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**MUTUAL FUND**

**SPONSOR: PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED**

## PPFAS Mutual Fund

Annual Report For The Financial Year 2013-14

Scheme Name: PPFAS Long Term Value Fund

### Sponsor of PPFAS Mutual Fund

#### Parag Parikh Financial Advisory Services Limited

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

#### Asset Management Company (Investment Manager to PPFAS Mutual Fund)

#### PPFAS Asset Management Private Limited

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

### Statutory Auditors

#### Sudit K. Parekh & Co.

Ballard House, 2nd Floor, Adi Marzban Path, Ballard Pier, Fort, Mumbai - 400001.

### Board of Directors (as at 31st March 2014)

#### PPFAS Trustee Company Private Limited

Mr. P.A. Balasubramanian  
Mr. Rajan Mehta  
Mr. Jayesh Dadia  
Mr. Neil Parikh

### Trustee to PPFAS Mutual Fund

#### PPFAS Trustee Company Private Limited

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

### Global Custodian and Fund Accountant

#### Deutsche Bank AG.

DB House, Hazarimal Somani Marg, Fort, Mumbai - 400 001.

### Registrar and Transfer Agent

#### Computer Age Management Services Private Limited (CAMS)

New No.10 / Old No.178 M G R Salai  
Kodambakkam High Road, Opp Palm Grove Hotel, Chennai - 600034. Tamil Nadu.

### Board of Directors (as at 31st March 2014)

#### PPFAS Asset Management Private Limited

Mr. Parag Parikh  
Mr. Rajeev Thakkar  
Mr. Rajnikant Rao  
Mr. Kamlesh Somani

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## Chairman's Letter

Dear fellow investors,

Warm greetings to the PPFAS family.

I thank you for the faith reposed in us by entrusting your money to us. We deeply value our position as stewards of your capital. All the investors of the fund are its owners and we as fund managers are responsible for the management of your money.

It is important to align our interest with those of other fellow investors. Hence, the sponsor company, the AMC, the directors, fund managers and the employees including me, have invested substantial portion of our wealth in the fund, along with you. We firmly believe that having our skin in the game is a compulsion in a fiduciary relationship. Especially when this profession has turned into a business and, marketing has triumphed over stewardship.

We strictly follow some self imposed principles and values. We are not in the race for assets under management and do not maintain a sales team. Nor do we intend to come out with multiple schemes and confuse the fellow investors. There is only one right way of investing.

Investing for the long term is central to the achievement of optimal returns to the investors. To invest with success one must be a long term investor. We will not celebrate our first year performance as we consider it irrelevant. For us it is the long term that matters. Our warning on the application forms "This scheme is suitable for investors who have investment horizon of minimum 5 years" stresses the importance we lay on having the right type of investors and our commitment to follow the chosen path even at the risk of losing inflows.

The scheme design is very important for any mutual fund. The fund manager should be able to capitalise on any investment opportunity that comes in the markets. Our scheme enables investments across sectors and across market capitalisations. Along with that a geographical diversification gives us access to investment opportunities not available in our home country. Our scheme allows for 65%-100% in Indian equities and 0%-35% in International equities and 0%-35% in Debt and money market securities. This gives a good cushion to contain volatility.

Spirit of stewardship, professional competence, discipline and a focus on the long term are the life force of the mutual fund industry. We are committed to preserve these values.

I am confident that in times to come PPFAS Long Term Value Fund will be the most preferred choice for investors looking at equity funds.

**Parag Parikh**

Chairman

(PPFAS Asset Management Private Limited)

# Trustee Report

Dear Fellow Investors,

PPFAS Trustee Company Private Limited (the "Trustee"), proudly present our 1st annual report and the audited financial statements of the Scheme/s of PPFAS Mutual Fund (the "Fund"), for the year ended March 31, 2014. In the following paragraphs we have provided details as are required to keep our investors informed on the operations and performance of the scheme and the fund.

Our fellow investors/ unit-holders should note that this is the first year of operations for the Fund/ Scheme and hence there are no corresponding figures to compare with for the previous period. Further the Fund has launched only one Scheme, "PPFAS Long Term Value Fund".

The Scheme "PPFAS Long Term Value Fund" is an open ended equity oriented scheme. The Scheme offers Direct and Regular Plan as required by the applicable SEBI regulations. The Scheme offers only Growth Option.

## 1. Operations During the Year

Before we provide you details on the operations of the Fund and the Scheme, we would like to provide you a quick understanding of how PPFAS Mutual Fund is structured (its legal structure). Understanding of the structure will help you to understand the inter connectivity between Investment Manager and Trustees of PPFAS Mutual Fund and help you to read this report in a better way.

Corporate Entity	Corporate Entity Name	Role of the Corporate Entity
Sponsor	Parag Parikh Financial Advisory Services Limited	Sponsor is the one which incorporates AMC and Trustee Company by providing the required capital contribution. Sponsor is responsible to setup the trust for the fund (PPFAS Mutual Fund) by entering into an agreement with the Trustee.
Trustee	PPFAS Trustee Company Private Limited	We have opted for corporate structure to discharge the duties of the Trustee to the Mutual Fund. Trustee ensure that AMC complies with the applicable SEBI regulations and manages the funds of the scheme in terms of Scheme Investment Document (SID)
Investment Manager (Asset Management Company, "AMC")	PPFAS Asset Management Private Limited	It is the duty of the Investment Manager to manage the funds of investors/ unit holders as per the provisions of Scheme Investment Document (SID).
The Fund	PPFAS Mutual Fund	A Mutual Fund is established as a Trust. Scheme/s is /are floated by the fund and is/ are managed by the Investment Manager.

Now, we will proceed with understanding the Scheme Annual Report.

**Number of fellow investors in PPFAS Mutual Fund:**

Before we provide you the details of Assets Under Management (AUM), we would like to state the number of fellow investors. This list includes your name as well as name of fund manager, the Sponsor of the mutual fund and employees of AMC/ Investment Manager. We are proud to be your fellow investors in the Fund/ Scheme.

Particulars	Number of Fellow investors/ unit-holders
At the time of NFO (launch date as 28th May 2013)	768
Number as on 31st March 2014	1730
Geographical Coverage	Participation from 167 cities (In India and from Overseas destinations)

Our investors are spread across the cities and towns of the country and overseas. The Fund has received investments from 167 cities and towns in India and from 11 Overseas destinations. Out of total investor base, retail investors count for 80.17%.

Considering that this is the first year of the operations of the Fund, we are of the view that we did well to receive wider retail participation from small towns and cities and this is a good achievement for the Fund.

**Assets Under Management (AUM)**

As on March 31, 2014, the corpus of the Scheme stood at INR 351.24 Crores. The Scheme started with initial corpus of INR 63.87 Crores (during the NFO period).

**So where we stand after a year of operations?**

We can not look into growth just from the view point of AUM. To get a holistic picture of the growth we need to combine this with the data on number of fellow investors in the scheme, retail participation, AUM participation through SIP route. We need to ask questions whether retail participation has increased? Whether number of SIP registered with the Fund has shown any growth? Whether we managed to increase participation from wider geographical area? Answers to these points are positives and the same are provided in the table provided below.

Growth Parameters	During NFO	As on 31st March 2014
Number of Investors	768	1730
Geographical Reach	109	167
Number of SIP registered with the Fund	159*	484

\* As on 30th June 2013.

## Scheme performance, future outlook and operations of the Scheme

### 'PPFAS Long Term Value Fund' (the 'Scheme')

The Scheme is an open ended equity scheme.

#### What is the Investment Objective of the Scheme.

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

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

Long Term refers to an investment horizon of 5 years and more. In this Scheme Information Document (SID) it is mentioned that the Scheme is not suitable for investment horizon of less than 5 years. The Scheme will evaluate different companies based on their long term prospects (5 years and more) rather than just looking at next quarter or a few 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.

#### Scheme Performance

The performance of the Scheme (PPFAS Long Term Value Fund) as on March 31, 2014 is provided below:

Period	Since Inception (May 28, 2013)	
	Scheme Returns (%) #	Benchmark Returns (CNX 500) (%)
Direct Plan	18.14%	9.85%
Regular Plan	17.67%	9.85%

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

- Above returns are absolute returns
- The Scheme offers only Growth Option
- Since Inception returns are calculated on Rs.10 (allotment price per Unit)

#### The NAV (net asset value) of the scheme as on March 31, 2014 are as under:-

Plan/Option wise Net Asset Value (NAV) for the year ended March 31, 2014 is as follows:-

Scheme Name	NAV per unit (Rs.) as on March 31, 2014	
	Direct Plan	Regular Plan
PPFAS Long Term Value Fund	11.8137	11.7666

## Commentary from the Trustee on Scheme Performance.

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

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

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

## Scheme Performance

The performance of the Scheme (PPFAS Long Term Value Fund) as on March 31, 2014 is provided below:

Period	Since Inception (May 28, 2013)	
	Scheme Returns (%) #	Benchmark Returns (CNX 500) (%)
Direct Plan	18.14%	9.85%
Regular Plan	17.67%	9.85%

## Future Outlook

As we finalise our scheme accounts for the financial year ending on March 31, 2014 we are in June and completed one year since our scheme launch.

To recap, we have moved from a sense of complete pessimism in mid 2013 to an era of optimism in 2014. A new government is in place at the centre in India, the Taper in Quantitative Easing by the Fed has been taken in stride, our currency which was collapsing and reached a low of 67 to the dollar is back to around 58.50 levels. All seems to be well.

As is always the case, most money is made by buying at the time of pessimism and selling in a period of euphoria. As we write this, the NAV of PPFAS Long Term Value Fund (Direct Plan) is up by about 27% in just under 1 year from launch. The relative performance has also been good. While we have seen a decent bounce from the lows, we are nowhere near euphoria kind of valuations and the best course would be to stay invested.

There are a lot of questions as to whether India is now entering a golden era led by the new government or is it just hype. There is no clear answer here but these are the factors to ponder.

The narrative has changed from creating rights based entitlements like Right to Education, Food Security Bill etc. to creating growth and jobs, controlling inflation, giving priority to education and so on. This is broadly encouraging as efforts at re-distribution can only go so far and the effort should ultimately be on increasing economic activity. Some of the other soundbites like minimum government and maximum governance are also promising.

There will be some low hanging fruits in terms of quicker approvals / execution but most of the measures required to control inflation, bring back growth etc will require time to implement.

A large majority is a necessary condition to take tough measures. Whether it is sufficient only time will tell. We do not know whether the will to contain Oil sector subsidies or to tackle perennial problems like Air India is there and whether there is a willingness to be unpopular in the short run.

A change in government will not convert companies and sectors beset by bad corporate governance, capital intensity coupled with low return on capital, low entry barriers etc into wealth creators. Hence, the criteria for stock selection will not change irrespective of the government.

Given this backdrop, there are obvious questions

1. Is it time for a 100% India allocation?
2. Will not the appreciation of the Rupee work against an internationally diversified portfolio?

PPFAS Long Term Value Fund ("LTVF") has the flexibility to be 100% in Indian equities. However we are choosing not to do that at this time. The reasoning is simple. We are not there to time markets or to "maximise" returns. We aim to select high quality businesses available at attractive valuations. An International diversification gives us more choice and at the same time reduces portfolio volatility.

It is true that in any period which is marked by a very strong run in the Indian markets, the LTVF would lag in performance but this is a choice we have made. We believe that over a cycle or an approximate investment horizon of more than 5 years, the benefit of having invested in international stocks would outweigh the short term under-performance.

As far as currency goes, we are hedged to the extent of approximately 90% of our exposure and hence do not worry about the currency too much. We do however have the remaining 10% un-hedged. This would be 10% of say about 25% to 30% of international equities exposure. Hence the currency exposure would be about 2.5% to 3% of the total corpus.

Also lets face it, India is dependent on a weak currency led export growth. In IT we are service providers / manpower providers and not innovators or product driven companies. In Pharma we are generic providers. We need a weak currency to keep our exports robust and to be competitive. Else inflation and low productivity would cause our exports to collapse. Hence we would be very surprised if the Indian Rupee were to head back to the 40s anytime soon.

Broadly we are positive on the outlook for Indian and global equities. Debt investments for us would continue to be opportunistic and will not be a primary area of focus. We have to be on the lookout for inflation and growth levels globally. If inflation threatens to spiral we could see a rising interest rate cycle and that would be negative for global equities.

### **3. 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 us from the others initially, was by offering customer service of the highest degree.

That is why we decided against outsourcing the 'last mile' and took on the mantle ourselves. We always aim to address Investor's / prospect's query within the shortest possible time.

In case we have to resort to CAMS's assistance, we assiduously follow up with them in order to resolve the grievance within one working day. We also follow the (rare) practice of including our investors in our communications with CAMS, so that they too are in the loop.

Apart from this, our website though uncluttered, has all the relevant information for both, new and existing investors.

## Brief Background of Sponsors, 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 services of Portfolio Management Services and distribution of third party mutual fund products. For the Sponsor substantial part of the revenue comes from providing PMS services to its clients.

### (b) PPFAS Mutual Fund (the Fund)

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

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

PPFAS Trustee Company Private Limited (the "Trustee") is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the 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, 2014, PPFAS Ltd. holds 100% of the paid-up equity share capital of PPFAS Trustee Company Private Limited.

During the year under review, there has been a change in the composition of the Board of Directors of the Trustee Company. Mr. Rajan Mehta has been appointed as an Independent Director in place of Mr. Satya Prakash Agarwal with effect from November 11, 2013.

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

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

During the year under review, there has been no change in the composition of the Board of Directors of PPFAS AMC.

PPFAS Ltd. holds 100% of the paid-up equity share capital of PPFAS Asset Management Private Limited.

#### 4. Shareholding Pattern

##### Shareholding Pattern of Asset Management Company:

During the year under review, there has been no change in the equity shareholding pattern of PPFAS AMC. The shareholding pattern as at March 31, 2014 of PPFAS AMC is as follows:

Name of Shareholder	Number of Equity shares of Rs. 10 each fully paid	Percentage Holding
Parag Parikh Financial Advisory Services Limited	1,49,99,999	100.00%
Rajeev Thakkar (nominee for Parag Parikh Financial Advisory Services Limited)	1	0.00%
<b>Total</b>	<b>1,50,00,000</b>	<b>100.00%</b>

##### Shareholding Pattern of Trustee Company:

During the year under review, there has been no change in the equity shareholding pattern of PPFAS Trustee Company Private Limited. The shareholding pattern as at March 31, 2014 of PPFAS Trustee Company Private Limited is as follows:

Name of Shareholder	Number of Equity shares of Rs. 10 each fully paid	Percentage Holding
Parag Parikh Financial Advisory Services Limited	49,999	100.00%
Rajeev Thakkar (nominee for Parag Parikh Financial Advisory Services Limited)	1	0.00%
<b>Total</b>	<b>50,000</b>	<b>100.00%</b>

#### 5. Details of Unclaimed Dividend and Redemption.

Details of unclaimed dividend and redemption as on March 31, 2014.

Scheme Name	Unclaimed Redemption Proceeds		Unclaimed Dividend	
	Number of Investors	Amount (INR)	Number of Investors	Amount (INR)
PPFAS Long Term Value Fund				
Direct Plan	Nil	Nil	Not Applicable#	
Regular Plan	Nil	Nil		

# 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 in the Full Annual Report. The Accounting Policies are in accordance with Securities Exchange Board of India (Mutual Funds) Regulations, 1996.

## Statutory Information

1. Parag Parikh Financial Advisory Services Limited ( the "Sponsor") is not responsible or liable from any loss resulting from the operations of the scheme/s of the Fund beyond its initial contribution of INR 1 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. Full 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 Office of the PPFAS Mutual Fund. Present and prospective unit holders can obtain copy of the trust deed, the full Annual Report of the Fund/ AMC at a price.

## Voting Policy and Details of Proxy Voting exercised during the year

Voting Policy and details of proxy voting exercised during the Financial year 2013-2014 of PPFAS Mutual Fund are provided after Notes to Accounts.

## Acknowledgements

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

Full 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 Office of PPFAS Mutual Fund Unit holder can obtain a copy of the same at a price.

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

Sd/-

**P A Balasubramanian**  
**Director**

**Neil Parikh**  
**Director**

Place: Mumbai

Date: 10th June 2014.

# Auditors' Report

## Sudit K Parekh & Co

Chartered Accountants

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

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

Email: admin@skparekh.com

## Independent Auditors' Report

### To The Board of Directors of

PPFAS Trustee Company Private Limited

PPFAS Mutual Fund- PPFAS Long Term Value Fund

## Report on the Financial Statements

1. We have audited the accompanying financial statements of PPFAS Mutual Fund – PPFAS Long Term Value Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2014, and the related Revenue Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

## Trustee's and Management's Responsibility for the Financial Statements

2. The Board of Trustee of PPFAS Trustee Company Private Limited (the "Trustee") and the Management of PPFAS Asset Management Private Limited (the "Management") are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto (the "Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Trustee and the Management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India for mutual funds.

(a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2014;

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

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

### **Report on Other Legal and Regulatory Requirements**

7. As required by Regulation 55 of and Clause 4 of the Eleventh Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, we report that:

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

(b) In our opinion, the Balance sheet, Revenue Account and Cash flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standard specified in the Ninth Schedule of the Regulations.

8. As required by clause 5 (ii)(2) of the Eleventh schedule of the Regulations, we report that the Balance Sheet, Revenue Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Scheme.

### **For SUDIT K PAREKH & CO.**

Chartered Accountants

Firm Registration No.: 110512W

### **(D.S.Khatri)**

Partner

Membership No.: 16316

Place : Mumbai

Date: 10th June 2014

## Balance Sheet as at March 31, 2014

PPFAS Long Term Value Fund		
Particulars	Schedule	Amount (Rs)
<b>LIABILITIES</b>		
Unit Capital	'A'	2,97,33,57,219
Reserves and Surplus	'B'	53,91,03,807
Current Liabilities	'C'	2,09,39,545
<b>Total</b>		<b>3,53,34,00,571</b>
<b>ASSETS</b>		
Investments	'D'	3,39,58,58,200
Deposits	'E'	5,00,00,000
Other Current Assets	'F'	8,75,42,371
Deferred Revenue Expenses not written off		-
<b>Total</b>		<b>3,53,34,00,571</b>
Notes forming part of Accounts	'G'	
NET ASSET AS PER NAV SHEET		<b>3,51,22,68,375</b>
AS PER INCOME / EXPENSE		<b>3,51,24,61,026</b>
AS PER ASSET / LIABILITY		<b>3,51,24,61,026</b>
DIFFERENCE (A)		<b>(1,92,651)</b>
DIFFERENCE (B)		<b>(1,92,651)</b>

As per our Report of even date

For Sudit K Parekh & Co.

**Chartered Accountants**

Firm Registration Number. 110512W

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

(D. S. Khatri)

**Partner**

Membership Number 16316

P A Balasubramanian

**Director**

Neil Parikh

**Director**

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

Rajeev Thakkar

**(Director and Fund Manager)**

Rajnikant Rao

**Director**

Raunak Onkar

**(Fund Manager)**

Vishal Shah

**(Fund Manager)**

Date : June 10, 2014

Place : Mumbai

## Revenue Account for the period ended March 31, 2014

Particulars	Schedule	May 28, 2013 to March 31, 2014 Amount (Rs)
<b>INCOME</b>		
Dividend		7,71,79,934
Interest		1,62,17,399
Profit on sale / redemption of investments (other than inter Scheme transfer)		6,81,37,387
Profit on inter scheme transfer / sale of investments (Net)		-
Realised Gain on Foreign Exchange		47,81,432
Unrealised Gain on Foreign Exchange		-
Net Change in Unrealised Appreciation		-
Miscellaneous Income		-
<b>Total</b>		<b>16,63,16,152</b>
<b>EXPENSES AND LOSSES</b>		
Loss on sale / redemption of investments (other than inter Scheme transfer)		6,09,20,001
Realised Loss on Foreign Exchange		72,643
Loss on interscheme transfer / sale of investments (Net)		-
Listing Fees		-
Management fees (Inclusive of service tax)		5,03,06,441
Trusteeship fees		-
Advertisement and Publicity Expenses		-
Audit fees		-
Custodian fees		-
Registrar Charges		-
Selling and Marketing Expenses		-
Brokerage and Commission		-
IAP		-
Service Tax on Management Fees		-
Other Operating expenses		11,79,412
Deferred Revenue Expenses Written Off		-
Provisions no longer required written back		-
Net Change in Unrealised Depreciation in the Value of Investments		-
Less : Expenditure in excess borne by PPFAS Asset Management Co. Ltd.		-
<b>Total</b>		<b>11,24,78,497</b>

Particulars	Schedule	May 28, 2013 to March 31, 2014
		<b>Amount (Rs)</b>
<b>Net Realised Gains/(Losses) for the period</b>		<b>5,38,37,655</b>
Less: Income Equalisation Account		(1,29,84,856)
		<b>4,08,52,799</b>
Unrealised depreciation in the value of investments		(4,11,03,083)
Unrealised Loss on Foreign Exchange		(2,25,639)
<b>Net Gains/ (Losses) for the period</b>		<b>(4,75,923)</b>
Unrealised appreciation in value of investments		51,04,80,190
<b>Net Surplus for the period carried to Revenue account</b>		<b>51,00,04,267</b>
Notes forming part of Accounts	'G'	

As per our Report of even date

For Sudit K Parekh & Co.

**Chartered Accountants**

Firm Registration Number. 110512W

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

(D. S. Khatri)

**Partner**

Membership Number 16316

P A Balasubramanian

**Director**

Neil Parikh

**Director**

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

Rajeev Thakkar

**(Director and Fund Manager)**

Rajnikant Rao

**Director**

Raunak Onkar

**(Fund Manager)**

Vishal Shah

**(Fund Manager)**

Date : June 10, 2014

Place : Mumbai

## Schedules Forming Part of the Balance Sheet as at March 31, 2014

PPFAS Long Term Value Fund	31st March, 2014	
	Units	Amount (Rs)
<b>SCHEDULE 'A'</b>		
<b>UNIT CAPITAL</b>		
<b>(Face Value of Rs. 10 Each)</b>		
Unit Capital (Opening Balance)	-	-
Add : Subscription during Initial Offer period	6,38,74,123.000	63,87,41,230
Add : Subscription during the year / period	24,33,55,396.865	2,43,35,53,969
Less : Redemption during the year / period	98,93,798.016	9,89,37,980
<b>Unit Capital (Closing Balance)</b>	<b>29,73,35,721.849</b>	<b>2,97,33,57,219</b>
<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		2,90,99,540
Less:-Transferred to / (from) Equalisation Account		
<b>Closing Balance</b>		<b>2,90,99,540</b>
<b>Revenue Account</b>		
Opening Balance		-
Transfer to Revenue Account		-
Transfer to Unit Premium Reserve		-
Net Surplus / (deficit) transferred from Revenue Account		51,00,04,267
<b>Closing Balance</b>		<b>51,00,04,267</b>
<b>Total Reserves &amp; Surplus</b>		<b>53,91,03,807</b>

<b>SCHEDULE 'C'</b>	
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	
<b>Current Liabilities:</b>	
Sundry Creditors	7,22,009
Contracts for Purchase of Investments	1,23,67,071
Units Redemption Payable	10,43,058
Payable to PPFAS Asset Management Company Limited (Net of receivable)	57,75,554
Futures (Marked to Market)	10,31,853
<b>Total</b>	<b>2,09,39,545</b>
<b>SCHEDULE 'D'</b>	
<b>INVESTMENTS</b>	
Equity Shares	2,33,40,84,003
Collateralised Borrowing and Lending Obligation (CBLO)	28,69,09,814
Indian Depository Receipt	10,64,90,000
International Equity Shares	45,81,14,090
International Equity American Depository Receipts (ADR)	21,02,60,293
<b>Total</b>	<b>3,39,58,58,200</b>

<b><u>SCHEDULE 'E'</u></b>	
<b><u>DEPOSITS</u></b>	
Deposit with Scheduled banks	5,00,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b><u>SCHEDULE 'F'</u></b>	
<b><u>OTHER CURRENT ASSETS</u></b>	
Balances with Banks in Current Account	1,38,47,517
Contracts for sale of Investments	58,35,322
Accrued Interest on Deposits	3,38,630
Dividend Receivable	78,60,200
Units Subscription Receivable	3,31,946
Margin for Futures and Options Transactions	5,76,28,756
Margin deposit with Clearing Corporation of India Ltd.	17,00,000
<b>Total</b>	<b>8,75,42,371</b>

**Schedule - G:****Significant Accounting Policies and Notes to Accounts (Annexed to and forming part of Balance Sheet as at March 31, 2014 and Revenue Account for the period ended March 31, 2014).****Significant Accounting Policies :****a. Basis of Accounting:**

The Scheme maintains their 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 has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. SEBI has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all Schemes at all points of time. The Board of Directors of AMC and of the Trustee Company have approved the Investment Valuation Policy and the framework for valuation of investments of PPFAS Mutual Fund in accordance with SEBI Notification dated February 21, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets.

**I. Equity and Equity Related Instruments:****Listed Shares/Preference Shares/ Warrants/Rights:**

Valuation will be at the closing price at the principal NSE 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 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 the closing prices on the Exchanges.

**Futures:**

Outstanding contracts in Futures will be valued at the last quoted closing price on the Exchanges.

**II. Debt and Related Instruments:****Government Security:**

Government securities will be valued at the average of the prices released by approved agencies currently CRISIL and ICRA.

**Treasury Bills with residual maturity less than or equal to 60 days:**

Traded treasury bills (Own/NSE/BSE) will be valued on weighted average traded price /yield on the date of trade. Non-traded treasury bills will be valued on amortization basis using the last traded weighted average price/yield.

**Treasury Bills with residual maturity more than 60 days:**

Treasury bills having a residual maturity greater than 60 days will be valued at the average of the prices released by CRISIL and ICRA.

**Debt Securities/ Instruments with average maturity less than or equal to 60 days (Commercial Paper/ Certificate of Deposit/Bonds/Zero Coupon Bonds/Bills / Floating rate securities / Securitization):**

Traded securities (Own/NSE/BSE) will be valued on weighted average traded price /yield on the date of trade.

Non-traded and thinly traded securities will be valued at fair value as per procedures determined by the Valuation Committee.

**Thinly Traded Securities:**

A debt security (other than government securities) that has a trading volume of less than Rs. 15 crores for a period of thirty days prior to the valuation date shall be considered as a thinly traded security based upon information provided by the stock exchanges on the volume of trading of debt securities.

**Debt Securities/ Instruments with average maturity more than 60 days (Commercial Paper/ Certificate of Deposit/ Bonds/Zero Coupon Bonds/ Bills/Floating rate securities/ Securitization):**

All traded securities will be valued on weighted average traded price /yield on the date of trade. Non-Traded Securities will be valued at benchmark yield/matrix of spread over risk free benchmark yield obtained from agency (ies) entrusted for the said purpose by AMFI. (SEBI/IMD/CIR No. 16/193388/2010 February 02, 2010.)

Pursuant to AMFI Best Practice Guidelines Circular No. 41/2013-14 dated September 19, 2013 for 'valuation of securities (including Treasury Bills) with residual maturity upto 60 days' the following amendments have been carried out in the Policy w.e.f. 29th November, 2013. Treasury Bills will be valued by amortization on a straight-line basis to maturity from cost or last valuation price whichever is more recent.#

# For sovereign securities with residual maturity up to 60 days, the amortized price may be used for valuation as long as it is within  $\pm 10$  basis points (bps) ( $\pm 0.10\%$ ) of the reference price. In case the variance exceeds  $\pm 10$  bps of the reference price, the valuation shall be adjusted to bring it within the  $\pm 10$  bps band.

**Interest Rate SWAP/ Forward Rate Agreements:**

All SWAP/ FRA's will be valued at net present value after discounting the future cash flows. Future cash flows for SWAP/ FRA contract will be computed daily based as per terms of contract and discounted by suitable OIS rates available on Reuters/ Bloomberg/ any other provider as approved by Valuation Committee.

**Overnight Money (CBLO/Reverse Repo/ CROMS):**

Overnight money deployed will be valued at cost plus the accrual/ amortization.

**III. Other Securities:****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 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.

**Fixed Deposits:**

Fixed deposits will be valued at cost.

**IV. Valuation of Foreign/ Overseas 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.

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

The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the Scheme on the day of valuation. Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain / loss in the books of the scheme on the settlement of such assets / liabilities.

"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 closing price would be used for valuation."

Initially the overseas securities are accounted at the exchange rate at which USD were bought. W.E.F January 2014 , the cost of overseas securities are determine using the exchange rate at the date of transaction.

**V. Valuation of ADR / IDR:**

IDR is exchange traded security and hence closing price of the IDR on the exchange where it is listed will be taken for valuation purpose.

**VI. Valuation of Debt Securities with residual maturity up to 60 days (AMFI best Practice Guideline Circular No-135/BP/29/2012-13):**

In accordance with AMFI best Practice Guideline Circular No- 135/BP/29/2012-13, valuation of Debt Securities with residual maturity up to 60 days has been revised as follows.

Instruments may be valued by amortization on a straight-line basis to maturity from cost or last valuation price whichever is more recent. However the AMCs should ensure that the amortized price is reflective of fair value by comparing it to the reference price.

### c. Investment Transactions

- I. Transactions for purchase or sale of investments are recognized on the date of the trade date.
- II. Bonus shares, rights and dividend entitlements to which the scheme becomes entitled are recognized 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 dates. The cost of acquisition includes the cost of purchase, stamp duty, securities transaction tax and charges customarily included in the broker's bought note.

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

- I. For quoted investments, Dividend income earned by a scheme are recognized, on the date the share is quoted on an ex-dividend basis. Dividend on unquoted investments is recognized 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.
- III. Income on Treasury Bill and Government Securities are amortized on a straight-line basis over the period upto redemption.
- IV. The net unrealized 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, expenses are exclusive of service tax. Expenses over and above 2.00% of AUM are borne by the AMC.

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

On issue / repurchase of units, the portion of the premium which is attributable to realized 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 realized gain/ (loss) of the scheme is determined. The balance portion of the premium that is not attributable to realized 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.

### 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. PPFAS Long Term Value Fund (PPFAS LTVF) offers Direct Plan and Regular Plan. For both these plans scheme offers only Growth Option.

**g.** 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 28th May 2013. Accordingly since inception of the scheme (PPFAS LTVF), it is providing two plans in the scheme, namely Direct Plan and Regular Plan.

### h. Entry and Exit Load

**Entry and Exit Load:** The Scheme (PPFAS LTVF) does not charge Entry as well as Exit load.

## Notes to Accounts

①	Scheme Name	Nature of Scheme	Allotment Date	Options	Investment Objective
	PPFAS Long Term Value Fund	An open end Equity Scheme	May 24, 2013	Regular Plan, Direct Plan	To generate long term capital appreciation by primarily investment in equities and equity related instruments.

### ② Net Asset Value (NAV) per unit as at the year end is as follows :

SCHEME NAME	PPFAS Long Term Value Fund
PPFAS Long Term Value Fund	March 31, 2014
Regular Growth Plan	11.7666
Direct Growth Plan	11.8137

### ③ As at the year end, the details of investments are as under:

SCHEME NAME	March 31, 2014
PPFAS Long Term Value Fund	Market / Fair Value (Rs.)
Equity Shares	2,33,40,84,003
Collateralized Borrowing & Lending Obligation (CBLO)	28,69,09,814
Indian Depository Receipt	10,64,90,000
International Equity Shares	45,81,14,090
International Equity ADR	21,02,60,293

The investments in Associates and Group companies as on March 31, 2014 is Nil.

### ④ Total value of investments falling under each major industry group and exceeding 5% of the total investments in each major classification as on March 31, 2014, is as under :

SCHEME NAME	Market /Fair Value as on March 31,2014	% of Classification as on March 31,2014
<b>PPFAS Long Term Value Fund</b>		
<b>Foreign Equities</b>		
IT Consulting & Other Services	16,43,68,296	24.59
Tobacco	15,75,04,931	23.57
Packaged Foods	15,08,89,756	22.58
Industrial Conglomerates	14,28,56,038	21.37
Brewers	5,27,55,361	7.89
<b>Total</b>	<b>66,83,74,382</b>	<b>100</b>
<b>Indian Equities / Equity related instruments</b>		
Banks	55,79,52,648	22.86
Finance	37,78,57,237	15.48
Software	33,21,40,219	13.61
Gas	22,75,05,348	9.32
Transportation	20,77,06,416	8.51
Others	20,36,30,598	8.34
Auto Ancillaries	18,14,20,765	7.43
Hotels	17,97,63,534	7.37
Consumer Non Durables	17,25,97,239	7.07
<b>Total</b>	<b>2,44,05,74,004</b>	<b>100</b>

All industry classifications where investment is less than 5% of total have been grouped in others. Derivative positions are not considered in the above table.

The details of Non-traded securities along with percentage of net assets in scheme are Nil.

**5 The details of the unrealized appreciation, included in Revenue Reserve, are as under:**

Scheme Name	March 31, 2014 (Rs.)
PPFAS Long Term Value Fund	51,04,80,190

**6 The scheme has exposure in Stock / Index Future Derivative as on March 31, 2014**

Name of Equity / Index Stock Future	Contract Price (Rs.)	No. of Contracts	No. of Units outstanding -(Short)
Yes Bank Ltd	405.8626	114	(114000)
USDINR 28-APR-2014	62.6503	8700	(8700000)
USDINR 28-MAY-2014	59.8945	300	(300000)

During the year, the scheme took positions in derivatives contracts and resultant Loss of Rs.6,00,21,793.89 is included in Loss on sale / redemption of investments.

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

Scheme Name	March 31, 2014	
PPFAS Long Term Value Fund	Rs.	% of Avg. AUM
Regular Growth Plan	4,64,744	1.98
Direct Growth Plan	4,43,07,809	1.98

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 purchases and sales of investments and income and expenditure during the year expressed as a % of average daily net assets is as under :**

Scheme Name	March 31, 2014	
PPFAS Long Term Value Fund	Rs.	% as above
Purchases	7,41,19,17,179	276.60
Sales	5,08,10,72,507	189.61
Income	9,33,97,333	4.13
Expenditure	5,14,85,853	2.28

**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 CBLO. Sales excludes Maturity.

**9 Trusteeship fee of INR 2.66 Lakhs is paid by the AMC on behalf of the scheme. RTA, custodian and audit fees are paid by AMC.**

- 10 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 of the Scheme.
- 11 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.

The investments in Associates and Group companies as on March 31, 2014 is Nil.

- 12 As on March 31, 2014, there are no underwriting commitments.
- 13 **The scheme has exposure in Foreign Securities/ADRs/GDRs as on March 31, 2014**
- 14 **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.

- 15 **The details of unitholders holding over 25% of the NAV of the scheme as at the year end are as under :**

Scheme Name	No of Unitholders	% of NAV
PPFAS Long Term Value Fund	-	-

- 16 **The details of unclaimed redemption as on March 31, 2014 is as under :**

Scheme Name	No of Unitholders	Amount
PPFAS Long Term Value Fund	-	-

- 17 The scheme has not made any investment in repo transactions in corporate debt securities.
- All investments are in the name of the scheme 'PPFAS Long Term Value Fund'

- 18 Contingent liabilities as on March 31, 2014: Nil
- 19 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, 2014, is provided in Annexure 2.
- 20
- 21 Below are the name of associates.

Name of Associates
Parag Parikh Financial Advisory Services Limited
Empeegee Portfolio Management Private Limited
PPFAS Asset Management Private Limited
PPFAS Trustee Company Private Limited

- 22 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.

- 23 Portfolio disclosure for derivative positions pursuant to SEBI Circular no. CIR/IMD/DF/11/2010 dated August 18, 2010, is as per Annexure 3.
- 24 Complete portfolio of the Scheme is provided in Annexure 4.
- 25 As these are the first financial statements of the scheme since the date of launch, there are no prior period comparatives. The first accounts of the Scheme are prepared for the period from 28th May 2013 to 31st March 2014.

As per our Report of even date

For Sudit K Parekh & Co.

**Chartered Accountants**

Firm Registration Number. 110512W

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

(D. S. Khatri)

**Partner**

Membership Number 16316

P A Balasubramanian

**Director**

Neil Parikh

**Director**

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

Rajeev Thakkar

**(Director and Fund Manager)**

Rajnikant Rao

**Director**

Raunak Onkar

**(Fund Manager)**

Vishal Shah

**(Fund Manager)**

Date : June 10, 2014

Place : Mumbai

## Historical Per Unit as on 31st March, 2014

Per Unit Particulars (Rupees)	PPFAS Long Term Value Fund
Particulars	As on March 31, 2014
<b>Face Value</b>	Rs.10/-
<b>Unit Capital</b>	29,73,35,722
<b>Avg Net asset</b>	2,67,96,96,467
<b>APP</b>	-
<b><u>Net Asset Value</u></b>	
Regular Growth	11.7666
Direct Growth	11.8137
<b><u>Income</u></b>	
Other than profit on sale of investment	0.31
From profit on inter-scheme sales/transfer of investments (net)	-
From profit on sale of investment to third party (net)	0.02
Net change in Unrealised appreciation in value of investments	-
<b>Gross Income</b>	0.33
<b><u>Expenses &amp; Losses</u></b>	
Aggregate of expenses, write-off, amortisation and charges	0.17
Net change in Unrealised depreciation in value of investments	-
<b>Gross Expenditure</b>	0.17
<b><u>Net Income</u></b>	
Unrealised appreciation / depreciation in value of investments	-
Ratio of expenses to average net assets	2.24%
Ratio of gross income to average net assets	4.34%
<b><u>NAV</u></b>	
<b>Highest</b>	
Regular Growth	11.7666
Direct Growth	11.8137
<b>Lowest</b>	
Regular Growth	9.6131
Direct Growth	9.6251
<b><u>Resale Price</u></b>	
<b>Highest</b>	
Regular Growth	11.7666
Direct Growth	11.8137
<b>Lowest</b>	
Regular Growth	9.6131
Direct Growth	9.6251
<b><u>Trading Price</u></b>	
Highest	NA
Lowest	NA
<b><u>Price Earning Ratio</u></b>	
Highest	NA
Lowest	NA

## Annexure I

### Details of payments to associate/group companies

#### Brokerage paid to associates/related parties/group companies of Sponsor/AMC for the year ended March 31, 2014

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association/Nature of relation	Period covered	Value of transaction (in Rs & % of total value of transaction of the fund)		Brokerage (Rs. & % of total brokerage paid by the fund)	
			Rs.	%	Rs.	%
Parag Parikh Financial Advisory Services Limited	Parent Company (Sponsor)	April 01, 2013 -to- March 31, 2014	8,30,74,698.29	0.69	99,468.24	2.13
Empeegee Portfolio Management Services Pvt. Ltd.	Associate	April 01, 2013 -to- March 31, 2014	Nil	Nil	Nil	Nil

#### Commission paid to associates/related parties/group companies of sponsor/AMC for the year ended March 31, 2014

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.	%
NIL						

## Annexure II

### Disclosure under Regulation 25 (11) of SEBI (Mutual Fund) Regulations, 1996

Investments made by the schemes of PPFAS Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net assets of any scheme.

Name of the Company	Scheme Invested by the Company	Investments made by the Scheme of PPFAS Mutual Fund in the Company or its subsidiary	Aggregate cost of acquisition during the period ended March 31, 2014 (Rupees in Lakhs)	Outstanding as on March 31, 2014 (Rupees in Lakhs)
NIL				

## Annexure III

### Portfolio disclosure for derivative positions.

#### A. Hedging Positions through Futures as on March 31, 2014

Scheme Name	Underlying	Long / Short	Futures Price when purchased	Current price of the contract	Margin maintained (Rs. Lakhs)
PPFAS Long Term Value Fund	Yes Bank Ltd	(114000)	405.8626	415.35	141.97
PPFAS Long Term Value Fund	USDINR 28-APR-2014	(8700000)	62.6503	60.1625	433.31
PPFAS Long Term Value Fund	USDINR 28-MAY-2014	(300000)	59.8945	60.4875	

#### Total %age of existing assets hedged through futures: 16.77%

For the period ended March 31, 2014 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. Lakhs)	Gross Notional Value of contracts where futures were sold (Rs. Lakhs)	Net Profit/(Loss) value on all contracts combined (Rs. Lakhs)
PPFAS Long Term Value Fund	48,343	48,343	38,466.70	37,866.48	-600.22

**Note:** Derivatives positions are taken to hedge against currency fluctuation and towards arbitrage trades.

#### B. Other than Hedging Positions through Futures as on March 31, 2014

Scheme Name	Underlying	Long / Short	Futures Price when purchased (Rs. Lakhs)	Current price of the contract (Rs. Lakhs)	Margin maintained (Rs. Lakhs)
NIL					

For the period ended March 31, 2014, details of non-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. Lakhs)	Gross Notional Value of contracts where futures were sold (Rs. Lakhs)	Net Profit/(Loss) value on all contracts combined (Rs. Lakhs)
NIL					

#### C. Hedging Positions through Put Options as on March 31, 2014

Scheme Name	Underlying	Number of Contracts	Option Price when purchased	Current Option Price
NIL				

Total % age of existing assets hedged through put options - NIL

For the period ended March 31, 2014, 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. Lakhs)	Net Profit/(Loss) value on all contracts (Rs. Lakhs)
NIL			

#### D. Other than Hedging Positions through Options as on March 31, 2014

Scheme Name	Underlying	Call / put	Number of contracts	Option Price when purchased	Current Price
NIL					

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

For the period ended March 31, 2014, 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. Lakhs)	Net Profit/(Loss) value on all contracts (Rs. Lakhs)
NIL			

#### E. Hedging Positions through swaps as on March 31, 2014 - NIL

## Annexure IV

## Portfolio Statement as on March 31, 2014

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>						
Maharashtra Scooters Ltd	INE288A01013	Auto Ancillaries	3,98,333	18,14,21,000	5.17%	5.84%
Axis Bank Ltd	INE238A01026	Banks	1,54,100	22,50,63,000	6.41%	7.24%
The Jammu & Kashmir Bank Ltd	INE168A01017	Banks	1,16,521	17,92,09,000	5.10%	5.76%
Standard Chartered PLC	INE028L21018	Banks	9,20,000	10,64,90,000	3.03%	3.43%
Yes Bank Ltd	INE528G01019	Banks	1,14,000	4,71,90,000	1.34%	1.52%
Anheuser Busch Inbev SA-ADR	US03524A1088	Brewers	8,316	5,27,55,000	1.50%	1.70%
The Ramco Cements Ltd	INE331A01037	Cement	60,000	1,29,18,000	0.37%	0.42%
Zydus Wellness Ltd	INE768C01010	Consumer Non Durables	3,47,803	17,25,97,000	4.91%	5.55%
MT Educare Ltd	INE472M01018	Diversified Consumer Services	2,49,990	2,15,62,000	0.61%	0.69%
ICRA Ltd	INE725G01011	Finance	1,25,386	23,79,95,000	6.78%	7.65%
IL&FS Investment Managers Ltd	INE050B01023	Finance	1,13,70,900	13,98,62,000	3.98%	4.50%
Gujarat Gas Company Ltd	INE374A01029	Gas	4,63,685	12,18,56,000	3.47%	3.92%
Indraprastha Gas Ltd	INE203G01019	Gas	3,53,400	10,56,49,000	3.01%	3.40%
Mahindra Holidays & Resorts India Ltd	INE998I01010	Hotels	7,69,371	17,97,64,000	5.12%	5.78%
3M CO	US88579Y1010	Industrial Conglomerates	17,755	14,28,56,000	4.07%	4.59%
International Business Machines	US4592001014	IT Consulting & Other Services	14,395	16,43,68,000	4.68%	5.29%
Selan Exploration Technology Ltd	INE818A01017	Oil	1,68,012	8,79,21,000	2.50%	2.83%
Nestle SA	US6410694060	Packaged Foods	33,610	15,08,90,000	4.30%	4.85%
Wyeth Ltd	INE378A01012	Pharmaceuticals	48,000	4,26,43,000	1.21%	1.37%
Novartis India Ltd	INE234A01025	Pharmaceuticals	72,780	3,23,47,000	0.92%	1.04%
Glaxosmithkline Pharmaceuticals Ltd	INE159A01016	Pharmaceuticals	2,425	62,40,000	0.18%	0.20%
Polaris Financial Technology Ltd	INE763A01023	Software	9,60,281	18,52,86,000	5.28%	5.96%
Mphasis Ltd	INE356A01018	Software	3,63,500	14,68,54,000	4.18%	4.72%
BRITISH AMERICAN TOBACCO PLC	US1104481072	Tobacco	23,712	15,75,05,000	4.48%	5.07%
Noida Toll Bridge Company Ltd	INE781B01015	Transportation	86,54,434	20,77,06,000	5.91%	6.68%
Sub Total				3,10,89,47,000	88.51%	100.00%
(b) Unlisted				NIL	NIL	NIL
<b>Sub Total</b>				<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total</b>				<b>3,10,89,47,000</b>	<b>88.51%</b>	<b>100.00%</b>
<b>Derivatives</b>						
<b>Index / Stock Futures</b>						
Currency Futures May 2014 Future			(3,00,000)	(1,81,46,000)	(0.52)%	3.08%
Yes Bank Ltd April 2014 Future			(1,14,000)	(4,73,50,000)	(1.35)%	8.04%
Currency Futures April 2014 Future			(87,00,000)	(52,34,14,000)	(14.90)%	88.88%
<b>Sub Total</b>				<b>(58,89,10,000)</b>	<b>-16.77%</b>	<b>100.00%</b>
<b>Total</b>				<b>(58,89,10,000)</b>	<b>-16.77%</b>	<b>100.00%</b>
<b>Others</b>						
<b>Fixed Deposit</b>						
		<b>Duration (in Days)</b>				
8% Deutsche Bank AG (02/06/2014)		90		4,00,00,000	1.14%	80.00%
8.5% HDFC Bank Ltd (21/05/2014)		90		1,00,00,000	0.28%	20.00%
<b>Sub Total</b>				<b>5,00,00,000</b>	<b>1.42%</b>	<b>100.00%</b>
<b>Total</b>				<b>5,00,00,000</b>	<b>1.42%</b>	<b>100.00%</b>
<b>CBLO / Reverse Repo</b>						
Clearing Corporation of India Ltd				28,69,10,000	8.17%	100.00%
<b>Sub Total</b>				<b>28,69,10,000</b>	<b>8.17%</b>	<b>100.00%</b>
<b>Total</b>				<b>28,69,10,000</b>	<b>8.17%</b>	<b>100.00%</b>
<b>Net Receivables / (Payables)</b>				<b>65,53,21,000</b>	<b>18.67%</b>	
<b>GRAND TOTAL</b>				<b>3,51,22,68,000</b>	<b>100.00%</b>	

SCHEME NAME	PPFAS Long Term Value Fund	
	Market /Fair Value as on March 31, 2014	% of Classification as on March 31, 2014
Equities / Equity related instruments		
Banks	55,79,52,000.00	22.14
Finance	37,78,57,000.00	15.00
Software	33,21,40,000.00	13.18
Gas	22,75,05,000.00	9.03
Transportation	20,77,06,000.00	8.24
Othres	20,36,31,000.00	8.08
Auto Ancillaries	18,14,21,000.00	7.20
Hotels	17,97,64,000.00	7.13
Consumer Non Durables	17,25,97,000.00	6.85
IT Consulting & Other Services	16,43,68,000.00	6.52
Tobacco	15,75,05,000.00	6.25
Packaged Foods	15,08,90,000.00	5.99
Industrial Conglomerates	14,28,56,000.00	5.67
Brewers	5,27,55,000.00	2.09
Derivatives	(58,89,10,000.00)	(23.37)
Total	2,52,00,37,000.00	100.00

## Proxy Voting Policy of PPFAS Mutual Fund

PPFAS Asset Management Private Limited ("Asset Management Company /AMC") is the Investment Manager to the Schemes 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:

1. the general policies and procedure for exercising voting rights in respect securities held by the Fund in the Investee Company.
2. the actual exercise of votes in the AGMs / EGMs of the investee companies in the following matters in the format prescribed by SEBI:

### 1. 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 appointed "representative/s" to attend and vote at the 'investee company' meeting.

#### The AMC will cast vote on the following matters:

- 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.

The AMC will also exercise the facilities of E-voting to cast vote through postal ballot as per the Postal Ballot Rules, 2011, where the same is made available.

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;

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

### **Voting Procedure**

As per the Companies Act, 1956, 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 in the general meetings of the Investee Company as per Section 187B of the Companies Act, 1956. 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 exercised vote on the resolution through the Postal Ballot or through E-Voting.

The AMC officials/the Custodian (Duestche Bank) appointed by the AMC (as representative of the Fund) then picks up the voting instructions given by the fund and accordingly votes at the general meetings of the Investee Companies.

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

### **Record keeping**

The Back Office Team along with the Research Team of the AMC maintains 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.

## Disclosure of voting by PPFAS Mutual Fund during the financial year 2013-14

Quarter	Date	Name of the company	Type of Meeting (AGM/EGM/Postal Ballot)	Proposal by Management/ Shareholder	Proposal	Management recommendation	Vote (For/Against/ Abstain)	Reason supporting the vote decision
Q2	17-07-2013	Maharashtra Scooters	AGM	Management	Re-appointment of manager, Mr Ranjit Gupta	In favour of the proposal	For	The candidate proposed for the post of manager possessed requisite qualification and experience and is thought to be competent to discharge his duties as manager.
Q2	17-07-2013	Maharashtra Scooters	AGM	Shareholder	Appointment of director, Mr Naresh Patni	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	17-07-2013	Maharashtra Scooters	AGM	Shareholder	Appointment of director, Mr Sadashiv Survase	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	19-07-2013	Axis Bank	AGM	Management	Appointment of Non-executive Chairman, Dr Sanjiv Misra	In favour of the proposal	For	The candidate proposed for the post of Chairman possessed requisite qualification and experience and is thought to be competent to discharge his duties as Chairman.
Q2	19-07-2013	Axis Bank	AGM	Management	Revision in remuneration of MD & CEO, Shikha Sharma	In favour of the proposal	For	The proposal to increase the remuneration is thought reasonable and hence voted in favour of the proposal.
Q2	19-07-2013	Axis Bank	AGM	Management	Revision in remuneration of director, Mr Somnath Sengupta	In favour of the proposal	For	The proposal to increase the remuneration is thought reasonable and hence voted in favour of the proposal.
Q2	19-07-2013	Axis Bank	AGM	Management	Revision in remuneration of director, Shri V.Srinivasan	In favour of the proposal	For	The proposal to increase the remuneration is thought reasonable and hence voted in favour of the proposal.
Q2	19-07-2013	Axis Bank	AGM	Management	Authority to issue more ESOPs	In favour of the proposal	For	The proposal to offer additional ESOPs is thought as a reasonable compensation and hence voted in favour of the proposal.
Q2	19-07-2013	Axis Bank	AGM	Shareholder	Appointment of director, Smt Ireena Vittal	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	19-07-2013	Axis Bank	AGM	Shareholder	Appointment of director, Mr Rohit Bhagat	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	19-07-2013	Axis Bank	AGM	Shareholder	Appointment of director, Dr Sanjiv Misra	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	29-07-2013	Mahindra Holidays	AGM	Shareholder	Appointment of director, Mr Sanjay Aga	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	02-08-2013	ICRA	AGM	Management	Re-appointment of Chairman & Group CEO	In favour of the proposal	For	The candidate proposed for the post of Chairman possessed requisite qualification and experience and is thought to be competent to discharge his duties as Chairman.
Q2	02-08-2013	ICRA	AGM	Management	Appointment of director, Dr Min Ye	In favour of the proposal	For	The candidate proposed for the post of director possessed requisite qualification and experience and is thought to be competent to discharge his duties as director
Q2	02-08-2013	ICRA	AGM	Management	Appointment of director, Mr Simson Hastilow	In favour of the proposal	For	The candidate proposed for the post of director possessed requisite qualification and experience and is thought to be competent to discharge his duties as director

Quarter	Date	Name of the company	Type of Meeting (AGM/EGM/Postal Ballot)	Proposal by Management/ Shareholder	Proposal	Management recommendation	Vote (For/Against/ Abstain)	Reason supporting the vote decision
Q2	08-08-2013	Polaris Financial Technologies	AGM	Management	Payment of commission to non-executive directors	In favour of the proposal	For	The proposal to pay commission is reasonable and not excessive and hence voted in favour of the proposal
Q2	08-08-2013	Polaris Financial Technologies	AGM	Management	Appointment of Financial Controller, Mr Vinay Garg	In favour of the proposal	For	The candidate proposed for the post possessed requisite qualification and experience and is thought to be competent to discharge his duties as Financial Controller.
Q2	08-08-2013	Polaris Financial Technologies	AGM	Management	Appointment of Assistant Manager, Ms Ruchira Gupta	In favour of the proposal	For	The candidate proposed for the post possessed requisite qualification and experience and is thought to be competent to discharge his duties as Assistant Manager.
Q2	08-08-2013	Polaris Financial Technologies	AGM	Shareholder	Appointment of director, Mr Rajesh Mehta	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	08-08-2013	Polaris Financial Technologies	AGM	Shareholder	Appointment of director, Mr V Balaraman	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	09-08-2013	Mphasis	Postal Ballot	Management	Revision in non-executive directors compensation	In favour of the proposal	Against	The proposal to increase the remuneration is thought excessive and hence voted against the proposal.
Q2	22-08-2013	Gujarat Gas	AGM	Management	Payment of commission to Director, Mr Sudhir Mankad	In favour of the proposal	For	The proposal to pay commission is reasonable and not excessive and hence voted in favour of the proposal
Q2	22-08-2013	Gujarat Gas	AGM	Management	Changes in Articles of Association	In favour of the proposal	For	The proposal to alter Articles of Association is to substitute the reference of the previous promoter with the current promoter
Q2	22-08-2013	Gujarat Gas	AGM	Shareholder	Appointment of director, Dr Varesh Sinha	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	22-08-2013	Gujarat Gas	AGM	Shareholder	Appointment of director, Dr Hasmukh Adhia	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	22-08-2013	Gujarat Gas	AGM	Shareholder	Appointment of director, Dr D.J.Pandian	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	22-08-2013	Gujarat Gas	AGM	Shareholder	Appointment of director, Mr Tapan Ray	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	02-09-2013	Indraprastha Gas	AGM	Management	Appointment of Managing director, Mr Narendra Kumar	In favour of the proposal	For	The candidate proposed for the post possessed requisite qualification and experience and is thought to be competent to discharge his duties as Managing Director.
Q2	02-09-2013	Indraprastha Gas	AGM	Management	Appointment of Whole time director, Mr Rajesh Chaturvedi	In favour of the proposal	For	The candidate proposed for the post possessed requisite qualification and experience and is thought to be competent to discharge his duties as Whole Time Director.
Q2	02-09-2013	Indraprastha Gas	AGM	Shareholder	Appointment of director, Mr Narendra Kumar	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	02-09-2013	Indraprastha Gas	AGM	Shareholder	Appointment of director, Mr Rajesh Chaturvedi	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director

Quarter	Date	Name of the company	Type of Meeting (AGM/EGM/Postal Ballot)	Proposal by Management/ Shareholder	Proposal	Management recommendation	Vote (For/Against/ Abstain)	Reason supporting the vote decision
Q2	02-09-2013	Indraprastha Gas	AGM	Shareholder	Appointment of director, Mr Rajeev Mathur	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	02-09-2013	Indraprastha Gas	AGM	Shareholder	Appointment of director, Mr Puneet Goel	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q2	02-09-2013	Indraprastha Gas	AGM	Shareholder	Appointment of director, Mr Santosh Bajpai	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q3	13-12-2013	IL & FS Investment Managers	Postal Ballot	Management	Increase of authorised share capital	In favour of the proposal	For	The proposal to increase in authorised share capital has been implemented for issue of bonus shares to shareholders
Q3	13-12-2013	IL & FS Investment Managers	Postal Ballot	Management	Alteration of MOA with respect to increase in share capital	In favour of the proposal	For	The proposal to increase in authorised share capital has been implemented for issue of bonus shares to shareholders
Q3	13-12-2013	IL & FS Investment Managers	Postal Ballot	Management	Alteration of AOA with respect to increase in share capital	In favour of the proposal	For	The proposal to increase in authorised share capital has been implemented for issue of bonus shares to shareholders
Q3	13-12-2013	IL & FS Investment Managers	Postal Ballot	Management	Issue of Bonus Shares	In favour of the proposal	For	IL&FS not being a capital intensive business, the reserves are being recapitalised and hence rewarding for the shareholders
Q4	05-02-2014	Mphasis	AGM	Shareholder	Appointment of director, Mr Narayanan Kumar	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q4	05-02-2014	Mphasis	AGM	Shareholder	Appointment of director, Mr James Merritt	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q4	05-02-2014	Mphasis	AGM	Shareholder	Appointment of director, Mr Laxmikanth Ananth	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q4	05-02-2014	Mphasis	AGM	Shareholder	Appointment of director, Mr Shankar Maitra	In favour of the proposal	For	The candidate proposed for the post of Director possessed requisite qualification and experience and is thought to be competent to discharge his duties as Director
Q4	19-02-2014	Mahindra Holiday Resorts	Court convened meeting	Management	Amalgamation with Bell Tower Resorts Pvt Ltd	In favour of the proposal	For	The proposal of amalgamation with a subsidiary is to help reduce operating cost and facilitate internal growth

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



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The AMC (including its affiliates), the Mutual Fund, the trust and any of its officers, directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The recipient alone shall be fully responsible/are liable for any decision taken on this material.