

# Parag Parikh Tax Saver Fund

## Terms of Issue

### Listing

Being open ended Scheme under which Sale and Redemption of Units will be made on continuous basis by the Mutual Fund (subject to completion of lock in period, if any), the Units of the Scheme are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units under the Scheme on one or more stock exchange at a later date.

**Redemption and Repurchase:** The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.

A Transaction Slip can be used by the Unit Holder to request for Redemption. The requisite details should be entered in the Transaction Slip and submitted at an ISC/Official Point of Acceptance. Transaction Slips can be obtained from any of the ISCs/Official Points of Acceptance. The redemption/switch would be permitted to the extent of credit balance in the unit-holder's account.

The redemption/ switch request can be made by specifying either the number of units or the amount (in rupees) to be redeemed. In case the investor specifies the number of units and amount to be redeemed, the number of units shall be considered for redemption. In case the unit-holder does not specify the number of units or amount to be redeemed, the redemption request will not be processed.

**Minimum amount for purchase/ redemption/ switches:**

**Minimum amount for subscription/purchase:**

Rs.500 and in multiples of Rs. 500 thereafter.

**Minimum Amount for Switch in<sup>^</sup>:**

Rs. 500/- and in multiples of Rs. 500/- thereafter.

<sup>^</sup>Where a Switch-in request has been made for an amount not in multiples of Rs. 500/-, the request will be processed for a round value to the maximum multiple of Rs. 500/- and the residual value thereof will be retained in the Switch-out scheme.

**Minimum amount for additional purchase:**

Rs. 500 and in multiples of Re. 500 thereafter.

**Minimum Amount for Redemption / Switch-outs\*:**

Rs.500/- or 1 unit or account balance, whichever is lower in respect of each Option. In case the Investor specifies both the number of units and amount, the number of Units shall be considered for Redemption. In case the unitholder does not specify the number or amount, the request will not be

processed.

\*Redemption and Switch Out shall be subject to completion of lock in period of 3 years.

Where Units under a Scheme are held under both Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Regular Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

The AMC reserves the right to change the minimum amounts for various purchase/ redemption/ switches. Such changes shall only be applicable to transactions on a prospective basis.

#### **Minimum balance to be maintained and consequences of non-maintenance.**

The scheme does not require maintenance of minimum balance in the units of the scheme.

In case the balance in the account of the unitholder does not cover the amount of redemption request, then the Mutual Fund is authorized to redeem all the units in the folio and send the redemption proceeds to the unitholder.

In the larger interest of the unitholders of the Scheme, the AMC may, in consultation with the Trustee, keeping in view unforeseen circumstances / unusual market conditions, limit the total number of units which may be redeemed on any business day to such a percentage of the total number of units issued and outstanding under Scheme/plan as the AMC may determine.

#### **SUSPENSION OF SALE/REDEMPTION/SWITCHING OPTIONS OF THE UNITS**

##### **“RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS:**

The Fund at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan / Option) of the Scheme(s) of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switchout) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs).

Further, no restriction shall be applicable to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request above Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs).

The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme(s) of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the

Fund may be imposed are as follows:

1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or
2. Market failures / Exchange closures; or
3. Operational issues; or
4. If so directed by SEBI.

It is clarified that since the occurrence of the above mentioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines (i.e. within 3-4 Business Days for schemes other than liquid funds and within 1 Business Day for liquid funds) mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.

Any restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the Mutual Fund shall be made applicable only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI.”

The AMC / Trustee reserves the right to change / modify the provisions of right to restrict Redemption and / or suspend Redemption of the Units in the Scheme(s) of the Fund.

The AMC reserves the right to, in consultation with the Trustee, suspend the purchase and/ or redemption of units temporarily or indefinitely, in case of unforeseen extraordinary circumstances. Redemption proceeds will be paid to the investor through Real Time Gross Settlement (RTGS), NEFT, Direct Credit, a/c payee cheque or demand draft or such other mode as may be permitted.

#### **Redemption by investors transacting through the Stock Exchange mechanism**

Investors who wish to transact through the stock exchange shall place orders for redemptions as currently practiced for secondary market activities. Investors must submit the Delivery Instruction Slip to their Depository Participant on the same day of submission of redemption request, within such stipulated time as may be specified by NSE/BSE, failing which the transaction will be rejected. Investors shall seek redemption requests in terms of number of Units only and not in Rupee amounts. Redemption amounts shall be paid by the AMC to the bank mandate registered with the Depository Participant.

#### **Redemption under dematerialized mode:**

As an alternative, redemption request can be placed through Depository Participants & Exchanges specified intermediaries where NSE NMF II/ BSE STAR platform is available for trading of Mutual Fund Units. The redemption requests submitted to the AMC / Registrar directly are liable to be rejected.

If the investor wishes to redeem the units hold in demat mode with the AMC in such case the investor is required to convert such units in the physical mode by submitting request for Rematerialisation to the Depository Participants and after conversion of such units into the physical mode to the AMC for redemption of such units.

The Trustee may mandatory redeem units of any unitholders in the event that it is found that the unitholders has submitted information either in the application or otherwise that is false, misleading or incomplete or units are held by a unitholder in breach of the regulation.

Units can be redeemed (sold back to the Mutual Fund) at the Redemption Price during the Ongoing

Offer Period

**Payment of redemption proceeds-**

**Resident Investors:**

In case of Unit holders having a bank account with certain banks with which the Mutual Fund would have an arrangement from time to time, the redemption proceeds shall be electronically credited to their account. In case of specific requests, redemption proceeds will be paid by way of cheques/demand drafts in favour of the unitholder (registered holder of the Unit or, if there are more than one registered holder, only to the first registered holder) through "Account Payee" cheque / demand draft with bank account number furnished to the Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI, even in cases where investments are made in cash). Redemption cheques will be sent to the Unit holder's address (or, if there is more than one holder on record, the address of the first-named Unit holder).

**Redemption by NRIs:** For NRIs, redemption proceeds will be remitted depending upon the source of investment as follows:

Where the payment for the purchase of the units redeemed was made out of funds held in NRO account, the redemption proceeds will be credited to the NRI investor's NRO account

Where the units were purchased on repatriation basis and the payment for the purchase of the units redeemed was made by inward remittance through normal banking channels or out of funds held in NRE / FCNR account, the redemption proceeds will be credited to his NRE / FCNR / NRO account

Note: i. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs / FIIs.

ii. Payment to NRI / FII Unit holders will be subject to the relevant laws / guidelines of the RBI as are applicable from time to time (also subject to deduction of tax at source as applicable).

iii. The Fund may make other arrangements for effecting payment of redemption proceeds in future.

iv. The cost related to repatriation, if any will be borne by the Investor.

**Effect of Redemptions:** The balances in the unit-holder's account will stand reduced by the number of units redeemed. Units once redeemed will be extinguished and will not be reissued.

**Units can be redeemed (sold back to the Mutual Fund) at the Redemption Price during the Ongoing Offer Period subject to a lock in period of 3 (three) years as per the ELSS.**

Where Units under a Scheme are held under both Regular and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Regular Plan. However, where

Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

Unit-holders should note that while remitting your redemption proceeds, tax will be deducted at source in accordance with applicable tax laws.

#### **Bank Details:**

In order to protect the interest of Unit holders from fraudulent encashment of redemption / dividend cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques / warrants and / or any delay / loss in transit. Investor can also registered multiple bank accounts in the folios.

#### **Delay in payment of redemption / repurchase proceeds/ dividend**

Under normal circumstances, the redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase. The AMC shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum). However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unitholders, verification of identity or such other details relating to subscription for units under any applicable law or as may be requested by a regulatory body or any government authority, which may result in delay in processing the application.

### **IV. FEES AND EXPENSES**

#### **B. ANNUAL SCHEME RECURRING EXPENSES**

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that following % of the daily net assets of the Scheme will be charged to the Scheme as expenses. Please refer to the table below for details. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund viz. <http://amc.ppfas.com>.

#### **C. SCHEME EXPENSE STRUCTURE:**

Expense Head	% of daily Net Assets
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Investment Management and Advisory Fees	Upto 2.50%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.(as and when permitted)	
GST on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i)	Upto 2.50%

Additional expenses for gross new inflows from specified cities	Upto 0.30%
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All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Companies (AMC), its associate, sponsor, trustee or any other entity through any route.

**Notes: Expense structure for Direct Plan will be lower than the regular plan to the extent of Commission.**

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations. The AMC may incur actual expenses which may be more or less than those estimated above under any head and/or in total. Type of expenses charged shall be as per the SEBI Regulations.

Fungibility of expenses: The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively.

As per Para B of the SEBI Circular No. CIR/IMD/DF/21/ 2012 dated September 13, 2012, GST shall be charged as follows:

1. GST on investment management and advisory fees shall be charged to the Scheme in addition to the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
2. GST on other than investment management and advisory fees, if any, shall be borne by the Scheme within the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
3. GST on exit load, if any, shall be paid out of the exit load proceeds and exit load net of GST, if any, shall be credited to the Scheme.
4. GST on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the SEBI (MF) Regulations.

**With reference to SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/18 dated February 05, 2018, the Total Expense Ratio Charged to the Scheme at plan level will be as follows:**

<b>Plan</b>	<b>TER*</b>
Direct	1.25%
Regular	2.25%

\*Exclusive of GST on management fees.

The AMC shall charge the Mutual Fund with investment and advisory fee as prescribed in the SEBI (MF) Regulations from time to time.