulting from the operations of the scheme/s of the Fund beyond its initial contribution (to the extent contributed) of INR 1 Lakhs 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. Annual Report shall be disclosed on the website ([www.amc.ppfas.com](http://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 Annual Report of the Fund by giving a specific request in this regard. Further, the annual report of PPFAS AMC shall be available for information on website [www.amc.ppfas.com](http://www.amc.ppfas.com).

### Acknowledgments

The Trustees wish to place on record their gratitude to the investors of the Fund for their continued support and trust in the Fund, Securities Exchange Board of India (SEBI), Association of Mutual Funds in India (AMFI) and the Reserve Bank of India (RBI), the Registrar & Transfer Agent, Bankers, the Custodians, PPFAS Limited (Sponsor), service providers, Auditors, business partners and the employees of the AMC for the support provided by them during the year.

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

Sd/-  
**Dhaval Desai**  
 Director

Sd/-  
**Suneel Gautam**  
 Director

**Place: Mumbai**  
**Date: June 29, 2022**

# ROLE OF MUTUAL FUNDS IN CORPORATE GOVERNANCE OF PUBLIC LISTED COMPANIES

In terms of the Securities and Exchange Board of India ("SEBI") circular dated March 15, 2010, as amended from time to time, the AMC has framed a general voting policy to protect and enhance wealth of unitholders and to improve governance of investee companies ("Voting Policy"). The Voting Policy as approved by the Board of PPFAS Asset Management Private Limited & PPFAS Trustee Company Private Limited is disclosed below for information of investors.

Further, in terms of the regulatory requirements please take note of the following:

- a) The Scrutinizer's certification on examining the reports containing the details of votes cast during the financial year 2021-22 is annexed as below.
- b) The details of summary of votes cast during the financial year 2021-22 along with the rationale for voting decision for the financial year 2021-22 is disclosed on the website of PPFAS AMC / MF [www.amc.ppfas.com](http://www.amc.ppfas.com)  
Please visit <https://amc.ppfas.com/exercise-of-voting-rights/> to view the voting details.

# Voting Policy - PPFAS Mutual Fund

## Proxy Voting Policy:

PPFAS Asset Management Private Limited ("Asset Management Company /AMC") is the Investment Manager to the Scheme(s) of PPFAS Mutual Fund (the Fund). The AMC has a fiduciary duty to act in the best interest of the scheme(s) / unit holders of the Fund. This responsibility includes exercising voting rights attached to the securities of the companies in which the schemes of the Fund invest ("Investee Company") at the general meetings of the Investee Companies in the best interest of the scheme(s) / unit holders. This Voting Policy shall be applicable to all securities including equity holding across all schemes of the Fund.

SEBI vide its circular No. SEBI / IMD / CIR No.18/198647/2010 dated March 15, 2010 has advised all the Asset Management Companies to disclose general policies and procedure for exercising the voting rights in respect of shares held by the Mutual Funds in the Investee Company and play an active role in ensuring better corporate governance.

In terms of the SEBI Circular, the AMC shall disclose the following on its website and in the Annual Report of the Fund from the financial year 2010-11 onwards:

- the general policies and procedure for exercising voting rights in respect securities held by the Fund in the Investee Company.
- the actual exercise of votes in the AGMs / EGMs of the investee companies in the following matters in the format prescribed by SEBI:
  - a. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions.;
  - b. Changes to capital structure, including increases and decreases of capital and preferred stock issuances;
  - c. Stock option plans and other management compensation issues;
  - d. Social and corporate responsibility issues;
  - e. Appointment and Removal of Directors;
  - f. Any other issue that may affect the interest of minority shareholders in general and interest of the unit-holders in particular.

## Voting Guidelines / Philosophy of Voting:

The Investment Policy for the schemes of the Fund is to invest in companies which have good business with good management and follows corporate governance norms.

The AMC's policy is to vote for all the "scheme/s" of the Fund with regard to an "investee company" in the same manner. The AMC will always vote in the best interest of the schemes/unit holders.

All voting decisions are taken by us on a case to case basis. The concerned Research Analyst / Fund Manager at the AMC reviews carefully the different proposals put before the Shareholders / Management and arrives at a final decision of how to vote, keeping in mind the long-term interest of the scheme(s) / unit holders and investment philosophy of the Fund. This decision shall be communicated by the research team to the AMC's back office team who shall then forward this information to the "representative/s" appointed by the Trustee to attend and vote at the 'investee company' meeting.

## At present, AMC is not casting vote on the following matters:

For proxy voting in arbitrage companies, it is not part of our core portfolio holding. Since, we may not have in-depth coverage of the company in question and if we are not able to decide on a resolution we will not cast our vote. On matters, which are obvious in nature and we have our view, we will cast our vote accordingly. Considering, it is an arbitrage position hedged by offsetting derivative contract, we are not affected by price movement in the stock.

The AMC will also exercise the facilities of E-voting where it has to cast vote through postal ballot as per the Companies (Management and Administration) Rules, 2014. If there is some serious corporate governance issue in the Investee Company then the AMC will vote against the proposal and in such cases, may exit from the investment. If the AMC decides to abstain from voting on a proposal which falls under the aforesaid six matters the Research Analyst / Fund Manager shall document the reasons for that decision.



### **Conflicts of Interest:**

While voting, the AMC will identify any conflicts that exist between the interests of the AMC and the scheme / unit holders. It shall do so by reviewing the relationship of the AMC with the Investee Companies to determine;

- If the AMC or any of its employees or schemes has any financial, business or personal relationship with the Investee Company or
- Whether the Investee Company is a group company of the AMC or
- Whether the Investee Company has investments in the Schemes of the Fund.

### **Voting Procedure:**

As per the Companies Act, 2013, a proxy is not entitled to vote except on a poll. At the general meetings, generally a resolution is to be put to vote in the meeting by show of hands at the first instance unless a poll is demanded.

Generally, as a practice in the general meetings of the listed companies, a resolution is carried out by show of hands and therefore in such case proxy is not entitled to vote.

The Fund is incorporated / registered as a Trust under the Indian Trust Act and, the Trustee of the Fund is a company formed under the Companies Act, 1956. The Trustee being a company can appoint representative to attend the general meetings and vote on the Resolution by show of hands and e-voting in the general meetings of the Investee Company as per Section 113 of the Companies Act, 2013. The representative appointed by the Trustee endeavours to attend the general meetings of the Investee Company and exercise the voting right of the AMC/Trustees. In case the resolution is carried out through Postal Ballot the AMC exercise vote on the resolution through the Postal Ballot or through E-Voting.

The AMC officials/the Custodian (DBS Bank Limited) appointed by the AMC (as representative of the Fund) then picks up the voting instructions given by the back-office team and accordingly votes at the general meetings of the Investee Companies.

Where Investee company has provided e-voting facility, PPFAS Mutual Fund will exercise voting rights through this platform.

### **Record keeping:**

The Compliance Team along with the Research Team of the AMC shall maintain records of the voting and any document the AMC created that was material to making a decision of how to vote on proposals, or that memorializes that decision.

### **Internal Mechanism to Monitor Policy Implementation:**

The Compliance Officer of the AMC has the responsibility for monitoring the implementation of the Company's proxy voting policy, practices, and disclosures and reviewing the proxy procedure.

## S Panse & Co LLP

"formerly S. Panse & Co."

Chartered Accountants

9, Three View Society, Veer Savarkar Marg, Mumbai - 400025, India. Tel/Fax : 24370483/84 Email: [admin@panse.in](mailto:admin@panse.in)

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### **CERTIFICATE**

**In the matter of:**

**PPFAS MUTUAL FUND**

81/82, 8th Floor, Sakhar Bhavan,  
Ramnath Goenka Marg, 230, Nariman Point,  
Mumbai - 400 021.

In order to improve transparency as well as encourage Mutual Funds/AMCs to diligently exercise their voting rights in best interest of the unit-holders, SEBI Circular CIR/IMD/DF/05/2014 dated March 24, 2014 read with SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 requires the AMCs to make disclosure of votes cast on their website on a quarterly basis and on annual basis in the prescribed format and also to obtain certification on an annual basis from a "scrutinizer", in terms of Rule 20 (3) (ix) of Companies (Management and Administration) Rules, 2014, on the voting reports being disclosed by them. Such certification from Scrutinizer shall be submitted to the Trustees of Mutual Fund and also be disclosed in the relevant portion of the Mutual Funds' annual report and on website.

In this context, we have been requested by PPFAS Mutual Fund ("the Mutual Fund"), to certify the voting reports disclosed by PPFAS Asset Management Private Limited. ("the AMC") on their website.

The compliance with the requirements of the above mentioned Circular and preparation of voting reports is the responsibility of the management of the Mutual Fund. Our responsibility is to examine the records maintained by the AMC and to report whether the voting reports disclosed by the AMC are in accordance with them.

The following records were furnished to us by the AMC:

- 1) Quarterly voting reports disclosed on its website for all the 4 quarters of financial year 2021-22.
- 2) Annual voting report disclosed on its website for financial year 2021-22.
- 3) Summary of votes cast during financial year 2021-22 disclosed on its website.
- 4) Approval mails from Fund Manager recording the voting decisions in respect of disclosed voting reports.

## S Panse & Co LLP

"formerly S.Panse&Co."

Chartered Accountants

9, Three View Society, Veer Savarkar Marg, Mumbai -400025, India. Tel/Fax: 24370483/84 Email: [admin@panse.in](mailto:admin@panse.in)

Based on our examination and according to the information and explanations given to us, we state that the contents of the Voting reports disclosed by the AMC as on the date of this certification are in agreement with the records of the AMC recording the voting decisions.

This Certificate is issued solely for the purpose of onward submission to the Trustees of the Mutual Fund and to disclose in the relevant portion of the Mutual Funds' annual report and website and should not be used for any other purpose without prior permission. Further this Certificate, in no manner, is intended to report on the quality of voting decisions taken by the AMC.

**Mumbai**

**Dated: May 16th, 2022**

**For S Panse & Co LLP  
Chartered Accountants**

**Pradnya Shende**

**Partner**

**M.No: 172845**

**FRN: 113470W/W100591**

**UDIN: 22172845AKOAVR3632**

# Report on Implementation/Discharge of Stewardship Responsibilities for FY 2021-22

SEBI vide its circular no. CIR/CFD/CMDI/168/2019 dated December 24, 2019 ("SEBI circular") has mandated all Mutual Funds to frame Stewardship Code in relation to their investments in listed equities. In accordance with Principle 6 of the SEBI circular, institutional investors shall report periodically on their stewardship activities.

Accordingly, the following is the implementation status report of every principle as prescribed under SEBI Circular and as elaborated in our stewardship code/policy pertaining to our stewardship activities / responsibilities during the Financial Year 2021-22:

Sr. No.	Particulars of Principles of Stewardship Code	Status (Complied, Deviation, Partly complied, Not complied)	Reason for deviation or non-compliance
1	Formulation of Stewardship Policy, its Disclosure and Review	<b>Complied</b> The Code on discharge of stewardship responsibilities (Policy) has been approved by the Board of PPFAS AMC and PPFAS TC and was effective from July 01, 2020. The Code has been disclosed on the Company's website. The Committee authorized under the Code undertakes annual review and / or whenever any changes are to be incorporated in the Code.	NA
2	Managing Conflicts of Interest	<b>Complied</b> During the period under review, there were no instances where actual / potential conflict of interest had to be reported to and addressed by the Investment Team, while discharging stewardship responsibilities in any of the investee companies.	NA
3	Monitoring of Investee Companies	<b>Complied</b> Investment team is actively monitoring the investee companies based on the publicly available/ disclosed information about the companies.	NA
4	Intervention in Investee Companies and Collaboration with Institutional Investors	<b>Complied</b> During the period under review there were no instances where the Investment Team had to approach the Investment committee to initiate actions against the investee companies.	NA
5	Voting Policy	<b>Complied</b> As per the guidelines / circulars issued by SEBI from time to time, a detailed and approved proxy voting policy is disclosed on the website of the company. The investment team strictly follows the guidelines for voting as per the approved voting policy and each resolution of the investee companies is evaluated very thoughtfully and casts votes in the best interest of the unitholders. All the quarterly and annual disclosures of votes cast are uploaded on the website of the company ( <a href="https://amc.ppfas.com/exercise-of-voting-rights/">https://amc.ppfas.com/exercise-of-voting-rights/</a> ) within the timeframe as prescribed by SEBI. Annual certificate from the scrutinizer is disclosed on the website of the company under the statutory disclosures section. We have exercised all the voting rights in accordance with our approved proxy voting policy and stewardship policy.	NA
6	Reporting of Stewardship Activities	<b>Complied</b>	NA

# Sudit K. Parekh & Co. LLP

## Chartered Accountants

### Independent Auditor's Report

To the Trustee of  
PPFAS Mutual Fund - **Parag Parikh Flexi Cap Fund**  
(Formerly known as Parag Parikh Long Term Equity Fund)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Scheme Parag Parikh Flexi Cap Fund (Formerly known as Parag Parikh Long Term Equity Fund) (the "Scheme"), which comprise the Balance Sheet as at 31 March 2022, the Revenue Account and the Cash Flow Statement, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Scheme give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual funds) Regulations, 1996, as amended ("the SEBI Regulation"):

- (a) In the case of the Balance Sheet, of the state of affairs of the Scheme as at 31 March 2022;
- (b) In the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Scheme in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, 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 audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Managements of PPFAS Trustee Company Private Limited and PPFAS Asset Management Private Limited (together referred to as "Management") are responsible for the other information. The other information comprises the information included in the Trustee Report, but does not include the financial statements and our auditor's report thereon. The Trustee Report is expected to be made available to us after the date of auditor's report.

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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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Mumbai | Pune | Gurugram | Bengaluru | Hyderabad

Sudit K. Parekh & Co. (a partnership firm with Registration No. B-124243) converted to Sudit K. Parekh & Co. LLP (a Limited Liability Partnership with LLP Identification No. AAO-8539) with effect from April 11, 2019

## **Sudit K. Parekh & Co. LLP**

### Chartered Accountants

When we read the trustee report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management for the Financial Statements**

The Management is 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 principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding of the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal 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, the Management is responsible for assessing the Scheme'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 the Management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Scheme'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. 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 these 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Scheme'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 Scheme to cease to continue as a going concern.

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## **Sudit K. Parekh & Co. LLP**

### Chartered Accountants

- 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 the Management, 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 to the Management 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 Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, 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, the balance sheet and revenue accounts dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations.; and
- c) The balance Sheet, the revenue account and the cash flow Statement dealt with by this report are in agreement with the books of account of the Scheme.

2) On the basis of information and explanation given to us, the scheme does not have any non-traded securities as at 31 March 2022 and hence reporting requirement of Eighth Schedule of SEBI Regulation is not applicable.

For **Sudit K. Parekh & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 110512W/W100378

Sd/-

**Durgaprasad S. Khatri**

Partner

Membership No: 016316

ICAI UDIN No: 22016316ALXIQI7598

Place: Mumbai

Date: 29th June, 2022

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**PPFAS MUTUAL FUND**  
**Cash Flow Statement for the year ended 31 March 2022**

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)		Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
		Amount in Rs.	Amount in Rs.
<b>A. Cashflow from operating activities</b>			
Surplus for the Year		18,521,122,679	2,473,748,209
Add: Unrealised appreciation in value of investments		12,317,520,285	23,187,345,321
<b>Net Surplus for the year</b>		<b>30,838,642,964</b>	<b>25,661,093,530</b>
Adjustments for:-			
(Increase)/Decrease in investments		(128,114,283,641)	(54,707,790,043)
(Increase)/Decrease in other current assets		(816,822,524)	(52,508,701)
Increase/(Decrease) in current liabilities		(157,969,599)	587,382,483
(Increase)/Decrease in deposits		-	-
<b>Net cash used in operations</b>	<b>( A )</b>	<b>(98,250,432,800)</b>	<b>(28,511,822,731)</b>
<b>B Cashflow from financing activities</b>			
Increase/(Decrease) in unit capital		21,598,485,648	9,517,361,979
Increase/(Decrease) in unit premium reserve		71,801,799,478	20,139,802,009
Transfer (to)/from Equalisation reserve		11,819,123,223	2,095,982,844
Increase/(Decrease) in redemption payable for units redeemed by investors		89,464,040	66,039,814
(Increase)/Decrease in subscription receivable for units issued to investors		-	-
Dividend paid (including tax thereon)		-	-
<b>Net cash generated from financing activities</b>	<b>( B )</b>	<b>105,308,872,389</b>	<b>31,819,186,646</b>
Net Increase/(Decrease) in cash and cash equivalents	(A+B)	7,058,439,589	3,307,363,915
Cash and Cash Equivalents as at the beginning of the year		4,365,499,684	1,058,135,769
<b>Cash and Cash Equivalents as at the close of the year</b>		<b>11,423,939,273</b>	<b>4,365,499,684</b>
<b>Component of cash and cash equivalents</b>			
Balances with Banks in Current Account		190,552,081	790,253,533
Deposit with scheduled banks		648,300,000	471,900,000
Tri Party Repo (TREPS)		10,585,087,192	3,103,346,151
<b>Total</b>		<b>11,423,939,273</b>	<b>4,365,499,684</b>

The above cash flow statement has been prepared in accordance with the indirect method set out in Accounting Standard (AS-3) issued by the Institute of Chartered Accountants of India.

As per our Report of even date

**For Sudit K Parekh & Co.LLP**

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO and Director)

Sd/-

**Raunak Onkar**

(Fund Manager)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**



**PPFAS MUTUAL FUND**  
**BALANCE SHEET AS AT 31 March, 2022**  
 Scheme Name: Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)

Parag Parikh Flexi Cap Fund	Schedule	31 Mar 2022	31 Mar 2021
		Amount (Rs.)	Amount (Rs.)
<b>LIABILITIES</b>			
Unit Capital	'A'	42,465,063,495	20,866,577,847
Reserves and Surplus	'B'	175,518,772,898	61,059,207,233
Current Liabilities	'C'	1,143,948,504	1,212,454,062
<b>Total</b>		<b>219,127,784,897</b>	<b>83,138,239,142</b>
<b>ASSETS</b>			
Investments	'D'	206,592,899,925	78,478,616,283
Deposits	'E'	648,300,000	471,900,000
Other Current Assets	'F'	11,886,584,972	4,187,722,859
<b>Total</b>		<b>219,127,784,897</b>	<b>83,138,239,142</b>
Significant Accounting Policies and Notes forming part of Accounts	'G'		

As per our Report of even date

**For Sudit K Parekh & Co.LLP**

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO and Director)

Sd/-

**Raunak Onkar**

(Fund Manager)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 March,2022**

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
	Amount (Rs.)	Amount (Rs.)
<b>INCOME</b>		
Dividend	2,677,401,508	643,276,194
" Net of tax deducted on foreign securities: Rs.3,36,66,810/- ( March 31,2021 Rs.1,21,01,865/-)"		
Interest	232,901,091	74,491,602
Profit on sale / redemption of investments (other than inter Scheme transfer)	17,625,818,201	1,946,345,787
Realised Gain on Foreign Exchange	49,867,950	660,480,131
Exit Load	161,568,468	55,361,060
Miscellaneous Income	12,445	-
<b>Total (A)</b>	<b>20,747,569,663</b>	<b>3,379,954,774</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments (other than inter Scheme transfer)	20,934,741	35,581,339
Loss on sale of Future	346,640,955	212,785,188
Commission to Agent	555,626,653	147,725,528
Investor education and awareness expenses	31,021,672	10,040,098
Management fees	850,235,510	317,837,671
Goods and Service Tax on Management Fees	153,042,392	57,210,781
Trustee Fees	2,184,976	1,364,658
Custody Fees	23,800,632	7,698,316
Registrar & Transfer Agent Fees	139,063,045	51,870,675
Audit Fees	495,600	354,000
Other Operating expenses	103,400,808	63,738,311
<b>Total (B)</b>	<b>2,226,446,984</b>	<b>906,206,565</b>
<b>Surplus for the Year (A-B)</b>	<b>18,521,122,679</b>	<b>2,473,748,209</b>
Change in unrealised depreciation in the value of investments/derivatives	(4,901,289,900)	3,824,804,037
<b>Surplus for the Year</b>	<b>13,619,832,779</b>	<b>6,298,552,246</b>
Add/Less: Income Equalisation Account	11,819,123,223	2,095,982,844
	<b>25,438,956,002</b>	<b>8,394,535,090</b>
Change in unrealised appreciation in the value of investments/derivatives	17,218,810,186	19,362,541,284
Less: Amount transferred to Unrealised Appreciation Reserve Account	(17,218,810,186)	(19,362,541,284)
<b>Net surplus transferred to Revenue Reserve</b>	<b>25,438,956,002</b>	<b>8,394,535,090</b>
Significant Accounting Policies and Notes forming part of Accounts	'G'	

As per our Report of even date

**For Sudit K Parekh & Co.LLP**Chartered Accountants  
Firm Registration Number. 110512W / W100378

Sd/-

**(D. S. Khatri)**Partner  
Membership Number 16316**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO and Director)

Sd/-

**Raunak Onkar**

(Fund Manager)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022****Place : Mumbai**

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	31 Mar 2022		31 Mar 2021	
	Units	Amount (Rs.)	Units	Amount (Rs.)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed:</b>				
<b>(Face Value of Rs. 10 Each fully paid up)</b>	63,874,123.000	638,741,230	63,874,123.000	638,741,230
Unit Capital (At the beginning of the year)	2,086,657,784.742	20,866,577,847	1,134,921,586.810	11,349,215,868
Add : Subscription during the year / period	2,434,885,181.037	24,348,851,810	1,182,565,769.590	11,825,657,696
Less : Redemption during the year / period	275,036,616.223	2,750,366,162	230,829,571.658	2,308,295,717
<b>Unit Capital (At the end of the year)</b>	<b>4,246,506,349.556</b>	<b>42,465,063,495</b>	<b>2,086,657,784.742</b>	<b>20,866,577,847</b>

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	31 Mar 2022	31 Mar 2021
	Amount (Rs.)	Amount (Rs.)
<b>SCHEDULE 'B'</b>		
<b>Reserves &amp; Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	31,283,755,500	11,143,953,491
Add / (Less) : Discount / Premium on units repurchased/sold during the year / period	71,801,799,478	20,139,802,009
<b>Closing Balance</b>	<b>103,085,554,978</b>	<b>31,283,755,500</b>
<b>Unrealised Appreciation in the value of investments</b>		
Opening Balance	21,720,337,968	2,357,796,684
Less: Reversed during the year	(21,720,337,968)	(2,357,796,684)
Add: Unrealised appreciation as at year end	38,939,148,153	21,720,337,968
<b>Closing Balance</b>	<b>38,939,148,153</b>	<b>21,720,337,968</b>
<b>Revenue Reserve</b>		
Opening Balance	8,055,113,765	(339,421,325)
Transfer to Revenue Account	-	-
Transfer to Unit Premium Reserve	-	-
Net Surplus / (deficit) transferred from Revenue Account	25,438,956,002	8,394,535,090
<b>Closing Balance</b>	<b>33,494,069,767</b>	<b>8,055,113,765</b>
<b>Total Reserves &amp; Surplus</b>	<b>175,518,772,898</b>	<b>61,059,207,233</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	31 Mar 2022	31 Mar 2021
	Amount (Rs.)	Amount (Rs.)
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities:</b>		
Statutory Dues Payables	15,014,011	7,483,073
Investor Education Fees - Payable	1,812,952	718,302
Contracts for Purchase of Investments	671,871,185	993,706,687
Units Redemption Payable	183,647,256	94,183,216
Payable to PPFAS Asset Management Private Limited (Net of receivable)	113,872,864	52,059,639
Pending Unit Allotment	43,901,396	22,856,669
Other Payables	113,828,840	41,446,476
Inter Fund Dues Payable	-	-
<b>Total</b>	<b>1,143,948,504</b>	<b>1,212,454,062</b>
<b>SCHEDULE 'D'</b>		
<b>INVESTMENTS</b>		
Equity Shares	142,536,131,684	53,759,624,289
International Equity Shares	62,576,819,029	22,826,406,323
International Equity American Depository Receipts (ADR)	1,479,949,212	1,892,585,671
<b>Total</b>	<b>206,592,899,925</b>	<b>78,478,616,283</b>
<b>SCHEDULE 'E'</b>		
<b>DEPOSITS</b>		
Deposit with Scheduled banks	648,300,000	471,900,000
<b>Total</b>	<b>648,300,000</b>	<b>471,900,000</b>
<b>SCHEDULE 'F'</b>		
<b>OTHER CURRENT ASSETS</b>		
Balances with Banks in Current Account	190,552,081	790,253,533
Accrued Interest on Deposits	10,746,112	5,374,736
Future Margin Receivable	169,327,582	107,274,446
Other Receivable	35,232	0
Inter Fund Dues	35,901,423	16,570,591
Margin for Futures and Options Transactions	833,592,583	146,066,711
Margin deposit with Clearing Corporation of India Ltd.	61,090,000	18,800,000
Prepaid Stamp Duty	252,767	36,691
Tri Party Repo (TREPS)	10,585,087,192	3,103,346,151
<b>Total</b>	<b>11,886,584,972</b>	<b>4,187,722,859</b>

**Schedule - G:**

**Significant Accounting Policies and Notes to Accounts (Annexed to and forming part of Balance Sheet as at March 31, 2022 and Revenue Account for the Year ended March 31, 2022).**

**1) Background:**

PPFAS Mutual Fund has been constituted as a Trust on 13th April 2012 in accordance with the provisions of the Indian Trust Act, 1882 (2of 1882) with Parag Parikh Financial Advisory Services Limited (PPFAS) as the Sponsor and PPFAS Trustee Company Private Limited as the Trustee. The Trust Deed has been registered under the Indian registration Act, 1908. The Mutual Fund is registered with the SEBI on 17th October 2012 under the Registration code MF/069/12/01.

Scheme Name	Nature of Scheme	Allotment Date	Options	Investment Objective
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	An open ended dynamic equity Scheme investing across large cap, mid cap, small cap stocks.	May 24, 2013	Regular Plan, Direct Plan (only Growth option is provided for both the plans)	<p>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.</p> <p>Scheme shall be investing in Indian equities, foreign equities and related instruments and debt securities.</p> <p>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.</p> <p>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 quarter's 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.</p>

**2) Significant Accounting Policies :**

**a) Basis of Accounting**

The Scheme maintains its books of account on an accrual basis. The financial statements of the scheme are prepared in accordance with the accounting policies, contained in the schedule IX and Annual Report format as provided in Schedule XI of the Securities & Exchange Board of India, Mutual Fund Regulations, 1996 (SEBI MF Regulations) and as amended from time to time.

**b) Portfolio Valuation**

SEBI vide Gazette Notification no. LAD-NRO/GN/2011- 12/38/4290, dated February 21, 2012 amended Regulation 25, 47 and the Eighth Schedule titled 'Investment Valuation Norms' under SEBI (Mutual Funds) Regulations, 1996 ("the Regulations") to introduce the overarching principles namely 'Principles of Fair Valuation' in order to ensure fair treatment to all investors (including existing as well as new investors) seeking to purchase or redeem the units of the scheme at all points of time. In the event of a conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the Regulations, the principles of fair valuation shall prevail. Further SEBI vide Circular dated September 24, 2019 also mandated that waterfall approach for valuation of debt and money market instruments followed by the Valuation Agencies for arriving at security level pricing shall also form part of valuation policy.

Further, AMFI has issued best practice guidelines circular no.135/BP/29/2012-13 dated May 15,2012 on valuation methodology for valuing Debt and Money Market instruments thereby providing guiding principle for valuation. AMFI vide its circular dated November 18, 2019 has also prescribed waterfall mechanism to be followed by Valuation Agencies for valuation of money market and debt securities.

Based on the said amendment by SEBI, the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have adopted a comprehensive policy on investment valuation and procedures. Accordingly, the disclosure inter-alia of the security/ asset-wise valuation policy, procedures and methodology of PPFAS Mutual Fund is given below:

### **1. Policy, Procedure & Methodology for valuation of securities/assets**

- (i) The detailed security/ asset -wise valuation policy, procedure & methodology for each type of investment made by the schemes of PPFAS Mutual Fund is described in the appended table(s).
- (ii) Investments in any new securities/assets (other than those mentioned in the appended table) shall be made only after the establishment of the valuation methodology as approved by the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited.
- (iii) The investments held by schemes of PPFAS Mutual Fund would normally be valued according to the Valuation Guidelines specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation as detailed above and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

### **2. Inter scheme Transfers:**

Inter-scheme transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation Committee.

### **3. Exceptional events:**

Given the exceptional nature of the events, it is not possible to define a standard methodology to be adopted for fair valuation of securities/assets for such events. Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have authorized the Valuation Committee to determine the exceptional events and devise the process to deal with the exceptional events.

The Exceptional events where current market information may not be available / sufficient for valuation of securities are classified as under:

- a. Policy announcements by the Reserve Bank of India (RBI), the Government or any Regulatory body like (SEBI/IRDA/ PFRDA).
- b. Natural disasters or public disturbances that may impact the functioning of the capital markets.
- c. Absence of trading in a specific security or similar securities.
- d. Sufficient market information may not be available for the Valuation of Securities.
- e. Valuation Agencies do not provide Valuation for Securities.
- f. Significant volatility in the capital markets.
- g. Deviation from the indicative haircuts and/or the valuation price.

The above list is illustrative and not exhaustive. The Valuation Committee shall identify and monitor exceptional events and recommend appropriate procedures / methodologies with necessary guidance from the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited., wherever required, and get the same ratified.

### **4. Deviation:**

Deviation in the valuation policy and procedures as stated above shall be allowed only with the prior approval of the Valuation Committee followed by reporting to the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited. Such deviations shall be appropriately disclosed to the Investors as may be decided by the Valuation committee.

### **5. Record Maintenance:**

PPFAS Asset Management Private Limited shall maintain and preserve documentation for valuation (including inter scheme transfers) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

**6. Disclosure:**

In order to ensure transparency of valuation norms adopted by PPFAS Asset Management Private Limited, the investment valuation policy and procedures as adopted by PPFAS Asset Management Private Limited is disclosed on the website, <http://amc.ppfas.com>

Detailed security/asset-wise valuation policy, procedure & methodology for Investments made by the PPFAS Mutual Fund:

I. Equity and equity related instruments including Equity and Currency Derivatives:

Security Type	Valuation Policy
Listed Shares/ Preference Shares / Warrants/Rights	Valuation will be at the closing price at the Principal stock exchange*.  If security is not traded on principal stock exchange on a particular valuation day, the closing price at which it is traded on any other stock exchange will be used.  If security is not traded on any stock exchange on a particular valuation day, then price at which it is traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Thinly traded equity shares	Thinly traded securities will be valued at fair value as per procedures** determined by the Valuation Committee.
Unlisted Shares/ Preference Shares / Warrants/Rights	Unlisted securities will be valued at fair value as per procedures determined by the Valuation Committee.
Options	In case of Options, premium received/ paid is marked to market based on settlement price on the relevant exchange.
Futures	Outstanding contracts in Futures is valued based on the settlement price on the relevant exchange.
Application Money for Primary Market Issue:	Application money should be valued at cost up to 30 days from the closure of the issue or traded price whichever is earlier. If the security is not allotted / traded within 30 days from the closure of the issue, application money is to be valued as per the directives of valuation committee, which shall be ratified in the next board meeting. Rationale of valuing such application money should also be recorded.
Equity shares invested as an Anchor Investor	At the discretion of the AMC and with the approval of the valuation committee, post listing, equity shares invested on Anchor basis may be valued at a price lower than the listed market price available on NSE/BSE by applying a suitable illiquidity discount (If such shares are in lock-in period).
Convertible Debentures	The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The nonconvertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument, which is traded, the value of later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.
Suspended Security	In case trading in an equity security is suspended up to 30 days, then the last traded price would be considered for valuation of that security. If an equity security remains suspended for trading on the stock exchange for more than 30 days, then it would be valued as non-traded security.
Security Lending & Borrowing (SLB)	Security Lending & Borrowing (SLB) will be valued on the basis of amortization.

\* In case of non-availability of price from the principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose. In exceptional scenarios wherein due to technical reasons if closing price is not available of a security traded on principal stock exchange on a particular day, then the last traded price on that day (latest available price) of that security on principal stock exchange will be considered for valuation. Secondly, if the latest available traded price is of a trade carried out by PPFAS AMC on behalf of it's schemes on that particular day, then that

trade price can be considered for valuation in the absence of availability of closing price / last traded price on principal stock exchange.

**i) \*\*Procedure & Methodology for valuation of unlisted or thinly traded equity/non-traded equity/equity related securities**

Any security which does not have trading volume of 50,000 scrips and trading amount of Rs. 5,00,000/- during a period of thirty days shall be categorized as thinly traded. Thinly traded / unlisted securities shall be valued in good faith on the basis of fair valuation principles as follows:

Net Worth Value per share of the company will be derived based on the latest available audited balance sheet, not more than 9 months from close of financial year, net worth per share shall be calculated as [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.

Capital Earning Value per share of the company will be derived by capitalization of Earnings per Share based on the latest available balance sheet, with 25% of Average capitalization rate (P/E ratio) for the industry.

Average of Net Worth Value per share and Capital Earning Value per share thus derived, shall be further discounted to derive fair value of Unlisted securities and by thinly traded securities.

**Shares on De-merger and Other Corporate Action Events –**

- a. Both the shares are traded immediately on de-merger:** In this case both the shares to be valued at respective traded prices.
- b. Shares of only one company continued to be traded on de-merger:** In such a scenario, the shares of Non Traded/ Unlisted would be fairly valued in good faith by AMC on case to case basis. Traded share to be valued at traded price.
- c. Both the shares are not traded on de-merger:** In such a scenario, the shares of both the companies would be fairly valued in good faith by AMC on case to case basis.

In case of any other type of capital corporate action event, the same to be valued at fair price on case to case basis.

**ii) Preference Shares –**

Preference share can be convertible or non- convertible. If the non-convertible preference shares are traded then the closing price of the day will be considered for valuation. If the same is non-traded it will be valued at the present value of all the future expected dividend payments and the maturity value, discounted at the bond yield of the issuer.

The value of convertible preference share can be expressed as follows:

Convertible preference shares shall be valued based on the underlying equity. This value shall be further discounted for illiquidity to arrive at fair valuation. Traded convertible preference shares shall be valued based on the closing price.

**iii) Warrants –**

Warrants will be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. The value arrived will be reduced by appropriate discount. Traded Warrants shall be valued based on the closing price.

**iv) Right entitlements –**

Right entitlements will be valued as difference between the value of closing price of the underlying equity share and the rights offer price. Right entitlements if traded will be valued at the closing price on Principal stock exchange (NSE). If the entitlements are not traded on NSE but are traded on any other stock exchange the closing price of the exchange where it traded will be considered for valuation.

Non traded rights entitlement will be valued as difference between the value of the underlying equity share (determined as per valuation policy) and the rights offer price.



**II. Money Market, Debt & Debt Related Instruments**

Security Type	Existing Valuation Policy Until April 28, 2021	Revised Valuation Policy Effective April 29, 2021
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity more than 30 days.	Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL & ICRA)  With effect from April 01, 2020  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.	No Change.
Debt Securities/ Instruments with Residual maturity more than 30 days (Commercial Paper/ Certificate of Deposit / Bonds/ Zero Coupon Bonds / Bills Rediscounting /Floating rate securities /PTC)	Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL & ICRA)  With effect from April 01, 2020  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.	No Change.
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity less than or equal to 30 days.	Government Securities (including Treasury Bills) will be valued at average of the prices provided by AMFI approved agencies (currently CRISIL and ICRA).  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.  With effect from April 01, 2020  1) Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).  and  2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.	No Change.

<p>Debt Securities/ Instruments with Residual maturity less than or equal to 30 days (Commercial Paper/Certificate of Deposit /Bonds/ Zero Coupon Bonds /Bills Rediscounting /Floating rate securities /PTC)</p>	<p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.</p> <p><b>With effect from April 01, 2020</b></p> <p>1)Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).</p> <p>and</p> <p>2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.</p>	<p>No Change</p>
<p>Interest Rate Swaps (IRS)/ Forward Rate Agreements (FRA)</p>	<p><b>Effective December 23, 2019</b></p> <p>All OTC derivatives viz. IRS/ FRA's will be valued at the average prices provided by AMFI approved agencies (currently CRISIL and ICRA).</p>	<p>No change</p>
<p>Overnight Money (TREPS/Reverse Repo/ CROMS)</p>	<p>Overnight money deployed will be valued at cost plus the accrual/ amortisation.</p>	<p>Overnight money deployed will be valued at cost plus the accrual/ amortisation. For Reverse Repo with residual maturity of over 30 days Valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case security level prices given by valuation agencies are not available for a new Reverse Repo (which is currently not held by any Mutual Fund), then such Reverse Repo may be valued at purchase yield on the date of purchase.</p>
<p>Investments in short-term deposits with banks</p>	<p>Investments in short-term deposits with banks will be valued at cost plus the accrual basis.</p>	<p>No Change</p>

### III. Valuation of Money market and Debt securities which are rated below investment grade:

A money market or debt security shall be classified as "below investment grade" if the long term rating of the security assigned by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.

A money market or debt security shall be classified as "Default" if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to "Default" grade by a CRA. In this respect, PPFAS Mutual Fund shall promptly inform the Valuation Agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.

In case of instruments with dual rating the same would be considered below investment grade if any of the rating agencies rating that instrument downgrades it to sub investment grade.

All money market and debt securities which are rated below investment grade shall be valued at the price provided by AMFI appointed valuation agencies (CRISIL/ICRA). Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircut provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. Further these haircuts shall be updated and refined, as and when there is availability of material information which impact the haircuts.

**Consideration of traded price for valuation:**

In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, AMC shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.

In case of trades after the valuation price is computed by the valuation agencies as referred above and where the trade price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.

The trades referred above shall be of a minimum size as determined by valuation agencies.

AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by valuation agencies subject to the following:"

- The detailed rationale for deviation from the price post haircut or price provided by the valuation agencies shall be recorded by the AMC.
- The rationale for deviation along with details such as information about the security (ISIN, issuer name, rating etc), price at which security was valued vis-a vis the price provided by the valuation agencies (as applicable) and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees
- The rationale for deviation along with details as mentioned above shall also be disclosed to the investors.

"In abnormal situations, market disruptions etc. where current market information may not be obtainable and in case CRISIL and ICRA are unable to provide a security level price for any security on particular day(s), the fund manager(s) will, with the prior approval of Valuation Committee, value the securities appropriately to ensure true and fair valuation. In case price is not provided by designated agencies, on the date of allotment of security, then:

- a. In case of discounted securities, valuation shall be done at price derived by adding one-day amortisation to the allotment price;
- b. In case of coupon bearing securities, valuation shall be done at allotment price

Beyond 3 business days from the date of allotment of the security, the valuation price would be determined by the Valuation Committee using principle of fair valuation. Necessary documentation shall be maintained in this regard, including method adopted along with the detailed computation of the fair price.

Brokerage shall be added to the Deal price to compute amortisation.

**Treatment of accrued interest, future interest accrual and future recovery:**

- (i) The treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below

investment grade or default, is detailed below:

- a. The indicative haircut that has been applied to the principal should be applied to any accrued interest.
- b. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.

**Treatment of any future recovery in terms of principal or interest:**

- a. Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.
- b. Any recovery in excess of the carried value (i.e. the value recognized in NAV) should then be applied first towards amount of interest written off and then towards amount of principal written off."

**Others:**

Security Type	Valuation Policy
Listed Mutual Funds Units	Valuation will be at the closing price at the principal stock exchange*.  If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used. If units are not traded on any stock exchange on a particular valuation day, then NAV per unit will be used for valuation.
Unlisted Mutual Fund Units	Valuation will be based on Net Asset Value (NAV) of Mutual Fund units.
Listed Units of InvITs / REITs	The units of InvIT and REIT will be valued at the closing price at the principal stock exchange. If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used.  If units are not traded on any stock exchange on a particular valuation day, then closing price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Unlisted / Non-Traded Units of InvITs / REITs	Where units of InvIT and REIT are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvIT and REIT will be determined based on the procedure determined by Valuation Committee.

\* In case of non-availability of price from the Principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose.

**Common note(s) for Valuation of Debt & Debt Related Instruments (as applicable):**

**A. Definition of non-traded, thinly traded and traded money market / debt security (Effective from February 16, 2020):**

**“(i) Traded and non-traded money market and debt securities shall be defined as follows:**

A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL).

**“Marketable lot defined by AMFI in consultation with SEBI is as under:**

The following volume criteria shall be used for recognition of trades by valuation agencies:”

Parameter	Minimum Volume of Criteria for marketable lot
Primary	INR 25 cr for both/ NCD/ CP/ CD and any other money market instruments
Secondary	INR 25 cr for CP/CD, T-Bills and any other money market instruments
Secondary	INR 5 cr for Bonds/ NCD/ G-Secs

“(ii) A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

## B. Valuation of securities with Put/Call Options

“The option embedded securities would be valued as follows:

### i) Securities with Call Option:

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

### ii) Securities with Put Option:

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

### iii) Securities with both Put and Call Option:

Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

- a) Identify a ‘Put Trigger Date’, a date on which ‘price to put option’ is the highest when compared with price to other put options and maturity price.
- b) Identify a ‘Call Trigger Date’, a date on which ‘price to call option’ is the lowest when compared with price to other call options and maturity price.
- c) In case no Put Trigger Date or Call Trigger Date (‘Trigger Date’) is available, then the valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.

If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.

- iv) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

## C. Treatment of Upfront Fees on Trades:

- i) Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.
- ii) Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.
- iii) For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made

the investment.

- iv) In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes."

#### **D. Segregate Portfolio valuation:**

Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Circular dated December 28, 2018, the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 1996 and Circular(s) issued thereunder.

"Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

#### **E. The Fund shall not use their own trades for valuation of debt and money market securities.**

#### **F. Impact of any Changes to terms of an investment:**

- (i) While making any change to terms of an investment, AMC shall adhere to the following conditions:
- Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.
  - Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation.
  - If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation.
  - Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

#### **G. Waterfall mechanism for valuation of money market and debt securities to be used by the valuation agencies (Effective from February 16, 2020):**

For arriving at security level pricing, a waterfall mechanism to be used by valuation agencies as provided by AMFI in consultation with SEBI.

- H. (i) In case the valuation committee is of the opinion that the price feeds provided by AMFI appointed agencies are not provided or prices are not reflective of fair value/ realizable value of the security, the same shall be valued on the basis of guidelines provided by the valuation committee. In approving such valuations, the valuation committee shall follow the principles of fair valuation and provide suitable justification for the same.

(ii) The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale shall also be disclosed immediately and prominently, under a separate head on the website of AMC."

#### **Valuation of Foreign Securities:**

The security issued outside India and listed on the stock exchanges outside India shall be valued as follows: The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However, in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

For valuation of securities registered in USA, NYSE has been selected as principal stock exchange. If any security is not listed on NYSE, security prices as quoted on NASDAQ will be considered. For securities registered in UK, LSE (London Stock Exchange) has been selected as principal stock exchange. Securities prices as quoted on LSE will be used for valuation purposes.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis. When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

"If the security is listed in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed in a time zone behind India, then the previous day's price would be used for valuation."

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Reuters / RBI (Financial Benchmarks India Ltd- FBIL) / Bloomberg. The Trustees reserve the right to change the source for determining the exchange rate.

#### **Valuation of IDR/ADR/ GDR:**

IDR/ADR/GDRs are exchange traded securities and hence closing price of the IDR/ADR/ GDR on the exchange where it is listed will be taken for valuation purpose.

If any American Depository Receipt (ADR)/ Global Depository Receipt (GDR) is traded in OTC (Over the Counter) market, in such cases closing price in OTC market will be considered for valuation of ADR/GDR.

If the security is listed/ traded in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed/traded in a time zone behind India, then the previous day's price would be used for valuation."

#### **c) Investment Transactions**

- I. Transactions for purchase or sale of investments are recognised on the date of the trade date. Transactions for purchase or sale of investments for Overseas Securities are recognised on the next working day of the trade date due to timing difference.
- II. Bonus shares, rights and dividend entitlements to which the scheme becomes entitled are recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus, ex – right and ex dividend date basis respectively.
- III. Investment transactions in equity and equity related securities, derivatives and debt securities are accounted on trade date (Transactions for purchase or sale of investments for Overseas Securities are recognised on the next working day of the trade date due to timing difference). The cost of investments includes all costs incurred in acquiring or incidental to acquisition of the investments e.g. brokerage, stamp duty, transaction costs, Securities Transaction Tax (STT), GST and any other charge customarily included in the broker's note but excludes custodian fees. Such costs (excluding STT) incurred in acquiring/ disposal or incidental to acquisition/disposal of the investments in excess of 0.12 percent, in case of cash market transaction and 0.05 percent in case of derivative transactions are charged to the revenue account of the Scheme as part of TER.

#### **d) Recognition of Revenue and Treatment of Expenses**

- I. For quoted investments, Dividend income earned by a scheme are recognised, on the date the share is quoted on an ex-dividend basis. Dividend on unquoted investments is recognised on date of declaration.
- II. In respect of all interest-bearing investments, income is accrued on a day to day basis as it is earned ,except for Interest on CCIL Margin Money placed for TREPS trades is accounted on receipt basis.
- III. Income on Treasury Bills and Government Securities are amortised on a straight-line basis over the period up to redemption.
- IV. The net unrealised gain / loss in the value of investments is determined separately for each class of investment.
- V. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method is followed by the scheme.
- VI. All expenses are accounted on accrual basis.

**e)** The fund does not isolate that portion of the change in investment valuation resulting from changes in the foreign exchange rates from the fluctuations arising from changes in the local market prices of securities held. Such fluctuations are included in unrealised appreciation or depreciation on investments.

#### **f) Unit Premium Reserve ("UPR") and Income Equalisation**

In case of an open ended scheme on issue / repurchase of units, the portion of the premium which is attributable to realised gains is credited / debited to the Revenue account for the period as Income Equalisation at the year end. It is reflected in the revenue account after the net realised gain/ (loss) of the scheme is determined. The balance portion of the premium that is not attributable to realised gains is credited/ debited to the UPR.

If units are sold at a price lower than the face value the difference is debited to the Revenue Account as Income Equalisation and vice versa.

**g) The process note on Foreign Currency transactions accounting is as under.**

**I. 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.

**II. Conversion / Remeasurement**

Foreign currency denominated monetary and Non-monetary items are reported using an exchange rate prevalent on the valuation date/ date of the transaction.

**III) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Scheme at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**h) Determination of net asset values**

- I. The net asset value of the units of the scheme is determined separately for units issued under the different plans / options.
- II. For calculating the net asset values under different plans / options, the amount of sale/repurchase of units under each plan / option are separately accounted for. Further, net income arising from such deployment are allocated daily to the plans / options in proportion to their Net Asset Values. Parag Parikh Flexi Cap Fund offers Direct Plan and Regular Plan. For both these plans scheme offers only Growth Option.

**i) PPFAS AMC and PPFAS Mutual Fund has complied with the SEBI circular no. CIR/IMD/DF/21/2012 dated 13.09.2012. PPFAS Mutual Fund launched its first Scheme on May 28, 2013. Accordingly since inception of the scheme, it is providing two plans in the scheme, namely Direct Plan and Regular Plan.**

**J) Load Charges**

In accordance with SEBI circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009 , the scheme has not charged any Entry Load on investments made into it.

Based on SEBI notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012 Exit Load collected is credited to the Scheme, net of Good & Service tax and is considered as income of the Scheme in determining the NAV (Net Asset Value). Current Load Structure (w.e.f. November 15, 2021): Entry Load: Nil ; Exit Load: In respect of each purchase / switch-in of Units, 10% of the units ("the limit") may be redeemed without any exit load from the date of allotment. Any redemption or switch-out in excess of the limit shall be subject to the following exit load. 2.00 % if the investment is redeemed on or before 365 days from the date of allotment of units. 1.00 % if the investment is redeemed after 365 days but on or before 730 days from the date of allotment of units. No Exit Load will be charged if investment is redeemed after 730 days from the date of allotment of units. No exit load will be charged, in case of switch transactions between Regular Plan and Direct Plan of the Scheme for existing as well as prospective investors.

The Exit load for investment will be as applicable as on the date of allotment / date of registration in case of SIP and STP. \*(With effect from 5th April, 2016 no exit load is charged on Switch transactions)"

**k) Note on Cash Flow:**

**I. Cash and cash equivalents (for the purpose of cash flow statement)**

Cash and cash equivalents includes balances in banks current account, deposits placed with schedule banks (with original maturity up to three months) and Tri-party Repo (TREPS).

**II. Cash Flow Statement:**

The cash flow statement has been prepared under the indirect method set out in accounting standard ("AS") - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India ("ICAI").

**l) Treatment of change in unrealised appreciation/depreciation in value of investments:**



The net unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. The change in net unrealised gain/loss, if any, between two balance sheet dates is recognized in the revenue account and thereafter the net unrealised gain, if any, is transferred to the unrealised appreciation reserve.

**3. Net Asset Value (NAV) per unit as at the year end is as follows :**

SCHEME NAME	Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	
	31-Mar-22	
	NAV	SALE
Regular Growth Plan	49.4756	49.4756
Direct Growth Plan	52.5141	52.5141

SCHEME NAME	Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	
	31-Mar-21	
	NAV	SALE
Regular Growth Plan	38.0016	38.0016
Direct Growth Plan	39.9290	39.9290

**4) As at the year end, the details of investments are as under:**

SCHEME NAME	March 31, 2022	March 31, 2021
<b>Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)</b>	<b>Market / Fair Value (Rs.)</b>	<b>Market / Fair Value (Rs.)</b>
Equity Shares	1,42,53,61,31,684	53,75,96,24,289
International Equity Shares	62,57,68,19,029	22,82,64,06,323
International Equity - ADR / GDR	1,47,99,49,212	1,89,25,85,671
<b>Total</b>	<b>2,06,59,28,99,925</b>	<b>78,47,86,16,283</b>

**5) Total value of investments falling under each major industry group and exceeding 5% of the total investments in each major classification is as under :**

**a) As on March 31, 2022**

SCHEME NAME	Market /Fair Value as on March 31, 2022	% of Classification as on March 31, 2022
<b>Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)</b>		
<b>Foreign Equities</b>		
Internet and Technology	46,45,97,10,300	72.53
Consumer Services	16,11,71,08,729	25.16
Auto	1,47,99,49,212	2.31
<b>Total</b>	<b>64,05,67,68,241</b>	<b>100.00</b>
<b>Indian Equities / Equity related instruments</b>		
Banks	34,39,30,12,270	24.13
Capital Markets	26,29,05,66,481	18.44
Consumer Non Durables	18,78,28,08,409	13.18
Finance	17,21,67,00,004	12.08
Software	12,45,02,12,501	8.73
Pharmaceuticals	11,03,32,51,620	7.74
Power	10,14,35,52,114	7.12
Auto	9,60,52,20,633	6.74

Auto Ancillaries	2,62,08,07,651	1.84
<b>Total</b>	<b>1,42,53,61,31,683</b>	<b>100.00</b>

## b) As on March 31, 2021

<b>SCHEME NAME</b>	<b>Market /Fair Value as on March 31, 2021</b>	<b>% of Classification as on March 31, 2021</b>
<b>Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)</b>		
<b>Foreign Equities</b>		
Internet and Technology	19,04,61,17,420	77.05
Consumer Services	3,78,02,88,903	15.29
Auto	1,89,25,85,671	7.66
<b>Total</b>	<b>24,71,89,91,994</b>	<b>100.00</b>
<b>Indian Equities / Equity related instruments</b>		
Capital Markets	12,29,91,75,298	22.88
Software	11,78,01,10,971	21.91
Banks	7,11,68,50,213	13.24
Consumer Non Durables	6,80,00,48,187	12.65
Finance	6,02,39,30,262	11.21
Pharmaceuticals	3,83,98,70,145	7.14
Auto	3,82,80,94,546	7.12
Auto Ancillaries	2,07,15,44,667	3.85
<b>Total</b>	<b>53,75,96,24,289</b>	<b>100.00</b>

## 6) The details of the unrealised appreciation, included in Revenue Reserve, are as under:

<b>Scheme Name</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Rs.</b>	<b>Rs.</b>
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	38,93,91,48,153	21,72,03,37,968

## 7) The scheme has exposure in Stock / Index Future Derivative as on :

## a) March 31, 2022

<b>Name of Equity / Index Stock Future</b>	<b>Contract Price (Rs.)</b>	<b>No. of Contracts</b>	<b>No. of Units outstanding</b>
FUTCUR_USDINR 27-APR-2022 BSE	75.92	(40,000)	(4,00,00,000)
FUTCUR_USDINR 27-APR-2022	75.92	(3,14,000)	(31,40,00,000)
FUTCUR_USDINR 28-SEP-2022	77.07	(1,32,850)	(13,28,50,000)
FUTCUR_USDINR 27-OCT-2022	77.31	(75,000)	(7,50,00,000)
FUTCUR_USDINR 28-DEC-2022	77.76	(60,000)	(6,00,00,000)

During the year, the scheme took positions in derivatives contracts and resultant Loss of Rs. -37,89,52,354.23 is included in Realised Gain on Foreign Exchange.

## b) March 31, 2021

<b>Name of Equity / Index Stock Future</b>	<b>Contract Price (Rs.)</b>	<b>No. of Contracts</b>	<b>No. of Units outstanding</b>
FUTCUR_USDINR 28-APRIL-2021	72.90	(1,95,000)	(19,50,00,000)
FUTCUR_USDINR 27-MAY-2021	74.05	(6,000)	(60,00,000)
FUTCUR_USDINR 24-FEB-2022	75.77	(50,000)	(5,00,00,000)
FUTCUR_USDINR 29-MAR-2022	76.81	(16,000)	(1,60,00,000)

During the year, the scheme took positions in derivatives contracts and resultant Profit of Rs. 21,26,55,005.58 is included in Realised Gain on Foreign Exchange.

8) The details of the management fees (exclusive of Good & Service Tax) paid by the scheme to PPFAS Mutual Fund, are as under:

Scheme Name	March 31, 2022		March 31, 2021	
	Rs.	% of Avg. AUM	Rs.	% of Avg. AUM
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)				
Management Fees	85,02,35,510	0.55	31,78,37,671	0.63

Note: No management fee has been charged on the investments made by the Asset Management Company in the units of the scheme.

9) The aggregate value of purchases and sales of investments and income and expenditure during the year expressed as a % of average daily net assets is as under :

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	March 31, 2022		March 31, 2021	
	Rs.	% as above	Rs.	% as above
Purchases	1,27,78,26,00,676	82.38	34,80,10,36,166	69.32
Sales	29,19,49,67,335	18.82	4,99,76,84,746	9.96
Income	3,12,17,51,462	2.01	1,43,36,08,987	2.86
Expenditure	2,20,55,12,243	1.42	87,06,25,225	1.73

Note:

- 1) Income excludes net change in unrealized gain/loss in value of investments, profit on sale thereof and provisions written back. Expenditure excludes net change in unrealized gain/loss in value of investments and loss on sale thereof.
- 2) Purchase excludes FD, Future & Options (Excluding Open position as on 31st March 2022 and 31st March 2021) and TREPS. Sales excludes Future & Options and Maturity.
- 3) The aggregate value of purchases and sales of arbitrage trade is as under:

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	March 31, 2022		March 31, 2021	
	Rs.	% as above	Rs.	% as above
Purchases	8,66,85,76,170	5.59	2,20,10,14,770	4.38
Sales	9,30,93,26,257	6.00	2,20,58,85,668	4.39

10) Note on margin deposit money:

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	Deposits made towards Tri Party Repo (TREPS)	Margin Deposits with Axis bank
Financial Year 2021-2022	6,10,90,000	83,35,92,583
Financial Year 2020-2021	1,88,00,000	14,60,66,711

11) **Principal Bank:** The AMC has engaged services of DBS Bank India Limited as on March 31, 2022.

12) **Registrar and Transfer Agent (R & T):** The AMC has appointed Computer Age Management Services Limited (CAMS) to provide services as RTA to the schemes of PPFAS Mutual Fund. These services includes back office data processing, unit holders' account maintenance and front office maintenance.

13) **Custodian:** The Trustee to PPFAS Mutual Fund has appointed DBS Bank India Limited as Custodian to scheme(s) PPFAS Mutual Fund.

14) Trusteeship fee of INR 21.85 Lakhs is paid by the Scheme which is 0.01% per annum of the average daily/weekly net assets of the Fund subject to a maximum of Rs. 25 lakhs across all Schemes of PPFAS Mutual Fund.

- 15)** The income of the Mutual Fund is exempt from income tax, as per Section 10(23D) of the Income Tax Act, 1961. Accordingly, no provision for income tax has been made in the Revenue Account.
- 16)** Details of transactions with the associates, in terms of regulation 25(7) and 25(8) of SEBI (Mutual Fund) Regulations, 1996 is provided in the **Annexure 1**.
- 17)** As on March 31, 2022 and March 31, 2021, there are no underwriting commitments.
- 18)** The scheme has exposure in Foreign Securities/ADRs/GDRs as on March 31, 2022 and March 31, 2021.
- 19)** Segment Reporting: The Scheme is primarily engaged in the business of investing the funds received from investors as unit capital, in accordance with its investment objectives, as stated in the Scheme Information Document (SID) to generate returns. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard (AS) - 17, issued by the Institute of Chartered Accountants of India have not been made.
- 20)** There are no Unit Holders holding over 25% of the Net Asset Value of the Scheme as at March 31, 2022 and March 31, 2021.
- 21)** The details of unclaimed redemption is as under.

Scheme Name	March 31, 2022	March 31, 2021
	Rs.	Rs.
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	12,74,702	15,030

- 22)** The scheme has not made any investment in repo transactions in corporate debt securities as on March 31, 2022 and March 31, 2021.
- 23)** The Scheme hold Investments in the name of the Schemes / Trustees for the benefits of the Scheme's Unitholders
- 24)** Contingent liabilities as on 31st March 2022 is Nil. (For FY 2020-2021, contingent liability was Nil).
- 25)** Disclosure under Regulation 25(11) of SEBI (Mutual Fund) Regulation 1996, in respect of investments made by the scheme in companies or their subsidiaries, that have invested more than 5% of net assets of the scheme for period ended March 31, 2022 and March 31, 2021: NIL.
- 26)** Disclosure of transactions in accordance with Accounting Standard 18 "Related party Transactions" and as per Regulation 25(8) of SEBI (Mutual Fund) Regulations 1996, is provided in **Annexure 1**.
- 27)** Portfolio disclosure for derivative positions pursuant to SEBI Circular no. CIR/IMD/DF/11/2010 dated August 18, 2010, is as per **Annexure 2**.
- 28)** Complete portfolio of the Scheme is provided in **Annexure 3**.
- 29)** Perspective historical per unit statistics: Refer **Annexure 5**.
- 30)** Pursuant to SEBI Circular dated 22nd October, 2018 it was mandatory to charge scheme expenses to respective Scheme and not to be routed through AMC. Therefore this change in the system of charging expenses was carried out.
- 31)** Investments in Associates and Group Companies as on March 31, 2022 and March 31, 2021 : Nil
- 32)** Details of securities classified as below investment grade or default as on March 31, 2022 and March 31, 2021 : Nil
- 33)** Investor Education & Awareness Initiative (IEAI) : An annual charge of 2 basis points (0.02 % p.a.) of daily net assets , being part of total recurring expenses is set aside for IEAI as mandated by SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. The said balance is transferred on periodic basis to separate bank account maintained for the purpose. These funds are utilised by the AMC in accordance with SEBI Regulations and the policy approved by the Trustees

Movement of IEAI balances for PPFAS Mutual Fund during the financial year ended Mar 31, 2022 is as follows:

Particulars	Amount in INR	Amount in INR
	FY 2021-22	FY 2020-21
<b>Opening Balance</b>	4,38,365.27	1,580.87
<b>Add:</b> Amount transfer to a separate account of Investor Education Fund during the Year	3,41,48,772.70	1,13,83,682.40
<b>Less:</b> Amount Transfer to AMFI during the Year	1,64,91,038.00	54,40,593.00
<b>Less:</b> Amount Utilized for Investor Education Expenses during the Year	1,80,90,565.32	55,06,305.00
<b>Closing Balance</b>	<b>5,534.65</b>	<b>4,38,365.27</b>

**34)** Prior period figures have been reclassified and regrouped, wherever applicable to conform to current year presentation.

As per our Report of even date

**For Sudit K Parekh & Co.LLP**

Chartered Accountants

Firm Registration Number. 110512W / W100378

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO and Director)

Sd/-

**Raunak Onkar**

(Fund Manager)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**Annexure 1**  
**Details of payments to associate/group companies**

**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.	%
NIL						

**Commission 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	Business Given (Rs. & % of total value of transaction of the fund)		Commission paid( Rs. & % of total commission paid by the fund)	
			Rs. Cr.	%	Rs. Cr.	%
Mrs. Rita Kiritkumar Mehta (ARN-0688)	Relative of AMC employee	April 01, 2021 -to- March 31, 2022	1.24	0.02	0.04	0.16
Parag Parikh Financial Advisory Services Limited	Parent Company (Sponsor)	April 01, 2020 -to- March 31, 2021	0.06	0.00	0.00*	0.01

\* Amount is less than Rs.1 lakh hence, appearing as zero.

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Transactions	Period covered	Transaction Value
			Rs.
PPFAS Asset Management Private Limited	Management Fees Paid	1.4.2021 to 31.3.2022	850,235,510
PPFAS Asset Management Private Limited	Management Fees Paid	1.4.2020 to 31.3.2021	317,837,671
PPFAS Asset Management Private Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2021 to 31.3.2022	390,000,000
PPFAS Asset Management Private Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2020 to 31.3.2021	-

**Annexure 2**  
**Portfolio disclosure for derivative positions.**

**A. (1) Hedging Positions through Futures as on March 31, 2022**

Scheme Name	Underlying	Long / Short	Futures Price when purchased	Current price of the contract	Margin maintained in Rs. Lakhs
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	Currency Derivatives-27-APR-2022 BSE	(4,00,00,000)	76.6831	75.9150	11611.98
	Currency Derivatives-27-APR-2022	(31,40,00,000)	76.5211	75.9150	
	Currency Derivatives-28-SEP-2022	(13,28,50,000)	77.9653	77.0700	
	Currency Derivatives-27-OCT-2022	(7,50,00,000)	77.8575	77.3075	
	Currency Derivatives-28-DEC-2022	(6,00,00,000)	77.5989	77.7625	

**Total %age of existing assets hedged through futures: 21.86%**

Note: 29.43% of our Portfolio is in Foreign Securities (USD) and 0.001% is in Foreign Currency (USD). 74.27% of total Foreign Portfolio (USD) is hedged through Currency Derivatives to avoid currency risk.

For the period ended March 31, 2022 details of hedging transactions through futures which have been squared off/expired are as under.

Scheme Name	Total Number of contracts where futures were bought	Total Number of contracts where futures were sold	Gross Notional Value of contracts where futures were bought (Rs. In Lakhs)	Gross Notional Value of contracts where futures were sold (Rs. In Lakhs)	Net Profit/ (Loss) value on all contracts combined (Rs. In Lakhs)
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	3,34,87,67,628	3,08,17,67,628	25,59,118.18	23,58,564.43	(3,789.52)

Note: Derivatives positions are taken to hedge against currency fluctuation.

**A. (2) Hedging Positions through Futures as on March 31, 2021**

Scheme Name	Underlying	Long / Short	Futures Price when purchased	Current price of the contract	Margin maintained in Rs. Lakhs
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	FUTCUR_USDINR 28-APRIL-2021	(195,000,000)	72.90	73.42	5162.82
	FUTCUR_USDINR 27-MAY-2021	(6,000,000)	74.05	73.69	
	FUTCUR_USDINR 24-FEB-2022	(50,000,000)	75.77	76.41	
	FUTCUR_USDINR 29-MAR-2022	(16,000,000)	76.81	76.69	

**Total %age of assets hedged through futures: 24.21%**

Note: 30.21% of our Portfolio is in Foreign Securities (USD) and 0.91% is in Foreign Currency (USD). 77.79% of total Foreign Portfolio (USD) is hedged through Currency Derivatives to avoid currency risk.

For the period ended March 31, 2021 details of hedging transactions through futures which have been squared off/expired are as under.

Scheme Name	Total Number of contracts where futures were bought	Total Number of contracts where futures were sold	Gross Notional Value of contracts where futures were bought (Rs. In Lakhs)	Gross Notional Value of contracts where futures were sold (Rs. In Lakhs)	Net Profit/ (Loss) value on all contracts combined (Rs. In Lakhs)
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	1,669,251,627	1,580,351,627	1,247,393.51	1,185,547.47	4,503.00

#### B. Other than Hedging Positions through Futures as on :

Scheme Name	Underlying	Long / Short	Futures Price when purchased (Rs.)	Current price of the contract (Rs.)	Margin maintained (Rs. Lakhs)
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2022			NIL		
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2021			NIL		

For the period ended March 31, 2022 details of other than hedging transactions through futures which have been squared off/expired are as under.

Scheme Name	Total Number of contracts where futures were bought	Total Number of contracts where futures were sold	Gross Notional Value of contracts where futures were bought (Rs. In Lakhs)	Gross Notional Value of contracts where futures were sold (Rs. In Lakhs)	Net Profit/ (Loss) value on all contracts combined (Rs. In Lakhs)
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	1,124	1,124	5,353.50	5,119.83	(233.67)

For the period ended March 31, 2021 details of other than hedging transactions through futures which have been squared off/expired are as under.

Scheme Name	Total Number of contracts where futures were bought	Total Number of contracts where futures were sold	Gross Notional Value of contracts where futures were bought (Rs. In Lakhs)	Gross Notional Value of contracts where futures were sold (Rs. In Lakhs)	Net Profit/ (Loss) value on all contracts combined (Rs. In Lakhs)
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)			NIL		



**C. Hedging Positions through Put Options as on :**

Scheme Name	Underlying	Number of Contracts	Option Price when purchased	Current Option Price
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2022			NIL	
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2021			NIL	

Details of hedging transactions through options which have already been exercised/expired are as under:

Scheme Name	Total Number of contracts entered into	Gross Notional Value of contracts (Rs. In Lakhs)	Net Profit/(Loss) value on all contracts (Rs. In Lakhs)
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2022		NIL	
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2021		NIL	

**D. Other than Hedging Positions through Options as on :**

Scheme Name	Underlying	Call / put	Number of contracts	Option Price when purchased	Current Price
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2022			NIL		
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2021			NIL		

Total Exposure through options as a %age of net assets : NIL

Details of non-hedging transactions through options which have already been exercised/expired are as under:

Scheme Name	Total Number of contracts entered into	Gross Notional Value of contracts (Rs. In Lakhs)	Net Profit/(Loss) value on all contracts (Rs. In Lakhs)
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2022	1529	17,636.99	136.88
Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) - March 31, 2021	1	7.36	0.05

**E. Hedging Positions through swaps as on March 31, 2022 & March 31, 2021 - NIL**

### Parag Parikh Flexi Cap Fund ( Formerly Known as Parag Parikh Long Term Equity Fund)

Portfolio Statement as on March 31,2022

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>Equity &amp; Equity related</b>						
<b>(a) Listed / awaiting listing on Stock Exchanges</b>						
Hero Motocorp Limited	INE158A01026	Auto	4,186,832	9,605,220,633	4.41%	4.68%
Balkrishna Industries Limited	INE787D01026	Auto Ancillaries	1,226,855	2,620,807,651	1.20%	1.28%
HDFC Bank Limited	INE040A01034	Banks	7,662,238	11,266,171,643	5.17%	5.49%
ICICI Bank Limited	INE090A01021	Banks	15,680,614	11,451,552,404	5.25%	5.58%
Axis Bank Limited	INE238A01034	Banks	15,339,011	11,675,288,223	5.36%	5.69%
Motilal Oswal Financial Services Limited	INE338I01027	Capital Markets	4,522,328	3,934,199,244	1.80%	1.92%
ICRA Limited	INE725G01011	Capital Markets	422,587	1,789,317,875	0.82%	0.87%
Multi Commodity Exchange of India Limited	INE745G01035	Capital Markets	2,492,885	3,528,554,073	1.62%	1.72%
Central Depository Services (I) Limited	INE736A01011	Capital Markets	4,799,727	7,105,275,864	3.26%	3.46%
Indian Energy Exchange Limited	INE022Q01020	Capital Markets	44,206,584	9,933,219,425	4.56%	4.84%
ITC Limited	INE154A01025	Consumer Non Durables	74,936,399	18,782,808,409	8.62%	9.16%
Bajaj Holdings & Investment Limited	INE118A01012	Finance	3,435,747	17,216,700,004	7.90%	8.39%
Zydus Lifesciences Limited	INE010B01027	Pharmaceuticals	6,029,097	2,101,140,305	0.96%	1.02%
Sun Pharmaceutical Industries Limited	INE044A01036	Pharmaceuticals	2,525,297	2,310,015,431	1.06%	1.13%
IPCA Laboratories Limited	INE571A01038	Pharmaceuticals	2,168,911	2,311,516,898	1.06%	1.13%
Dr. Reddy's Laboratories Limited	INE089A01023	Pharmaceuticals	514,682	2,210,790,797	1.01%	1.08%
Cipla Limited	INE059A01026	Pharmaceuticals	2,062,559	2,099,788,190	0.96%	1.02%
Power Grid Corporation of India Limited	INE752E01010	Power	46,787,602	10,143,552,114	4.65%	4.95%
HCL Technologies Limited	INE860A01027	Software	9,410,685	10,951,684,669	5.02%	5.34%
Oracle Financial Services Software Limited	INE881D01027	Software	417,679	1,498,527,832	0.69%	0.73%
Alphabet Inc.	US02079K3059	Internet and Technology	89,892	19,320,572,182	8.86%	9.42%
Meta Platforms	US30303M1027	Internet and Technology	591,056	10,196,389,033	4.68%	4.97%
Amazon.Com Inc	US0231351067	Consumer Services	64,002	16,117,108,729	7.39%	7.86%
Microsoft Corporation	US5949181045	Internet and Technology	712,983	16,942,749,085	7.77%	8.26%
Sub Total				205,112,950,713	94.10%	100.00%
<b>(b) Unlisted</b>						
Suzuki Motor Corp (ADR)	US86959X1072	Auto	142,519	1,479,949,212	0.68%	100.00%
Sub Total				1,479,949,212	0.68%	100.00%
<b>Derivatives</b>						
<b>Index / Stock Futures</b>						
CURUSDINRNSESEP2022FUTURE			(132,850,000)	(10,238,749,500)	-4.70%	21.52%
CURUSDINRNSE OCT2022FUTURE			(75,000,000)	(5,798,062,500)	-2.66%	12.19%
CURUSDINRNSE DEC2022FUTURE			(60,000,000)	(4,665,750,000)	-2.14%	9.81%
CURUSDINRBSE APR2022FUTURE			(40,000,000)	(3,036,600,000)	-1.39%	6.38%
CURUSDINRNSE APR2022FUTURE			(314,000,000)	(23,837,310,000)	-10.94%	50.10%
<b>Sub Total</b>				<b>(47,576,472,000)</b>	<b>-21.83%</b>	<b>100.00%</b>
<b>Total</b>				<b>(47,576,472,000)</b>	<b>-21.83%</b>	<b>100.00%</b>

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>Others</b>						
<b>Fixed Deposit</b>		<b>Duration (in Days)</b>				
4.90% FD HDFC (MD 19-10-22)		365		10,000,000	0.00%	1.54%
3.00% FD AXIS (MD 31-05-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 07-06-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 14-06-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 05-07-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 06-07-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 20-07-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 23-08-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 29-08-2022)		367		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 01-12-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 02-12-2022)		365		49,100,000	0.02%	7.57%
3.00% FD AXIS (MD 05-12-2022)		367		49,100,000	0.02%	7.57%
2.60% FD AXIS (MD 29-04-2022)		91		49,100,000	0.02%	7.57%
2.60% FD AXIS (MD 04-05-2022)		91		49,100,000	0.02%	7.57%
<b>Sub Total</b>				<b>648,300,000</b>	<b>0.30%</b>	<b>100.00%</b>
<b>Total</b>				<b>648,300,000</b>	<b>0.30%</b>	<b>100.00%</b>
Tri-Party Repo						
Clearing Corporation of India Limited				10,585,087,192	4.86%	100.00%
<b>Sub Total</b>				<b>10,585,087,192</b>	<b>4.86%</b>	<b>100.00%</b>
<b>Total</b>				<b>170,249,815,118</b>	<b>78.10%</b>	
Net Receivables / (Payables)				47,734,021,275	21.90%	
<b>GRAND TOTAL</b>				<b>217,983,836,393</b>	<b>100.00%</b>	

SCHEME NAME	Parag Parikh Flexi Cap Fund ( Formerly Known as Parag Parikh Long Term Equity Fund)	
	Market /Fair Value as	% of Classification as
	on March 31, 2022	on March 31, 2022
<b>Equities / Equity related instruments</b>		
Auto	11,085,169,845	6.97%
Auto Ancillaries	2,620,807,651	1.65%
Banks	34,393,012,270	21.63%
Capital Markets	26,290,566,482	16.53%
Consumer Non Durables	18,782,808,409	11.81%
Finance	17,216,700,004	10.83%
Pharmaceuticals	11,033,251,620	6.94%
Power	10,143,552,114	6.38%
Software	12,450,212,501	7.83%
Internet and Technology	46,459,710,300	29.22%
Consumer Services	16,117,108,729	10.14%
Derivatives	(47,576,472,000)	-29.93%
<b>Total</b>	<b>159,016,427,925</b>	<b>100.00%</b>

### Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)

#### Portfolio Statement as on March 31,2021

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>Equity &amp; Equity related</b>						
<b>(a) Listed / awaiting listing on Stock Exchanges</b>						
Hero Motocorp Limited	INE158A01026	Auto	1,313,871	3,828,094,546	4.67%	4.88%
Balkrishna Industries Limited	INE787D01026	Auto Ancillaries	1,226,855	2,071,544,668	2.53%	2.64%
HDFC Bank Limited	INE040A01034	Banks	1,579,309	2,358,934,888	2.88%	3.01%
ICICI Bank Limited	INE090A01021	Banks	4,136,988	2,408,140,715	2.94%	3.07%
Axis Bank Limited	INE238A01034	Banks	3,369,094	2,349,774,610	2.87%	2.99%
ICRA Limited	INE725G01011	Capital Markets	422,587	1,381,859,490	1.69%	1.76%
Multi Commodity Exchange of India Limited	INE745G01035	Capital Markets	2,492,885	3,771,610,361	4.60%	4.81%
Central Depository Services (I) Limited	INE736A01011	Capital Markets	3,258,963	2,138,042,676	2.61%	2.72%
Indian Energy Exchange Limited	INE022Q01020	Capital Markets	14,735,528	4,903,983,718	5.99%	6.25%
Computer Age Management Services Limited	INE596I01012	Capital Markets	56,152	103,679,053	0.13%	0.13%
ITC Limited	INE154A01025	Consumer Non Durables	31,121,502	6,800,048,187	8.30%	8.66%
Bajaj Holdings & Investment Limited	INE118A01012	Finance	1,829,286	6,023,930,262	7.35%	7.68%
Cadila Healthcare Limited	INE010B01027	Pharmaceuticals	1,890,050	833,323,045	1.02%	1.06%
Sun Pharmaceutical Industries Limited	INE044A01036	Pharmaceuticals	1,376,500	822,871,700	1.00%	1.05%
Lupin Limited	INE326A01037	Pharmaceuticals	864,964	882,652,514	1.08%	1.12%
IPCA Laboratories Limited	INE571A01020	Pharmaceuticals	236,663	450,547,186	0.55%	0.57%
Dr. Reddy's Laboratories Limited	INE089A01023	Pharmaceuticals	188,325	850,475,700	1.04%	1.08%
Persistent Systems Limited	INE262H01013	Software	2,389,036	4,591,846,644	5.60%	5.85%
Mphasis Limited	INE356A01018	Software	1,855,578	3,296,434,317	4.02%	4.20%
HCL Technologies Limited	INE860A01027	Software	2,600,820	2,555,695,773	3.12%	3.26%
Oracle Financial Services Software Limited	INE881D01027	Software	417,679	1,336,134,237	1.63%	1.70%
Alphabet Inc.	US02079K1079	Internet and Technology	48,283	7,256,302,469	8.86%	9.25%
Facebook Inc	US30303M1027	Internet and Technology	250,609	5,276,966,653	6.44%	6.72%
Amazon.Com Inc	US0231351067	Consumer Services	16,923	3,780,288,903	4.61%	4.82%
Microsoft Corporation	US5949181045	Internet and Technology	384,210	6,512,848,305	7.95%	8.30%
<b>Sub Total</b>				<b>76,586,030,620</b>	<b>93.48%</b>	<b>97.59%</b>
<b>(b) Unlisted</b>						
Suzuki Motor Corp (ADR)	US86959X1072	Auto	142,519	1,892,585,671	2.31%	2.41%
<b>Sub Total</b>				<b>1,892,585,671</b>	<b>2.31%</b>	<b>2.41%</b>
<b>Total</b>				<b>78,478,616,291</b>	<b>95.79%</b>	<b>100.00%</b>
<b>Derivatives</b>						
<b>Index / Stock Futures</b>						
CURUSDINRNSEAPR2021FUTURE			(195,000,000)	(14,315,925,000)	-17.47%	72.28%
CURUSDINRNSEFEB2022FUTURE			(50,000,000)	(3,820,375,000)	-4.66%	19.29%
CURUSDINRNSEMAY2021FUTURE			(6,000,000)	(442,125,000)	-0.54%	2.23%
CURUSDINRNSEMAR2022FUTURE			(16,000,000)	(1,227,040,000)	-1.50%	6.20%
<b>Sub Total</b>				<b>(19,805,465,000)</b>	<b>-24.17%</b>	<b>100.00%</b>
<b>Total</b>				<b>(19,805,465,000)</b>	<b>-24.17%</b>	<b>100.00%</b>

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>Others</b>						
<b>Fixed Deposit</b>		<b>Duration (in Days)</b>				
4.90% FD HDFC (MD 19-10-21)		365		10,000,000	0.01%	2.12%
3.15% FD AXIS (MD 27-08-2021)		365		49,100,000	0.06%	10.40%
3.15% FD AXIS (MD 01-09-2021)		365		49,100,000	0.06%	10.40%
3.15% FD AXIS (MD 02-09-2021)		365		49,100,000	0.06%	10.40%
3.15% FD AXIS (MD 03-09-2021)		365		49,100,000	0.06%	10.40%
4% FD AXIS (MD 03-09-2021)		365		20,000,000	0.02%	4.24%
3% FD AXIS (MD 08-10-2021)		365		49,100,000	0.06%	10.40%
2.60% FD AXIS (MD 24-05-2021)		91		49,100,000	0.06%	10.40%
2.60% FD AXIS (MD 31-05-2021)		91		49,100,000	0.06%	10.40%
2.60% FD AXIS (MD 07-06-2021)		91		49,100,000	0.06%	10.40%
2.60% FD AXIS (MD 14-06-2021)		91		49,100,000	0.06%	10.40%
<b>Sub Total</b>				<b>471,900,000</b>	<b>0.58%</b>	<b>100.00%</b>
<b>Total</b>				<b>471,900,000</b>	<b>0.58%</b>	<b>100.00%</b>
<b>Tri-Party Repo</b>						
Clearing Corporation of India Limited				3,103,346,151	3.79%	100.00%
<b>Sub Total</b>				<b>3,103,346,151</b>	<b>3.79%</b>	<b>100.00%</b>
<b>Total</b>				<b>62,248,397,442</b>	<b>75.98%</b>	
<b>Net Receivables / (Payables)</b>				<b>19,677,387,638</b>	<b>24.02%</b>	
<b>GRAND TOTAL</b>				<b>81,925,785,080</b>	<b>100.00%</b>	

SCHEME NAME	Parag Parikh Flexi Cap Fund ( Formerly Known as Parag Parikh Long Term Equity Fund)	
	Market /Fair Value as	% of Classification as
	on March 31, 2021	on March 31, 2021
<b>Equities / Equity related instruments</b>		
Auto	5,720,680,217	9.75%
Auto Ancillaries	2,071,544,668	3.53%
Banks	7,116,850,213	12.13%
Capital Markets	12,299,175,298	20.96%
Consumer Non Durables	6,800,048,187	11.59%
Consumer Services	3,780,288,903	6.44%
Finance	6,023,930,262	10.27%
Internet and Technology	19,046,117,427	32.46%
Pharmaceuticals	3,839,870,145	6.54%
Software	11,780,110,971	20.08%
Derivatives	(19,805,465,000)	-33.75%
<b>Total</b>	<b>58,673,151,291</b>	<b>100.00%</b>

### Annexure 4 Key Statistics

Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund)	Rupees in Lakhs	Rupees in Lakhs
	Period ended March 31, 2022	Period ended March 31, 2021
<b>1. NAV per unit (Rs.):</b>		
Open (NAV as on 01st April 2021)		
- Regular Plan	38.0016	21.0050
- Direct Plan	39.9290	21.8587
<b>High</b>		
- Regular Plan	52.3409	38.4749
- Direct Plan	55.3163	40.4179
<b>Low</b>		
- Regular Plan	38.3161	20.4284
- Direct Plan	40.2649	21.2603
<b>End</b>		
- Regular Plan	49.4756	38.0016
- Direct Plan	52.5141	39.9290
<b>2. Closing Assets Under Management (Rs. in Lakhs)</b>		
End	2,179,838.36	819,257.85
Average (AAuM) <sup>1</sup>	1,551,083.59	502,004.91
<b>3. Gross income as % of AAuM<sup>2</sup></b>		
	13.14	6.24
<b>4. Expense Ratio:</b>		
<b>a. Total Expense as % of AAuM (plan wise)</b>		
- Regular Plan	1.84	1.97
- Direct Plan	0.84	1.02
<b>b. Management Fee as % of AAuM (plan wise)</b>		
- Regular Plan	0.54	0.63
- Direct Plan	0.54	0.63
<b>5. Net Income as a percentage of AAuM<sup>3</sup></b>		
	11.94	4.93
<b>6. Portfolio turnover ratio<sup>4</sup></b>		
	0.19	0.10
<b>7. Total Dividend per unit distributed during the year / period (plan wise)</b>		
- Regular Plan	-	-
- Direct Plan	-	-
<b>8. Returns:</b>		
<b>a. Last One Year (%)</b>		
<b>Scheme</b>		
- Regular Plan	30.19	80.92
- Direct Plan	31.52	82.67
Benchmark - NIFTY 500 TRI	22.29	77.58
Additional Benchmark - NIFTY 50 TRI	20.26	-
<b>b. Since Inception (%)</b>		
<b>Scheme</b>		
- Regular Plan	19.78	18.52
- Direct Plan	20.59	19.27
Benchmark - NIFTY 500 TRI	15.28	14.42
Additional Benchmark - NIFTY 50 TRI	14.27	-

1. AAuM=Average daily net assets

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.

**PPFAS MUTUAL FUND**  
**Historical Per Unit as on 31st March, 2022**

Per Unit Particulars (Rupees)	Parag Parikh Flexi Cap Fund ( Formerly Known as Parag Parikh Long Term Equity Fund)	Parag Parikh Flexi Cap Fund ( Formerly Known as Parag Parikh Long Term Equity Fund)	Parag Parikh Flexi Cap Fund ( Formerly Known as Parag Parikh Long Term Equity Fund)
	As on	As on	As on
	31st March, 2022	31st March, 2021	31st March, 2020
<b>Face Value</b>	RS.10/-	RS.10/-	RS.10/-
<b>Number of Units</b>	4,246,506,350	2,086,657,785	1,134,921,587
<b>Avg Net asset</b>	155,108,358,963	50,200,491,353	22,565,126,784
<b>APP</b>	-	-	-
<b>Net Asset Value</b>			
Regular Growth	49.4756	38.0016	21.0050
Direct Growth	52.5141	39.9290	21.8587
Income			
Other than profit on sale of investment	0.65	0.59	0.49
From profit on inter-scheme sales/transfer of investments (net)	-	-	-
From profit on sale of investment to third party (net)	4.15	0.92	0.29
<b>Gross Income</b>	<b>4.80</b>	<b>1.50</b>	<b>0.77</b>
<b>Expenses &amp; Losses</b>			
Aggregate of expenses, write-off, amortization and charges	0.44	0.32	0.29
Net change in Unrealised depreciation in value of investments	-	-	4.57
<b>Gross Expenditure</b>	0.44	0.32	4.86
<b>Net Income</b>	4.36	1.19	(4.09)
Unrealised appreciation / depreciation in value of investments	7.97	10.31	(1.47)
Ratio of expenses to average net assets	1.20%	1.31%	1.47%
Ratio of gross income to average net assets	13.14%	6.24%	3.89%
<b>NAV</b>			
<b>Highest</b>			
Regular Growth	52.3409	38.4749	28.1812
Direct Growth	55.3163	40.4179	29.2967
<b>Lowest</b>			
Regular Growth	38.3161	20.4284	19.3715
Direct Growth	40.2649	21.2603	20.1555
<b>Resale Price</b>			
<b>Highest</b>			
Regular Growth	51.2941	37.7054	27.6176
Direct Growth	54.2100	39.6095	28.7108
<b>Lowest</b>			
Regular Growth	37.5498	20.0198	18.9841
Direct Growth	39.4596	20.8351	19.7524
<b>Trading Price</b>			
Highest	NA	NA	NA
Lowest	NA	NA	NA
<b>Weighted Average Price Earning Ratio</b>	23.56	27.37	17.07

# Sudit K. Parekh & Co. LLP

## Chartered Accountants

### Independent Auditor's Report

To the Trustees of  
PPFAS Mutual Fund - **Parag Parikh Tax Saver Fund**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Scheme Parag Parikh Tax Saver Fund (the "Scheme"), which comprise the Balance Sheet as at 31 March 2022, the Revenue Account and the Cash Flow Statement, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Scheme give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended ("the SEBI Regulations"):

- (a) In the case of the Balance Sheet, of the state of affairs of the Scheme as at 31 March 2022;
- (b) In the case of the Revenue Account, of the surplus for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). 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 Scheme in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, 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 audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Managements of PPFAS Trustee Company Private Limited and PPFAS Asset Management Private Ltd (together referred to as "the Management") are responsible for the other information. The other information comprises the information included in the Trustee Report, but does not include the financial statements and our auditor's report thereon. The Trustee report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the trustee report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Mumbai | Pune | Gurugram | Bengaluru | Hyderabad

Sudit K. Parekh & Co. (a partnership firm with Registration No. B-124243) converted to Sudit K. Parekh & Co. LLP (a Limited Liability Partnership with LLP Identification No. AAO-8539) with effect from April 11, 2019



### **Responsibilities of Management for the Financial Statements**

The Management is 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 accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding of the assets of Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal 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, the Management is responsible for assessing the Scheme'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 the Management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Scheme'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. 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 these 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 Scheme'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 Scheme 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.

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**Sudit K. Parekh & Co. LLP**  
Chartered Accountants

We communicate with the Management, 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 to the Management 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 Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, 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, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the Regulations; and
  - c) The balance sheet, the revenue account and the cash flow statement dealt with by this report are in agreement with the books of account of the Scheme.
  
- 2) As required by the Eighth Schedule of SEBI Regulations, we report that:
  - a) On the basis of information and explanation given to us, the scheme does not have any non-traded securities as at 31 March 2022 and hence reporting requirement of Eighth Schedule of SEBI Regulation is not applicable.

For **Sudit K. Parekh & Co. LLP**  
Chartered Accountants

ICAI Firm Registration No: 110512W/W100378

Sd/-  
**Durgaprasad S. Khatri**  
Partner  
Membership No: 016316  
ICAI UDIN No: 22016316ALXJKL9181  
Place: Mumbai  
Date: 29th June, 2022

---

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**PPFAS MUTUAL FUND**  
**Cash Flow Statement for the year ended 31 March 2022**

Parag Parikh Tax Saver Fund		Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
		Amount in Rs.	Amount in Rs.
<b>A. Cashflow from operating activities</b>			
Surplus for the year		198,253,945	16,727,405
Add: Unrealised appreciation in value of investments		429,722,785	327,206,483
<b>Net Surplus for the year</b>		<b>627,976,730</b>	<b>343,933,888</b>
Adjustments for:-			
(Increase)/Decrease in investments		(3,174,604,008)	(1,185,541,381)
(Increase)/Decrease in other current assets		(181,956)	(2,021,352)
Increase/(Decrease) in current liabilities		(15,291,826)	30,330,885
(Increase)/Decrease in deposits		-	-
<b>Net cash used in operations</b>	<b>(A)</b>	<b>(2,562,101,060)</b>	<b>(813,297,960)</b>
<b>B. Cashflow from financing activities</b>			
Increase/(Decrease) in unit capital		1,703,655,895	879,735,527
Increase/(Decrease) in unit premium reserve		1,309,866,381	334,348,161
Transfer (to)/from Equalisation reserve		84,539,621	(25,039,816)
Increase/(Decrease) in redemption payable for units redeemed by investors		-	-
(Increase)/Decrease in subscription receivable for units issued to investors		-	-
Dividend paid (including tax thereon)		-	-
<b>Net cash generated from financing activities</b>	<b>(B)</b>	<b>3,098,061,897</b>	<b>1,189,043,872</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(A+B)</b>	<b>535,960,837</b>	<b>375,745,912</b>
Cash and Cash Equivalents as at the beginning of the year		411,094,146	35,348,234
<b>Cash and Cash Equivalents as at the close of the year</b>		<b>947,054,983</b>	<b>411,094,146</b>
<b>Component of cash and cash equivalents</b>			
Balances with Banks in Current Account		53,319,919	14,739,598
Deposit with scheduled banks		-	-
Tri Party Repo (TREPS)		893,735,064	396,354,548
<b>Total</b>		<b>947,054,983</b>	<b>411,094,146</b>

The above cash flow statement has been prepared in accordance with the indirect method set out in Accounting Standard (AS-3) issued by the Institute of Chartered Accountants of India.

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
Chartered Accountants  
Firm Registration Number. 110512W / W100378

Sd/-  
**(D. S. Khatri)**  
Partner  
Membership Number 16316

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-  
**Dhaval Desai**  
(Director)

Sd/-  
**Suneel Gautam**  
(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-  
**Neil Parag Parikh**  
(CEO and Director)

Sd/-  
**Rajeev Thakkar**  
(CIO & Director)

Sd/-  
**Raunak Onkar**  
(Fund Manager)

Sd/-  
**Raj Mehta**  
(Fund Manager)

**Date: June 29, 2022**  
**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**BALANCE SHEET AS AT 31 March, 2022**  
Scheme Name: Parag Parikh Tax Saver Fund

Parag Parikh Tax Saver Fund	Schedule	31 Mar 2022	31 Mar 2021
		Amount in Rs.	Amount in Rs.
<b>LIABILITIES</b>			
Unit Capital	'A'	2,950,212,570	1,246,556,675
Reserves and Surplus	'B'	2,616,946,873	594,564,142
Current Liabilities	'C'	18,343,795	33,635,621
<b>Total</b>		<b>5,585,503,238</b>	<b>1,874,756,438</b>
<b>ASSETS</b>			
Investments	'D'	4,632,188,815	1,457,584,807
Other Current Assets	'E'	953,314,423	417,171,631
<b>Total</b>		<b>5,585,503,238</b>	<b>1,874,756,438</b>
Significant accounting policies and Notes forming part of Accounts	'F'		

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
Chartered Accountants

**For and on behalf of PPFAS Trustee Company Private Limited**

**Firm Registration Number. 110512W / W100378**

Sd/-  
**(D. S. Khatri)**  
Partner  
Membership Number 16316

Sd/-  
**Dhaval Desai**  
(Director)

Sd/-  
**Suneel Gautam**  
(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-  
**Neil Parag Parikh**  
(CEO and Director)

Sd/-  
**Rajeev Thakkar**  
(CIO & Director)

Sd/-  
**Raunak Onkar**  
(Fund Manager)

Sd/-  
**Raj Mehta**  
(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 March, 2022**

Parag Parikh Tax Saver Fund	Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
	Amount (Rs.)	Amount (Rs.)
<b>INCOME</b>		
Dividend	57,109,681	10,567,080
Interest	16,813,574	3,698,048
Profit on sale / redemption of investments (other than inter Scheme transfer)	177,571,067	17,988,166
Miscellaneous Income	2,064	44,725
<b>Total (A)</b>	<b>251,496,386</b>	<b>32,298,019</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments (other than inter Scheme transfer)	3,456,042	3,243,935
Commission to Agent	16,770,184	3,235,877
Investor education and awareness expenses	628,923	154,277
Management fees	18,797,913	5,097,705
Goods and Service Tax on Management Fees	3,383,624	917,587
Trustee Fees	44,601	18,208
Custody Fees	323,385	80,968
Registrar & Transfer Agent Fees	2,534,846	687,307
Audit Fees	98,530	82,600
Other Operating expenses	7,204,393	2,052,150
<b>Total (B)</b>	<b>53,242,441</b>	<b>15,570,614</b>
<b>Surplus for the Year (A-B)</b>	<b>198,253,945</b>	<b>16,727,405</b>
Change in unrealised depreciation in the value of investments/derivatives	(57,301,771)	69,539,034
<b>Surplus for the Year</b>	<b>140,952,174</b>	<b>86,266,439</b>
Add/Less: Income Equalisation Account	84,539,621	(25,039,816)
	225,491,795	61,226,623
Change in unrealised appreciation in the value of investments/derivatives	487,024,556	257,667,449
Less: Amount transferred to Unrealised Appreciation Reserve Account	(487,024,556)	(257,667,449)
<b>Net surplus transferred to Revenue Reserve</b>	<b>225,491,795</b>	<b>61,226,623</b>

Significant accounting policies and Notes forming part of Accounts

'F'

As per our Report of even date

For and on behalf of PPFAS Trustee Company Private Limited

**For Sudit K Parekh & Co.LLP**

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO & Director)

Sd/-

**Raunak Onkar**

(Fund Manager)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Tax Saver Fund	31 Mar 2022		31 Mar 2021	
	Units	Amount (Rs.)	Units	Amount (Rs.)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed:</b>				
<b>(Face Value of Rs. 10 Each fully paid up)</b>	12,456,357.500	124,563,575	12,456,357.500	124,563,575
Unit Capital (At the beginning of the year)	124,655,667.526	1,246,556,675	36,682,114.806	366,821,148
Add : Subscription during Initial Offer period	-	-	-	-
Add : Subscription during the year / period	170,403,087.591	1,704,030,876	87,980,728.197	879,807,282
Less : Redemption during the year / period	37,498.121	374,981	7,175.477	71,755
<b>Unit Capital (At the end of the year)</b>	<b>295,021,256.996</b>	<b>2,950,212,570</b>	<b>124,655,667.526</b>	<b>1,246,556,675</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Tax Saver Fund	31 Mar 2022	31 Mar 2021
	Amount (Rs.)	Amount (Rs.)
<b>SCHEDULE 'B'</b>		
<b>Reserves &amp; Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	346,820,520	12,472,359
Add / (Less) : Discount / Premium on units repurchased/sold during the year / period	1,309,866,381	334,348,161
Add / (Less): Transferred to / (from) Equalisation Account		
<b>Closing Balance</b>	<b>1,656,686,901</b>	<b>346,820,520</b>
<b>Unrealised Appreciation in the value of investments</b>		
Opening Balance	262,205,695	4,538,246
Less: Reversed during the year	(262,205,695)	(4,538,246)
Add: Unrealised appreciation as at year end	749,230,250	262,205,695
<b>Closing Balance</b>	<b>749,230,250</b>	<b>262,205,695</b>
<b>Revenue Reserve</b>		
Opening Balance	(14,462,073)	(75,688,696)
Net Surplus / (deficit) transferred from Revenue Account	225,491,795	61,226,623
<b>Closing Balance</b>	<b>211,029,722</b>	<b>(14,462,073)</b>
<b>Total Reserves &amp; Surplus</b>	<b>2,616,946,873</b>	<b>594,564,142</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Tax Saver Fund	31 Mar 2022	31 Mar 2021
	Amount (Rs.)	Amount (Rs.)
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities:</b>		
Statutory Dues Payables	316,332	115,144
Investor Education Fees - Payable	42,363	13,971
Contracts for Purchase of Investments	-	22,770,058
Payable to PPFAS Asset Management Private Limited (Net of receivable)	2,921,782	1,406,837
Pending Unit Allotment	11,322,252	8,069,604
Other Payables	3,741,066	1,260,007
<b>Total</b>	<b>18,343,795</b>	<b>33,635,621</b>
<b>SCHEDULE 'D'</b>		
<b>INVESTMENTS</b>		
Equity Shares	4,632,188,815	1,457,584,807
<b>Total</b>	<b>4,632,188,815</b>	<b>1,457,584,807</b>
<b>SCHEDULE 'E'</b>		
<b>OTHER CURRENT ASSETS</b>		
Balances with Banks in Current Account	53,319,919	14,739,598
Inter Fund Dues	437,462	3,772,877
Other Receivable	2,634	-
Margin deposit with Clearing Corporation of India Ltd.	5,800,000	2,300,000
Prepaid Stamp Duty	19,345	4,608
Tri Party Repo (TREPS)	893,735,063	396,354,548
<b>Total</b>	<b>953,314,423</b>	<b>417,171,631</b>

**Schedule - F:****Significant Accounting Policies and Notes to Accounts (Annexed to and forming part of Balance Sheet as at March 31, 2022 and Revenue Account for the Year ended March 31, 2022).****1) Background:**

PPFAS Mutual Fund has been constituted as a Trust on 13th April 2012 in accordance with the provisions of the Indian Trust Act, 1882 (2of 1882) with Parag Parikh Financial Advisory Services Limited (PPFAS) as the Sponsor and PPFAS Trustee Company Private Limited as the Trustee. The Trust Deed has been registered under the Indian registration Act, 1908. The Mutual Fund is registered with the SEBI on 17th October 2012 under the Registration code MF/069/12/01.

Scheme Name	Nature of Scheme	Allotment Date	Options	Investment Objective
Parag Parikh Tax Saver Fund	An open-ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit	July 24, 2019	Growth - Direct Plan and Growth -Regular Plan	The investment objective of the Scheme is to generate long-term capital appreciation through a diversified portfolio of equity and equity related instruments. (80% of total assets in accordance with Equity Linked Saving Scheme, 2005 notified by Ministry of Finance)  However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

**2) Significant Accounting Policies :****a) Basis of Accounting**

The Scheme maintains its books of account on an accrual basis. The financial statements of the scheme are prepared in accordance with the accounting policies, contained in the schedule IX and Annual Report format as provided in Schedule XI of the Securities & Exchange Board of India, Mutual Fund Regulations, 1996 (SEBI MF Regulations) and as amended from time to time.

**b) Portfolio Valuation**

SEBI vide Gazette Notification no. LAD-NRO/GN/2011- 12/38/4290, dated February 21, 2012 amended Regulation 25, 47 and the Eighth Schedule titled 'Investment Valuation Norms' under SEBI (Mutual Funds) Regulations, 1996 ("the Regulations") to introduce the overarching principles namely 'Principles of Fair Valuation' in order to ensure fair treatment to all investors (including existing as well as new investors) seeking to purchase or redeem the units of the scheme at all points of time. In the event of a conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the Regulations, the principles of fair valuation shall prevail. Further SEBI vide Circular dated September 24, 2019 also mandated that waterfall approach for valuation of debt and money market instruments followed by the Valuation Agencies for arriving at security level pricing shall also form part of valuation policy.

Further, AMFI has issued best practice guidelines circular no.135/BP/29/2012-13 dated May 15,2012 on valuation methodology for valuing Debt and Money Market instruments thereby providing guiding principle for valuation. AMFI vide its circular dated November 18, 2019 has also prescribed waterfall mechanism to be followed by Valuation Agencies for valuation of money market and debt securities.

Based on the said amendment by SEBI, the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have adopted a comprehensive policy on investment valuation and procedures. Accordingly, the disclosure inter-alia of the security/ asset-wise valuation policy, procedures and methodology of PPFAS Mutual Fund is given below:

**1. Policy, Procedure & Methodology for valuation of securities/assets**

(i) The detailed security/ asset -wise valuation policy, procedure & methodology for each type of investment made by the schemes of PPFAS Mutual Fund is described in the appended table(s).



(ii) Investments in any new securities/assets (other than those mentioned in the appended table) shall be made only after the establishment of the valuation methodology as approved by the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited.

(iii) The investments held by schemes of PPFAS Mutual Fund would normally be valued according to the Valuation Guidelines specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation as detailed above and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

## **2. Inter scheme Transfers:**

Inter-scheme transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation Committee.

## **3. Exceptional events:**

Given the exceptional nature of the events, it is not possible to define a standard methodology to be adopted for fair valuation of securities/assets for such events. Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have authorized the Valuation Committee to determine the exceptional events and devise the process to deal with the exceptional events.

The Exceptional events where current market information may not be available / sufficient for valuation of securities are classified as under:

- a. Policy announcements by the Reserve Bank of India (RBI), the Government or any Regulatory body like (SEBI/IRDA/ PFRDA).
- b. Natural disasters or public disturbances that may impact the functioning of the capital markets.
- c. Absence of trading in a specific security or similar securities.
- d. Sufficient market information may not be available for the Valuation of Securities.
- e. Valuation Agencies do not provide Valuation for Securities.
- f. Significant volatility in the capital markets.
- g. Deviation from the indicative haircuts and/or the valuation price

The above list is illustrative and not exhaustive. The Valuation Committee shall identify and monitor exceptional events and recommend appropriate procedures / methodologies with necessary guidance from the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited., wherever required, and get the same ratified.

## **4. Deviation:**

Deviation in the valuation policy and procedures as stated above shall be allowed only with the prior approval of the Valuation Committee followed by reporting to the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited. Such deviations shall be appropriately disclosed to the Investors as may be decided by the Valuation committee.

## **5. Record Maintenance:**

PPFAS Asset Management Private Limited shall maintain and preserve documentation for valuation (including inter scheme transfers) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

## **6. Disclosure:**

In order to ensure transparency of valuation norms adopted by PPFAS Asset Management Private Limited, the investment valuation policy and procedures as adopted by PPFAS Asset Management Private Limited is disclosed on the website, <http://amc.ppfas.com>

Detailed security/asset-wise valuation policy, procedure & methodology for Investments made by the PPFAS Mutual Fund:

## **I. Equity and equity related instruments including Equity and Currency Derivatives:**

<b>Security Type</b>	<b>Valuation Policy</b>
Listed Shares/ Preference Shares / Warrants/Rights	Valuation will be at the closing price at the Principal stock exchange*.  If security is not traded on principal stock exchange on a particular valuation day, the closing price at which it is traded on any other stock exchange will be used.  If security is not traded on any stock exchange on a particular valuation day, then price at which it is traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Thinly traded equity shares	Thinly traded securities will be valued at fair value as per procedures** determined by the Valuation Committee.
Unlisted Shares/ Preference Shares / Warrants/Rights	Unlisted securities will be valued at fair value as per procedures determined by the Valuation Committee.
Options	In case of Options, premium received/ paid is marked to market based on settlement price on the relevant exchange.
Futures	Outstanding contracts in Futures is valued based on the settlement price on the relevant exchange.
Application Money for Primary Market Issue:	Application money should be valued at cost up to 30 days from the closure of the issue or traded price whichever is earlier. If the security is not allotted / traded within 30 days from the closure of the issue, application money is to be valued as per the directives of valuation committee, which shall be ratified in the next board meeting. Rationale of valuing such application money should also be recorded.
Equity shares invested as an Anchor Investor	At the discretion of the AMC and with the approval of the valuation committee, post listing, equity shares invested on Anchor basis may be valued at a price lower than the listed market price available on NSE/BSE by applying a suitable illiquidity discount (If such shares are in lock-in period).
Convertible Debentures	The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The nonconvertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument, which is traded, the value of later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.
Suspended Security	In case trading in an equity security is suspended up to 30 days, then the last traded price would be considered for valuation of that security.  If an equity security remains suspended for trading on the stock exchange for more than 30 days, then it would be valued as non-traded security.
Security Lending & Borrowing (SLB)	Security Lending & Borrowing (SLB) will be valued on the basis of amortization.

\* In case of non-availability of price from the principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose. In exceptional scenarios wherein due to technical reasons if closing price is not available of a security traded on principal stock exchange on a particular day, then the last traded price on that day (latest available price) of that security on principal stock exchange will be considered for valuation. Secondly, if the latest available traded price is of a trade carried out by PPFAS AMC on behalf of it's schemes on that particular day, then that trade price can be considered for valuation in the absence of availability of closing price / last traded price on principal stock exchange.

**ij) Procedure & Methodology for valuation of unlisted or thinly traded equity/non-traded equity/equity related securities**

Any security which does not have trading volume of 50,000 scrips and trading amount of Rs. 5,00,000/- during a period of thirty days shall be categorized as thinly traded. Thinly traded / unlisted securities shall be valued in good faith on the basis of fair valuation principles as follows:

Net Worth Value per share of the company will be derived based on the latest available audited balance sheet, not more than 9 months from close of financial year, net worth per share shall be calculated as [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.

Capital Earning Value per share of the company will be derived by capitalization of Earnings per Share based on the latest available balance sheet, with 25% of Average capitalization rate (P/E ratio) for the industry.

Average of Net Worth Value per share and Capital Earning Value per share thus derived, shall be further discounted to derive fair value of Unlisted securities and by thinly traded securities.

**Shares on De-merger and Other Corporate Action Events –**

- a. Both the shares are traded immediately on de-merger:** In this case both the shares to be valued at respective traded prices.
- b. Shares of only one company continued to be traded on de-merger:** In such a scenario, the shares of Non Traded/Unlisted would be fairly valued in good faith by AMC on case to case basis. Traded share to be valued at traded price.
- c. Both the shares are not traded on de-merger:** In such a scenario, the shares of both the companies would be fairly valued in good faith by AMC on case to case basis.

In case of any other type of capital corporate action event, the same to be valued at fair price on case to case basis.

**ii) Preference Shares –**

Preference share can be convertible or non- convertible. If the non-convertible preference shares are traded then the closing price of the day will be considered for valuation. If the same is non-traded it will be valued at the present value of all the future expected dividend payments and the maturity value, discounted at the bond yield of the issuer.

**The value of convertible preference share can be expressed as follows:**

Convertible preference shares shall be valued based on the underlying equity. This value shall be further discounted for illiquidity to arrive at fair valuation. Traded convertible preference shares shall be valued based on the closing price.

**iii) Warrants –**

Warrants will be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. The value arrived will be reduced by appropriate discount. Traded Warrants shall be valued based on the closing price.

**iv) Right entitlements –**

Right entitlements will be valued as difference between the value of closing price of the underlying equity share and the rights offer price. Right entitlements if traded will be valued at the closing price on Principal stock exchange (NSE). If the entitlements are not traded on NSE but are traded on any other stock exchange the closing price of the exchange where it traded will be considered for valuation.

Non traded rights entitlement will be valued as difference between the value of the underlying equity share (determined as per valuation policy) and the rights offer price.

## II. Money Market, Debt & Debt Related Instruments

Security Type	Existing Valuation Policy Until April 28, 2021	Revised Valuation Policy Effective April 29, 2021
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity more than 30 days.	Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL & ICRA)  With effect from April 01, 2020  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.	No Change.
Debt Securities/ Instruments with Residual maturity more than 30 days (Commercial Paper/ Certificate of Deposit /Bonds/ Zero Coupon Bonds / Bills Rediscounting /Floating rate securities /PTC)	Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL & ICRA)  With effect from April 01, 2020  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.	No Change.
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity less than or equal to 30 days.	Government Securities (including Treasury Bills) will be valued at average of the prices provided by AMFI approved agencies (currently CRISIL and ICRA).  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.  <b>With effect from April 01, 2020</b>  1)Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).  and  2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.	No Change.

<p>Debt Securities/Instruments with Residual maturity less than or equal to 30 days (Commercial Paper/ Certificate of Deposit /Bonds/ Zero Coupon Bonds /Bills Rediscounting / Floating rate securities /PTC)</p>	<p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.</p> <p><b>With effect from April 01, 2020</b></p> <p>1)Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).</p> <p>and</p> <p>2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.</p>	<p>No Change</p>
<p>Interest Rate Swaps (IRS)/ Forward Rate Agreements (FRA)</p>	<p><b>Effective December 23, 2019</b></p> <p>All OTC derivatives viz. IRS/ FRA's will be valued at the average prices provided by AMFI approved agencies (currently CRISIL and ICRA).</p>	<p>No change</p>
<p>Overnight Money (TREPS/Reverse Repo/ CROMS)</p>	<p>Overnight money deployed will be valued at cost plus the accrual/ amortisation.</p>	<p>Overnight money deployed will be valued at cost plus the accrual/ amortisation.</p> <p>For Reverse Repo with residual maturity of over 30 days Valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case security level prices given by valuation agencies are not available for a new Reverse Repo (which is currently not held by any Mutual Fund), then such Reverse Repo may be valued at purchase yield on the date of purchase.</p>
<p>Investments in short-term deposits with banks</p>	<p>Investments in short-term deposits with banks will be valued at cost plus the accrual basis.</p>	<p>No Change</p>

**III. Valuation of Money market and Debt securities which are rated below investment grade:**

A money market or debt security shall be classified as "below investment grade" if the long term rating of the security assigned by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.

A money market or debt security shall be classified as "Default" if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to "Default" grade by a CRA. In this respect, PPFAS Mutual Fund shall promptly inform the Valuation Agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.

In case of instruments with dual rating the same would be considered below investment grade if any of the rating agencies rating that instrument downgrades it to sub investment grade.

All money market and debt securities which are rated below investment grade shall be valued at the price provided by AMFI appointed valuation agencies (CRISIL/ICRA). Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircut provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. Further these haircuts shall be updated and refined, as and when there is availability of material information which impact the haircuts.

#### **Consideration of traded price for valuation:**

In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, AMC shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.

In case of trades after the valuation price is computed by the valuation agencies as referred above and where the trade price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.

The trades referred above shall be of a minimum size as determined by valuation agencies.

AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by valuation agencies subject to the following:

- The detailed rationale for deviation from the price post haircut or price provided by the valuation agencies shall be recorded by the AMC.
- The rationale for deviation along with details such as information about the security (ISIN, issuer name, rating etc), price at which security was valued vis-a vis the price provided by the valuation agencies (as applicable) and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees
- The rationale for deviation along with details as mentioned above shall also be disclosed to the investors .

In abnormal situations, market disruptions etc. where current market information may not be obtainable and in case CRISIL and ICRA are unable to provide a security level price for any security on particular day(s), the fund manager(s) will, with the prior approval of Valuation Committee, value the securities appropriately to ensure true and fair valuation.

In case price is not provided by designated agencies, on the date of allotment of security, then:

- a. In case of discounted securities, valuation shall be done at price derived by adding one-day amortisation to the allotment price;
- b. In case of coupon bearing securities, valuation shall be done at allotment price

Beyond 3 business days from the date of allotment of the security, the valuation price would be determined by the Valuation Committee using principle of fair valuation. Necessary documentation shall be maintained in this regard, including method adopted along with the detailed computation of the fair price.

Brokerage shall be added to the Deal price to compute amortisation.

#### **Treatment of accrued interest, future interest accrual and future recovery:**

(i) The treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default, is detailed below:

- a. The indicative haircut that has been applied to the principal should be applied to any accrued interest.
- b. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.

**Treatment of any future recovery in terms of principal or interest:**

- a. Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.
- b. Any recovery in excess of the carried value (i.e. the value recognized in NAV) should then be applied first towards amount of interest written off and then towards amount of principal written off.

**Others:**

<b>Security Type</b>	<b>Valuation Policy</b>
Listed Mutual Funds Units	Valuation will be at the closing price at the principal stock exchange*.  If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used. If units are not traded on any stock exchange on a particular valuation day, then NAV per unit will be used for valuation.
Unlisted Mutual Fund Units	Valuation will be based on Net Asset Value (NAV) of Mutual Fund units.
Listed Units of InvITs /REITs	The units of InvIT and REIT will be valued at the closing price at the principal stock exchange. If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used.  If units are not traded on any stock exchange on a particular valuation day, then closing price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Unlisted / Non- Traded Units of InvITs /REITs	Where units of InvIT and REIT are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvIT and REIT will be determined based on the procedure determined by Valuation Committee.

\* In case of non-availability of price from the Principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose.

**Common note(s) for Valuation of Debt & Debt Related Instruments (as applicable):**

**A. Definition of non-traded, thinly traded and traded money market / debt security (Effective from February 16, 2020):**

**(i) Traded and non-traded money market and debt securities shall be defined as follows:**

A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL).

**Marketable lot defined by AMFI in consultation with SEBI is as under: -**

The following volume criteria shall be used for recognition of trades by valuation agencies:

<b>Parameter</b>	<b>Minimum Volume of Criteria for marketable lot</b>
Primary	INR 25 cr for both/ NCD/ CP/ CD and any other money market instruments
Secondary	INR 25 cr for CP/CD, T-Bills and any other money market instruments
Secondary	INR 5 cr for Bonds/ NCD/ G-Secs

(ii) A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

## B. Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

### i) Securities with Call Option:

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

### ii) Securities with Put Option:

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

### iii) Securities with both Put and Call Option:

Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

- a) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.
- b) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.
- c) In case no Put Trigger Date or Call Trigger Date ('Trigger Date') is available, then the valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.

If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.

v) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

## C. Treatment of Upfront Fees on Trades:

- i) Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.
- ii) Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.
- iii) For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment.
- iv) In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

## D. Segregate Portfolio valuation:

Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Circular dated December 28, 2018, the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 1996 and Circular(s) issued thereunder.



Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

**E. The Fund shall not use their own trades for valuation of debt and money market securities.**

**F. Impact of any Changes to terms of an investment:**

- (i) While making any change to terms of an investment, AMC shall adhere to the following conditions:
  - (a) Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.
  - (b) Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation.
  - (c) If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation.
  - (d) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

**G. Waterfall mechanism for valuation of money market and debt securities to be used by the valuation agencies (Effective from February 16, 2020):**

For arriving at security level pricing, a waterfall mechanism to be used by valuation agencies as provided by AMFI in consultation with SEBI .

**H. (i)** In case the valuation committee is of the opinion that the price feeds provided by AMFI appointed agencies are not provided or prices are not reflective of fair value/ realizable value of the security, the same shall be valued on the basis of guidelines provided by the valuation committee. In approving such valuations, the valuation committee shall follow the principles of fair valuation and provide suitable justification for the same.

(ii) The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale shall also be disclosed immediately and prominently, under a separate head on the website of AMC.

**Valuation of Foreign Securities:**

The security issued outside India and listed on the stock exchanges outside India shall be valued as follows:

The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However, in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

For valuation of securities registered in USA, NYSE has been selected as principal stock exchange. If any security is not listed on NYSE, security prices as quoted on NASDAQ will be considered. For securities registered in UK, LSE (London Stock Exchange) has been selected as principal stock exchange. Securities prices as quoted on LSE will be used for valuation purposes.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis. When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

If the security is listed in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed in a time zone behind India, then the previous day's price would be used for valuation.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Reuters / RBI (Financial Benchmarks India Ltd- FBIL) / Bloomberg. The Trustees reserve the right to change the source for determining the exchange rate.

### Valuation of IDR/ADR/ GDR:

IDR/ADR/GDRs are exchange traded securities and hence closing price of the IDR/ADR/ GDR on the exchange where it is listed will be taken for valuation purpose.

If any American Depository Receipt (ADR)/ Global Depository Receipt (GDR) is traded in OTC (Over the Counter) market, in such cases closing price in OTC market will be considered for valuation of ADR/GDR.

If the security is listed/ traded in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed/traded in a time zone behind India, then the previous day's price would be used for valuation.

### Investment Transactions

- I. Transactions for purchase or sale of investments are recognised on the date of the trade date. Transactions for purchase or sale of investments for Overseas Securities are recognised on the next working day of the trade date due to timing difference.
- II. Bonus shares, rights and dividend entitlements to which the scheme becomes entitled are recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus, ex – right and ex dividend date basis respectively.
- III. Investment transactions in equity and equity related securities, derivatives and debt securities are accounted on trade date (Transactions for purchase or sale of investments for Overseas Securities are recognised on the next working day of the trade date due to timing difference). The Cost of investments includes all costs incurred in acquiring or incidental to acquisition of the investments e.g. brokerage, stamp duty, transaction costs, Securities Transaction Tax (STT), GST and any other charge customarily included in the broker's note but excludes custodian fees. Such costs (excluding STT) incurred in acquiring/disposal or incidental to acquisition/disposal of the investments in excess of 0.12 percent, in case of cash market transaction and 0.05 percent in case of derivative transactions are charged to the revenue account of the Scheme as part of TER.

### Recognition of Revenue and Treatment of Expenses

- I. For quoted investments, Dividend income earned by a scheme are recognised, on the date the share is quoted on an ex-dividend basis. Dividend on unquoted investments is recognised on date of declaration.
- II. In respect of all interest-bearing investments, income is accrued on a day to day basis as it is earned ,except for Interest on CCIL Margin Money placed for TREPS trades is accounted on receipt basis.
- III. Income on Treasury Bills and Government Securities are amortised on a straight-line basis over the period up to redemption.
- IV. The net unrealised gain / loss in the value of investments is determined separately for each class of investment.
- V. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method is followed by the scheme.
- VI. All expenses are accounted on accrual basis

The fund does not isolate that portion of the change in investment valuation resulting from changes in the foreign exchange rates from the fluctuations arising from changes in the local market prices of securities held. Such fluctuations are included in unrealised appreciation or depreciation on investments.

### Unit Premium Reserve ("UPR") and Income Equalisation

In case of an open ended scheme on issue / repurchase of units, the portion of the premium which is attributable to realised gains is credited / debited to the Revenue account for the period as Income Equalisation at the year end. It is reflected in the revenue account after the net realised gain/ (loss) of the scheme is determined. The balance portion of the premium that is not attributable to realised gains is credited/ debited to the UPR.

If units are sold at a price lower than the face value the difference is debited to the Revenue Account as Income Equalisation and vice versa.

### Determination of net asset values

- I. The net asset value of the units of the scheme is determined separately for units issued under the different plans / options.
- II. For calculating the net asset values under different plans / options, the amount of sale/repurchase of units under each plan / option are separately accounted for. Further, net income arising from such deployment are allocated daily to the plans / options in proportion to their Net Asset Values. Parag Parikh Tax Saver Fund (PPTSF) offers Direct Plan and Regular Plan. For both these plans scheme offers only Growth Option.

### Load Charges

In accordance with SEBI circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, the scheme has not charged any Entry Load on investments made into it.

### Note on Cash Flow:

#### I. Cash and cash equivalents (for the purpose of cash flow statement)

Cash and cash equivalents includes balances in banks current account, deposits placed with schedule banks (with original maturity up to three months) and Tri-Party Repo (TREPs)

#### II. Cash Flow Statement:

The cash flow statement has been prepared under the indirect method set out in accounting standard ("AS") - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India ("ICAI").

#### Treatment of change in unrealised appreciation/depreciation in value of investments:

The net unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. The change in net unrealised gain/loss, if any, between two balance sheet dates is recognized in the revenue account and thereafter the net unrealised gain, if any, is transferred to the unrealised appreciation reserve.

3) Net Asset Value (NAV) per unit as at the year end is as follows :

SCHEME NAME	Parag Parikh Tax Saver Fund		Parag Parikh Tax Saver Fund	
	31-Mar-22		31-Mar-21	
	NAV	SALE	NAV	SALE
Regular Plan - Growth	18.5158	Not applicable as there is a three years lock-in period	14.5931	Not applicable as there is a three years lock-in period
Direct Plan - Growth	19.1434		14.8931	

4) As at the year end, the details of investments are as under:

SCHEME NAME	March 31, 2022	March 31, 2021
Parag Parikh Tax Saver Fund	Market / Fair Value (Rs.)	Market / Fair Value (Rs.)
Equity Shares	4,632,188,815	1,457,584,807
<b>Total</b>	<b>4,632,188,815</b>	<b>1,457,584,807</b>

5) Total value of investments falling under each major industry group and exceeding 5% of the total investments in each major classification is as under :

a) As on March 31, 2022

SCHEME NAME	Market /Fair Value as	% of Classification as
Parag Parikh Tax Saver Fund	on March 31, 2022	on March 31, 2022
<b>Equities / Equity related instruments</b>		
Software	824,973,434	18%
Banks	812,924,789	18%
Finance	688,285,688	15%
Capital Markets	553,006,821	12%
Auto	482,247,982	10%
Consumer Non Durables	471,480,804	10%
Power	275,336,000	6%
Pharmaceuticals	266,408,187	6%
Minerals/Mining	159,253,500	3%
Auto Ancillaries	98,271,609	2%
<b>Total</b>	<b>4,632,188,814</b>	<b>100%</b>

## b) As on March 31, 2021

SCHEME NAME	Market /Fair Value as	% of Classification as
Parag Parikh Tax Saver Fund	on March 31, 2021	on March 31, 2021
<b>Equities / Equity related instruments</b>		
Software	394,444,423	27%
Capital Markets	267,465,302	19%
Auto	178,664,170	12%
Consumer Non Durables	176,221,192	12%
Banks	157,677,076	11%
Finance	133,200,578	9%
Auto Ancillaries	77,676,066	5%
Pharmaceuticals	72,236,000	5%
<b>Total</b>	<b>1,457,584,807</b>	<b>100.00%</b>

6) The details of the unrealised appreciation, included in Revenue Reserve, are as under:

SCHEME NAME	on March 31, 2022	on March 31, 2021
Parag Parikh Tax Saver Fund	749,230,250	262,205,695

7) The scheme has NIL exposure in Stock / Index Future Derivative as on March 31, 2022 and March 31, 2021

8) The details of the management fees (exclusive of goods & service tax) paid by the scheme to PPFAS Mutual Fund, are as under:

SCHEME NAME	March 31, 2022		March 31, 2021	
	Rs.	% of Avg. AUM	Rs.	% of Avg. AUM
Management Fees	18,797,913.00	0.60	5,097,705.00	0.66

Note : No management fee has been charged on the investments made by the Asset Management Company in the units of the scheme.

9) The aggregate value of purchases and sales of investments and income and expenditure during the year expressed as a % of average daily net assets is as under :

Parag Parikh Tax Saver Fund	March 31, 2022		March 31, 2021	
	Rs.	% of Avg. AUM	Rs.	% of Avg. AUM
Purchases	2,808,921,163	89.32	922,422,967	119.58
Sales	238,154,409	7.57	78,832,299	10.22
Income	73,925,319	2.35	14,309,853	1.86
Expenditure	49,786,399	1.58	12,326,679	1.60

Note:

1) Income excludes net change in unrealized gain/loss in value of investments, profit on sale thereof and provisions written back. Expenditure excludes net change in unrealized gain/loss in value of investments and loss on sale thereof.

2) Purchase excludes FD, Repo and TREPS. Sales excludes Maturity.

#### 10. Note on margin deposit money:

Name of the Scheme: Parag Parikh Tax Saver Fund	Deposits made towards Tri Party Repo (TREPS)
Financial Year 2021-2022	5,800,000
Financial Year 2020-2021	2,300,000

11. **Principal Bank:** The AMC has engaged services of DBS Bank India Limited as on March 31, 2022.

- 12. Registrar and Transfer Agent (R & T):** The AMC has appointed Computer Age Management Services Limited (CAMS) to provide services as RTA to the scheme(s) of PPFAS Mutual Fund. These services includes back office data processing, unit holders' account maintenance and front office maintenance.
- 13. Custodian:** The Trustee to PPFAS Mutual Fund has appointed DBS Bank India Limited as Custodian to scheme(s) PPFAS Mutual Fund.
- 14.** Trusteeship fee of INR 0.45 Lakhs is paid by the Scheme which is 0.01% per annum of the average daily/weekly net assets of the Fund subject to a maximum of Rs. 25 lakhs across all Schemes of PPFAS Mutual Fund.
- 15.** The income of the Mutual Fund is exempt from income tax, as per Section 10(23D) of the Income Tax Act, 1961. Accordingly, no provision for income tax has been made in the Revenue Account.
- 16.** Details of transactions with the associates, in terms of regulation 25(7) and 25(8) of SEBI (Mutual Fund) Regulations, 1996 is provided in the **Annexure 1**.
- 17.** As on March 31, 2022 and March 31, 2021, there are no underwriting commitments.
- 18. Segment Reporting:** The Scheme is primarily engaged in the business of investing the funds received from investors as unit capital, in accordance with its investment objectives, as stated in the Scheme Information Document (SID) to generate returns. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard (AS) - 17, issued by the Institute of Chartered Accountants of India have not been made.
- 19.** There are no Unit Holders holding over 25% of the Net Asset Value of the Scheme as at March 31, 2022 and March 31, 2021.
- 20.** The details of unclaimed redemption is Nil as on March 31, 2022 and March 31, 2021.
- 21.** The scheme has not made any investment in repo transactions in corporate debt securities as on March 31, 2022 and March 31, 2021.
- 22.** The Scheme hold Investments in the name of the Schemes / Trustees for the benefits of the Scheme's Unitholders
- 23.** Contingent liabilities as on 31st March 2022 is Nil. (For FY 2020-2021, contingent liability was Nil).
- 24.** Disclosure under Regulation 25(11) of SEBI (Mutual Fund) Regulation 1996, in respect of investments made by the scheme in companies or their subsidiaries, that have invested more than 5% of net assets of the scheme for period ended March 31, 2022 and March 31, 2021 : NIL.
- 25.** Disclosure of transactions in accordance with Accounting Standard 18 "Related party Transactions" and as per Regulation 25(8) of SEBI (Mutual Fund) Regulations 1996, is provided in **Annexure 1**.
- 26.** Complete portfolio of the Scheme is provided in **Annexure 2**.
- 27.** Perspective historical per unit statistics: Refer **Annexure 4**.
- 28.** Investments in Associates and Group Companies as on March 31, 2022 and March 31, 2021 : Nil
- 29.** Details of securities classified as below investment grade or default as on March 31, 2022 and March 31, 2021 : Nil
- 30.** Investor Education & Awareness Initiative (IEAI) : An annual charge of 2 basis points (0.02 % p.a.) of daily net assets , being part of total recurring expenses is set aside for IEAI as mandated by SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. The said balance is transferred on periodic basis to separate bank account maintained for the purpose. These funds are utilised by the AMC in accordance with SEBI Regulations and the policy approved by the Trustees

Movement of IEAI balances for PPFAS Mutual Fund during the financial year ended Mar 31, 2022 is as follows:

Particulars	Amount in INR	Amount in INR
	FY 2021-22	FY 2020-21
<b>Opening Balance</b>	438,365.27	1,580.87
Add: Amount transfer to a separate account of Investor Education Fund during the Year	34,148,772.70	11,383,682.40
Less: Amount Transfer to AMFI during the Year	16,491,038.00	5,440,593.00
Less: Amount Utilized for Investor Education Expenses during the Year	18,090,565.32	5,506,305.00
<b>Closing Balance</b>	<b>5,534.65</b>	<b>438,365.27</b>

**31)** Prior period figures have been reclassified and regrouped, wherever applicable to conform to current year presentation.

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
**Chartered Accountants**

Firm Registration Number. 110512W / W100378

Sd/-  
**(D. S. Khatri)**  
 Partner  
 Membership Number 16316

**For and on behalf of PPFAS Trustee Company**  
**Private Limited**

Sd/-  
**Dhaval Desai**  
 (Director)

Sd/-  
**Suneel Gautam**  
 (Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-  
**Neil Parag Parikh**  
 (CEO and Director)

Sd/-  
**Rajeev Thakkar**  
 (CIO and Director)

Sd/-  
**Raunak Onkar**  
 (Fund Manager)

Sd/-  
**Raj Mehta**  
 (Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**Annexure 1**  
**Details of payments to associate/group companies**

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.	%
NIL						

Commission 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	Business Given (Rs. & % of total value of transaction of the fund)		Commission paid( Rs. & % of total commission paid by the fund)	
			Rs.	%	Rs.	%
Mrs. Rita Kiritkumar Mehta (ARN-0688)	Relative of AMC employee	April 01, 2021 to March 31, 2022	0.07	0.05	*0.00	0.27
Parag Parikh Financial Advisory Services Limited	Parent Company (Sponsor)	April 01, 2020 to March 31, 2021	Nil	Nil	Nil	Nil

\* Amount is less than Rs.1 lakh hence, appearing as zero.

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Transactions	Period covered	Transaction Value
			Rs.
PPFAS Asset Management Private Limited	Management Fees Paid	1.4.2021 to 31.3.2022	18,797,913
PPFAS Asset Management Private Limited	Management Fees Paid	1.4.2020 to 31.3.2021	5,097,705
PPFAS Asset Management Private Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2021 to 31.3.2022	30,000,000
PPFAS Asset Management Private Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2020 to 31.3.2021	-
Parag Parikh Financial Advisory Services Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2021 to 31.3.2022	7,500,000
Parag Parikh Financial Advisory Services Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2020 to 31.3.2021	-

## Annexure 2

### Parag Parikh Tax Saver Fund

**Portfolio Statement as on March 31,2022**

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>Equity &amp; Equity related</b>						
<b>(a) Listed / awaiting listing on Stock Exchanges</b>						
Maruti Suzuki India Limited	INE585B01010	Auto	35,311	266,997,064	4.80%	5.76%
Hero MotoCorp Limited	INE158A01026	Auto	93,826	215,250,918	3.87%	4.65%
Balkrishna Industries Limited	INE787D01026	Auto Ancillaries	46,003	98,271,608	1.77%	2.12%
HDFC Bank Limited	INE040A01034	Banks	183,609	269,969,493	4.85%	5.83%
ICICI Bank Limited	INE090A01021	Banks	371,015	270,952,255	4.87%	5.85%
Axis Bank Limited	INE238A01034	Banks	357,358	272,003,042	4.89%	5.87%
Motilal Oswal Financial Services Limited	INE338I01027	Capital Markets	109,885	95,594,456	1.72%	2.06%
ICRA Limited	INE725G01011	Capital Markets	16,672	70,592,582	1.27%	1.52%
Multi Commodity Exchange of India Limited	INE745G01035	Capital Markets	48,775	69,038,574	1.24%	1.49%
Central Depository Services (I) Limited	INE736A01011	Capital Markets	81,364	120,447,197	2.16%	2.60%
Indian Energy Exchange Limited	INE022Q01020	Capital Markets	878,211	197,334,012	3.54%	4.26%
ITC Limited	INE154A01025	Consumer Non Durables	1,596,935	400,271,758	7.19%	8.64%
CCL Products (India) Limited	INE421D01022	Consumer Non Durables	176,391	71,209,047	1.28%	1.54%
Bajaj Holdings & Investment Limited	INE118A01012	Finance	84,605	423,959,885	7.62%	9.15%
Maharashtra Scooters Limited	INE288A01013	Finance	71,855	264,325,803	4.75%	5.71%
Coal India Limited	INE522F01014	Minerals/Mining	870,000	159,253,500	2.86%	3.44%
Zydus Lifesciences Limited	INE010B01027	Pharmaceuticals	145,510	50,710,235	0.91%	1.09%
Sun Pharmaceutical Industries Limited	INE044A01036	Pharmaceuticals	58,240	53,275,040	0.96%	1.15%
IPCA Laboratories Limited	INE571A01038	Pharmaceuticals	52,180	55,610,835	1.00%	1.20%
Dr. Reddy's Laboratories Limited	INE089A01023	Pharmaceuticals	13,016	55,909,577	1.00%	1.21%
Cipla Limited	INE059A01026	Pharmaceuticals	50,000	50,902,500	0.91%	1.10%
Power Grid Corporation of India Limited	INE752E01010	Power	1,270,000	275,336,000	4.95%	5.94%
Wipro Limited	INE075A01022	Software	445,879	263,915,780	4.74%	5.70%
Tata Consultancy Services Limited	INE467B01029	Software	71,494	267,383,985	4.80%	5.77%
HCL Technologies Limited	INE860A01027	Software	229,257	266,797,834	4.79%	5.76%
Oracle Financial Services Software Limited	INE881D01027	Software	7,491	26,875,835	0.48%	0.58%
<b>Sub Total</b>				<b>4,632,188,815</b>	<b>83.21%</b>	<b>100.00%</b>
<b>Total</b>				<b>4,632,188,815</b>	<b>83.21%</b>	<b>100.00%</b>
<b>Tri-Party Repo</b>						
Clearing Corporation of India Limited				893,735,063	16.05%	100.00%
<b>Sub Total</b>				<b>893,735,063</b>	<b>16.05%</b>	<b>100.00%</b>
<b>Total</b>				<b>5,525,923,878</b>	<b>99.26%</b>	
Net Receivables / (Payables)				41,235,565	0.74%	
<b>GRAND TOTAL</b>				<b>5,567,159,443</b>	<b>100.00%</b>	

SCHEME NAME	Market /Fair Value as	% of Classification as
<b>Parag Parikh Tax Saver Fund</b>	<b>on March 31, 2022</b>	<b>on March 31, 2022</b>
<b>Equities / Equity related instruments</b>		
Auto	482,247,982	10%
Auto Ancillaries	98,271,609	2%
Banks	812,924,789	18%
Capital Markets	553,006,821	12%
Consumer Non Durables	471,480,804	10%
Finance	688,285,688	15%
Minerals/Mining	159,253,500	3%
Pharmaceuticals	266,408,187	6%
Power	275,336,000	6%
Software	824,973,434	18%
<b>Total</b>	<b>4,632,188,814</b>	<b>100.00%</b>



**Parag Parikh Tax Saver Fund**

**Portfolio Statement as on March 31, 2021**

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>Equity &amp; Equity related</b>						
<b>(a) Listed / awaiting listing on Stock Exchanges</b>						
Maruti Suzuki India Limited	INE585B01010	Auto	13,071	89,656,602	4.87%	6.15%
Hero MotoCorp Limited	INE158A01026	Auto	30,549	89,007,565	4.83%	6.11%
Balkrishna Industries Limited	INE787D01026	Auto Ancillaries	46,003	77,676,066	4.22%	5.33%
HDFC Bank Limited	INE040A01034	Banks	35,269	52,679,542	2.86%	3.61%
ICICI Bank Limited	INE090A01021	Banks	89,475	52,083,398	2.83%	3.57%
Axis Bank Limited	INE238A01034	Banks	75,868	52,914,137	2.87%	3.63%
ICRA Limited	INE725G01011	Capital Markets	16,672	54,517,440	2.96%	3.74%
Multi Commodity Exchange of India Limited	INE745G01035	Capital Markets	48,775	73,794,136	4.01%	5.06%
Central Depository Services (I) Limited	INE736A01011	Capital Markets	81,364	53,378,852	2.90%	3.66%
Indian Energy Exchange Limited	INE022Q01020	Capital Markets	257,737	85,774,874	4.66%	5.88%
ITC Limited	INE154A01025	Consumer Non Durables	639,055	139,633,518	7.58%	9.58%
CCL Products (India) Limited	INE421D01022	Consumer Non Durables	156,391	36,587,674	1.99%	2.51%
Bajaj Holdings & Investment Limited	INE118A01012	Finance	40,449	133,200,579	7.23%	9.14%
Cadila Healthcare Limited	INE010B01027	Pharmaceuticals	36,390	16,044,351	0.87%	1.10%
Sun Pharmaceutical Industries Limited	INE044A01036	Pharmaceuticals	27,020	16,152,556	0.88%	1.11%
Lupin Limited	INE326A01037	Pharmaceuticals	16,170	16,500,677	0.90%	1.13%
IPCA Laboratories Limited	INE571A01020	Pharmaceuticals	4,000	7,615,000	0.41%	0.52%
Dr. Reddy's Laboratories Limited	INE089A01023	Pharmaceuticals	3,526	15,923,416	0.86%	1.09%
Wipro Limited	INE075A01022	Software	215,519	89,257,194	4.85%	6.12%
Persistent Systems Limited	INE262H01013	Software	29,810	57,296,311	3.11%	3.93%
Mphasis Limited	INE356A01018	Software	26,425	46,944,013	2.55%	3.22%
Tata Consultancy Services Limited	INE467B01029	Software	27,994	88,960,733	4.83%	6.10%
HCL Technologies Limited	INE860A01027	Software	89,577	88,022,839	4.78%	6.04%
Oracle Financial Services Software Limited	INE881D01027	Software	7,491	23,963,334	1.30%	1.64%
<b>Sub Total</b>				<b>1,457,584,807</b>	<b>79.17%</b>	<b>100.00%</b>
<b>(b) Unlisted</b>				<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Sub Total</b>				<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total</b>				<b>1,457,584,807</b>	<b>79.17%</b>	<b>100.00%</b>
<b>Tri-Party Repo</b>						
Clearing Corporation of India Limited				396,354,548	21.53%	100.00%
<b>Sub Total</b>				<b>396,354,548</b>	<b>21.53%</b>	<b>100.00%</b>
<b>Total</b>				<b>1,853,939,355</b>	<b>100.70%</b>	
Net Receivables / (Payables)				(12,818,538)	-0.70%	
<b>GRAND TOTAL</b>				<b>1,841,120,817</b>	<b>100.00%</b>	

SCHEME NAME	Market /Fair Value as	% of Classification as
Parag Parikh Tax Saver Fund	on March 31,2021	on March 31,2021
<b>Equities / Equity related instruments</b>		
Software	394,444,423	27%
Capital Markets	267,465,302	18%
Auto	178,664,170	12%
Consumer Non Durables	176,221,192	12%
Banks	157,677,076	11%
Finance	133,200,578	9%
Auto Ancillaries	77,676,066	5%
Pharmaceuticals	72,236,000	5%
<b>Total</b>	<b>1,457,584,807</b>	<b>100.00%</b>

### Annexure 3

#### Key Statistics

Parag Parikh Tax Saver Fund	Rupees in Lakhs	Rupees in Lakhs
	Period ended March 31, 2022	Period ended March 31, 2021
1. NAV per unit (Rs.):		
Open (NAV as on 01-04-2021)		
- Regular Plan	14.5931	8.3491
- Direct Plan	14.8931	8.4243
High		
- Regular Plan	19.4836	14.8044
- Direct Plan	20.0265	15.1057
Low		
- Regular Plan	14.4572	8.0732
- Direct Plan	14.7603	8.1456
End		
- Regular Plan	18.5158	14.5931
- Direct Plan	19.1434	14.8931
2. Closing Assets Under Management (Rs. in Lakhs)		
End	55,671.59	18,411.21
Average (AAuM) <sup>1</sup>	31,446.16	7,713.85
3. Gross income as % of AAuM <sup>2</sup>	7.89	3.77
4. Expense Ratio:		
a. Total Expense as % of AAuM (plan wise)		
- Regular Plan	2.35	2.37
- Direct Plan	1.05	1.18
b. Management Fee as % of AAuM (plan wise)		
- Regular Plan	0.59	0.67
- Direct Plan	0.59	0.65
5. Net Income as a percentage of AAuM <sup>3</sup>	6.30	2.17
6. Portfolio turnover ratio <sup>4</sup>	0.08	0.10
7. Total Dividend per unit distributed during the year / period (plan wise)		
- Regular Plan	-	-
- Direct Plan	-	-
8. Returns:		
<b>a. Last One Year (%)</b>		
<b>Scheme</b>		
- Regular Plan	26.88	74.79
- Direct Plan	28.54	76.79
Benchmark - NIFTY 500 TRI	22.29	77.58
Additional Benchmark - NIFTY 50 TRI	20.26	-
<b>b. Since Inception (%)</b>		
<b>Scheme</b>		
- Regular Plan	25.76	25.10
- Direct Plan	27.33	26.62
Benchmark - NIFTY 500 TRI	21.08	20.37
Additional Benchmark - NIFTY 50 TRI	18.97	-

1. AAuM=Average daily net assets

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.

**Annexure 4**  
**Historical Per Unit as on 31st March, 2022**

Per Unit Particulars (Rupees)	Parag Parikh Tax Saver Fund	Parag Parikh Tax Saver Fund	Parag Parikh Tax Saver Fund
	As on 31st March, 2022	As on 31st March, 2021	As on 31st March, 2020
<b>Face Value</b>	RS.10/-	RS.10/-	RS.10/-
<b>Number of Units</b>	295,021,257	124,655,668	36,682,115
<b>Avg Net asset</b>	3,144,616,187	771,384,736	225,818,939
<b>APP</b>	-	-	-
<b>Net Asset Value</b>			
Regular Growth	18.5158	14.5931	8.3491
Direct Growth	19.1434	14.8931	8.4243
<b>Income</b>			
Other than profit on sale of investment	0.25	0.11	0.10
From profit on inter-scheme sales/transfer of investments (net)	-	-	-
From profit on sale of investment to third party (net)	0.59	0.12	0.03
<b>Gross Income</b>	0.84	0.23	0.13
<b>Expenses &amp; Losses</b>			
Aggregate of expenses, write-off, amortization and charges	0.17	0.10	0.06
Net change in Unrealised depreciation in value of investments	-	-	1.94
<b>Gross Expenditure</b>	0.17	0.10	2.00
<b>Net Income</b>	0.67	0.13	(1.87)
Unrealised appreciation / depreciation in value of investments	2.34	2.09	(1.81)
Ratio of expenses to average net assets	1.58%	1.60%	1.02%
Ratio of gross income to average net assets	7.89%	3.77%	2.10%
<b>NAV</b>			
<b>Highest</b>			
Regular Growth	19.4836	14.8044	11.1199
Direct Growth	20.0265	15.1057	11.1947
<b>Lowest</b>			
Regular Growth	14.4572	8.0732	7.8198
Direct Growth	14.7603	8.1456	7.8875
<b>Resale Price (Not applicable as there is a three years lock-in period)</b>			
<b>Highest</b>			
Regular Growth	NA	NA	NA
Direct Growth	NA	NA	NA
<b>Lowest</b>			
Regular Growth	NA	NA	NA
Direct Growth	NA	NA	NA
<b>Trading Price</b>			
Highest	NA	NA	NA
Lowest	NA	NA	NA
<b>Weighted Average Price Earning Ratio</b>	22.97	25.06	14.85

# Sudit K. Parekh & Co. LLP

## Chartered Accountants

### Independent Auditor's Report

To the Trustees of  
PPFAS Mutual Fund - **Parag Parikh Liquid Fund**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Scheme Parag Parikh Liquid Fund (the "Scheme") which comprise the Balance Sheet as at 31 March 2022, the Revenue Account and the Cash Flow Statement, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Scheme give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual funds) Regulations, 1996, as amended ("the SEBI Regulations"):

- (a) In the case of the Balance Sheet, of the state of affairs of the Scheme as at 31 March 2022;
- (b) In the case of the Revenue Account, of the 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.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Scheme in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, 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 audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Managements of PPFAS Trustee Company Private Limited and PPFAS Asset Management Private Limited (together referred to as the "Management") are responsible for the other information. The other information comprises the information included in the Trustee 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the trustee report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Mumbai | Pune | Gurugram | Bengaluru | Hyderabad

Sudit K. Parekh & Co. (a partnership firm with Registration No. B-124243) converted to Sudit K. Parekh & Co. LLP (a Limited Liability Partnership with LLP Identification No. AAO-8539) with effect from April 11, 2019

## **Sudit K. Parekh & Co. LLP**

### Chartered Accountants

#### **Responsibilities of Management for the Financial Statements**

The Management is 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 accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal 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, the Management is responsible for assessing the Scheme'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 the Management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Scheme'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. 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 these 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Scheme'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 Scheme 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.

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## **Sudit K. Parekh & Co. LLP**

### Chartered Accountants

We communicate with Management, 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 to the Management 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 Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, 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, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations; and
  - c) The balance Sheet, the revenue account and the cash flow Statement dealt with by this report are in agreement with the books of account of the Scheme.
  
- 2) As required by Eighth Schedule of the SEBI Regulations, we report that:
  - a) In our opinion, and on the basis of information and explanations given to us, the methods used to value non-traded securities as at 31 March 2022 are in accordance with the SEBI Regulations and guidelines, valuation policy and other guidelines approved by the Board of Directors of PPFAS Trustee Company Private Ltd and are fair and reasonable.

For **Sudit K. Parekh & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 110512W/W100378

Sd/-

**Durgaprasad S. Khatri**

Partner

Membership No: 016316

ICAI UDIN No: 22016316ALXJDC7575

Place: Mumbai

Date: 29th June, 2022

---

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**PPFAS MUTUAL FUND**  
**Cash Flow Statement for the year ended 31 March 2022**

Parag Parikh Liquid Fund		Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
		Amount in Rs.	Amount in Rs.
<b>A. Cashflow from operating activities</b>			
Net Surplus for the year		451,907,803	271,616,724
Add: Unrealised appreciation in value of investments		3,806,389	-
<b>Net Surplus for the year</b>		<b>455,714,192</b>	<b>271,616,724</b>
Adjustments for:-			
(Increase)/Decrease in investments		149,174,250	(9,288,228,200)
(Increase)/Decrease in other current assets		(233,268)	(52,274,412)
Increase/(Decrease) in current liabilities		(768,150,974)	816,521,246
(Increase)/Decrease in deposits		-	-
<b>Net cash used in operations</b>	<b>( A )</b>	<b>(163,495,800)</b>	<b>(8,252,364,642)</b>
<b>B Cashflow from financing activities</b>			
Increase/(Decrease) in unit capital		356,204,744	7,284,522,635
Increase/(Decrease) in unit premium reserve		35,472	1,389,449
Transfer (to)/from Equalisation reserve		30,111,999	985,044,880
Increase/(Decrease) in redemption payable for units redeemed by investors		-	-
(Increase)/Decrease in subscription receivable for units issued to investors		-	-
Dividend paid (including tax thereon)		(4,454,011)	(9,451,940)
<b>Net cash generated from financing activities</b>	<b>( B )</b>	<b>381,898,204</b>	<b>8,261,505,024</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(A+B)</b>	<b>218,402,404</b>	<b>9,140,382</b>
Cash and Cash Equivalents as at the beginning of the year		1,138,896,561	1,129,756,179
<b>Cash and Cash Equivalents as at the close of the year</b>		<b>1,357,298,965</b>	<b>1,138,896,561</b>
<b>Component of cash and cash equivalents</b>			
Balances with Banks in Current Account		40,166,422	29,279,909
Deposit with scheduled banks		85,000,000	65,000,000
Collateralised lending		1,232,132,543	1,044,616,652
<b>Total</b>		<b>1,357,298,965</b>	<b>1,138,896,561</b>

The above cash flow statement has been prepared in accordance with the indirect method set out in Accounting Standard (AS-3) issued by the Institute of Chartered Accountants of India.

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
Chartered Accountants  
Firm Registration Number. 110512W / W100378

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-  
**(D. S. Khatri)**  
Partner  
Membership Number 16316

Sd/-  
**Dhaval Desai**  
(Director)

Sd/-  
**Suneel Gautam**  
(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-  
**Neil Parag Parikh**  
(CEO and Director)

Sd/-  
**Rajeev Thakkar**  
(CIO & Director)

Sd/-  
**Raj Mehta**  
(Fund Manager)

**Date: June 29, 2022**  
**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Liquid Fund	Schedule	31 Mar 2022	31 Mar 2021
		Amount in Rs.	Amount in Rs.
<b>LIABILITIES</b>			
Unit Capital	'A'	11,172,795,825	10,816,591,081
Reserves and Surplus	'B'	2,096,913,130	1,615,505,479
Current Liabilities	'C'	64,718,503	832,869,477
<b>Total</b>		<b>13,334,427,458</b>	<b>13,264,966,037</b>
<b>ASSETS</b>			
Investments	'D'	11,884,033,150	12,033,207,400
Deposits	'E'	85,000,000	65,000,000
Other Current Assets	'F'	1,365,394,308	1,166,758,637
<b>Total</b>		<b>13,334,427,458</b>	<b>13,264,966,037</b>
Significant accounting policies and Notes forming part of Accounts	'H'		

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
Chartered Accountants

**For and on behalf of PPFAS Trustee Company Private Limited**

**Firm Registration Number. 110512W / W100378**

Sd/-  
**(D. S. Khatri)**  
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**Neil Parag Parikh**  
(CEO and Director)

Sd/-  
**Rajeev Thakkar**  
(CIO & Director)

Sd/-  
**Raj Mehta**  
(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**



**PPFAS MUTUAL FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 March,2022**

Parag Parikh Liquid Fund	Schedule	Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
		Amount (Rs.)	Amount (Rs.)
<b>INCOME</b>			
Interest	'G'	549,030,175	339,754,915
Profit on sale / redemption of investments (other than inter Scheme transfer)		22,374	-
Exit Load		22,619	13,128
Miscellaneous Income		9,721	8,193
<b>Total (A)</b>		<b>549,084,889</b>	<b>339,776,236</b>
<b>EXPENSES AND LOSSES</b>			
Loss on sale / redemption of investments (other than inter Scheme transfer)		68,039,750	39,795,177
Commission to Agent		6,797,118	3,304,016
Investor education and awareness expenses		2,822,112	1,767,079
Management fees		7,891,683	3,521,032
Goods and Service Tax on Management Fees		1,420,504	633,786
Trustee Fees		211,750	242,134
Custody Fees		16,717	7,376
Registrar & Transfer Agent Fees		4,096,222	2,616,579
Audit Fees		98,530	82,600
Other Operating expenses		5,782,700	4,928,841
Unrealised depreciation in the value of investments		-	-
<b>Total (B)</b>		<b>97,177,086</b>	<b>56,898,620</b>
<b>Surplus for the Year (A-B)</b>		<b>451,907,803</b>	<b>282,877,616</b>
Change in unrealised depreciation in the value of investments/derivatives		3,554,963	(10,985,755)
<b>Surplus for the Year</b>		<b>455,462,766</b>	<b>271,891,861</b>
Add/Less: Income Equalisation Account		30,111,999	985,044,880
		<b>485,574,765</b>	<b>1,256,936,741</b>
Change in unrealised appreciation in the value of investments/derivatives		251,426	(275,137)
Less: Amount transferred to Unrealised Appreciation Reserve Account		(251,426)	275,137
Dividend Distribution		(4,454,011)	(9,451,940)
Dividend Distribution Tax		-	-
<b>Net surplus transferred to Revenue Reserve</b>		<b>481,120,754</b>	<b>1,247,484,801</b>
Significant accounting policies and Notes forming part of Accounts	'G'		

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
Chartered Accountants  
Firm Registration Number. 110512W / W100378

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-  
**(D. S. Khatri)**  
Partner  
Membership Number 16316

Sd/-  
**Dhaval Desai**  
(Director)

Sd/-  
**Suneel Gautam**  
(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-  
**Neil Parag Parikh**  
(CEO and Director)

Sd/-  
**Rajeev Thakkar**  
(CIO & Director)

Sd/-  
**Raj Mehta**  
(Fund Manager)

**Date: June 29, 2022**  
**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Liquid Fund	31 Mar 2022		31 Mar 2021	
	Units	Amount (Rs.)	Units	Amount (Rs.)
<b>SCHEDULE 'A'</b>				
<b>UNIT CAPITAL</b>				
<b>Initial Capital Issued and Subscribed:</b>				
<b>(Face Value of Rs. 1000 Each fully paid up)</b>	471,042.981	471,042,981	471,042.981	471,042,981
Unit Capital (At the beginning of the year)	10,816,591.081	10,816,591,081	3,532,068.446	3,532,068,446
Add : Subscription during the year / period	22,663,706.861	22,663,706,861	19,190,528.185	19,190,528,185
Less : Redemption during the year / period	22,307,502.117	22,307,502,117	11,906,005.550	11,906,005,550
<b>Unit Capital (At the end of the year)</b>	<b>11,172,795.825</b>	<b>11,172,795,825</b>	<b>10,816,591.081</b>	<b>10,816,591,081</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Liquid Fund	31 Mar 2022	31 Mar 2021
	Amount (Rs.)	Amount (Rs.)
<b>SCHEDULE 'B'</b>		
<b>Reserves &amp; Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	1,478,162	88,713
Add / (Less) : Discount / Premium on units repurchased/sold during the year / period	35,472	1,389,449
<b>Closing Balance</b>	<b>1,513,634</b>	<b>1,478,162</b>
Unrealised Appreciation in the value of investments		
<b>Opening Balance</b>	<b>1,379,490</b>	<b>1,654,626</b>
Less: Reversed during the year	(1,379,490)	(1,654,626)
Add: Unrealised appreciation as at year end	1,630,915	1,379,490
<b>Closing Balance</b>	<b>1,630,915</b>	<b>1,379,490</b>
Revenue Reserve		
<b>Opening Balance</b>	<b>1,612,647,827</b>	<b>365,163,026</b>
Net Surplus / (deficit) transferred from Revenue Account	481,120,754	1,247,484,801
<b>Closing Balance</b>	<b>2,093,768,581</b>	<b>1,612,647,827</b>
<b>Total Reserves &amp; Surplus</b>	<b>2,096,913,130</b>	<b>1,615,505,479</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Liquid Fund	31 Mar 2022	31 Mar 2021
	Amount (Rs.)	Amount (Rs.)
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities:</b>		
Statutory Dues Payables	882,662	495,383
Investor Education Fees - Payable	120,201	112,922
Contracts for Purchase of Investments	-	774,921,037
Payable to PPFAS Asset Management Private Limited (Net of receivable)	1,537,190	1,202,180
Pending Unit Allotment	18,180,639	27,840,902
Inter Fund Dues	42,371,936	26,702,080
Other Payables	1,625,875	1,594,973
<b>Total</b>	<b>64,718,503</b>	<b>832,869,477</b>
<b>SCHEDULE 'D'</b>		
<b>INVESTMENTS</b>		
Commercial Paper	99,970,400	249,344,850
Government Securities	3,063,692,800	2,614,352,250
Certificate of Deposit	99,553,200	198,741,300
Treasury Bill	8,620,816,750	8,970,769,000
<b>Total</b>	<b>11,884,033,150</b>	<b>12,033,207,400</b>
<b>SCHEDULE 'E'</b>		
<b>DEPOSITS</b>		
Deposit with Scheduled banks	85,000,000	65,000,000
<b>Total</b>	<b>85,000,000</b>	<b>65,000,000</b>
<b>SCHEDULE 'F'</b>		
<b>OTHER CURRENT ASSETS</b>		
Balances with Banks in Current Account	40,166,422	29,279,909
Accrued Interest on Deposits	1,635,539	1,290,759
Outstanding and Accrued Income	80,879,792	78,511,584
Other Receivable	10,741	-
Margin deposit with Clearing Corporation of India Ltd.	10,500,000	13,000,000
Prepaid Stamp Duty	69,272	59,733
Tri Party Repo (TREPS)	1,232,132,542	1,044,616,652
<b>Total</b>	<b>1,365,394,308</b>	<b>1,166,758,637</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE REVENUE ACCOUNT FOR THE YEAR ENDED 31 March, 2022**

Parag Parikh Liquid Fund	Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
	Amount (Rs.)	Amount (Rs.)
<b>SCHEDULE 'G'</b>		
<b>INTEREST</b>		
Interest Income-Government Securities	64,747,931	45,036,778
Interest Income-Fixed Deposits	3,664,401	1,290,759
Interest Income-Margin Fixed Deposits	-	962,841
Interest Income - State Development Loans	54,783,819	47,773,722
Interest Income - CCIL Margin	190,765	142,255
Amortization Income - Commercial Paper	3,904,742	1,698,326
Amortization Income - Certificate of Deposits	2,683,616	427,563
Amortization Income - Tri-Party Repo	39,506,655	34,922,038
Amortization Income - Treasury Bill	379,548,246	207,500,633
	<b>549,030,175</b>	<b>339,754,915</b>

**Schedule - H:**

**Significant Accounting Policies and Notes to Accounts (Annexed to and forming part of Balance Sheet as at March 31, 2022 and Revenue Account for the Year ended March 31, 2022)**

1) **Background:**

PPFAS Mutual Fund has been constituted as a Trust on 13th April 2012 in accordance with the provisions of the Indian Trust Act, 1882 (2of 1882) with Parag Parikh Financial Advisory Services Limited (PPFAS) as the Sponsor and PPFAS Trustee Company Private Limited as the Trustee. The Trust Deed has been registered under the Indian registration Act, 1908. The Mutual Fund is registered with the SEBI on 17th October 2012 under the Registration code MF/069/12/01.

Scheme Name	Nature of Scheme	Allotment Date	Options	Investment Objective
Parag Parikh Liquid Fund	An open ended Liquid Scheme. A Relatively Low Interest Rate Risk and Relatively low Credit Risk	May 11, 2018	Regular Plan - Growth Option Regular Plan - Daily Reinvestment IDCW Option Regular Plan - Weekly Reinvestment IDCW Option Regular Plan - Monthly IDCW Option Direct Plan - Growth Option Direct Plan - Daily Reinvestment IDCW Option Direct Plan - Weekly Reinvestment IDCW Option Direct Plan - Monthly IDCW Option	To deliver reasonable market related returns with lower risk and higher liquidity through judicious investments in money market and debt instruments. However, there is no assurance that the investment objective of the scheme will be realized and the scheme does not assure or guarantee any returns.

Potential Risk Class as on March 31, 2022

Potential Risk Class			
Credit Risk →	Relative Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)	A-I		
Moderate (Class II)			
Relatively High (Class III)			

2) **Significant Accounting Policies :**

**a) Basis of Accounting**

The Scheme maintains its books of account on an accrual basis. The financial statements of the scheme are prepared in accordance with the accounting policies, contained in the schedule IX and Annual Report format as provided in Schedule XI of the Securities & Exchange Board of India, Mutual Fund Regulations, 1996 (SEBI MF Regulations) and as amended from time to time.

**b) Portfolio Valuation**

SEBI vide Gazette Notification no. LAD-NRO/GN/2011- 12/38/4290, dated February 21, 2012 amended Regulation 25, 47 and the Eighth Schedule titled 'Investment Valuation Norms' under SEBI (Mutual Funds) Regulations, 1996 ("the Regulations") to introduce the overarching principles namely 'Principles of Fair Valuation' in order to ensure fair treatment to all investors (including existing as well as new investors) seeking to purchase or redeem the units of the scheme at all points of time. In the event of a conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the Regulations, the principles of fair valuation shall prevail. Further SEBI vide Circular dated September 24, 2019 also mandated

that waterfall approach for valuation of debt and money market instruments followed by the Valuation Agencies for arriving at security level pricing shall also form part of valuation policy.

Further, AMFI has issued best practice guidelines circular no.135/BP/29/2012-13 dated May 15,2012 on valuation methodology for valuing Debt and Money Market instruments thereby providing guiding principle for valuation. AMFI vide its circular dated November 18, 2019 has also prescribed waterfall mechanism to be followed by Valuation Agencies for valuation of money market and debt securities.

Based on the said amendment by SEBI, the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have adopted a comprehensive policy on investment valuation and procedures. Accordingly, the disclosure inter-alia of the security/ asset-wise valuation policy, procedures and methodology of PPFAS Mutual Fund is given below:

### **1. Policy, Procedure & Methodology for valuation of securities/assets**

- (i) The detailed security/ asset -wise valuation policy, procedure & methodology for each type of investment made by the schemes of PPFAS Mutual Fund is described in the appended table(s).
- (ii) Investments in any new securities/assets (other than those mentioned in the appended table) shall be made only after the establishment of the valuation methodology as approved by the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited.
- (iii) The investments held by schemes of PPFAS Mutual Fund would normally be valued according to the Valuation Guidelines specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation as detailed above and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

### **2. Inter scheme Transfers:**

Inter-scheme transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation Committee.

### **3. Exceptional events:**

Given the exceptional nature of the events, it is not possible to define a standard methodology to be adopted for fair valuation of securities/assets for such events. Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have authorized the Valuation Committee to determine the exceptional events and devise the process to deal with the exceptional events.

The Exceptional events where current market information may not be available / sufficient for valuation of securities are classified as under:

- a. Policy announcements by the Reserve Bank of India (RBI), the Government or any Regulatory body like (SEBI/IRDA/PFRDA).
- b. Natural disasters or public disturbances that may impact the functioning of the capital markets.
- c. Absence of trading in a specific security or similar securities.
- d. Sufficient market information may not be available for the Valuation of Securities.
- e. Valuation Agencies do not provide Valuation for Securities.
- f. Significant volatility in the capital markets.
- g. Deviation from the indicative haircuts and/or the valuation price.

The above list is illustrative and not exhaustive. The Valuation Committee shall identify and monitor exceptional events and recommend appropriate procedures / methodologies with necessary guidance from the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited., wherever required, and get the same ratified.

**4. Deviation:**

Deviation in the valuation policy and procedures as stated above shall be allowed only with the prior approval of the Valuation Committee followed by reporting to the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited. Such deviations shall be appropriately disclosed to the Investors as may be decided by the Valuation committee.

**5. Record Maintenance:**

PPFAS Asset Management Private Limited shall maintain and preserve documentation for valuation (including inter scheme transfers) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

**6. Disclosure:**

In order to ensure transparency of valuation norms adopted by PPFAS Asset Management Private Limited, the investment valuation policy and procedures as adopted by PPFAS Asset Management Private Limited is disclosed on the website, <http://amc.ppfas.com>

Detailed security/asset-wise valuation policy, procedure & methodology for Investments made by the PPFAS Mutual Fund:

**I. Equity and equity related instruments including Equity and Currency Derivatives:**

Security Type	Valuation Policy
Listed Shares/ Preference Shares / Warrants/Rights	Valuation will be at the closing price at the Principal stock exchange*.  If security is not traded on principal stock exchange on a particular valuation day, the closing price at which it is traded on any other stock exchange will be used.  If security is not traded on any stock exchange on a particular valuation day, then price at which it is traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Thinly traded equity shares	Thinly traded securities will be valued at fair value as per procedures** determined by the Valuation Committee.
Unlisted Shares/ Preference Shares / Warrants/Rights	Unlisted securities will be valued at fair value as per procedures determined by the Valuation Committee.
Options	In case of Options, premium received/ paid is marked to market based on settlement price on the relevant exchange.
Futures	Outstanding contracts in Futures is valued based on the settlement price on the relevant exchange.
Application Money for Primary Market Issue:	Application money should be valued at cost up to 30 days from the closure of the issue or traded price whichever is earlier. If the security is not allotted / traded within 30 days from the closure of the issue, application money is to be valued as per the directives of valuation committee, which shall be ratified in the next board meeting. Rationale of valuing such application money should also be recorded.
Equity shares invested as an Anchor Investor	At the discretion of the AMC and with the approval of the valuation committee, post listing, equity shares invested on Anchor basis may be valued at a price lower than the listed market price available on NSE/BSE by applying a suitable illiquidity discount (If such shares are in lock-in period).

Convertible Debentures	The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The nonconvertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument, which is traded, the value of later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.
Suspended Security	In case trading in an equity security is suspended up to 30 days, then the last traded price would be considered for valuation of that security. If an equity security remains suspended for trading on the stock exchange for more than 30 days, then it would be valued as non-traded security.
Security Lending & Borrowing (SLB)	Security Lending & Borrowing (SLB) will be valued on the basis of amortization.

\* In case of non-availability of price from the principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose. In exceptional scenarios wherein due to technical reasons if closing price is not available of a security traded on principal stock exchange on a particular day, then the last traded price on that day (latest available price) of that security on principal stock exchange will be considered for valuation. Secondly, if the latest available traded price is of a trade carried out by PPFAS AMC on behalf of it's schemes on that particular day, then that trade price can be considered for valuation in the absence of availability of closing price / last traded price on principal stock exchange.

**i) \*\*Procedure & Methodology for valuation of unlisted or thinly traded equity/non-traded equity/equity related securities**

Any security which does not have trading volume of 50,000 scrips and trading amount of Rs. 5,00,000/- during a period of thirty days shall be categorized as thinly traded. Thinly traded / unlisted securities shall be valued in good faith on the basis of fair valuation principles as follows:

Net Worth Value per share of the company will be derived based on the latest available audited balance sheet, not more than 9 months from close of financial year, net worth per share shall be calculated as [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.

Capital Earning Value per share of the company will be derived by capitalization of Earnings per Share based on the latest available balance sheet, with 25% of Average capitalization rate (P/E ratio) for the industry.

Average of Net Worth Value per share and Capital Earning Value per share thus derived, shall be further discounted to derive fair value of Unlisted securities and by thinly traded securities.

**Shares on De-merger and Other Corporate Action Events –**

- a. Both the shares are traded immediately on de-merger:** In this case both the shares to be valued at respective traded prices.
- b. Shares of only one company continued to be traded on de-merger:** In such a scenario, the shares of Non Traded/ Unlisted would be fairly valued in good faith by AMC on case to case basis. Traded share to be valued at traded price.
- c. Both the shares are not traded on de-merger:** In such a scenario, the shares of both the companies would be fairly valued in good faith by AMC on case to case basis.

In case of any other type of capital corporate action event, the same to be valued at fair price on case to case basis.

**ii) Preference Shares –**

Preference share can be convertible or non- convertible. If the non-convertible preference shares are traded then the



closing price of the day will be considered for valuation. If the same is non-traded it will be valued at the present value of all the future expected dividend payments and the maturity value, discounted at the bond yield of the issuer.

**The value of convertible preference share can be expressed as follows:**

Convertible preference shares shall be valued based on the underlying equity. This value shall be further discounted for illiquidity to arrive at fair valuation. Traded convertible preference shares shall be valued based on the closing price.

**iii) Warrants –**

Warrants will be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. The value arrived will be reduced by appropriate discount. Traded Warrants shall be valued based on the closing price.

**iv) Right entitlements –**

Right entitlements will be valued as difference between the value of closing price of the underlying equity share and the rights offer price. Right entitlements if traded will be valued at the closing price on Principal stock exchange (NSE). If the entitlements are not traded on NSE but are traded on any other stock exchange the closing price of the exchange where it traded will be considered for valuation.

Non traded rights entitlement will be valued as difference between the value of the underlying equity share (determined as per valuation policy) and the rights offer price.

**II. Money Market, Debt & Debt Related Instruments**

<b>Security Type</b>	<b>Existing Valuation Policy Until April 28, 2021</b>	<b>Revised Valuation Policy Effective April 29, 2021</b>
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity more than 30 days.	Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL & ICRA)  <b>With effect from April 01, 2020</b>  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.	No Change.
Debt Securities/ Instruments with Residual maturity more than 30 days (Commercial Paper/ Certificate of Deposit / Bonds/ Zero Coupon Bonds / Bills Rediscounting /Floating rate securities /PTC)	Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL & ICRA)  <b>With effect from April 01, 2020</b>  In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.	No Change.

Security Type	Existing Valuation Policy Until April 28, 2021	Revised Valuation Policy Effective April 29, 2021
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity less than or equal to 30 days.	<p>Government Securities (including Treasury Bills) will be valued at average of the prices provided by AMFI approved agencies (currently CRISIL and ICRA).</p> <p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.</p> <p><b>With effect from April 01, 2020</b></p> <p>1) Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).</p> <p>and</p> <p>2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.</p>	No Change.
Debt Securities/Instruments with Residual maturity less than or equal to 30 days (Commercial Paper/Certificate of Deposit/ Bonds/ Zero Coupon Bonds /Bills Rediscounting/Floating rate securities /PTC)	<p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.</p> <p><b>With effect from April 01, 2020</b></p> <p>1)Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).</p> <p>and</p> <p>2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.</p>	No Change

Security Type	Existing Valuation Policy Until April 28, 2021	Revised Valuation Policy Effective April 29, 2021
Interest Rate Swaps (IRS)/ Forward Rate Agreements (FRA)	<b>Effective December 23, 2019</b>  All OTC derivatives viz. IRS/ FRA's will be valued at the average prices provided by AMFI approved agencies (currently CRISIL and ICRA).	No change
Overnight Money REPS / Reverse Repo/ CROMS)	Overnight money deployed will be valued at cost plus the accrual/ amortisation.	Overnight money deployed will be valued at cost plus the accrual/ amortisation.  For Reverse Repo with residual maturity of over 30 days Valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case security level prices given by valuation agencies are not available for a new Reverse Repo (which is currently not held by any Mutual Fund), then such Reverse Repo may be valued at purchase yield on the date of purchase.
Investments in short-term deposits with banks	Investments in short-term deposits with banks will be valued at cost plus the accrual basis.	No Change

### III. Valuation of Money market and Debt securities which are rated below investment grade:

A money market or debt security shall be classified as "below investment grade" if the long term rating of the security assigned by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.

A money market or debt security shall be classified as "Default" if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to "Default" grade by a CRA. In this respect, PPFAS Mutual Fund shall promptly inform the Valuation Agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.

In case of instruments with dual rating the same would be considered below investment grade if any of the rating agencies rating that instrument downgrades it to sub investment grade.

All money market and debt securities which are rated below investment grade shall be valued at the price provided by AMFI appointed valuation agencies (CRISIL/ICRA). Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircut provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. Further these haircuts shall be updated and refined, as and when there is availability of material information which impact the haircuts.

#### Consideration of traded price for valuation:

In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, AMC shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.

In case of trades after the valuation price is computed by the valuation agencies as referred above and where the trade price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.

The trades referred above shall be of a minimum size as determined by valuation agencies.

AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by valuation agencies subject to the following:

- The detailed rationale for deviation from the price post haircut or price provided by the valuation agencies shall be recorded by the AMC.
- The rationale for deviation along with details such as information about the security (ISIN, issuer name, rating etc), price at which security was valued vis-a vis the price provided by the valuation agencies (as applicable) and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees
- The rationale for deviation along with details as mentioned above shall also be disclosed to the investors .

In abnormal situations, market disruptions etc. where current market information may not be obtainable and in case CRISIL and ICRA are unable to provide a security level price for any security on particular day(s), the fund manager(s) will, with the prior approval of Valuation Committee, value the securities appropriately to ensure true and fair valuation.

In case price is not provided by designated agencies, on the date of allotment of security, then:

- a. In case of discounted securities, valuation shall be done at price derived by adding one-day amortisation to the allotment price;
- b. In case of coupon bearing securities, valuation shall be done at allotment price

Beyond 3 business days from the date of allotment of the security, the valuation price would be determined by the Valuation Committee using principle of fair valuation. Necessary documentation shall be maintained in this regard, including method adopted along with the detailed computation of the fair price.

Brokerage shall be added to the Deal price to compute amortisation.

**Treatment of accrued interest, future interest accrual and future recovery:**

(i) The treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default, is detailed below:

- a. The indicative haircut that has been applied to the principal should be applied to any accrued interest.
- b. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.

**Treatment of any future recovery in terms of principal or interest:**

- a. Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.
- b. Any recovery in excess of the carried value (i.e. the value recognized in NAV) should then be applied first towards amount of interest written off and then towards amount of principal written off.

**Others:**

Security Type	Valuation Policy
Listed Mutual Funds Units	Valuation will be at the closing price at the principal stock exchange*.  If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used.  If units are not traded on any stock exchange on a particular valuation day, then NAV per unit will be used for valuation.
Unlisted Mutual Fund Units	Valuation will be based on Net Asset Value (NAV) of Mutual Fund units.
Listed Units of InvITs /REITs	The units of InvIT and REIT will be valued at the closing price at the principal stock exchange. If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used.  If units are not traded on any stock exchange on a particular valuation day, then closing price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Unlisted / Non- Traded Units of InvITs /REITs	Where units of InvIT and REIT are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvIT and REIT will be determined based on the procedure determined by Valuation Committee.

\* In case of non-availability of price from the Principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose.

**Common note(s) for Valuation of Debt & Debt Related Instruments (as applicable):**

**A. Definition of non-traded, thinly traded and traded money market / debt security (Effective from February 16, 2020):**

(i) Traded and non-traded money market and debt securities shall be defined as follows:

A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL).

**Marketable lot defined by AMFI in consultation with SEBI is as under: -**

The following volume criteria shall be used for recognition of trades by valuation agencies:

Security Type	Minimum Volume of Criteria for marketable lot
Primary	INR 25 cr for both/ NCD/ CP/ CD and any other money market instruments
Secondary	INR 25 cr for CP/CD, T-Bills and any other money market instruments
Secondary	INR 5 cr for Bonds/ NCD/ G-Secs

(ii) A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

**B. Valuation of securities with Put/Call Options**

The option embedded securities would be valued as follows:

**i) Securities with Call Option:**

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

**ii) Securities with Put Option:**

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

**iii) Securities with both Put and Call Option:**

Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

- a) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.
- b) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.
- c) In case no Put Trigger Date or Call Trigger Date ('Trigger Date') is available, then the valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.

If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.

iv) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

**C. Treatment of Upfront Fees on Trades:**

- i) Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.
- ii) Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.
- iii) For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment.
- iv) In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

**D. Segregate Portfolio valuation:**

Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Circular dated December 28, 2018, the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 1996 and Circular(s) issued thereunder.

Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

**E. The Fund shall not use their own trades for valuation of debt and money market securities.**

**F. Impact of any Changes to terms of an investment:**

- (i) While making any change to terms of an investment, AMC shall adhere to the following conditions:
  - (a) Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.
  - (b) Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation.

- (c) If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation.
- (d) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

**G. Waterfall mechanism for valuation of money market and debt securities to be used by the valuation agencies (Effective from February 16, 2020):**

For arriving at security level pricing, a waterfall mechanism to be used by valuation agencies as provided by AMFI in consultation with SEBI.

**H. (i)** In case the valuation committee is of the opinion that the price feeds provided by AMFI appointed agencies are not provided or prices are not reflective of fair value/ realizable value of the security, the same shall be valued on the basis of guidelines provided by the valuation committee. In approving such valuations, the valuation committee shall follow the principles of fair valuation and provide suitable justification for the same.

(ii) The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale shall also be disclosed immediately and prominently, under a separate head on the website of AMC.

**Valuation of Foreign Securities:**

The security issued outside India and listed on the stock exchanges outside India shall be valued as follows:

The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However, in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

For valuation of securities registered in USA, NYSE has been selected as principal stock exchange. If any security is not listed on NYSE, security prices as quoted on NASDAQ will be considered. For securities registered in UK, LSE (London Stock Exchange) has been selected as principal stock exchange. Securities prices as quoted on LSE will be used for valuation purposes.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis. When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

If the security is listed in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed in a time zone behind India, then the previous day's price would be used for valuation.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Reuters / RBI (Financial Benchmarks India Ltd- FBIL) / Bloomberg. The Trustees reserve the right to change the source for determining the exchange rate.

**Valuation of IDR/ADR/ GDR:**

IDR/ADR/GDRs are exchange traded securities and hence closing price of the IDR/ADR/ GDR on the exchange where it is listed will be taken for valuation purpose.

If any American Depository Receipt (ADR)/ Global Depository Receipt (GDR) is traded in OTC (Over the Counter) market, in such cases closing price in OTC market will be considered for valuation of ADR/GDR.

If the security is listed/ traded in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed/traded in a time zone behind India, then the previous day's price would be used for valuation.

### c) Investment Transactions

Investment transactions in debt securities are accounted on trade date. The cost of acquisition includes the cost of purchase, Bank Charges, CCIL Charges/Brokerage.

### d) Recognition of Revenue and Treatment of Expenses

- I. In respect of all interest-bearing investments, income is accrued on a day to day basis as it is earned, except for Interest on CCIL Margin Money placed for TREPS trades is accounted on receipt basis.
- II. Income on Treasury Bills and Government Securities are amortised on a straight-line basis over the period up to redemption.
- III. The net unrealised gain / loss in the value of investments is determined separately for each class of investment.
- IV. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method is followed by the scheme.
- V. All expenses are accounted on accrual basis.

### e) Unit Premium Reserve ("UPR") and Income Equalisation

In case of an open ended scheme on issue / repurchase of units, the portion of the premium which is attributable to realised gains is credited / debited to the Revenue account for the period as Income Equalisation at the year end. It is reflected in the revenue account after the net realised gain/ (loss) of the scheme is determined. The balance portion of the premium that is not attributable to realised gains is credited/ debited to the UPR.

If units are sold at a price lower than the face value the difference is debited to the Revenue Account as Income Equalisation and vice versa.

### f) Determination of net asset values

- I. The net asset value of the units of the scheme is determined separately for units issued under the different plans / options.
- II. For calculating the net asset values under different plans / options, the amount of sale/repurchase of units under each plan / option are separately accounted for. Further, net income arising from such deployment are allocated daily to the plans / options in proportion to their Net Asset Values. Parag Parikh Liquid Fund (PPLF) offers Direct Plan and Regular Plan. For both these plans scheme offers Growth, Daily IDCW Option, Weekly IDCW Option & Monthly IDCW Options (Payout and Reinvestment).

g) PPFAS AMC and PPFAS Mutual Fund has complied with the SEBI circular no. CIR/IMD/DF/21/2012 dated 13.09.2012.

### h) Load Charges

In accordance with SEBI circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, the scheme has not charged any Entry Load on investments made into it.

Based on SEBI notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012, Current Load Structure: Entry Load: Nil.

In accordance with SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019, the Scheme has charged Exit Load w.e.f. October 20, 2019 as follows: Day 1 - 0.0070% ; Day 2 - 0.0065% ; Day 3 - 0.0060% ; Day 4 - 0.0055% ; Day 5 - 0.0050% ; Day 6 - 0.0045% ; Day 7 onwards Nil.

### I) Note on Cash Flow:

- I. Cash and cash equivalents (for the purpose of cash flow statement)

Cash and cash equivalents includes balances in banks current account, deposits placed with schedule banks (with original maturity up to three months) and TREPS.

#### II. Cash Flow Statement:

The cash flow statement has been prepared under the indirect method set out in accounting standard ("AS") - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India ("ICAI").

### j) Treatment of change in unrealised appreciation/depreciation in value of investments:

The net unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. The change in net unrealised gain/loss, if any, between two balance sheet dates is recognized in the revenue account and thereafter the net unrealised gain, if any, is transferred to the unrealised appreciation reserve.



**k) Dividend distribution:**

Income distribution during the financial year was made from the distributable surplus of year's / period's earnings and accumulated reserves of earlier years.

**3) Net Asset Value (NAV) per unit as at the year end is as follows :**

SCHEME NAME	Parag Parikh Liquid Fund		Parag Parikh Liquid Fund	
	March 31, 2022		March 31, 2021	
	NAV	SALE	NAV	SALE
Regular Plan Growth	1,186.7484	1,186.7484	1,149.6731	1,149.6731
Regular Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404	1,000.5404	1,000.5404
Regular Plan- Weekly Reinvestment of IDCW	1,001.3372	1,001.3372	1,001.1574	1,001.1574
Regular Plan- Monthly IDCW	1,003.3373	1,003.3373	1,003.1568	1,003.1568
Direct Plan Growth	1,191.5019	1,191.5019	1,153.1265	1,153.1265
Direct Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404	1,000.5404	1,000.5404
Direct Plan- Weekly Reinvestment of IDCW	1,001.3456	1,001.3456	1,001.1600	1,001.1600
Direct Plan- Monthly IDCW	1,003.3456	1,003.3456	1,003.1604	1,003.1604

**4) As at the year end, the details of investments are as under:**

SCHEME NAME	March 31, 2022	March 31, 2021
Parag Parikh Liquid Fund	Market / Fair Value (Rs.)	Market / Fair Value (Rs.)
Certificate of Deposits	99,553,200	198,741,300
Commercial Paper	99,970,400	249,344,850
Government Securities	3,063,692,800	2,614,352,250
Treasury Bills	8,620,816,750	8,970,769,000

**5) The details of the unrealised appreciation, included in Revenue Reserve, is as under:**

SCHEME NAME	March 31, 2022	March 31, 2021
	Rs.	Rs.
Parag Parikh Liquid Fund	1,630,915	1,379,490

**6) Open position of derivatives as at March 31, 2022 is Nil (as at March 31, 2021 - Nil)**

**7) The details of the management fees (exclusive of Good & Service Tax) paid by the scheme to PPFAS Mutual Fund, are as under:**

SCHEME NAME	March 31, 2022		March 31, 2021	
	Rs.	% of Avg. AUM	Rs.	% of Avg. AUM
Management Fees	7,891,683.00	0.06	3,521,032.00	0.04

Note: No management fee has been charged on the investments made by the Asset Management Company in the units of the scheme.

**8) The aggregate value of investments purchased and sold (including Matured) during the financial year and as a % of average daily net assets is as under :**

Parag Parikh Liquid Fund	March 31, 2022		March 31, 2021	
	Rs.	% as above	Rs.	% as above
Purchases	56,140,496,070	397.86	37,875,028,875	428.67

Parag Parikh Liquid Fund	March 31, 2022		March 31, 2021	
	Rs.	% as above	Rs.	% as above
Sales	56,430,054,550	399.91	28,599,494,700	323.69

**Note: Purchase/Sales excludes TREPS/FD/MFD**

9) Note on margin deposit money:

Parag Parikh Liquid Fund	Deposits made towards Tri Party Repo (TREPS)
Financial Year 2021-2022	10,500,000
Financial Year 2020-2021	13,000,000

- 10) Principal Bank:** The AMC has engaged services of DBS Bank India Ltd. as on March 31, 2022
- 11) Registrar and Transfer Agent (R & T):** The AMC has appointed Computer Age Management Services Limited (CAMS) to provide services as RTA to the schemes of PPFAS Mutual Fund. These services includes back office data processing, unit holders' account maintenance and front office maintenance.
- 12) Custodian:** The Trustee to PPFAS Mutual Fund has appointed DBS Bank India Limited as Custodian to scheme(s) PPFAS Mutual Fund.
- 13) Trusteeship fee of INR 2.12 Lakhs is paid by the Scheme which is 0.01% per annum of the average daily/weekly net assets of the Fund subject to a maximum of Rs. 25 lakhs across all Schemes of PPFAS Mutual Fund.**
- 14) The income of the Mutual Fund is exempt from income tax, as per Section 10(23D) of the Income Tax Act, 1961. Accordingly, no provision for income tax has been made in the Revenue Account.**
- 15) Details of transactions with the associates, in terms of regulation 25(7) and 25(8) of SEBI (Mutual Fund) Regulations, 1996 is provided in the Annexure 1.**
- 16) As on March 31, 2022 and March 31, 2021, there are no underwriting commitments.**
- 17) Segment Reporting:** The Scheme is primarily engaged in the business of investing the funds received from investors as unit capital, in accordance with its investment objectives, as stated in the Scheme Information Document (SID) to generate returns. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard (AS) - 17, issued by the Institute of Chartered Accountants of India have not been made.
- 18) There are no Unit Holders holding over 25% of the Net Asset Value of the Scheme as at March 31, 2022 and March 31, 2021.**
- 19) The details of unclaimed redemption is as under.**

Parag Parikh Liquid Fund	March 31, 2022	March 31, 2021
	Rs.	Rs.
Parag Parikh Liquid Fund	53,592	Nil

Note: The details of unclaimed Dividend is Nil as on March 31, 2022 and March 31, 2021.

- 20) The scheme has not made any investment in repo transactions in corporate debt securities as on March 31, 2022 and March 31, 2021.**
- 21) The Scheme hold Investments in the name of the Schemes / Trustees for the benefits of the Scheme's Unitholders**
- 22) Contingent liabilities as on 31st March 2022 is Nil. (For FY 2020-2021, contingent liability was Nil).**
- 23) Disclosure under Regulation 25(11) of SEBI (Mutual Fund) Regulation 1996, in respect of investments made by the scheme in companies or their subsidiaries, that have invested more than 5% of net assets of the scheme for period ended March 31, 2022 and March 31, 2021 : NIL.**
- 24) Disclosure of transactions in accordance with Accounting Standard 18 "Related party Transactions" and as per Regulation 25(8) of SEBI (Mutual Fund) Regulations 1996, is provided in Annexure 1.**
- 25) Complete portfolio of the Scheme is provided in Annexure 2.**
- 26) Perspective historical per unit statistics: Refer Annexure 3.**
- 27) Pursuant to SEBI Circular dated 22nd October, 2018 it was mandatory to charge scheme expenses to respective Scheme and not to be routed through AMC. Therefore this change in the system of charging expenses was carried out.**
- 28) Investments in Associates and Group Companies as on March 31, 2022 and March 31, 2021 : Nil**
- 29) Details of securities classified as below investment grade or default as on March 31, 2022 and March 31, 2021 : Nil**

- 30)** Investor Education & Awareness Initiative (IEAI) : An annual charge of 2 basis points (0.02 % p.a.) of daily net assets , being part of total recurring expenses is set aside for IEAI as mandated by SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. The said balance is transferred on periodic basis to separate bank account maintained for the purpose. These funds are utilised by the AMC in accordance with SEBI Regulations and the policy approved by the Trustees

Movement of IEAI balances for PPFAS Mutual Fund during the financial year ended Mar 31, 2022 is as follows:

Particulars	Amount in INR	Amount in INR
	FY 2021-22	FY 2020-21
<b>Opening Balance</b>	<b>438,365.27</b>	<b>1,580.87</b>
Add: Amount transfer to a separate account of Investor Education Fund during the Year	34,148,772.70	11,383,682.40
Less: Amount Transfer to AMFI during the Year	16,491,038.00	5,440,593.00
Less: Amount Utilized for Investor Education Expenses during the Year	18,090,565.32	5,506,305.00
<b>Closing Balance</b>	<b>5,534.65</b>	<b>438,365.27</b>

- 31)** Prior period figures have been reclassified and regrouped, wherever applicable to conform to current year presentation.

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
**Chartered Accountants**

Firm Registration Number. 110512W / W100378

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

**For and on behalf of PPFAS Trustee Company**  
**Private Limited**

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO and Director)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**Annexure 1**  
**Details of payments to associate/group companies**

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.	%
NIL						

Commission 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	Business Given (Rs. & % of total value of transaction of the fund)		Commission paid( Rs. & % of total commission paid by the fund)	
			Rs.	%	Rs.	%
Mrs. Rita Kiritkumar Mehta (ARN-0688)	Relative of AMC employee	April 01, 2021 -to- March 31, 2022	0.00	0.00	0.00	0.00
Parag Parikh Financial Advisory Services Limited	Parent Company (Sponsor)	April 01, 2020 -to- March 31, 2021	*0.00	0.00	*0.00	0.00

\* Amount is less than Rs.1 lakh hence, appearing as zero.

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Transactions	Period covered	Transaction Value
			Rs.
PPFAS Asset Management Private Limited	Management Fees Paid	1.4.2021 to 31.3.2022	7,891,683.00
PPFAS Asset Management Private Limited	Management Fees Paid	1.4.2020 to 31.3.2021	3,521,032.00
PPFAS Asset Management Private Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2021 to 31.3.2022	(111,262,132.51)
PPFAS Asset Management Private Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2020 to 31.3.2021	90,531,991.85
Parag Parikh Financial Advisory Services Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2021 to 31.3.2022	38,736,127.32
Parag Parikh Financial Advisory Services Limited	Amount invested in the Scheme (Net of Redemption)	1.4.2020 to 31.3.2021	39,162,500.00
PPFAS Trustee Company Private Ltd.	Amount invested in the Scheme (Net of Redemption)	1.4.2021 to 31.3.2022	(480,855.10)
PPFAS Trustee Company Private Ltd.	Amount invested in the Scheme (Net of Redemption)	1.4.2020 to 31.3.2021	65,465.51

**Parag Parikh Liquid Fund  
Annexure 2**

Portfolio Statement as on March 31, 2022

Sr. No.	Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>A</b>	<b>DEBT INSTRUMENTS</b>						
(i)	Listed / awaiting listing on Stock Exchanges				Nil	Nil	
(ii)	Privately Placed / Unlisted				Nil	Nil	
(iii)	Securitized Debt Instruments				Nil	Nil	
	<b>Total (A)</b>				0.00	0.00	
<b>B</b>	<b>MONEY MARKET INSTRUMENTS</b>						
(i)	<b>Government Securities</b>						
	08.15% GOVT STOCK - 11 06 2022	IN0020120013	Sovereign	10,000,000	1,008,267,000.00	7.60%	34.03%
	08.35% GOVT STOCK - 14 05 2022	IN0020020072	Sovereign	7,500,000	754,180,500.00	5.68%	25.45%
	05.09% GOVT STOCK - 13 04 2022	IN0020200021	Sovereign	12,000,000	1,200,681,600.00	9.05%	40.52%
	<b>Total of Gsec</b>				<b>2,963,129,100.00</b>	<b>22.33%</b>	<b>100.00%</b>
(ii)	<b>State Development Loans</b>						
	09.23% West Bengal SDL-09.05.2022	IN3420120021	Sovereign	1,000,000	100,563,700.00	0.76%	100.00%
	<b>Total of SDL</b>				<b>100,563,700.00</b>	<b>0.76%</b>	<b>100.00%</b>
(iii)	<b>Commercial Papers (CP) / Certificate Of Deposit (CD)</b>						
	IOCL CP - 04 Apr 2022	INE242A14VY9	ICRA A1+	1,000,000	99,970,400.00	0.75%	50.10%
	Axis Bank CD 13 May 2022	INE238A161W0	CRISIL A1+	1,000,000	99,553,200.00	0.75%	49.90%
	<b>Total of CP &amp; CD</b>				<b>199,523,600.00</b>	<b>1.50%</b>	<b>100.00%</b>
(iv)	<b>Treasury bills</b>						
	364 DAY T-BILL 07.04.22	IN002021Z012	Sovereign	12,500,000	1,249,312,500.00	9.41%	14.49%
	182 DAY T-BILL 07.04.22	IN002021Y288	Sovereign	2,500,000	249,866,750.00	1.88%	2.90%
	91 DAY T-BILL 21.04.22	IN002021X496	Sovereign	12,500,000	1,247,761,250.00	9.39%	14.47%
	91 DAY T-BILL 28.04.22	IN002021X504	Sovereign	19,000,000	1,895,373,500.00	14.28%	21.99%
	91 DAY T-BILL 05.05.22	IN002021X512	Sovereign	12,500,000	1,245,937,500.00	9.39%	14.45%
	91 DAY T-BILL 26.05.22	IN002021X546	Sovereign	10,000,000	994,650,000.00	7.50%	11.54%
	91 DAY T-BILL 02.06.22	IN002021X553	Sovereign	10,000,000	993,721,000.00	7.49%	11.53%
	91 DAY T-BILL 16.06.22	IN002021X579	Sovereign	7,500,000	744,194,250.00	5.61%	8.63%
	<b>Total of T-Bills</b>				<b>8,620,816,750.00</b>	<b>64.96%</b>	<b>100.00%</b>
(v)	<b>Tri-Party Repo</b>				<b>1,232,132,542.45</b>	<b>9.29%</b>	<b>100.00%</b>
	<b>Total (B)</b>				<b>13,116,165,692.45</b>	<b>98.83%</b>	
<b>C</b>	<b>TERM DEPOSITS PLACED AS MARGIN</b>		<b>Duration (in Days)</b>				
	3.75% FD HDFC (MD 04-10-22)		365		20,000,000.00	0.15%	23.53%
	4.90% FD HDFC (MD 07-10-22)		365		20,000,000.00	0.15%	23.53%
	4.90% FD HDFC (MD 10-10-22)		367		10,000,000.00	0.08%	11.76%
	4.90% FD HDFC (MD 08-11-22)		365		10,000,000.00	0.08%	11.76%
	5.00% FD HDFC (MD 19 12 2022)		367		25,000,000.00	0.19%	29.41%
	<b>Total (C)</b>				<b>85,000,000.00</b>	<b>0.64%</b>	<b>100.00%</b>
<b>D</b>	<b>OTHERS</b>						
	Net Current Assets				68,543,262.55	0.53%	100.00%
	<b>Total (D)</b>				<b>68,543,262.55</b>	<b>0.53%</b>	<b>100.00%</b>
	<b>Grand Total (A+B+C+D)</b>				<b>13,269,708,955.00</b>	<b>100.00%</b>	

## Parag Parikh Liquid Fund

### Portfolio Statement as on March 31, 2021

Sr. No.	Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>A</b>	<b>DEBT INSTRUMENTS</b>						
(i)	Listed / awaiting listing on Stock Exchanges				Nil	Nil	
(ii)	Privately Placed / Unlisted				Nil	Nil	
(iii)	Securitized Debt Instruments				Nil	Nil	
	<b>Total (A)</b>				0.00	0.00	
<b>B</b>	<b>MONEY MARKET INSTRUMENTS</b>						
(i)	<b>Government Securities</b>						
	07.80% GOVT STOCK - 11 04 2021	IN0020110022	Sovereign	9,500,000	951,227,400.00	7.65%	51.21%
	07.94% GOVT STOCK - 24 05 2021	IN0020060318	Sovereign	9,000,000	906,141,600.00	7.29%	48.79%
	<b>Total of Gsec</b>				<b>1,857,369,000.00</b>	<b>14.94%</b>	<b>100.00%</b>
(ii)	State Development Loans						
	<b>7.99% Punjab SDL-15.06.2021</b>	IN2820160058	Sovereign	7,500,000	756,983,250.00	6.09%	100.00%
	<b>Total of SDL</b>				<b>756,983,250.00</b>	<b>6.09%</b>	<b>100.00%</b>
(iii)	<b>Commercial Papers (CP) / Certificate Of Deposit (CD)</b>						
	NTPC Ltd. CP - 22 Apr 2021	INE733E14AB1	ICRA A1+	1,000,000	99,812,500.00	0.80%	22.28%
	EXIM CP - 16-Jun-2021	INE514E14PA5	CRISIL A1+	500,000	49,657,750.00	0.40%	11.08%
	IOCL CP - 15 Apr 2021	INE242A14SY5	IND A1+	1,000,000	99,874,600.00	0.80%	22.29%
	NABARD CD 10 Jun 2021	INE261F16538	CRISIL A1+	1,000,000	99,371,100.00	0.80%	22.18%
	Axis Bank CD 10 Jun 2021	INE238A163V8	CRISIL A1+	1,000,000	99,370,200.00	0.80%	22.18%
	<b>Total of CP &amp; CD</b>				<b>448,086,150.00</b>	<b>3.60%</b>	<b>100.00%</b>
(iv)	Treasury bills						
	364 DAY T-BILL 17.06.21	IN002020Z113	Sovereign	7,500,000	744,893,250.00	5.99%	8.30%
	364 DAY T-BILL 24.06.21	IN002020Z121	Sovereign	7,500,000	744,474,000.00	5.99%	8.30%
	182 DAY T-BILL 03.06.21	IN002020Y348	Sovereign	7,500,000	745,875,750.00	5.99%	8.31%
	91 DAY T-BILL 01.04.21	IN002020X415	Sovereign	15,000,000	1,500,000,000.00	12.07%	16.72%
	91 DAY T-BILL 15.04.21	IN002020X431	Sovereign	10,000,000	998,839,000.00	8.03%	11.13%
	91 DAY T-BILL 22.04.21	IN002020X449	Sovereign	7,500,000	748,686,000.00	6.02%	8.35%
	91 DAY T-BILL 29.04.21	IN002020X456	Sovereign	7,500,000	748,248,750.00	6.02%	8.34%
	91 DAY T-BILL 06.05.21	IN002020X464	Sovereign	10,000,000	997,036,000.00	8.02%	11.11%
	91 DAY T-BILL 13.05.21	IN002020X472	Sovereign	10,000,000	996,386,000.00	8.01%	11.11%
	91 DAY T-BILL 27.05.21	IN002020X498	Sovereign	7,500,000	746,330,250.00	6.00%	8.32%
	<b>Total of T-Bills</b>				<b>8,970,769,000.00</b>	<b>72.16%</b>	<b>100.00%</b>
(v)	Tri-Party Repo				1,044,616,652.20	8.40%	100.00%
	<b>Total (B)</b>				<b>13,077,824,052.20</b>	<b>105.18%</b>	
<b>C</b>	<b>TERM DEPOSITS PLACED AS MARGIN</b>		Duration (in Days)				
	5.10% FD HDFC (MD 07-10-21)		365		20,000,000.00	0.16%	30.78%
	5.10% FD HDFC (MD 08-10-21)		366		10,000,000.00	0.08%	15.38%
	5.00% FD HDFC (MD 08-11-21)		367		10,000,000.00	0.08%	15.38%
	4.90% FD HDFC (MD 17 12 2021)		365		25,000,000.00	0.20%	38.46%
	<b>Total (C)</b>				65,000,000.00	0.52%	100.00%
<b>D</b>	<b>OTHERS</b>						
	<b>Net Current Assets</b>				<b>-710,727,492.97</b>	<b>-5.72%</b>	<b>100.00%</b>
	<b>Total (D)</b>				<b>-710,727,492.97</b>	<b>-5.72%</b>	<b>100.00%</b>
	<b>Grand Total (A+B+C+D)</b>				<b>12,432,096,559.23</b>	<b>100.00%</b>	

**PPFAS MUTUAL FUND**  
**Historical Per Unit as on March 31, 2022**  
**Annexure 3**

Per Unit Particulars (Rupees)	Parag Parikh Liquid Fund	Parag Parikh Liquid Fund	Parag Parikh Liquid Fund
	As on 31 Mar 2022	As on 31 Mar 2021	As on 31 Mar 2020
<b>Face Value</b>	RS.1000/-	RS.1000/-	RS.1000/-
<b>Number of Units</b>	11,172,796	10,816,591	3,532,068
<b>Avg Net asset</b>	14,110,558,193	8,835,394,992	3,230,461,259
<b>APP</b>			-
<b>Net Asset Value</b>			
Regular Plan Growth	1,186.7484	1,149.6731	1,114.7756
Regular Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404	1,000.2078
Regular Plan- Weekly Reinvestment of IDCW	1,001.3372	1,001.1574	1,001.1682
Regular Plan- Monthly Reinvestment of IDCW	1,003.3373	1,003.1568	1,003.1684
Direct Plan Growth	1,191.5019	1,153.1265	1,117.0102
Direct Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404	1,000.2078
Direct Plan- Weekly Reinvestment of IDCW	1,001.3456	1,001.1600	1,001.1705
Direct Plan- Monthly Reinvestment of IDCW	1,003.3456	1,003.1604	1,003.1710
<b>Income</b>			
Other than profit on sale of investment	49.14	31.41	52.91
From profit on inter-scheme sales/transfer of investments (net)	-	-	-
From profit on sale of investment to third party (net)	(6.09)	(3.68)	(1.95)
<b>Gross Income</b>	<b>43.05</b>	<b>27.73</b>	<b>50.96</b>
<b>Expenses &amp; Losses</b>			
Aggregate of expenses, write-off, amortization and charges	2.61	1.58	1.66
Net change in Unrealised appreciation/depreciation in value of investments	0.02	1.04	0.76
<b>Gross Expenditure</b>	<b>2.63</b>	<b>2.62</b>	<b>2.42</b>
<b>Net Income</b>	<b>40.42</b>	<b>25.11</b>	<b>48.54</b>
Unrealised appreciation / depreciation in value of investments	(0.77)	(1.14)	(0.31)
Ratio of expenses to average net assets	0.21%	0.19%	0.18%
Ratio of gross income to average net assets	3.41%	3.40%	5.57%
<b>NAV</b>			
<b>Highest</b>			
Regular Plan Growth	1,186.7484	1,149.6731	1,114.7756
Regular Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404	1,000.2078
Regular Plan- Weekly Reinvestment of IDCW	1,001.6250	1,001.8739	1,002.4091
Regular Plan- Monthly IDCW	1,006.0601	1,006.1973	1,008.6833
Direct Plan Growth	1,191.5019	1,153.1265	1,117.0102
Direct Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404	1,000.2078
Direct Plan- Weekly Reinvestment of IDCW	1,001.6417	1,001.8932	1,002.4255
Direct Plan- Monthly IDCW	1,006.1531	1,006.2719	1,008.7799
<b>Lowest</b>			
Regular Plan Growth	1,149.9861	1,114.9527	1,056.8959
Regular Plan- Daily Reinvestment of IDCW	1,000.5295	1,000.2078	1,000.1239
Regular Plan- Weekly Reinvestment of IDCW	1,001.0000	1,000.9372	1,000.9160
Regular Plan- Monthly IDCW	1,003.0000	1,002.9367	1,003.0000
Direct Plan Growth	1,153.4531	1,117.1938	1,057.9567
Direct Plan- Daily Reinvestment of IDCW	1,000.5325	1,000.2078	1,000.1248
Direct Plan- Weekly Reinvestment of IDCW	1,001.0000	1,000.9426	1,000.9186
Direct Plan- Monthly IDCW	1,003.0000	1,002.9417	1,003.0000

Per Unit Particulars (Rupees)	Parag Parikh Liquid Fund	Parag Parikh Liquid Fund	Parag Parikh Liquid Fund
	As on 31 Mar 2022	As on 31 Mar 2021	As on 31 Mar 2020
<b>Resale Price</b>			
<b>Highest</b>			
Regular Plan Growth	1,186.6653	1,149.5926	1,114.6976
Regular Plan- Daily Reinvestment of IDCW	1,000.4704	1,000.4704	1,000.2078
Regular Plan- Weekly Reinvestment of IDCW	1,001.5549	1,001.8038	1,002.4091
Regular Plan- Monthly IDCW	1,005.9897	1,006.1269	1,008.6833
Direct Plan Growth	1,191.4185	1,153.0458	1,116.9320
Direct Plan- Daily Reinvestment of IDCW	1,000.4704	1,000.4704	1,000.2078
Direct Plan- Weekly Reinvestment of IDCW	1,001.5716	1,001.8231	1,002.4255
Direct Plan- Monthly IDCW	1,006.0827	1,006.2015	1,008.7799
<b>Lowest</b>			
Regular Plan Growth	1,149.9056	1,114.8747	1,056.8959
Regular Plan- Daily Reinvestment of IDCW	1,000.4595	1,000.1378	1,000.0539
Regular Plan- Weekly Reinvestment of IDCW	1,000.9299	1,000.8671	1,000.8459
Regular Plan- Monthly IDCW	1,002.9298	1,002.8665	1,002.9298
Direct Plan Growth	1,153.3724	1,117.1156	1,057.9567
Direct Plan- Daily Reinvestment of IDCW	1,000.4625	1,000.1378	1,000.0548
Direct Plan- Weekly Reinvestment of IDCW	1,000.9299	1,000.8725	1,000.8485
Direct Plan- Monthly IDCW	1,002.9298	1,002.8715	1,002.9298
<b>Trading Price</b>			
Highest	NA	NA	NA
Lowest	NA	NA	NA
<b>Weighted Average Price Earning Ratio</b>	NA	NA	NA



**PPFAS MUTUAL FUND**  
**Key Statistics**  
**Annexure 4**

<b>Parag Parikh Liquid Fund</b>	<b>Period ended March 31, 2022</b>	<b>Period ended March 31, 2021</b>
1. NAV per unit (Rs.):		
<b>Open (NAV as on 01 April 2021)</b>		
Regular Plan Growth	1,149.6731	1,114.7756
Regular Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.2078
Regular Plan- Weekly Reinvestment of IDCW	1,001.1574	1,001.1682
Regular Plan- Monthly IDCW	1,003.1568	1,003.1684
Direct Plan Growth	1,153.1265	1,117.0102
Direct Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.2078
Direct Plan- Weekly Reinvestment of IDCW	1,001.1600	1,001.1705
Direct Plan- Monthly IDCW	1,003.1604	1,003.1710
<b>High</b>		
Regular Plan Growth	1,186.7484	1,149.6731
Regular Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404
Regular Plan- Weekly Reinvestment of IDCW	1,001.6250	1,001.8739
Regular Plan- Monthly IDCW	1,006.0601	1,006.1973
Direct Plan Growth	1,191.5019	1,153.1265
Direct Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404
Direct Plan- Weekly Reinvestment of IDCW	1,001.6417	1,001.8932
Direct Plan- Monthly IDCW	1,006.1531	1,006.2719
<b>Low</b>		
Regular Plan Growth	1,149.9861	1,114.9527
Regular Plan- Daily Reinvestment of IDCW	1,000.5295	1,000.2078
Regular Plan- Weekly Reinvestment of IDCW	1,001.0000	1,000.9372
Regular Plan- Monthly IDCW	1,003.0000	1,002.9367
Direct Plan Growth	1,153.4531	1,117.1938
Direct Plan- Daily Reinvestment of IDCW	1,000.5325	1,000.2078
Direct Plan- Weekly Reinvestment of IDCW	1,001.0000	1,000.9426
Direct Plan- Monthly IDCW	1,003.0000	1,002.9417
<b>End</b>		
Regular Plan Growth	1,186.7484	1,149.6731
Regular Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404
Regular Plan- Weekly Reinvestment of IDCW	1,001.3372	1,001.1574
Regular Plan- Monthly IDCW	1,003.3373	1,003.1568
Direct Plan Growth	1,191.5019	1,153.1265
Direct Plan- Daily Reinvestment of IDCW	1,000.5404	1,000.5404
Direct Plan- Weekly Reinvestment of IDCW	1,001.3456	1,001.1600
Direct Plan- Monthly IDCW	1,003.3456	1,003.1604
2. Closing Assets Under Management (Rs. in Lakhs)		
End	132,697.09	124,320.97
Average (AAuM) <sup>1</sup>	141,105.58	88,353.95
3. Gross income as % of AAuM <sup>2</sup>	3.41	3.40
4. Expense Ratio:		
a. Total Expense as % of AAuM (plan wise)		
- Regular Plan	0.26	0.26
- Direct Plan	0.16	0.16
b. Management Fee as % of AAuM (plan wise)		
- Regular Plan	0.05	0.04
- Direct Plan	0.05	0.04
5. Net Income as a percentage of AAuM <sup>3</sup>	3.20	3.20
6. Portfolio turnover ratio <sup>4</sup>	3.98	3.24

<b>Parag Parikh Liquid Fund</b>	<b>Period ended March 31, 2022</b>	<b>Period ended March 31, 2021</b>
7. Total Dividend per unit distributed during the year / period (plan wise)		
Regular Daily Dividend -Individual/HUF	31.895001	30.488576
Regular Daily Dividend -Others	31.895001	30.488576
Regular Weekly Dividend -Individual/HUF	31.606620	30.877049
Regular Weekly Dividend -Others	31.606620	30.877049
Regular Monthly Dividend -Individual/HUF	31.697829	30.963384
Regular Monthly Dividend -Others	31.697829	30.963384
Direct Daily Dividend - Individual/HUF	32.921121	31.477292
Direct Daily Dividend - Others	32.921121	31.477292
Direct Weekly Dividend - Individual/HUF	32.593968	31.876973
Direct Weekly Dividend - Others	32.593968	31.876973
Direct Monthly Dividend - Individual/HUF	32.695160	31.969720
Direct Monthly Dividend - Others	32.695160	31.969720
8. Returns:		
<b>a. Last One Year (%)</b>		
Scheme		
- Regular Plan	3.22	3.13
- Direct Plan	3.33	3.23
Benchmark - CRISIL Liquid Fund Index	3.68	4.07
Additional Benchmark - CRISIL 1 Year T-Bill Index	3.76	
<b>b. Since Inception (%)</b>		
Scheme		
- Regular Plan	4.50	4.94
- Direct Plan	4.61	5.05
Benchmark - CRISIL Liquid Fund Index	5.39	5.99
Additional Benchmark - CRISIL 1 Year T-Bill Index	5.82	

1. AAuM=Average daily net assets

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.

# Sudit K. Parekh & Co. LLP

## Chartered Accountants

### Independent Auditor's Report

To the Trustees of  
PPFAS Mutual Fund - **Parag Parikh Conservative Hybrid Fund**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Scheme Parag Parikh Conservative Hybrid Fund (the "Scheme") which comprise the Balance Sheet as at 31 March 2022, the Revenue Account for the period 28 May 2021 to 31 March 2022 and the Cash Flow Statement for the period 28 May 2021 to 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Scheme give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual funds) Regulations, 1996, as amended ("the SEBI Regulations"):

- (a) In the case of the Balance Sheet, of the state of affairs of the Scheme as at 31 March 2022;
- (b) In the case of the Revenue Account, of the surplus for the period from 28 May 2021 to 31 March 2022; and
- (c) In the case of Cash Flow Statement, of the cash flows for the period from 28 May 2021 to 31 March 2022.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Scheme in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, 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 audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Managements of PPFAS Trustee Company Private Limited and PPFAS Asset Management Private Limited (together referred to as the "Management") are responsible for the other information. The other information comprises the information included in the Trustee 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the trustee report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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T +91 22 6617 8100 | W [www.suditkparekh.com](http://www.suditkparekh.com)  
Mumbai | Pune | Gurugram | Bengaluru | Hyderabad

Sudit K. Parekh & Co. (a partnership firm with Registration No. B-124243) converted to Sudit K. Parekh & Co. LLP (a Limited Liability Partnership with LLP Identification No. AAO-8539) with effect from April 11, 2019

## **Sudit K. Parekh & Co. LLP**

### Chartered Accountants

#### **Responsibilities of Management for the Financial Statements**

The Management is 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 accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal 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, the Management is responsible for assessing the Scheme'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 the Management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Scheme'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. 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 these 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Scheme'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 Scheme 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.

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## **Sudit K. Parekh & Co. LLP**

### Chartered Accountants

We communicate with Management, 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 to the Management 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 Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, 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, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations; and
  - c) The balance Sheet, the revenue account and the cash flow Statement dealt with by this report are in agreement with the books of account of the Scheme.
  
- 2) As required by the Eighth Schedule of the SEBI Regulations, we report that:
  - a) In our opinion, and on the basis of information and explanations given to us, the methods used to value non-traded securities as at 31 March 2022 are in accordance with the SEBI Regulations and guidelines, valuation policy and other guidelines approved by the Board of Directors of PPFAS Trustee Company Private Ltd and are fair and reasonable.

For **Sudit K. Parekh & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 110512W/W100378

Sd/-

**Durgaprasad S. Khatri**

Partner

Membership No: 016316

ICAI UDIN No: 22016316ALXHRC1595

Place: Mumbai

Date: 29th June, 2022

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**PPFAS MUTUAL FUND**  
**Cash Flow Statement for the year ended 31 March 2022**

	Parag Parikh Conservative Hybrid Fund	Parag Parikh Conservative Hybrid Fund	
		May 28, 2021 to Mar 31, 2022	
		Amount (Rs.)	
<b>A.</b>	<b>Cashflow from operating activities</b>		
	Surplus for the Year		301,116,173
	Add: Unrealised appreciation in value of investments		48,539,480
	<b>Net Surplus for the year</b>		<b>349,655,653</b>
	Adjustments for:-		
	(Increase)/Decrease in investments		(7,547,904,801)
	(Increase)/Decrease in other current assets		(137,014,639)
	Increase/(Decrease) in current liabilities		4,714,271
	(Increase)/Decrease in deposits		-
	<b>Net cash used in operations</b>	<b>(A)</b>	<b>(7,330,549,516)</b>
<b>B</b>	<b>Cashflow from financing activities</b>		
	Increase/(Decrease) in unit capital		7,317,555,352
	Increase/(Decrease) in unit premium reserve		49,626,136
	Transfer (to)/from Equalisation reserve		118,363,006
	Increase/(Decrease) in redemption payable for units redeemed by investors		1,595,654
	(Increase)/Decrease in subscription receivable for units issued to investors		-
	Dividend paid (including tax thereon)		(2,485,346)
	<b>Net cash generated from financing activities</b>	<b>(B)</b>	<b>7,484,654,802</b>
	<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(A+B)</b>	<b>154,105,286</b>
	Cash and Cash Equivalents as at the beginning of the year		-
	<b>Cash and Cash Equivalents as at the close of the year</b>		<b>154,105,286</b>
	Component of cash and cash equivalents		
	Balances with Banks in Current Account		19,127,508
	Deposit with scheduled banks		45,000,000
	Tri Party Repo (TREPS)		89,977,778
	<b>Total</b>		<b>154,105,286</b>

The above cash flow statement has been prepared in accordance with the indirect method set out in Accounting Standard (AS-3) issued by the Institute of Chartered Accountants of India.

As per our Report of even date

**For and on behalf of PPFAS Trustee Company Private Limited**

**For Sudit K Parekh & Co.LLP**  
**Chartered Accountants**

Firm Registration Number. 110512W / W100378

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**  
(CEO and Director)

Sd/-

**Rajeev Thakkar**  
(CIO and Director)

Sd/-

**Raunak Onkar**  
(Fund Manager)

Sd/-

**Raj Mehta**  
(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**PPFAS MUTUAL FUND  
BALANCE SHEET AS AT 31 March, 2022  
Parag Parikh Conservative Hybrid Fund**

Parag Parikh Conservative Hybrid Fund	Schedule	31 Mar 2022
		Amount (Rs.)
<b>LIABILITIES</b>		
Unit Capital	'A'	7,317,555,353
Reserves and Surplus	'B'	515,159,449
Current Liabilities	'C'	6,309,924
<b>Total</b>		<b>7,839,024,726</b>
<b>ASSETS</b>		
Investments	'D'	7,547,904,801
Deposits	'E'	45,000,000
Other Current Assets	'F'	246,119,925
<b>Total</b>		<b>7,839,024,726</b>

As per our Report of even date

**For Sudit K Parekh & Co.LLP**  
**Chartered Accountants**  
Firm Registration Number: 110512W / W100378

Sd/-  
**(D. S. Khatri)**  
Partner  
Membership Number 16316

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/- Sd/-  
**Dhaval Desai** **Suneel Gautam**  
(Director) (Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/- Sd/-  
**Neil Parag Parikh** **Rajeev Thakkar**  
(CEO and Director) (CIO and Director)

Sd/- Sd/-  
**Raunak Onkar** **Raj Mehta**  
(Fund Manager) (Fund Manager)

**Date: June 29, 2022**  
**Place : Mumbai**

**PPFAS MUTUAL FUND**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 March,2022**

Parag Parikh Conservative Hybrid Fund		May 28, 2021 to Mar 31, 2022
		Amount (Rs.)
<b>INCOME</b>		
Interest	'G'	248,616,901
Dividend	'H'	65,364,650
Exit Load		5,379,109
Miscellaneous Income		210
Profit on sale of future		348,829
<b>Total (A)</b>		<b>319,709,699</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments (other than inter Scheme transfer)		1,851,518
Commission to Agent		3,428,823
Investor education and awareness expenses		872,193
Management fees		4,296,350
Goods and Service Tax on Management Fees		773,343
Trustee Fees		58,673
Custody Fees		116,930
Registrar & Transfer Agent Fees		2,036,024
Audit Fees		61,360
Other Operating expenses		5,098,311
<b>Total (B)</b>		<b>18,593,525</b>
<b>Surplus for the Year (A-B)</b>		<b>301,116,174</b>
Change in unrealised depreciation in the value of investments/derivatives		(135,903,477)
<b>Surplus for the Year</b>		<b>165,212,697</b>
Add/Less: Income Equalisation Account		118,363,006
		<b>283,575,703</b>
Change in unrealised appreciation in the value of investments/derivatives		184,442,957
Less: Amount transferred to Unrealised Appreciation Reserve Account		(184,442,957)
Dividend Distribution		(2,485,346)
Dividend Distribution Tax		
<b>Net surplus transferred to Revenue Reserve</b>		<b>281,090,357</b>

Significant Accounting Policies and Notes forming part of Accounts

As per our Report of even date

**For Sudit K Parekh & Co.LLP**

**Chartered Accountants**

Firm Registration Number. 110512W / W100378

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO and Director)

Sd/-

**Raunak Onkar**

(Fund Manager)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**



**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Conservative Hybrid Fund	31 Mar 2022	
	Units	Amount (Rs.)
<b>SCHEDULE 'A'</b>		
<b>UNIT CAPITAL</b>		
<b>Initial Capital Issued and Subscribed:</b>		
<b>(Face Value of Rs. 10 Each fully paid up)</b>	<b>183,697,204.979</b>	<b>1,836,972,050</b>
Unit Capital (At the beginning of the year)	-	-
Add : Subscription during the year / period	811,499,655.028	8,114,996,550
Less : Redemption during the year / period	79,744,119.776	797,441,197
<b>Unit Capital (At the end of the year)</b>	<b>731,755,535.252</b>	<b>7,317,555,353</b>

As per our Report of even date

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

Parag Parikh Conservative Hybrid Fund	31 Mar 2022	
	Amount (Rs.)	
<b>SCHEDULE 'B'</b>		
<b>Reserves &amp; Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance		-
Add / (Less) : Discount / Premium on units repurchased/sold during the year / period		49,626,136
<b>Closing Balance</b>		<b>49,626,136</b>
<b>Unrealised Appreciation in the value of investments</b>		
Opening Balance		
Less: Reversed during the year		-
Add: Unrealised appreciation as at year end		<b>184,442,956</b>
<b>Closing Balance</b>		<b>184,442,956</b>
Revenue Reserve		
<b>Opening Balance</b>		-
Net Surplus / (deficit) transferred from Revenue Account		281,090,357
Closing Balance		281,090,357
<b>Total Reserves &amp; Surplus</b>		<b>515,159,449</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 March, 2022**

<b>Parag Parikh Conservative Hybrid Fund</b>	<b>31 Mar 2022</b>
	<b>Amount (Rs.)</b>
<b>SCHEDULE 'C'</b>	
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	
<b>Current Liabilities:</b>	
Statutory Dues Payables	309,610
Investor Education Fees - Payable	65,823
Contracts for Purchase of Investments	-
Units Redemption Payable	1,595,654
Payable to PPFAS Asset Management Private Limited (Net of receivable)	1,633,871
Pending Unit Allotment	528,010
Other Payables	2,176,956
<b>Total</b>	<b>6,309,925</b>
<b>SCHEDULE 'D'</b>	
<b>INVESTMENTS</b>	
Equity Shares	987,760,580
Government Securities	98,652,700
Non Convertible Debentures	50,607,000
Real Estate Investment Trust	679,299,421
State Development Loans	5,731,585,100
<b>Total</b>	<b>7,547,904,801</b>
<b>SCHEDULE 'E'</b>	
<b>DEPOSITS</b>	
Deposit with Scheduled banks	45,000,000
<b>Total</b>	<b>45,000,000</b>
<b>SCHEDULE 'F'</b>	
<b>OTHER CURRENT ASSETS</b>	
Balances with Banks in Current Account	19,127,508
Accrued Interest on Deposits	1,903,927
Future Margin Receivable	386
Inter Fund Dues	333,809
Margin for Futures and Options Transactions	3,849,418
Other Receivable	4,674
Outstanding and Accrued Income	129,683,961
Margin deposit with Clearing Corporation of India Ltd.	1,210,000
Prepaid Stamp Duty	28,464
Tri Party Repo (TREPS)	89,977,778
<b>Total</b>	<b>246,119,925</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE REVENUE ACCOUNT FOR THE YEAR ENDED 31 March, 2022**

Parag Parikh Conservative Hybrid Fund	31 Mar 2022
	Amount (Rs.)
<b>SCHEDULE 'G'</b>	
<b>INTEREST</b>	
Interest Income-Government Securities	3,237,250
Interest Income-Fixed Deposits	1,466,846
Interest Income-Margin Fixed Deposits	437,081
Interest Income - State Development Loans	235,492,944
Interest Income - TREPS	(3,043)
Interest Income - CCIL Margin	20,751
Interest Income - NCD	3,132,740
Amortization Income - Tri-Party Repo	4,832,332
<b>Total</b>	<b>248,616,901</b>

**PPFAS MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE REVENUE ACCOUNT FOR THE YEAR ENDED 31 March, 2022**

Parag Parikh Conservative Hybrid Fund	31 Mar 2022
	Amount (Rs.)
<b>SCHEDULE 'H'</b>	
<b>DIVIDEND</b>	
Dividend Income - EQU	41,408,648
Dividend Income - REIT	23,956,002
<b>Total</b>	<b>65,364,650</b>

**Schedule - I:****Significant Accounting Policies and Notes to Accounts (Annexed to and forming part of Balance Sheet as at March 31, 2022 and Revenue Account for the Year ended March 31, 2022).****1) Background:**

PPFAS Mutual Fund has been constituted as a Trust on 13th April 2012 in accordance with the provisions of the Indian Trust Act, 1882 (2of 1882) with Parag Parikh Financial Advisory Services Limited (PPFAS) as the Sponsor and PPFAS Trustee Company Private Limited as the Trustee. The Trust Deed has been registered under the Indian registration Act, 1908. The Mutual Fund is registered with the SEBI on 17th October 2012 under the Registration code MF/069/12/01.

Scheme Name	Nature of Scheme	Allotment Date	Options	Investment Objective
Parag Parikh Conservative Hybrid Fund	An open-ended hybrid scheme investing predominantly in debt instruments	26th May 2021	Regular Plan - Growth Option Regular Plan - Monthly IDCW Option Direct Plan - Growth Option Direct Plan - Monthly IDCW Option	To generate regular income through investments predominantly in debt and money market instruments. The Scheme also seeks to generate long term capital appreciation from the portion of equity investments under the scheme. However, there is no assurance or guarantee that the investment objective of the Scheme will be realized.

**2) Significant Accounting Policies :****a) Basis of Accounting**

The Scheme maintains its books of account on an accrual basis. The financial statements of the scheme are prepared in accordance with the accounting policies, contained in the schedule IX and Annual Report format as provided in Schedule XI of the Securities & Exchange Board of India, Mutual Fund Regulations, 1996 (SEBI MF Regulations) and as amended from time to time.

**b) Portfolio Valuation**

SEBI vide Gazette Notification no. LAD-NRO/GN/2011- 12/38/4290, dated February 21, 2012 amended Regulation 25, 47 and the Eighth Schedule titled 'Investment Valuation Norms' under SEBI (Mutual Funds) Regulations, 1996 ("the Regulations") to introduce the overarching principles namely 'Principles of Fair Valuation' in order to ensure fair treatment to all investors (including existing as well as new investors) seeking to purchase or redeem the units of the scheme at all points of time. In the event of a conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the Regulations, the principles of fair valuation shall prevail. Further SEBI vide Circular dated September 24, 2019 also mandated that waterfall approach for valuation of debt and money market instruments followed by the Valuation Agencies for arriving at security level pricing shall also form part of valuation policy.

Further, AMFI has issued best practice guidelines circular no.135/BP/29/2012-13 dated May 15,2012 on valuation methodology for valuing Debt and Money Market instruments thereby providing guiding principle for valuation. AMFI vide its circular dated November 18, 2019 has also prescribed waterfall mechanism to be followed by Valuation Agencies for valuation of money market and debt securities.

Based on the said amendment by SEBI, the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have adopted a comprehensive policy on investment valuation and procedures. Accordingly, the disclosure inter-alia of the security/ asset-wise valuation policy, procedures and methodology of PPFAS Mutual Fund is given below:

## 1. Policy, Procedure & Methodology for valuation of securities/assets

- (i) The detailed security/ asset -wise valuation policy, procedure & methodology for each type of investment made by the schemes of PPFAS Mutual Fund is described in the appended table(s).
- (ii) Investments in any new securities/assets (other than those mentioned in the appended table) shall be made only after the establishment of the valuation methodology as approved by the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited.
- (iii) The investments held by schemes of PPFAS Mutual Fund would normally be valued according to the Valuation Guidelines specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation as detailed above and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

## 2. Inter scheme Transfers:

Inter-scheme transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation Committee.

## 3. Exceptional events:

Given the exceptional nature of the events, it is not possible to define a standard methodology to be adopted for fair valuation of securities/assets for such events. Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited have authorized the Valuation Committee to determine the exceptional events and devise the process to deal with the exceptional events.

The Exceptional events where current market information may not be available / sufficient for valuation of securities are classified as under:

- a. Policy announcements by the Reserve Bank of India (RBI), the Government or any Regulatory body like (SEBI/IRDA/PFRDA).
- b. Natural disasters or public disturbances that may impact the functioning of the capital markets.
- c. Absence of trading in a specific security or similar securities.
- d. Sufficient market information may not be available for the Valuation of Securities.
- e. Valuation Agencies do not provide Valuation for Securities.
- f. Significant volatility in the capital markets.
- g. Deviation from the indicative haircuts and/or the valuation price

The above list is illustrative and not exhaustive. The Valuation Committee shall identify and monitor exceptional events and recommend appropriate procedures / methodologies with necessary guidance from the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited., wherever required, and get the same ratified.

## 4. Deviation:

Deviation in the valuation policy and procedures as stated above shall be allowed only with the prior approval of the Valuation Committee followed by reporting to the Board of Directors of PPFAS Asset Management Private Limited and PPFAS Trustee Company Private Limited. Such deviations shall be appropriately disclosed to the Investors as may be decided by the Valuation committee.

## 5. Record Maintenance:

PPFAS Asset Management Private Limited shall maintain and preserve documentation for valuation (including inter scheme transfers) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

## 6. Disclosure:

In order to ensure transparency of valuation norms adopted by PPFAS Asset Management Private Limited, the investment valuation policy and procedures as adopted by PPFAS Asset Management Private Limited is disclosed on the website, <http://amc.ppfas.com>

Detailed security/asset-wise valuation policy, procedure & methodology for Investments made by the PPFAS Mutual Fund:

## I. Equity and equity related instruments including Equity and Currency Derivatives:

Security Type	Valuation Policy
Listed Shares/Preference Shares /Warrants/ Rights	Valuation will be at the closing price at the Principal stock exchange*.  If security is not traded on principal stock exchange on a particular valuation day, the closing price at which it is traded on any other stock exchange will be used.  If security is not traded on any stock exchange on a particular valuation day, then price at which it is traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Thinly traded equity shares	Thinly traded securities will be valued at fair value as per procedures** determined by the Valuation Committee.
"Unlisted Shares/ Preference Shares / Warrants/Rights"	Unlisted securities will be valued at fair value as per procedures determined by the Valuation Committee.
Options	In case of Options, premium received/ paid is marked to market based on settlement price on the relevant exchange.
Futures	Outstanding contracts in Futures is valued based on the settlement price on the relevant exchange.
Application Money for Primary Market Issue:	Application money should be valued at cost up to 30 days from the closure of the issue or traded price whichever is earlier. If the security is not allotted / traded within 30 days from the closure of the issue, application money is to be valued as per the directives of valuation committee, which shall be ratified in the next board meeting. Rationale of valuing such application money should also be recorded.
Equity shares invested as an Anchor Investor	At the discretion of the AMC and with the approval of the valuation committee, post listing, equity shares invested on Anchor basis may be valued at a price lower than the listed market price available on NSE/BSE by applying a suitable illiquidity discount (If such shares are in lock-in period).
Convertible Debentures	The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The nonconvertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument, which is traded, the value of later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.
Suspended Security	In case trading in an equity security is suspended up to 30 days, then the last traded price would be considered for valuation of that security. If an equity security remains suspended for trading on the stock exchange for more than 30 days, then it would be valued as non-traded security.
Security Lending & Borrowing (SLB)	Security Lending & Borrowing (SLB) will be valued on the basis of amortization.

\* In case of non-availability of price from the principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose. In exceptional scenarios wherein due to technical

reasons if closing price is not available of a security traded on principal stock exchange on a particular day, then the last traded price on that day (latest available price) of that security on principal stock exchange will be considered for valuation. Secondly, if the latest available traded price is of a trade carried out by PPFAS AMC on behalf of its schemes on that particular day, then that trade price can be considered for valuation in the absence of availability of closing price / last traded price on principal stock exchange.

**ij) Procedure & Methodology for valuation of unlisted or thinly traded equity/non-traded equity/equity related securities**

Any security which does not have trading volume of 50,000 scrips and trading amount of Rs. 5,00,000/- during a period of thirty days shall be categorized as thinly traded. Thinly traded / unlisted securities shall be valued in good faith on the basis of fair valuation principles as follows:

Net Worth Value per share of the company will be derived based on the latest available audited balance sheet, not more than 9 months from close of financial year, net worth per share shall be calculated as [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.

Capital Earning Value per share of the company will be derived by capitalization of Earnings per Share based on the latest available balance sheet, with 25% of Average capitalization rate (P/E ratio) for the industry.

Average of Net Worth Value per share and Capital Earning Value per share thus derived, shall be further discounted to derive fair value of Unlisted securities and by thinly traded securities.

**Shares on De-merger and Other Corporate Action Events –**

- a. Both the shares are traded immediately on de-merger:** In this case both the shares to be valued at respective traded prices.
- b. Shares of only one company continued to be traded on de-merger:** In such a scenario, the shares of Non Traded/Unlisted would be fairly valued in good faith by AMC on case to case basis. Traded share to be valued at traded price.
- c. Both the shares are not traded on de-merger:** In such a scenario, the shares of both the companies would be fairly valued in good faith by AMC on case to case basis.

In case of any other type of capital corporate action event, the same to be valued at fair price on case to case basis.

**ii) Preference Shares –**

Preference share can be convertible or non- convertible. If the non-convertible preference shares are traded then the closing price of the day will be considered for valuation. If the same is non-traded it will be valued at the present value of all the future expected dividend payments and the maturity value, discounted at the bond yield of the issuer.

**The value of convertible preference share can be expressed as follows:**

Convertible preference shares shall be valued based on the underlying equity. This value shall be further discounted for illiquidity to arrive at fair valuation. Traded convertible preference shares shall be valued based on the closing price.

**iii) Warrants –**

Warrants will be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. The value arrived will be reduced by appropriate discount. Traded Warrants shall be valued based on the closing price.

**iv) Right entitlements –**

Right entitlements will be valued as difference between the value of closing price of the underlying equity share and the rights offer price. Right entitlements if traded will be valued at the closing price on Principal stock exchange (NSE). If the entitlements are not traded on NSE but are traded on any other stock exchange the closing price of the exchange where it traded will be considered for valuation.

Non traded rights entitlement will be valued as difference between the value of the underlying equity share (determined as per valuation policy) and the rights offer price.

## II. Money Market, Debt & Debt Related Instruments

Security Type	Existing Valuation Policy Until April 28, 2021	Revised Valuation Policy Effective April 29, 2021
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity more than 30 days.	<p>Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL &amp; ICRA)</p> <p><b>With effect from April 01, 2020</b></p> <p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.</p>	No Change.
Debt Securities/ Instruments with Residual maturity more than 30 days (Commercial Paper/ Certificate of Deposit /Bonds/ Zero Coupon Bonds / Bills Rediscounting /Floating rate securities /PTC)	<p>Valuation will be done at the average prices provided by AMFI approved agencies (CRISIL &amp; ICRA)</p> <p><b>With effect from April 01, 2020</b></p> <p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.</p>	No Change.
Government securities (Including Central government securities, State Development Loans, Treasury Bills and Cash Management Bills) with residual maturity less than or equal to 30 days.	<p>Government Securities (including Treasury Bills) will be valued at average of the prices provided by AMFI approved agencies (currently CRISIL and ICRA).</p> <p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.</p> <p><b>With effect from April 01, 2020</b></p> <p>1) Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).</p> <p>and</p> <p>2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.</p>	No Change.



<p>Debt Securities/Instruments with Residual maturity less than or equal to 30 days (Commercial Paper/ Certificate of Deposit /Bonds/ Zero Coupon Bonds /Bills Rediscounging /Floating rate securities /PTC)</p>	<p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.</p> <p><b>With effect from April 01, 2020</b></p> <p>1) Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA).</p> <p>and</p> <p>2) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at (weighted average) purchase yield basis on the date of allotment / purchase.</p>	<p>No Change</p>
<p>Interest Rate Swaps (IRS)/ Forward Rate Agreements (FRA)</p>	<p><b>Effective December 23, 2019</b></p> <p>All OTC derivatives viz. IRS/ FRA's will be valued at the average prices provided by AMFI approved agencies (currently CRISIL and ICRA).</p>	<p>No change</p>
<p>Overnight Money (TREPS/Reverse Repo/ CROMS)</p>	<p>Overnight money deployed will be valued at cost plus the accrual/ amortisation.</p>	<p>Overnight money deployed will be valued at cost plus the accrual/ amortisation. For Reverse Repo with residual maturity of over 30 days Valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case security level prices given by valuation agencies are not available for a new Reverse Repo (which is currently not held by any Mutual Fund), then such Reverse Repo may be valued at purchase yield on the date of purchase.</p>
<p>Investments in short-term deposits with banks</p>	<p>Investments in short-term deposits with banks will be valued at cost plus the accrual basis.</p>	<p>No Change</p>

**III. Valuation of Money market and Debt securities which are rated below investment grade:**

A money market or debt security shall be classified as "below investment grade" if the long term rating of the security assigned by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.

A money market or debt security shall be classified as "Default" if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to "Default" grade by a CRA. In this respect, PPFAS Mutual Fund shall promptly inform the Valuation Agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.

In case of instruments with dual rating the same would be considered below investment grade if any of the rating agencies rating that instrument downgrades it to sub investment grade.

All money market and debt securities which are rated below investment grade shall be valued at the price provided by AMFI appointed valuation agencies (CRISIL/ICRA). Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircut provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. Further these haircuts shall be updated and refined, as and when there is availability of material information which impact the haircuts.

#### **Consideration of traded price for valuation:**

In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, AMC shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.

In case of trades after the valuation price is computed by the valuation agencies as referred above and where the trade price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.

The trades referred above shall be of a minimum size as determined by valuation agencies.

AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by valuation agencies subject to the following:

- The detailed rationale for deviation from the price post haircut or price provided by the valuation agencies shall be recorded by the AMC.
- The rationale for deviation along with details such as information about the security (ISIN, issuer name, rating etc), price at which security was valued vis-a vis the price provided by the valuation agencies (as applicable) and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees
- The rationale for deviation along with details as mentioned above shall also be disclosed to the investors .

#### **Treatment of accrued interest, future interest accrual and future recovery:**

- (i) The treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default, is detailed below:
  - a. The indicative haircut that has been applied to the principal should be applied to any accrued interest.
  - b. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.

#### **Treatment of any future recovery in terms of principal or interest:**

- a. Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.
- b. Any recovery in excess of the carried value (i.e. the value recognized in NAV) should then be applied first towards amount of interest written off and then towards amount of principal written off.

Others:

Security Type	Valuation Policy
Listed Mutual Funds Units	<p>Valuation will be at the closing price at the principal stock exchange*.</p> <p>If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used.</p> <p>If units are not traded on any stock exchange on a particular valuation day, then NAV per unit will be used for valuation.</p>

Unlisted Mutual Fund Units	Valuation will be based on Net Asset Value (NAV) of Mutual Fund units.
Listed Units of InvITs /REITs	The units of InvIT and REIT will be valued at the closing price at the principal stock exchange.  If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used.  If units are not traded on any stock exchange on a particular valuation day, then closing price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Unlisted / Non- Traded Units of InvITs /REITs	Where units of InvIT and REIT are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvIT and REIT will be determined based on the procedure determined by Valuation Committee.

\* In case of non-availability of price from the Principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose.

**Common note(s) for Valuation of Debt & Debt Related Instruments (as applicable):**

**A. Definition of non-traded, thinly traded and traded money market / debt security (Effective from February 16, 2020):**

**(i) Traded and non-traded money market and debt securities shall be defined as follows:**

A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL).

**Marketable lot defined by AMFI in consultation with SEBI is as under: -**

The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume of Criteria for marketable lot
Primary	INR 25 cr for both/ NCD/ CP/ CD and any other money market instruments
Secondary	INR 25 cr for CP/CD, T-Bills and any other money market instruments
Secondary	INR 5 cr for Bonds/ NCD/ G-Secs

(ii) A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

**B. Valuation of securities with Put/Call Options**

The option embedded securities would be valued as follows:

**i) Securities with Call Option:**

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

### **ii) Securities with Put Option:**

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

### **iii) Securities with both Put and Call Option:**

Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

- a) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.
- b) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.
- c) In case no Put Trigger Date or Call Trigger Date ('Trigger Date') is available, then the valuation would be done to maturity price.

In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.

If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.

**iv)** Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

### **C. Treatment of Upfront Fees on Trades:**

i) Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.

ii) Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.

iii) For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment.

iv) In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

### **D. Segregate Portfolio valuation:**

Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Circular dated December 28, 2018, the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 1996 and Circular(s) issued thereunder.

Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

### **E. The Fund shall not use their own trades for valuation of debt and money market securities.**

#### **F. Impact of any Changes to terms of an investment:**

- (i) While making any change to terms of an investment, AMC shall adhere to the following conditions:
  - (a) Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.
  - (b) Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation.
  - (c) If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation.
  - (d) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

#### **G. Waterfall mechanism for valuation of money market and debt securities to be used by the valuation agencies (Effective from February 16, 2020):**

For arriving at security level pricing, a waterfall mechanism to be used by valuation agencies as provided by AMFI in consultation with SEBI.

**H.** (i) In case the valuation committee is of the opinion that the price feeds provided by AMFI appointed agencies are not provided or prices are not reflective of fair value/ realizable value of the security, the same shall be valued on the basis of guidelines provided by the valuation committee. In approving such valuations, the valuation committee shall follow the principles of fair valuation and provide suitable justification for the same.

(ii) The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale shall also be disclosed immediately and prominently, under a separate head on the website of AMC.

#### **Valuation of Foreign Securities:**

The security issued outside India and listed on the stock exchanges outside India shall be valued as follows:

The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However, in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

For valuation of securities registered in USA, NYSE has been selected as principal stock exchange. If any security is not listed on NYSE, security prices as quoted on NASDAQ will be considered. For securities registered in UK, LSE (London Stock Exchange) has been selected as principal stock exchange. Securities prices as quoted on LSE will be used for valuation purposes.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis. When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

If the security is listed in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed in a time zone behind India, then the previous day's price would be used for valuation.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Reuters / RBI (Financial Benchmarks India Ltd- FBIL) / Bloomberg. The Trustees reserve the right to change the source for determining the exchange rate.

#### **Valuation of IDR/ADR/ GDR:**

IDR/ADR/GDRs are exchange traded securities and hence closing price of the IDR/ADR/ GDR on the exchange where it is listed will be taken for valuation purpose.

If any American Depository Receipt (ADR)/ Global Depository Receipt (GDR) is traded in OTC (Over the Counter) market, in such cases closing price in OTC market will be considered for valuation of ADR/GDR.

If the security is listed/ traded in a time zone ahead of India, then the same day's closing price would be used for valuation. If the security is listed/traded in a time zone behind India, then the previous day's price would be used for valuation.

### **c) Investment Transactions**

- I. Transactions for purchase or sale of investments are recognised on the date of the trade date.
- II. Bonus shares, rights and dividend entitlements to which the scheme becomes entitled are recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus, ex – right and ex dividend date basis respectively.
- III. Investment transactions in equity and equity related securities, derivatives and debt securities are accounted on trade date (Transactions for purchase or sale of investments for Overseas Securities are recognised on the next working day of the trade date due to timing difference). The Cost of investments includes all costs incurred in acquiring or incidental to acquisition of the investments e.g. brokerage, stamp duty, transaction costs, Securities Transaction Tax (STT), GST and any other charge customarily included in the broker's note but excludes custodian fees. Such costs (excluding STT) incurred in acquiring/disposal or incidental to acquisition/disposal of the investments in excess of 0.12 percent, in case of cash market transaction and 0.05 percent in case of derivative transactions are charged to the revenue account of the Scheme as part of TER.

### **d) Recognition of Revenue and Treatment of Expenses**

- I. For quoted investments, Dividend income earned by a scheme are recognised, on the date the share is quoted on an ex-dividend basis. Dividend on unquoted investments is recognised on date of declaration.
  - II. In respect of all interest-bearing investments, income is accrued on a day to day basis as it is earned ,except for Interest on CCIL Margin Money placed for TREPS trades is accounted on receipt basis.
  - III. Income on Treasury Bills and Government Securities are amortised on a straight-line basis over the period up to redemption.
  - IV. The net unrealised gain / loss in the value of investments is determined separately for each class of investment.
  - V. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method is followed by the scheme.
  - VI. All expenses are accounted on accrual basis.
- e) The fund does not isolate that portion of the change in investment valuation resulting from changes in the foreign exchange rates from the fluctuations arising from changes in the local market prices of securities held. Such fluctuations are included in unrealised appreciation or depreciation on investments.

### **f) Unit Premium Reserve ("UPR") and Income Equalisation**

In case of an open ended scheme on issue / repurchase of units, the portion of the premium which is attributable to realised gains is credited / debited to the Revenue account for the period as Income Equalisation at the year end. It is reflected in the revenue account after the net realised gain/ (loss) of the scheme is determined. The balance portion of the premium that is not attributable to realised gains is credited/ debited to the UPR.

If units are sold at a price lower than the face value the difference is debited to the Revenue Account as Income Equalisation and vice versa.

### **g) Determination of net asset values**

- I. The net asset value of the units of the scheme is determined separately for units issued under the different plans / options.
- II. For calculating the net asset values under different plans / options, the amount of sale/repurchase of units under each plan / option are separately accounted for. Further, net income arising from such deployment are allocated daily to the plans / options in proportion to their Net Asset Values. Parag Parikh Conservative Hybrid Fund offers Direct Plan and Regular Plan. For both these plans scheme offers only Growth Option and Monthly IDCW option.

h) PPFAS AMC and PPFAS Mutual Fund has complied with the SEBI circular no. CIR/IMD/DF/21/2012 dated 13.09.2012.

**i) Load Charges**

In accordance with SEBI circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, the scheme has not charged any Entry Load on investments made into it.

Based on SEBI notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012 Exit Load collected is credited to the Scheme, net of Good & Service tax and is considered as income of the Scheme in determining the NAV (Net Asset Value). Entry Load: Nil ; Exit Load: In respect of each purchase / switch-in of Units, 10% of the units ("the limit") may be redeemed without any exit load from the date of allotment.

Any redemption or switch-out in excess of the limit shall be subject to the following exit load:

- Exit load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment of units.
- No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.

**J) Note on Cash Flow:**

**I. Cash and cash equivalents (for the purpose of cash flow statement)**

Cash and cash equivalents includes balances in banks current account, deposits placed with schedule banks (with original maturity up to three months) and Tri-party Repo (TREPS).

**II. Cash Flow Statement:**

The cash flow statement has been prepared under the indirect method set out in accounting standard ("AS") - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India ("ICAI").

**k) Treatment of change in unrealised appreciation/depreciation in value of investments:**

The net unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. The change in net unrealised gain/loss, if any, between two balance sheet dates is recognized in the revenue account and thereafter the net unrealised gain, if any, is transferred to the unrealised appreciation reserve.

**l) Dividend distribution:**

Income distribution during the financial year was made from the distributable surplus of year's / period's earnings and accumulated reserves of earlier years.

3) Net Asset Value (NAV) per unit as at the year end is as follows :

SCHEME NAME	Parag Parikh Conservative Hybrid Fund	
	March 31, 2022	
	NAV	SALE
Regular Growth Plan	10.6892	10.6892
Regular Plan- Monthly IDCW	10.1997	10.1997
Direct Growth Plan	10.7166	10.7166
Direct Plan- Monthly IDCW	10.1016	10.1016

4) As at the year end, the details of investments are as under:

SCHEME NAME	March 31, 2022
	Market / Fair Value (Rs.)
<b>Parag Parikh Conservative Hybrid Fund</b>	
Equity Shares	987,760,580
Government Securities	98,652,700
Non Convertible Debentures	50,607,000
Real Estate Investment Trust	679,299,421
State Development Loans	5,731,585,100
<b>Total</b>	<b>7,547,904,801</b>

- 5) Total value of investments falling under each major industry group and exceeding 5% of the total investments in each major classification is as under :

a) As on March 31, 2022

<b>SCHEME NAME</b>	<b>Market /Fair Value as on March 31, 2022</b>	<b>% of Classification as on March 31, 2022</b>
<b>Parag Parikh Conservative Hybrid Fund</b>		
<b>Indian Equities / Equity related instruments</b>		
Construction	679,299,421	39.55
Power	250,858,656	14.60
Minerals/Mining	217,029,572	12.64
Consumer Non Durables	209,147,373	12.18
Auto	195,212,667	11.36
Gas	166,119,313	9.67
<b>Total</b>	<b>1,717,667,002</b>	<b>100.00</b>

- 6) The details of the unrealised appreciation, included in Revenue Reserve, are as under

<b>Scheme Name</b>	<b>March 31, 2022</b>
	<b>Rs.</b>
Parag Parikh Conservative Hybrid Fund	184,442,957

- 7) The scheme has exposure in Stock / Index Future Derivative as on : Nil

- 8) The details of the management fees (exclusive of Good & Service Tax) paid by the scheme to PPFAS Mutual Fund, are as under:

<b>Scheme Name</b>	<b>March 31, 2022</b>	
<b>Parag Parikh Conservative Hybrid Fund</b>	<b>Rs.</b>	<b>% of Avg. AUM</b>
Management Fees	4,296,350	0.08

Note: No management fee has been charged on the investments made by the Asset Management Company in the units of the scheme.

- 9) The aggregate value of purchases and sales of investments and income and expenditure during the year expressed as a % of average daily net assets is as under :

<b>Parag Parikh Conservative Hybrid Fund</b>	<b>March 31, 2022</b>	
	<b>Rs.</b>	<b>% as above</b>
Purchases	7,769,439,566	151.31
Sales	151,511,508	2.95
Income	319,360,870	6.22
Expenditure	16,742,008	0.33

Note:

- Income excludes net change in unrealized gain/loss in value of investments, profit on sale thereof and provisions written back. Expenditure excludes net change in unrealized gain/loss in value of investments and loss on sale thereof.
- Purchase excludes FD, Future & Options and TREPS. Sales excludes Future & Options and Maturity.

- 10) **Note on margin deposit money:**

<b>Parag Parikh Conservative Hybrid Fund</b>	<b>Deposits made towards Tri Party Repo (TREPS)</b>	<b>Margin Deposits with Axis bank</b>
Financial Year 2021-2022	1,210,000	3,849,418

- 11) **Principal Bank:** The AMC has engaged services of DBS Bank India Limited as on March 31, 2022.



- 12) **Registrar and Transfer Agent (R & T):** The AMC has appointed Computer Age Management Services Limited (CAMS) to provide services as RTA to the schemes of PPFAS Mutual Fund. These services includes back office data processing, unit holders' account maintenance and front office maintenance.
- 13) **Custodian:** The Trustee to PPFAS Mutual Fund has appointed DBS Bank India Limited as Custodian to scheme(s) PPFAS Mutual Fund.
- 14) Trusteeship fee of INR 0.59 Lakhs is paid by the Scheme which is 0.01% per annum of the average daily/weekly net assets of the Fund subject to a maximum of Rs. 25 lakhs across all Schemes of PPFAS Mutual Fund.
- 15) The income of the Mutual Fund is exempt from income tax, as per Section 10(23D) of the Income Tax Act, 1961. Accordingly, no provision for income tax has been made in the Revenue Account.
- 16) Details of transactions with the associates, in terms of regulation 25(7) and 25(8) of SEBI (Mutual Fund) Regulations, 1996 is provided in the **Annexure 1**.
- 17) As on March 31, 2022 there are no underwriting commitments.
- 18) **Segment Reporting:** The Scheme is primarily engaged in the business of investing the funds received from investors as unit capital, in accordance with its investment objectives, as stated in the Scheme Information Document (SID) to generate returns. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard (AS) - 17, issued by the Institute of Chartered Accountants of India have not been made.
- 19) There are no Unit Holders holding over 25% of the Net Asset Value of the Scheme as at March 31, 2022
- 20) The details of unclaimed redemption and Divided is Nil as on March 31, 2022.
- 21) The scheme has not made any investment in repo transactions in corporate debt securities as on March 31, 2022
- 22) The Scheme hold Investments in the name of the Schemes / Trustees for the benefits of the Scheme's Unitholders
- 23) Contingent liabilities as on 31st March 2022 is Nil.
- 24) Disclosure under Regulation 25(11) of SEBI (Mutual Fund) Regulation 1996, in respect of investments made by the scheme in companies or their subsidiaries, that have invested more than 5% of net assets of the scheme for period ended March 31, 2022: NIL.
- 25) Disclosure of transactions in accordance with Accounting Standard 18 "Related party Transactions" and as per Regulation 25(8) of SEBI (Mutual Fund) Regulations 1996, is provided in **Annexure 1**.
- 26) Portfolio disclosure for derivative positions pursuant to SEBI Circular no. CIR/IMD/DF/11/2010 dated August 18, 2010, is as per **Annexure 2**.
- 27) Complete portfolio of the Scheme is provided in **Annexure 3**.
- 28) Perspective historical per unit statistics: Refer **Annexure 5**.
- 29) Pursuant to SEBI Circular dated 22nd October, 2018 it was mandatory to charge scheme expenses to respective Scheme and not to be routed through AMC. Therefore this change in the system of charging expenses was carried out.
- 30) Investments in Associates and Group Companies as on March 31, 2022 : Nil
- 31) Details of securities classified as below investment grade or default as on March 31, 2022 : Nil
- 32) **Investor Education & Awareness Initiative (IEAI) :** An annual charge of 2 basis points (0.02 % p.a.) of daily net assets , being part of total recurring expenses is set aside for IEAI as mandated by SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. The said balance is transferred on periodic basis to separate bank account maintained for the purpose. These funds are utilised by the AMC in accordance with SEBI Regulations and the policy approved by the Trustees

Movement of IEAI balances for PPFAS Mutual Fund during the financial year ended Mar 31, 2022 is as follows:

Particulars	Amount in INR
	FY 2021-22
<b>Opening Balance</b>	<b>438,365.27</b>
<b>Add:</b> Amount transfer to a separate account of Investor Education Fund during the Year	34,148,772.70
<b>Less:</b> Amount Transfer to AMFI during the Year	16,491,038.00
<b>Less:</b> Amount Utilized for Investor Education Expenses during the Year	18,090,565.32
<b>Closing Balance</b>	<b>5,534.65</b>

**33)** Prior period figures have been reclassified and regrouped, wherever applicable to conform to current year presentation - Not Applicable as Scheme has been launched in May 2021.

As per our Report of even date

**For Sudit K Parekh & Co.LLP**

Chartered Accountants

Firm Registration Number 110512W / W100378

**For and on behalf of PPFAS Trustee Company Private Limited**

Sd/-

**(D. S. Khatri)**

Partner

Membership Number 16316

Sd/-

**Dhaval Desai**

(Director)

Sd/-

**Suneel Gautam**

(Director)

**For and on behalf of PPFAS Asset Management Private Limited**

Sd/-

**Neil Parag Parikh**

(CEO and Director)

Sd/-

**Rajeev Thakkar**

(CIO and Director)

Sd/-

**Raunak Onkar**

(Fund Manager)

Sd/-

**Raj Mehta**

(Fund Manager)

**Date: June 29, 2022**

**Place : Mumbai**

**Annexure I**  
**Parag Parikh Conservative Hybrid Fund**  
**Details of payments to associate/group companies**

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.	%
NIL						

Commission 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	Business Given (Rs. & % of total value of transaction of the fund)		Commission paid( Rs. & % of total commission paid by the fund)	
			Rs. Cr.	%	Rs. Cr.	%
Mrs. Rita Kiritkumar Mehta (ARN-0688)	Relative of AMC employee	May 28, 2021 -to- March 31, 2022	0.54	0.12	*0.00	0.67

\* Amount is less than Rs.1 lakh hence, appearing as zero.

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Transactions	Period covered	Transaction Value
			Rs.
PPFAS Asset Management Private Limited	Management Fees Paid	28.5.2021 to 31.3.2022	4,296,350

**Annexure 2**  
**Parag Parikh Conservative Hybrid Fund**  
**Portfolio disclosure for derivative positions.**

**A. Hedging Positions through Futures as on 31-March-2022 : Nil**

**B. Other than Hedging Positions through Futures as on 31-March-2022 : Nil**

**C. Hedging Position through Put Option as on 31-March-2022 : Nil**

**D. Other than Hedging Positions through Options as on 31-March-2022 :**

Underlying	Call/Put	Number of Contracts	Option Price when purchased (Rs. Per unit)	Current Option Price ( Rs. Per unit)
Nil				
Total exposure through options as a % of net assets : Nil				

Details of non-hedging transactions through options which have already been exercised/expired are as under:

Scheme Name	Total Number of contracts entered into	Gross National Value of contracts (Rs. In Lakhs)	Net Profit/(Loss) value on all contracts (Rs. In Lakhs)
Parag Parikh Conservative Hybrid Fund	40	490.64	3.50

**E. Hedging Positions through swaps as on 31-March-2022: Nil**

**Annexure 3**  
**Parag Parikh Conservative Hybrid Fund**

**Portfolio Statement as on March 31,2022**

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
<b>Equity &amp; Equity related</b>						
<b>(a) Listed / awaiting listing on Stock Exchanges</b>						
Bajaj Auto Limited	INE917101010	Auto	53,439	195,212,667	2.49%	19.76%
ITC Limited	INE154A01025	Consumer Non Durables	834,420	209,147,373	2.67%	21.17%
Petronet LNG Limited	INE347G01014	Gas	857,390	166,119,312	2.12%	16.82%
Coal India Limited	INE522F01014	Minerals/Mining	1,185,630	217,029,572	2.77%	21.97%
Power Grid Corporation of India Limited	INE752E01010	Power	923,670	200,251,656	2.56%	20.28%
<b>Total</b>				<b>987,760,580</b>	<b>12.61%</b>	<b>100.00%</b>
<b>REIT</b>						
Embassy Office Parks Reit	INE041025011	Construction	546,365	203,111,189	2.59%	29.90%
Brookfield India Real Estate Trust	INE0FDU25010	Construction	974,950	305,295,843	3.90%	44.94%
Mindspace Business Parks Reit	INE0CCU25019	Construction	493,139	170,892,389	2.18%	25.16%
<b>Sub Total</b>				<b>679,299,421</b>	<b>8.67%</b>	<b>100.00%</b>
<b>B MONEY MARKET INSTRUMENTS</b>						
<b>(a) Government Securities</b>						
05.63% GOVT STOCK - 12 04 2026	IN0020210012	Sovereign	1,000,000	98,652,700	1.26%	100.00%
<b>Total of Gsec</b>				<b>98,652,700</b>	<b>1.26%</b>	<b>100.00%</b>
<b>(b) State Development Loans</b>						
08.11% Chhattisgarh SDL-31.01.2028	IN3520170041	Sovereign	500,000	52,825,050	0.67%	0.92%
07.65% Tamilnadu SDL-06.12.2027	IN3120170094	Sovereign	1,000,000	104,343,300	1.33%	1.82%
08.34% Tamilnadu SDL-28.02.2028	IN3120170136	Sovereign	500,000	53,526,600	0.68%	0.93%
08.73% Uttar Pradesh SDL-10.10.2028	IN3320180042	Sovereign	500,000	54,475,800	0.70%	0.95%
08.17% Gujarat SDL-19.12.2028	IN1520180226	Sovereign	500,000	53,162,300	0.68%	0.93%
08.56% Maharashtra SDL-11.07.2028	IN2220180037	Sovereign	500,000	54,052,500	0.69%	0.94%
08.53% Gujarat SDL-20.11.2028	IN1520180192	Sovereign	500,000	54,077,050	0.69%	0.94%
08.37% Madhya Pradesh SDL-05.12.2028	IN2120180095	Sovereign	1,000,000	107,270,500	1.37%	1.87%
08.08% Tamilnadu SDL-26.12.2028	IN3120180200	Sovereign	1,500,000	158,902,950	2.03%	2.77%
08.08% Maharashtra SDL-26.12.2028	IN2220180052	Sovereign	1,500,000	158,914,500	2.03%	2.77%
08.43% Uttar Pradesh SDL-06.03.2029	IN3320180174	Sovereign	500,000	53,718,250	0.69%	0.94%
08.39% Uttar Pradesh SDL-13.03.2029	IN3320180182	Sovereign	500,000	53,619,100	0.68%	0.94%
08.28% Gujarat SDL-20.02.2029	IN1520180291	Sovereign	500,000	53,387,750	0.68%	0.93%
08.61% Punjab SDL-14.11.2028	IN2820180106	Sovereign	500,000	54,250,250	0.69%	0.95%
08.08% Gujarat SDL-26.12.2028	IN1520180234	Sovereign	500,000	52,958,250	0.68%	0.92%
08.19% Odisha SDL-09.05.2028	IN2720180032	Sovereign	500,000	53,113,700	0.68%	0.93%
08.45% Uttar Pradesh SDL-27.02.2029	IN3320180166	Sovereign	1,000,000	107,521,000	1.37%	1.88%
08.09% West Bengal SDL-27.03.2028	IN3420170216	Sovereign	500,000	52,866,550	0.67%	0.92%
08.28% Tamilnadu SDL-21.02.2028	IN3120170128	Sovereign	500,000	53,373,050	0.68%	0.93%
08.05% Tamilnadu SDL-18.04.2028	IN3120180010	Sovereign	1,500,000	158,342,100	2.02%	2.76%
07.92% Uttar Pradesh SDL-24.01.2028	IN3320170175	Sovereign	2,500,000	262,240,500	3.35%	4.58%
08.39% Andhra Pradesh SDL-23.05.2028	IN1020180080	Sovereign	500,000	53,603,700	0.68%	0.94%
08.42% Madhya Pradesh SDL-08.08.2028	IN2120180053	Sovereign	1,500,000	161,061,300	2.06%	2.81%
07.65% Karnataka SDL-06.12.2027	IN1920170108	Sovereign	500,000	52,167,600	0.67%	0.91%
08.00% Kerala SDL-11.04.2028	IN2020180013	Sovereign	2,500,000	263,251,250	3.36%	4.59%
08.33% Kerala SDL-30.05.2028	IN2020180039	Sovereign	1,500,000	160,450,800	2.05%	2.80%
08.41% Kerala SDL-06.06.2028	IN2020180047	Sovereign	1,000,000	107,378,300	1.37%	1.87%
08.15% Tamilnadu SDL-09.05.2028	IN3120180036	Sovereign	1,000,000	106,039,400	1.35%	1.85%
08.45% Uttar Pradesh SDL-27.06.2028	IN3320180034	Sovereign	500,000	53,678,500	0.69%	0.94%
07.98% Uttar Pradesh SDL-11.04.2028	IN3320180018	Sovereign	500,000	52,469,400	0.67%	0.92%
07.24% Haryana SDL-18.03.2029	IN1620190190	Sovereign	500,000	50,634,550	0.65%	0.88%
06.99% Telangana SDL-10.06.2028	IN4520200093	Sovereign	3,000,000	301,001,100	3.84%	5.25%
08.18% Tamilnadu SDL-19.12.2028	IN3120180192	Sovereign	500,000	53,198,100	0.68%	0.93%
07.86% Haryana SDL-27.12.2027	IN1620170101	Sovereign	500,000	52,630,300	0.67%	0.92%
07.53% West Bengal SDL-22.11.2027	IN3420170117	Sovereign	500,000	51,803,500	0.66%	0.90%

Name of the Instrument	ISIN	Industry	Quantity	Market/Fair Value in Rs.	% to Net Assets	Percentage to Investment category
07.99% Punjab SDL-11.04.2028	IN2820180015	Sovereign	1,000,000	105,188,100	1.34%	1.84%
08.16% Rajasthan SDL-09.05.2028	IN2920180030	Sovereign	2,500,000	265,141,000	3.39%	4.63%
07.88% Madhya Pradesh SDL-24.01.2028	IN2120170070	Sovereign	2,000,000	209,368,200	2.67%	3.65%
06.79% West Bengal SDL-30.06.2028	IN3420210046	Sovereign	500,000	49,646,150	0.63%	0.87%
08.29% Haryana SDL-14.03.2028	IN1620170150	Sovereign	500,000	53,367,250	0.68%	0.93%
08.49% Uttarakhand SDL-21.08.2028	IN3620180106	Sovereign	500,000	53,862,750	0.69%	0.94%
08.25% Tamilnadu SDL-02.01.2029	IN3120180218	Sovereign	500,000	53,272,050	0.68%	0.93%
08.34% Punjab SDL-30.05.2028	IN2820180049	Sovereign	1,500,000	160,426,650	2.05%	2.80%
07.97% Assam SDL-18.04.2028	IN1220180021	Sovereign	500,000	52,535,800	0.67%	0.92%
08.43% Goa SDL-13.03.2029	IN1420180151	Sovereign	1,000,000	107,379,800	1.37%	1.87%
08.20% Jammu & Kashmir SDL-30.01.2029	IN1820180108	Sovereign	500,000	53,086,350	0.68%	0.93%
06.98% Telangana SDL-22.04.2028	IN4520200044	Sovereign	1,500,000	150,613,800	1.92%	2.63%
08.13% Rajasthan SDL-27.03.2028	IN2920170205	Sovereign	500,000	53,036,900	0.68%	0.93%
08.65% Rajasthan SDL-03.10.2028	IN2920180212	Sovereign	500,000	54,389,650	0.69%	0.95%
08.20% Uttarakhand SDL-09.05.2028	IN3620180023	Sovereign	1,000,000	106,154,700	1.36%	1.85%
06.53% Chhattisgarh SDL-15.09.2028	IN3520210037	Sovereign	500,000	48,954,400	0.62%	0.85%
07.11% Tamilnadu SDL-31.07.2029	IN3120190068	Sovereign	500,000	50,167,050	0.64%	0.88%
07.09% Goa SDL-28.08.2029	IN1420190085	Sovereign	500,000	50,022,700	0.64%	0.87%
07.13% Kerala SDL-10.07.2029	IN2020190103	Sovereign	500,000	50,188,950	0.64%	0.88%
08.21% West Bengal SDL-23.01.2029	IN3420180124	Sovereign	500,000	53,038,150	0.68%	0.93%
08.63% Rajasthan SDL-03.09.2029	IN2920180188	Sovereign	500,000	54,289,350	0.69%	0.95%
07.15% Karnataka SDL-09.10.2028	IN1920190056	Sovereign	1,000,000	101,157,700	1.29%	1.76%
07.32% West Bengal SDL-26.06.2029	IN3420190016	Sovereign	500,000	50,613,400	0.65%	0.88%
08.31% Jharkhand SDL-13.02.2029	IN3720180063	Sovereign	500,000	53,313,250	0.68%	0.93%
08.43% Punjab SDL-05.12.2028	IN2820180114	Sovereign	1,500,000	161,413,050	2.06%	2.81%
06.83% West Bengal SDL-07.07.2028	IN3420210053	Sovereign	500,000	49,683,100	0.63%	0.87%
07.64% Karnataka SDL-08.11.2027	IN1920170066	Sovereign	500,000	52,122,100	0.67%	0.91%
07.50% Telangana SDL-15.04.2028	IN4520200010	Sovereign	1,000,000	102,843,900	1.31%	1.78%
<b>Total of SDL</b>				<b>5,731,585,100.00</b>	<b>73.17%</b>	<b>100.00%</b>
<b>Non Convertible Debentures</b>						
India Grid Trust 7.7% 06MAY28 NCD		Power	500,000	50,607,000	0.65%	100.00%
<b>Sub Total</b>				<b>50,607,000</b>	<b>0.65%</b>	<b>100.00%</b>
<b>Total</b>				<b>50,607,000</b>	<b>0.65%</b>	<b>100.00%</b>
<b>Others</b>						
<b>Fixed Deposit</b>		<b>Duration (in Days)</b>				
4.90% FD HDFC (MD 30-05-22)		368		10,000,000	0.13%	22.22%
4.90% FD HDFC (MD 27-05-22)		365		15,000,000	0.19%	33.33%
4.90% FD HDFC (MD 01-06-22)		365		10,000,000	0.13%	22.22%
5.10% FD AXIS (MD 30-05-22)		367		10,000,000	0.13%	22.23%
<b>Sub Total</b>				<b>45,000,000</b>	<b>0.58%</b>	<b>100.00%</b>
<b>Total</b>				<b>45,000,000</b>	<b>0.58%</b>	<b>100.00%</b>
<b>Tri-Party Repo</b>						
Clearing Corporation of India Limited				89,977,778	1.15%	100.00%
<b>Sub Total</b>				<b>89,977,778</b>	<b>1.15%</b>	<b>100.00%</b>
<b>Total</b>				<b>7,682,882,579</b>	<b>98.09%</b>	
Net Receivables / (Payables)				149,832,222	1.91%	
<b>GRAND TOTAL</b>				<b>7,832,714,801</b>	<b>100.00%</b>	

SCHEME NAME	Parag Parikh Conservative Hybrid Fund	
	Market /Fair Value as	% of Classification as
	on March 31, 2022	on March 31, 2022
<b>Equities / Equity related instruments</b>		
Auto	195,212,667	11.36%
Consumer Non Durables	209,147,373	12.18%
Gas	166,119,312	9.67%
Minerals/Mining	217,029,572	12.64%
Power	250,858,656	14.60%
Construction	679,299,421	39.55%
<b>Total</b>	<b>1,717,667,001</b>	<b>100.00%</b>

**Annexure 4**  
**Key Statistics**

Parag Parikh Conservative Hybrid Fund	Rupees in Lakhs
	Period ended March 31, 2022
1. NAV per unit (Rs.):	
Open (NAV as on 01st April 2021)	
- Regular Plan	-
- Regular Plan- Monthly IDCW	-
- Direct Plan	-
- Direct Plan- Monthly IDCW	-
High	
- Regular Plan	10.7003
- Regular Plan- Monthly IDCW	10.2989
- Direct Plan	10.7275
- Direct Plan- Monthly IDCW	10.3019
Low	
- Regular Plan	9.9890
- Regular Plan- Monthly IDCW	9.9650
- Direct Plan	9.9925
- Direct Plan- Monthly IDCW	9.9660
End	
- Regular Plan	10.6892
- Regular Plan- Monthly IDCW	10.1997
- Direct Plan	10.7166
- Direct Plan- Monthly IDCW	10.1016
2. Closing Assets Under Management (Rs. in Lakhs)	
End	78,327.15
Average (AAuM) <sup>1</sup>	51,346.86
3. Gross income as % of AAuM <sup>2</sup>	6.19
4. Expense Ratio:	
a. Total Expense as % of AAuM (plan wise)	
- Regular Plan	0.51
- Direct Plan	0.26
b. Management Fee as % of AAuM (plan wise)	
- Regular Plan	0.08
- Direct Plan	0.08
5. Net Income as a percentage of AAuM <sup>3</sup>	5.86
6. Portfolio turnover ratio <sup>4</sup>	0.03
7. Total Dividend per unit distributed during the year / period (plan wise)	
- Regular Plan	-
- Direct Plan	-
8. Returns:	
<b>a. Last One Year (%)</b>	
<b>Scheme</b>	
- Regular Plan	NA
- Direct Plan	NA
Benchmark - CRISIL HYBRID 85+15 - Conservative Index TRI	NA
Additional Benchmark - CRISIL 10 year GILT Index	NA

Parag Parikh Conservative Hybrid Fund	Rupees in Lakhs
	Period ended March 31, 2022
<b>b. Since Inception (%)</b>	
<b>Scheme</b>	
- Regular Plan	6.89
- Direct Plan	7.17
Benchmark - CRISIL HYBRID 85+15 - Conservative Index TRI	4.61
Additional Benchmark - CRISIL 10 year GILT Index	(1.16)

1. AAuM=Average daily net assets
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.



**Annexure 5**  
**PPFAS MUTUAL FUND**  
**Historical Per Unit as on 31st March, 2022**

Parag Parikh Conservative Hybrid Fund	Parag Parikh Conservative Hybrid Fund As on 31st March, 2022
<b>Face Value</b>	RS.10/-
<b>Unit Capital</b>	731,755,535
<b>Avg Net asset</b>	5,134,686,334
<b>APP</b>	-
<b>Net Asset Value</b>	
Regular Plan	10.6892
Regular Plan- Monthly IDCW	10.1997
Direct Plan	10.7166
Direct Plan- Monthly IDCW	10.1016
<b>Income</b>	
Other than profit on sale of investment	0.44
From profit on inter-scheme sales/transfer of investments (net)	-
From profit on sale of investment to third party (net)	(0.00)
<b>Gross Income</b>	0.43
<b>Expenses &amp; Losses</b>	
Aggregate of expenses, write-off, amortization and charges	0.02
Net change in Unrealised depreciation in value of investments	-
<b>Gross Expenditure</b>	0.02
<b>Net Income</b>	0.41
Unrealised appreciation / depreciation in value of investments	0.07
Ratio of expenses to average net assets	0.33%
Ratio of gross income to average net assets	6.19%
<b>NAV</b>	
<b>Highest</b>	
- Regular Plan	10.7003
- Regular Plan- Monthly IDCW	10.2989
- Direct Plan	10.7275
- Direct Plan- Monthly IDCW	10.3019
<b>Lowest</b>	
- Regular Plan	9.9890
- Regular Plan- Monthly IDCW	9.9650
- Direct Plan	9.9925
- Direct Plan- Monthly IDCW	9.9660
<b>Resale Price</b>	
<b>Highest</b>	
- Regular Plan	10.5933
- Regular Plan- Monthly IDCW	10.1959
- Direct Plan	10.6202
- Direct Plan- Monthly IDCW	10.1989

<b>Parag Parikh Conservative Hybrid Fund</b>	<b>Parag Parikh Conservative Hybrid Fund As on 31st March, 2022</b>
<b>Lowest</b>	
- Regular Plan	9.8891
- Regular Plan- Monthly IDCW	9.8654
- Direct Plan	9.8926
- Direct Plan- Monthly IDCW	9.8663
<b>Trading Price</b>	
Highest	NA
Lowest	NA
<b>Weighted Average Price Earning Ratio</b>	NA

## Redressal of Complaints received during 2021-2022

Name of the Mutual Fund: PPFAS Mutual Fund

Total Number of Folios: 1,805,822

Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	Action on (a) and (b)									
			(b) No of complaints received during the year	Resolved				Non Actionable*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	8	8	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	1	32	33	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	5	5	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	2	2	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	1	1	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	2	2	0	0	0	0	0	0	0	0
IV	Others **	0	21	20	0	0	0	0	1	0	0	0

# including against its authorized persons/ distributors/ employees. etc.

\*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

\*\* If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

# NOTES

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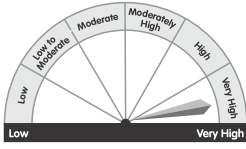
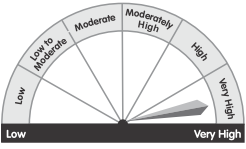
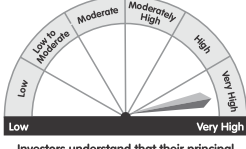
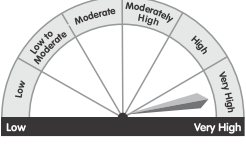

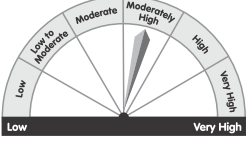
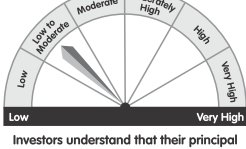

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## Risk-o-meters as at Financial year end

<p><b>This Product is suitable for investors who are seeking*</b></p>	<b>Parag Parikh Flexi Cap Fund</b>	
<p>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 invest in Indian equities, foreign equities and related instruments and debt securities.</p>	<p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at very high risk.</p>	<p>Tier 1 Benchmark's Riskometer (Nifty 500 TRI)</p> 
<p><b>This Product is suitable for investors who are seeking*</b></p>	<b>Parag Parikh Tax Saver Fund</b>	
<ul style="list-style-type: none"> <li>● Long term capital appreciation</li> <li>● Investment predominantly in equity and equity related securities.</li> </ul>	<p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at very high risk.</p>	<p>Tier 1 Benchmark's Riskometer (Nifty 500 TRI)</p> 
<p><b>This Product is suitable for investors who are seeking*</b></p>	<b>Parag Parikh Conservative Hybrid Fund</b>	
<ul style="list-style-type: none"> <li>● To generate regular income through investments predominantly in debt and money market instruments.</li> <li>● Long term capital appreciation from the portion of equity investments under the scheme.</li> </ul>	<p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at moderately high risk.</p>	<p>Tier 1 Benchmark's Riskometer (CRISIL Hybrid 85+15 Conservative Index TRI)</p> 
<p><b>This Product is suitable for investors who are seeking*</b></p>	<b>Parag Parikh Liquid Fund</b>	
<ul style="list-style-type: none"> <li>● Income over short term</li> <li>● Investments in Debt/money market instruments</li> </ul>	<p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at low to moderate risk.</p>	<p>Tier 1 Benchmark's Riskometer (CRISIL Liquid Fund Index)</p>  <p>Investors understand that their principal will be at low to moderate risk.</p>

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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