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

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

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

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Chairman's Letter

Dear Investors,

Greetings!

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

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

Our Equity Funds aim to provide positive inflation-adjusted returns and at the same time protect the capital from loss by ensuring adequate margin of safety while constructing our portfolio. Our goal is to optimize returns for the long term, rather than maximize returns for the short term. We have and will continue to maintain our investment discipline and philosophy and avoid chasing market fancies. We will continue to stay away from businesses we do not understand and promoters we do not have confidence in.

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

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

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

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

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

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

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

Sd/-

Neil Parag Parikh
Chairman & CEO

Trustee Report

Dear Unitholder,

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

Performance of the Fund post nine years of operation:

To provide investors a holistic picture of the growth we are stating here data on number of fellow investors in the scheme, retail participation, AUM participation through SIP route, participation from B 30 and T 30 cities and towns. Data related to aging analysis will help to understand how long investors stayed invested in the scheme.

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

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

If you glance through table provided above, you can notice that change is positive for all the parameters. Participation from T30/ B30 towns has shown healthy growth. Investors' participation through SIP route has shown healthy growth. We feel that AUM contribution from SIP needs to grow more to have a steady flow of income. Being one of the young fund houses, there has been a remarkable growth during the fiscal year 2021-22. As we continue our journey, the fund aims to have a higher contribution to AUM through SIP route. It is also worthwhile to take a note of the table provided below. You can notice that retail participation of the scheme is much higher. This indicates wider acceptance of the scheme by retail investors.

| Investor Classification | Number of investors as on 31 st March 2022 | Number of investors as on 31 st March 2021 |
|----------------------------------|---|---|
| Non-Individual | 4,022 | 1,677 |
| HNI (High Net Worth Individuals) | 85,388 | 37,597 |
| Retail | 1,716,412 | 616,464 |

Aging analysis data:

(Rupees in crores)

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

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

Assets Under Management (AUM)

As on March 31, 2022, the total assets of the Scheme stood at INR 24,465.34 Crores vis-à-vis INR 9,619.90 Crores as on March 31, 2021. Increase in AUM is due to incremental inflows into the schemes and capital appreciation of the existing portfolio.

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

Launch of New Scheme

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

Scheme performance, Future Outlook and Operations of the Scheme

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

A. Scheme Performance and Operations:

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

Parag Parikh Flexi Cap Fund (PPFCF) is an open-ended equity-oriented scheme with flexibility to invest a minimum of 65% in Indian equities and up to 35% in overseas equity securities and domestic debt / money market securities. The core portfolio of PPFCF consists of equity investments made with a long-term outlook and the factors considered while investing are quality of management, quality of the sector and the business (return on capital, entry barriers, capital intensity, use of debt, growth prospects etc.) and the valuation of the companies.

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

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

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

Benchmark Index : Nifty 500 (TRI)

Additional Benchmark Index : Nifty 50 (TRI)

Returns greater than one year are compounded annualized (CAGR)

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

Parag Parikh Liquid Fund - An Open-ended Liquid Scheme

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

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

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

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

Benchmark Index : CRISIL Liquid Fund Index

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

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

Less than 1-year returns are simple annualised returns.

Greater than 1-year returns are CAGR returns

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

The Scheme is an open-ended Equity Linked Savings Scheme, offering income tax benefits up to Rs. 1.50 lakh under section 80C with a mandatory lock-in period of 3 years. The scheme enables investors to save on tax while earning equity linked returns. The core portfolio of PPTSF consists of equity investments made with a long term outlook and the factors considered while investing are quality of management, quality of the sector and the business (return on capital, entry barriers, capital intensity, use of debt, growth prospects etc.) and the valuation of the companies.

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

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

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

Benchmark Index : Nifty 500 (TRI)

##Additional Benchmark : Nifty 50 (TRI)

Returns greater than one year are compounded annualized (CAGR)

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

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

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

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

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

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

Benchmark Index : CRISIL Hybrid 85+15 - Conservative Index TRI

##Additional Benchmark: CRISIL 10 year Gilt Index

Returns less than 1 year returns are annualised returns

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

The Investment Objective of the Scheme

Parag Parikh Flexi Cap Fund

The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of equity and equity related securities. The scheme shall be investing in Indian equities, foreign equities and related instruments and debt securities. Buying securities at a discount to intrinsic value will help to create value for investors. Our investment philosophy is to invest in such value stocks. Long Term refers to an investment horizon of 5 years and more. In the Scheme Information Document (SID) it is mentioned that the Scheme is not suitable for an investment horizon of less than 5 years. The Scheme will evaluate different companies based on their long-term prospects (5 years and more) rather than just looking at next quarter or a few quarters' earnings. Since the objective of the Scheme is to hold the investments in the companies where the Scheme has invested for the long term, it is essential that the investors in the Scheme have a similar outlook. It is expected that the core equity portfolio of the Scheme will have low churn (portfolio turnover). However, the actual churn (portfolio turnover) could be higher depending on circumstances prevailing at respective times.

Parag Parikh Liquid Fund

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

Parag Parikh Tax Saver Fund

The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of equity and Equity Related Securities. The Scheme is an open-ended Equity Linked Savings Scheme, offering income tax benefits up to Rs. 1.50 lakh under section 80C with a mandatory lock-in period of 3 years. The scheme enables investors to save on tax while earning equity linked returns. The scheme shall be investing in Indian equities and equity related instruments and debt securities. Buying securities at a discount to intrinsic value will help to create value for investors. Our investment philosophy is to invest in such value stocks.

Parag Parikh Conservative Hybrid Fund

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

Commentary from the Trustee on Scheme Performance.

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

Proxy exercise

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

A. Future Outlook

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

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

Details of Investor Services:

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

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

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

This is being done in the following manner:

Increased touch-points:

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

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

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

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

With PPFAS Selfinvest Mobile and Web apps investors can:

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

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

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

Web app for our Partners:

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

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

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

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

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

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

The Sponsor is engaged in providing Portfolio Management Services (PMS) since the year 1996.

(b) PPFAS Mutual Fund (the Fund)

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

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

PPFAS Trustee Company Private Limited (the "Trustee") is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the Unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the SEBI (Mutual Funds) Regulations, 1996 (the "Regulations") and the Trust Deed. The Trustee seeks to ensure that the Fund and the Scheme/s floated thereunder are managed by PPFAS Asset Management Private Limited in accordance with the Scheme Information Document (SID), the Trust Deed, the applicable Regulations, directions, and guidelines issued by the SEBI, the Association of Mutual Funds in India (AMFI), Stock Exchanges and other regulatory agencies. As at March 31, 2022, Parag Parikh Financial Advisory Services Limited holds 100% of the paid-up equity share capital of PPFAS Trustee Company Private Limited.

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

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

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

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

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

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

PPFAS Asset Management Private Limited ("PPFAS AMC") is a private limited company incorporated under the provisions of the Companies Act, 1956 on August 8, 2011. PPFAS AMC has been appointed as an Asset Management Company of PPFAS Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated May 22, 2012 and executed between PPFAS Trustee Company Private Limited and PPFAS Asset Management Private Limited (PPFAS AMC). PPFAS AMC is approved to act as an Asset Management Company for PPFAS Mutual Fund by the SEBI vide its letter dated October 17, 2012. As at March 31, 2022, Parag Parikh Financial Advisory Services Limited (PPFAS) holds 100% of the paid-up equity share capital of PPFAS Asset Management Private Limited.

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

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

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

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

Shareholding Pattern

PPFAS Asset Management Private Limited:

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

PPFAS Trustee Company Private Limited:

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

Details of Unclaimed Dividend and Redemption.

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

| Scheme Name | Unclaimed Redemption Proceeds | | Unclaimed Dividend | |
|--|--|--------------|---------------------|--------------|
| | Number of Investors | Amount (INR) | Number of Investors | Amount (INR) |
| Parag Parikh Flexi Cap Fund | | | | |
| Direct Plan | 155 | 1,093,776.85 | Not applicable # | |
| Regular Plan | 19 | 180,925.45 | | |
| Parag Parikh Liquid Fund | | | | |
| Direct Plan | 4 | 37,337.96 | Nil | Nil |
| Regular Plan | 4 | 16,254.31 | Nil | Nil |
| Parag Parikh Tax Saver Fund | | | | |
| Direct Plan | Not applicable as there is statutory lock in of 3 years. | | Not applicable # | |
| Regular Plan | | | | |
| Parag Parikh Conservative Hybrid Fund | | | | |
| Direct Plan | Nil | Nil | Nil | Nil |
| Regular Plan | Nil | Nil | Nil | Nil |

The scheme does not offer Dividend Option.

Significant Accounting Policies

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

Scheme wise Changes in Risk-O-Meter

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

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

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

Liability and Responsibility of Trustee and Sponsors

The main responsibility of the Trustee is to safeguard the interest of the Unit holders and inter-alia ensure that PPFAS Asset Management Private Limited (PPFAS AMC) functions in the interest of investors and in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the provisions of the Trust Deed and the Statement of Additional Information, Scheme Information Document/Offer Document of the Scheme(s). From the information provided to the Trustee and the reviews the Trustee has undertaken, the Trustee believes PPFAS AMC has operated in the interests of the Unit holders.

Other Statutory Information

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

Acknowledgments

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

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

Sd/-
Dhaval Desai
 Director

Sd/-
Suneel Gautam
 Director

Place: Mumbai
Date: June 29, 2022

ROLE OF MUTUAL FUNDS IN CORPORATE GOVERNANCE OF PUBLIC LISTED COMPANIES

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

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

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

Voting Policy - PPFAS Mutual Fund

Proxy Voting Policy:

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

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

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

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

Voting Guidelines / Philosophy of Voting:

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

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

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

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

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

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

Conflicts of Interest:

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

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

Voting Procedure:

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

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

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

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

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

Record keeping:

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

Internal Mechanism to Monitor Policy Implementation:

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

S Panse & Co LLP

"formerly S. Panse & Co."

Chartered Accountants

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

CERTIFICATE

In the matter of:

PPFAS MUTUAL FUND

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

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

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

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

The following records were furnished to us by the AMC:

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

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

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

Mumbai

Dated: May 16th, 2022

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

Pradnya Shende

Partner

M.No: 172845

FRN: 113470W/W100591

UDIN: 22172845AKOAVR3632

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

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

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

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

Sudit K. Parekh & Co. LLP
Chartered Accountants

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

Sudit K. Parekh & Co. LLP

Chartered Accountants

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

Responsibilities of Management for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding of the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

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Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1) As required by the Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, the balance sheet and revenue accounts dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations.; and
- c) The balance Sheet, the revenue account and the cash flow Statement dealt with by this report are in agreement with the books of account of the Scheme.

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

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

Chartered Accountants

ICAI Firm Registration No: 110512W/W100378

Sd/-

Durgaprasad S. Khatri

Partner

Membership No: 016316

ICAI UDIN No: 22016316ALXIQI7598

Place: Mumbai

Date: 29th June, 2022

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

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

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

As per our Report of even date

For Sudit K Parekh & Co.LLP

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

For and on behalf of PPFAS Trustee Company Private Limited

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO and Director)

Sd/-

Raunak Onkar

(Fund Manager)

Sd/-

Raj Mehta

(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

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

As per our Report of even date

For Sudit K Parekh & Co.LLP

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

For and on behalf of PPFAS Trustee Company Private Limited

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO and Director)

Sd/-

Raunak Onkar

(Fund Manager)

Sd/-

Raj Mehta

(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

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

As per our Report of even date

For Sudit K Parekh & Co.LLP

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

For and on behalf of PPFAS Trustee Company Private Limited

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO and Director)

Sd/-

Raunak Onkar

(Fund Manager)

Sd/-

Raj Mehta

(Fund Manager)

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

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

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

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

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

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

Schedule - G:

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

1) Background:

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

| Scheme Name | Nature of Scheme | Allotment Date | Options | Investment Objective |
|--|--|----------------|---|---|
| Parag Parikh Flexi Cap Fund (formerly known as Parag Parikh Long Term Equity Fund) | An open ended dynamic equity Scheme investing across large cap, mid cap, small cap stocks. | May 24, 2013 | Regular Plan, Direct Plan (only Growth option is provided for both the plans) | <p>The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of equity and Equity Related Securities.</p> <p>Scheme shall be investing in Indian equities, foreign equities and related instruments and debt securities.</p> <p>Buying securities at a discount to intrinsic value will help to create value for investors. Our investment philosophy is to invest in such value stocks.</p> <p>Long Term refers to an investment horizon of 5 years and more. In this Scheme Information Document (SID) it is mentioned that the Scheme is not suitable for investment horizon of less than 5 years. The Scheme will evaluate different companies based on their long term prospects (5 years and more) rather than just looking at next quarter or a few quarter's earnings. Since the objective of the Scheme is to hold the investments in the companies where the Scheme has invested for the long term, it is essential that the investors in the Scheme have a similar outlook. It is expected that the core equity portfolio of the Scheme will have low churn (portfolio turnover). However the actual churn (portfolio turnover) could be higher depending on circumstances prevailing at respective times.</p> |

2) Significant Accounting Policies :

a) Basis of Accounting

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

b) Portfolio Valuation

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

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

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

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

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

2. Inter scheme Transfers:

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

3. Exceptional events:

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

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

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

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

4. Deviation:

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

5. Record Maintenance:

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

6. Disclosure:

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

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

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

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

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

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

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

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

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

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

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

Shares on De-merger and Other Corporate Action Events –

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

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

ii) Preference Shares –

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

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

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

iii) Warrants –

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

iv) Right entitlements –

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

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

II. Money Market, Debt & Debt Related Instruments

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

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

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

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

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

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

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

Consideration of traded price for valuation:

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

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

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

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

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

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

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

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

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

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

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

investment grade or default, is detailed below:

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

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

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

Others:

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

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

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

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

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

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

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

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

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

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

B. Valuation of securities with Put/Call Options

“The option embedded securities would be valued as follows:

i) Securities with Call Option:

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

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

ii) Securities with Put Option:

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

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

iii) Securities with both Put and Call Option:

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

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

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

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

C. Treatment of Upfront Fees on Trades:

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

the investment.

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

D. Segregate Portfolio valuation:

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

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

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

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

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

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

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

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

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

Valuation of Foreign Securities:

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

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

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

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

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

Valuation of IDR/ADR/ GDR:

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

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

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

c) Investment Transactions

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

d) Recognition of Revenue and Treatment of Expenses

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

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

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

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

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

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

I. Initial Recognition

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

II. Conversion / Remeasurement

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

III) Exchange Differences

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

h) Determination of net asset values

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

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

J) Load Charges

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

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

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

k) Note on Cash Flow:

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

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

II. Cash Flow Statement:

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

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

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

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

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

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

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

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

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

a) As on March 31, 2022

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

| | | |
|------------------|--------------------------|---------------|
| Auto Ancillaries | 2,62,08,07,651 | 1.84 |
| Total | 1,42,53,61,31,683 | 100.00 |

b) As on March 31, 2021

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

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

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

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

a) March 31, 2022

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

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

b) March 31, 2021

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

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

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

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

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

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

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

Note:

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

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

10) Note on margin deposit money:

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

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

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

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

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

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

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

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

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

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

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

As per our Report of even date

For Sudit K Parekh & Co.LLP

Chartered Accountants

Firm Registration Number. 110512W / W100378

For and on behalf of PPFAS Trustee Company Private Limited

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO and Director)

Sd/-

Raunak Onkar

(Fund Manager)

Sd/-

Raj Mehta

(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

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

| Name of associate/ related parties/group companies of Sponsor/ AMC | Nature of Association/ Nature of relation | Period covered | Value of transaction (in Rs. & % of total value of transaction of the fund) | | Brokerage (Rs. & % of total brokerage paid by the fund) | |
|---|--|----------------|--|---|--|---|
| | | | Rs. | % | Rs. | % |
| NIL | | | | | | |

Commission paid to associates/related parties/group companies of sponsor/AMC is as under :

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

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

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

Annexure 2
Portfolio disclosure for derivative positions.

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

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

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

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

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

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

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

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

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

Total %age of assets hedged through futures: 24.21%

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

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

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

B. Other than Hedging Positions through Futures as on :

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

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

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

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

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

C. Hedging Positions through Put Options as on :

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

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

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

D. Other than Hedging Positions through Options as on :

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

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

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

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

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

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

Portfolio Statement as on March 31,2022

| Name of the Instrument | ISIN | Industry | Quantity | Market/Fair Value in Rs. | % to Net Assets | Percentage to Investment category |
|---|--------------|-------------------------|---------------|--------------------------|-----------------|-----------------------------------|
| Equity & Equity related | | | | | | |
| (a) Listed / awaiting listing on Stock Exchanges | | | | | | |
| Hero Motocorp Limited | INE158A01026 | Auto | 4,186,832 | 9,605,220,633 | 4.41% | 4.68% |
| Balkrishna Industries Limited | INE787D01026 | Auto Ancillaries | 1,226,855 | 2,620,807,651 | 1.20% | 1.28% |
| HDFC Bank Limited | INE040A01034 | Banks | 7,662,238 | 11,266,171,643 | 5.17% | 5.49% |
| ICICI Bank Limited | INE090A01021 | Banks | 15,680,614 | 11,451,552,404 | 5.25% | 5.58% |
| Axis Bank Limited | INE238A01034 | Banks | 15,339,011 | 11,675,288,223 | 5.36% | 5.69% |
| Motilal Oswal Financial Services Limited | INE338I01027 | Capital Markets | 4,522,328 | 3,934,199,244 | 1.80% | 1.92% |
| ICRA Limited | INE725G01011 | Capital Markets | 422,587 | 1,789,317,875 | 0.82% | 0.87% |
| Multi Commodity Exchange of India Limited | INE745G01035 | Capital Markets | 2,492,885 | 3,528,554,073 | 1.62% | 1.72% |
| Central Depository Services (I) Limited | INE736A01011 | Capital Markets | 4,799,727 | 7,105,275,864 | 3.26% | 3.46% |
| Indian Energy Exchange Limited | INE022Q01020 | Capital Markets | 44,206,584 | 9,933,219,425 | 4.56% | 4.84% |
| ITC Limited | INE154A01025 | Consumer Non Durables | 74,936,399 | 18,782,808,409 | 8.62% | 9.16% |
| Bajaj Holdings & Investment Limited | INE118A01012 | Finance | 3,435,747 | 17,216,700,004 | 7.90% | 8.39% |
| Zydus Lifesciences Limited | INE010B01027 | Pharmaceuticals | 6,029,097 | 2,101,140,305 | 0.96% | 1.02% |
| Sun Pharmaceutical Industries Limited | INE044A01036 | Pharmaceuticals | 2,525,297 | 2,310,015,431 | 1.06% | 1.13% |
| IPCA Laboratories Limited | INE571A01038 | Pharmaceuticals | 2,168,911 | 2,311,516,898 | 1.06% | 1.13% |
| Dr. Reddy's Laboratories Limited | INE089A01023 | Pharmaceuticals | 514,682 | 2,210,790,797 | 1.01% | 1.08% |
| Cipla Limited | INE059A01026 | Pharmaceuticals | 2,062,559 | 2,099,788,190 | 0.96% | 1.02% |
| Power Grid Corporation of India Limited | INE752E01010 | Power | 46,787,602 | 10,143,552,114 | 4.65% | 4.95% |
| HCL Technologies Limited | INE860A01027 | Software | 9,410,685 | 10,951,684,669 | 5.02% | 5.34% |
| Oracle Financial Services Software Limited | INE881D01027 | Software | 417,679 | 1,498,527,832 | 0.69% | 0.73% |
| Alphabet Inc. | US02079K3059 | Internet and Technology | 89,892 | 19,320,572,182 | 8.86% | 9.42% |
| Meta Platforms | US30303M1027 | Internet and Technology | 591,056 | 10,196,389,033 | 4.68% | 4.97% |
| Amazon.Com Inc | US0231351067 | Consumer Services | 64,002 | 16,117,108,729 | 7.39% | 7.86% |
| Microsoft Corporation | US5949181045 | Internet and Technology | 712,983 | 16,942,749,085 | 7.77% | 8.26% |
| Sub Total | | | | 205,112,950,713 | 94.10% | 100.00% |
| (b) Unlisted | | | | | | |
| Suzuki Motor Corp (ADR) | US86959X1072 | Auto | 142,519 | 1,479,949,212 | 0.68% | 100.00% |
| Sub Total | | | | 1,479,949,212 | 0.68% | 100.00% |
| Derivatives | | | | | | |
| Index / Stock Futures | | | | | | |
| CURUSDINRNSESEP2022FUTURE | | | (132,850,000) | (10,238,749,500) | -4.70% | 21.52% |
| CURUSDINRNSEOCT2022FUTURE | | | (75,000,000) | (5,798,062,500) | -2.66% | 12.19% |
| CURUSDINRNSEDEC2022FUTURE | | | (60,000,000) | (4,665,750,000) | -2.14% | 9.81% |
| CURUSDINRBSEAPR2022FUTURE | | | (40,000,000) | (3,036,600,000) | -1.39% | 6.38% |
| CURUSDINRNSEAPR2022FUTURE | | | (314,000,000) | (23,837,310,000) | -10.94% | 50.10% |
| Sub Total | | | | (47,576,472,000) | -21.83% | 100.00% |
| Total | | | | (47,576,472,000) | -21.83% | 100.00% |

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

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

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

Portfolio Statement as on March 31,2021

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

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

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

Annexure 4 Key Statistics

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

1. AAuM=Average daily net assets

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

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

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

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

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

Sudit K. Parekh & Co. LLP

Chartered Accountants

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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T +91 22 6617 8100 | W www.suditkparekh.com
Mumbai | Pune | Gurugram | Bengaluru | Hyderabad

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

Responsibilities of Management for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding of the assets of Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Sudit K. Parekh & Co. LLP
Chartered Accountants

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the Regulations; and
 - c) The balance sheet, the revenue account and the cash flow statement dealt with by this report are in agreement with the books of account of the Scheme.

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

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

ICAI Firm Registration No: 110512W/W100378

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

6th Floor, Urmi Axis Building, Famous Studio Lane, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011, India
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PPFAS MUTUAL FUND
Cash Flow Statement for the year ended 31 March 2022

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

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

As per our Report of even date

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

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

For and on behalf of PPFAS Trustee Company Private Limited

Sd/-
Dhaval Desai
(Director)

Sd/-
Suneel Gautam
(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-
Neil Parag Parikh
(CEO and Director)

Sd/-
Rajeev Thakkar
(CIO & Director)

Sd/-
Raunak Onkar
(Fund Manager)

Sd/-
Raj Mehta
(Fund Manager)

Date: June 29, 2022
Place : Mumbai

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

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

As per our Report of even date

For Sudit K Parekh & Co.LLP
Chartered Accountants

For and on behalf of PPFAS Trustee Company Private Limited

Firm Registration Number. 110512W / W100378

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

Sd/-
Dhaval Desai
(Director)

Sd/-
Suneel Gautam
(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-
Neil Parag Parikh
(CEO and Director)

Sd/-
Rajeev Thakkar
(CIO & Director)

Sd/-
Raunak Onkar
(Fund Manager)

Sd/-
Raj Mehta
(Fund Manager)

Date: June 29, 2022
Place : Mumbai

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

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

Significant accounting policies and Notes forming part of Accounts

'F'

As per our Report of even date

For and on behalf of PPFAS Trustee Company Private Limited

For Sudit K Parekh & Co.LLP

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO & Director)

Sd/-

Raunak Onkar

(Fund Manager)

Sd/-

Raj Mehta

(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

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

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

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

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

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

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

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

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

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

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

b) Portfolio Valuation

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

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

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

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

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

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

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

2. Inter scheme Transfers:

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

3. Exceptional events:

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

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

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

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

4. Deviation:

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

5. Record Maintenance:

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

6. Disclosure:

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

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

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

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

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

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

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

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

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

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

Shares on De-merger and Other Corporate Action Events –

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

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

ii) Preference Shares –

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

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

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

iii) Warrants –

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

iv) Right entitlements –

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

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

II. Money Market, Debt & Debt Related Instruments

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

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

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

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

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

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

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

Consideration of traded price for valuation:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Others:

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

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

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

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

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

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

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

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

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

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

B. Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

i) Securities with Call Option:

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

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

ii) Securities with Put Option:

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

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

iii) Securities with both Put and Call Option:

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

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

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

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

C. Treatment of Upfront Fees on Trades:

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

D. Segregate Portfolio valuation:

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

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

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

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

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

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

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

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

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

Valuation of Foreign Securities:

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

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

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

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

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

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

Valuation of IDR/ADR/ GDR:

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

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

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

Investment Transactions

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

Recognition of Revenue and Treatment of Expenses

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

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

Unit Premium Reserve ("UPR") and Income Equalisation

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

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

Determination of net asset values

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

Load Charges

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

Note on Cash Flow:

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

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

II. Cash Flow Statement:

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

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

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

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

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

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

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

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

a) As on March 31, 2022

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

b) As on March 31, 2021

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

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

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

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

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

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

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

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

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

Note:

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

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

10. Note on margin deposit money:

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

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

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

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

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

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

As per our Report of even date

For Sudit K Parekh & Co.LLP
Chartered Accountants

Firm Registration Number. 110512W / W100378

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

For and on behalf of PPFAS Trustee Company
Private Limited

Sd/-
Dhaval Desai
 (Director)

Sd/-
Suneel Gautam
 (Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-
Neil Parag Parikh
 (CEO and Director)

Sd/-
Rajeev Thakkar
 (CIO and Director)

Sd/-
Raunak Onkar
 (Fund Manager)

Sd/-
Raj Mehta
 (Fund Manager)

Date: June 29, 2022

Place : Mumbai

Annexure 1
Details of payments to associate/group companies

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

| Name of associate/related parties/group companies of Sponsor/AMC | Nature of Association/ Nature of relation | Period covered | Value of transaction (in Rs. & % of total value of transaction of the fund) | | Brokerage (Rs. & % of total brokerage paid by the fund) | |
|--|--|----------------|---|---|---|---|
| | | | Rs. | % | Rs. | % |
| NIL | | | | | | |

Commission paid to associates/related parties/group companies of sponsor/AMC is as under :

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

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

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

Annexure 2

Parag Parikh Tax Saver Fund

Portfolio Statement as on March 31,2022

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

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

Parag Parikh Tax Saver Fund

Portfolio Statement as on March 31, 2021

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

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

Annexure 3

Key Statistics

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

1. AAuM=Average daily net assets

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

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

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

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

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

Sudit K. Parekh & Co. LLP

Chartered Accountants

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

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

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

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Scheme in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

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

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

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

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

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

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

Sudit K. Parekh & Co. LLP

Chartered Accountants

Responsibilities of Management for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Scheme in accordance with accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Sudit K. Parekh & Co. LLP

Chartered Accountants

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations; and
 - c) The balance Sheet, the revenue account and the cash flow Statement dealt with by this report are in agreement with the books of account of the Scheme.

- 2) As required by Eighth Schedule of the SEBI Regulations, we report that:
 - a) In our opinion, and on the basis of information and explanations given to us, the methods used to value non-traded securities as at 31 March 2022 are in accordance with the SEBI Regulations and guidelines, valuation policy and other guidelines approved by the Board of Directors of PPFAS Trustee Company Private Ltd and are fair and reasonable.

For **Sudit K. Parekh & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 110512W/W100378

Sd/-

Durgaprasad S. Khatri
Partner
Membership No: 016316
ICAI UDIN No: 22016316ALXJDC7575
Place: Mumbai
Date: 29th June, 2022

6th Floor, Urmi Axis Building, Famous Studio Lane, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011, India
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PPFAS MUTUAL FUND
Cash Flow Statement for the year ended 31 March 2022

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

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

As per our Report of even date

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

For and on behalf of PPFAS Trustee Company Private Limited

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

Sd/-
Dhaval Desai
(Director)

Sd/-
Suneel Gautam
(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-
Neil Parag Parikh
(CEO and Director)

Sd/-
Rajeev Thakkar
(CIO & Director)

Sd/-
Raj Mehta
(Fund Manager)

Date: June 29, 2022
Place : Mumbai

PPFAS MUTUAL FUND
BALANCE SHEET AS AT 31 March, 2022

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

As per our Report of even date

For Sudit K Parekh & Co.LLP
Chartered Accountants

For and on behalf of PPFAS Trustee Company Private Limited

Firm Registration Number. 110512W / W100378

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

Sd/-
Dhaval Desai
(Director)

Sd/-
Suneel Gautam
(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-
Neil Parag Parikh
(CEO and Director)

Sd/-
Rajeev Thakkar
(CIO & Director)

Sd/-
Raj Mehta
(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

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

As per our Report of even date

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

For and on behalf of PPFAS Trustee Company Private Limited

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

Sd/-
Dhaval Desai
(Director)

Sd/-
Suneel Gautam
(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-
Neil Parag Parikh
(CEO and Director)

Sd/-
Rajeev Thakkar
(CIO & Director)

Sd/-
Raj Mehta
(Fund Manager)

Date: June 29, 2022
Place : Mumbai

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

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

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

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

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

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

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

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

Schedule - H:

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

1) **Background:**

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

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

Potential Risk Class as on March 31, 2022

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

2) **Significant Accounting Policies :**

a) Basis of Accounting

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

b) Portfolio Valuation

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

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

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

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

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

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

2. Inter scheme Transfers:

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

3. Exceptional events:

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

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

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

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

4. Deviation:

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

5. Record Maintenance:

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

6. Disclosure:

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

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

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

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

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

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

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

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

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

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

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

Shares on De-merger and Other Corporate Action Events –

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

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

ii) Preference Shares –

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

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

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

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

iii) Warrants –

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

iv) Right entitlements –

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

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

II. Money Market, Debt & Debt Related Instruments

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

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

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

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

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

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

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

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

Consideration of traded price for valuation:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Others:

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

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

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

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

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

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

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

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

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

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

B. Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

i) Securities with Call Option:

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

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

ii) Securities with Put Option:

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

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

iii) Securities with both Put and Call Option:

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

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

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

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

C. Treatment of Upfront Fees on Trades:

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

D. Segregate Portfolio valuation:

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

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

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

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

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

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

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

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

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

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

Valuation of Foreign Securities:

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

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

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

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

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

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

Valuation of IDR/ADR/ GDR:

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

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

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

c) Investment Transactions

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

d) Recognition of Revenue and Treatment of Expenses

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

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

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

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

f) Determination of net asset values

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

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

h) Load Charges

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

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

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

l) Note on Cash Flow:

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

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

II. Cash Flow Statement:

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

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

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

k) Dividend distribution:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note: Purchase/Sales excludes TREPS/FD/MFD

9) Note on margin deposit money:

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

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

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

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

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

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

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

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

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

As per our Report of even date

For Sudit K Parekh & Co.LLP
Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

For and on behalf of PPFAS Trustee Company
Private Limited

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO and Director)

Sd/-

Raj Mehta

(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

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

| Name of associate/related parties/group companies of Sponsor/AMC | Nature of Association/ Nature of relation | Period covered | Value of transaction (in Rs. & % of total value of transaction of the fund) | | Brokerage (Rs. & % of total brokerage paid by the fund) | |
|--|--|----------------|---|---|---|---|
| | | | Rs. | % | Rs. | % |
| NIL | | | | | | |

Commission paid to associates/related parties/group companies of sponsor/AMC is as under :

| Name of associate/related parties/group companies of Sponsor/AMC | Nature of Association/ Nature of relation | Period covered | Business Given (Rs. & % of total value of transaction of the fund) | | Commission paid(Rs. & % of total commission paid by the fund) | |
|--|--|------------------------------------|--|------|--|------|
| | | | Rs. | % | Rs. | % |
| Mrs. Rita Kiritkumar Mehta (ARN-0688) | Relative of AMC employee | April 01, 2021 -to- March 31, 2022 | 0.00 | 0.00 | 0.00 | 0.00 |
| Parag Parikh Financial Advisory Services Limited | Parent Company (Sponsor) | April 01, 2020 -to- March 31, 2021 | *0.00 | 0.00 | *0.00 | 0.00 |

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

| Name of associate/related parties/group companies of Sponsor/AMC | Nature of Transactions | Period covered | Transaction Value |
|--|---|-----------------------|-------------------|
| | | | Rs. |
| PPFAS Asset Management Private Limited | Management Fees Paid | 1.4.2021 to 31.3.2022 | 7,891,683.00 |
| PPFAS Asset Management Private Limited | Management Fees Paid | 1.4.2020 to 31.3.2021 | 3,521,032.00 |
| PPFAS Asset Management Private Limited | Amount invested in the Scheme (Net of Redemption) | 1.4.2021 to 31.3.2022 | (111,262,132.51) |
| PPFAS Asset Management Private Limited | Amount invested in the Scheme (Net of Redemption) | 1.4.2020 to 31.3.2021 | 90,531,991.85 |
| Parag Parikh Financial Advisory Services Limited | Amount invested in the Scheme (Net of Redemption) | 1.4.2021 to 31.3.2022 | 38,736,127.32 |
| Parag Parikh Financial Advisory Services Limited | Amount invested in the Scheme (Net of Redemption) | 1.4.2020 to 31.3.2021 | 39,162,500.00 |
| PPFAS Trustee Company Private Ltd. | Amount invested in the Scheme (Net of Redemption) | 1.4.2021 to 31.3.2022 | (480,855.10) |
| PPFAS Trustee Company Private Ltd. | Amount invested in the Scheme (Net of Redemption) | 1.4.2020 to 31.3.2021 | 65,465.51 |

**Parag Parikh Liquid Fund
Annexure 2**

Portfolio Statement as on March 31, 2022

| Sr. No. | Name of the Instrument | ISIN | Industry | Quantity | Market/Fair Value in Rs. | % to Net Assets | Percentage to Investment category |
|----------|---|--------------|---------------------------|------------|--------------------------|-----------------|-----------------------------------|
| A | DEBT INSTRUMENTS | | | | | | |
| (i) | Listed / awaiting listing on Stock Exchanges | | | | Nil | Nil | |
| (ii) | Privately Placed / Unlisted | | | | Nil | Nil | |
| (iii) | Securitized Debt Instruments | | | | Nil | Nil | |
| | Total (A) | | | | 0.00 | 0.00 | |
| B | MONEY MARKET INSTRUMENTS | | | | | | |
| (i) | Government Securities | | | | | | |
| | 08.15% GOVT STOCK - 11 06 2022 | IN0020120013 | Sovereign | 10,000,000 | 1,008,267,000.00 | 7.60% | 34.03% |
| | 08.35% GOVT STOCK - 14 05 2022 | IN0020020072 | Sovereign | 7,500,000 | 754,180,500.00 | 5.68% | 25.45% |
| | 05.09% GOVT STOCK - 13 04 2022 | IN0020200021 | Sovereign | 12,000,000 | 1,200,681,600.00 | 9.05% | 40.52% |
| | Total of Gsec | | | | 2,963,129,100.00 | 22.33% | 100.00% |
| (ii) | State Development Loans | | | | | | |
| | 09.23% West Bengal SDL-09.05.2022 | IN3420120021 | Sovereign | 1,000,000 | 100,563,700.00 | 0.76% | 100.00% |
| | Total of SDL | | | | 100,563,700.00 | 0.76% | 100.00% |
| (iii) | Commercial Papers (CP) / Certificate Of Deposit (CD) | | | | | | |
| | IOCL CP - 04 Apr 2022 | INE242A14VY9 | ICRA A1+ | 1,000,000 | 99,970,400.00 | 0.75% | 50.10% |
| | Axis Bank CD 13 May 2022 | INE238A161W0 | CRISIL A1+ | 1,000,000 | 99,553,200.00 | 0.75% | 49.90% |
| | Total of CP & CD | | | | 199,523,600.00 | 1.50% | 100.00% |
| (iv) | Treasury bills | | | | | | |
| | 364 DAY T-BILL 07.04.22 | IN002021Z012 | Sovereign | 12,500,000 | 1,249,312,500.00 | 9.41% | 14.49% |
| | 182 DAY T-BILL 07.04.22 | IN002021Y288 | Sovereign | 2,500,000 | 249,866,750.00 | 1.88% | 2.90% |
| | 91 DAY T-BILL 21.04.22 | IN002021X496 | Sovereign | 12,500,000 | 1,247,761,250.00 | 9.39% | 14.47% |
| | 91 DAY T-BILL 28.04.22 | IN002021X504 | Sovereign | 19,000,000 | 1,895,373,500.00 | 14.28% | 21.99% |
| | 91 DAY T-BILL 05.05.22 | IN002021X512 | Sovereign | 12,500,000 | 1,245,937,500.00 | 9.39% | 14.45% |
| | 91 DAY T-BILL 26.05.22 | IN002021X546 | Sovereign | 10,000,000 | 994,650,000.00 | 7.50% | 11.54% |
| | 91 DAY T-BILL 02.06.22 | IN002021X553 | Sovereign | 10,000,000 | 993,721,000.00 | 7.49% | 11.53% |
| | 91 DAY T-BILL 16.06.22 | IN002021X579 | Sovereign | 7,500,000 | 744,194,250.00 | 5.61% | 8.63% |
| | Total of T-Bills | | | | 8,620,816,750.00 | 64.96% | 100.00% |
| (v) | Tri-Party Repo | | | | 1,232,132,542.45 | 9.29% | 100.00% |
| | Total (B) | | | | 13,116,165,692.45 | 98.83% | |
| C | TERM DEPOSITS PLACED AS MARGIN | | Duration (in Days) | | | | |
| | 3.75% FD HDFC (MD 04-10-22) | | 365 | | 20,000,000.00 | 0.15% | 23.53% |
| | 4.90% FD HDFC (MD 07-10-22) | | 365 | | 20,000,000.00 | 0.15% | 23.53% |
| | 4.90% FD HDFC (MD 10-10-22) | | 367 | | 10,000,000.00 | 0.08% | 11.76% |
| | 4.90% FD HDFC (MD 08-11-22) | | 365 | | 10,000,000.00 | 0.08% | 11.76% |
| | 5.00% FD HDFC (MD 19 12 2022) | | 367 | | 25,000,000.00 | 0.19% | 29.41% |
| | Total (C) | | | | 85,000,000.00 | 0.64% | 100.00% |
| D | OTHERS | | | | | | |
| | Net Current Assets | | | | 68,543,262.55 | 0.53% | 100.00% |
| | Total (D) | | | | 68,543,262.55 | 0.53% | 100.00% |
| | Grand Total (A+B+C+D) | | | | 13,269,708,955.00 | 100.00% | |

Parag Parikh Liquid Fund

Portfolio Statement as on March 31, 2021

| Sr. No. | Name of the Instrument | ISIN | Industry | Quantity | Market/Fair Value in Rs. | % to Net Assets | Percentage to Investment category |
|----------|---|--------------|--------------------|------------|--------------------------|-----------------|-----------------------------------|
| A | DEBT INSTRUMENTS | | | | | | |
| (i) | Listed / awaiting listing on Stock Exchanges | | | | Nil | Nil | |
| (ii) | Privately Placed / Unlisted | | | | Nil | Nil | |
| (iii) | Securitized Debt Instruments | | | | Nil | Nil | |
| | Total (A) | | | | 0.00 | 0.00 | |
| B | MONEY MARKET INSTRUMENTS | | | | | | |
| (i) | Government Securities | | | | | | |
| | 07.80% GOVT STOCK - 11 04 2021 | IN0020110022 | Sovereign | 9,500,000 | 951,227,400.00 | 7.65% | 51.21% |
| | 07.94% GOVT STOCK - 24 05 2021 | IN0020060318 | Sovereign | 9,000,000 | 906,141,600.00 | 7.29% | 48.79% |
| | Total of Gsec | | | | 1,857,369,000.00 | 14.94% | 100.00% |
| (ii) | State Development Loans | | | | | | |
| | 7.99% Punjab SDL-15.06.2021 | IN2820160058 | Sovereign | 7,500,000 | 756,983,250.00 | 6.09% | 100.00% |
| | Total of SDL | | | | 756,983,250.00 | 6.09% | 100.00% |
| (iii) | Commercial Papers (CP) / Certificate Of Deposit (CD) | | | | | | |
| | NTPC Ltd. CP - 22 Apr 2021 | INE733E14AB1 | ICRA A1+ | 1,000,000 | 99,812,500.00 | 0.80% | 22.28% |
| | EXIM CP - 16-Jun-2021 | INE514E14PA5 | CRISIL A1+ | 500,000 | 49,657,750.00 | 0.40% | 11.08% |
| | IOCL CP - 15 Apr 2021 | INE242A14SY5 | IND A1+ | 1,000,000 | 99,874,600.00 | 0.80% | 22.29% |
| | NABARD CD 10 Jun 2021 | INE261F16538 | CRISIL A1+ | 1,000,000 | 99,371,100.00 | 0.80% | 22.18% |
| | Axis Bank CD 10 Jun 2021 | INE238A163V8 | CRISIL A1+ | 1,000,000 | 99,370,200.00 | 0.80% | 22.18% |
| | Total of CP & CD | | | | 448,086,150.00 | 3.60% | 100.00% |
| (iv) | Treasury bills | | | | | | |
| | 364 DAY T-BILL 17.06.21 | IN002020Z113 | Sovereign | 7,500,000 | 744,893,250.00 | 5.99% | 8.30% |
| | 364 DAY T-BILL 24.06.21 | IN002020Z121 | Sovereign | 7,500,000 | 744,474,000.00 | 5.99% | 8.30% |
| | 182 DAY T-BILL 03.06.21 | IN002020Y348 | Sovereign | 7,500,000 | 745,875,750.00 | 5.99% | 8.31% |
| | 91 DAY T-BILL 01.04.21 | IN002020X415 | Sovereign | 15,000,000 | 1,500,000,000.00 | 12.07% | 16.72% |
| | 91 DAY T-BILL 15.04.21 | IN002020X431 | Sovereign | 10,000,000 | 998,839,000.00 | 8.03% | 11.13% |
| | 91 DAY T-BILL 22.04.21 | IN002020X449 | Sovereign | 7,500,000 | 748,686,000.00 | 6.02% | 8.35% |
| | 91 DAY T-BILL 29.04.21 | IN002020X456 | Sovereign | 7,500,000 | 748,248,750.00 | 6.02% | 8.34% |
| | 91 DAY T-BILL 06.05.21 | IN002020X464 | Sovereign | 10,000,000 | 997,036,000.00 | 8.02% | 11.11% |
| | 91 DAY T-BILL 13.05.21 | IN002020X472 | Sovereign | 10,000,000 | 996,386,000.00 | 8.01% | 11.11% |
| | 91 DAY T-BILL 27.05.21 | IN002020X498 | Sovereign | 7,500,000 | 746,330,250.00 | 6.00% | 8.32% |
| | Total of T-Bills | | | | 8,970,769,000.00 | 72.16% | 100.00% |
| (v) | Tri-Party Repo | | | | 1,044,616,652.20 | 8.40% | 100.00% |
| | Total (B) | | | | 13,077,824,052.20 | 105.18% | |
| C | TERM DEPOSITS PLACED AS MARGIN | | Duration (in Days) | | | | |
| | 5.10% FD HDFC (MD 07-10-21) | | 365 | | 20,000,000.00 | 0.16% | 30.78% |
| | 5.10% FD HDFC (MD 08-10-21) | | 366 | | 10,000,000.00 | 0.08% | 15.38% |
| | 5.00% FD HDFC (MD 08-11-21) | | 367 | | 10,000,000.00 | 0.08% | 15.38% |
| | 4.90% FD HDFC (MD 17 12 2021) | | 365 | | 25,000,000.00 | 0.20% | 38.46% |
| | Total (C) | | | | 65,000,000.00 | 0.52% | 100.00% |
| D | OTHERS | | | | | | |
| | Net Current Assets | | | | -710,727,492.97 | -5.72% | 100.00% |
| | Total (D) | | | | -710,727,492.97 | -5.72% | 100.00% |
| | Grand Total (A+B+C+D) | | | | 12,432,096,559.23 | 100.00% | |

PPFAS MUTUAL FUND
Historical Per Unit as on March 31, 2022
Annexure 3

| Per Unit Particulars (Rupees) | Parag Parikh Liquid Fund | Parag Parikh Liquid Fund | Parag Parikh Liquid Fund |
|--|--------------------------|--------------------------|--------------------------|
| | As on 31 Mar 2022 | As on 31 Mar 2021 | As on 31 Mar 2020 |
| Face Value | RS.1000/- | RS.1000/- | RS.1000/- |
| Number of Units | 11,172,796 | 10,816,591 | 3,532,068 |
| Avg Net asset | 14,110,558,193 | 8,835,394,992 | 3,230,461,259 |
| APP | | | - |
| Net Asset Value | | | |
| Regular Plan Growth | 1,186.7484 | 1,149.6731 | 1,114.7756 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 | 1,000.2078 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.3372 | 1,001.1574 | 1,001.1682 |
| Regular Plan- Monthly Reinvestment of IDCW | 1,003.3373 | 1,003.1568 | 1,003.1684 |
| Direct Plan Growth | 1,191.5019 | 1,153.1265 | 1,117.0102 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 | 1,000.2078 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.3456 | 1,001.1600 | 1,001.1705 |
| Direct Plan- Monthly Reinvestment of IDCW | 1,003.3456 | 1,003.1604 | 1,003.1710 |
| Income | | | |
| Other than profit on sale of investment | 49.14 | 31.41 | 52.91 |
| From profit on inter-scheme sales/transfer of investments (net) | - | - | - |
| From profit on sale of investment to third party (net) | (6.09) | (3.68) | (1.95) |
| Gross Income | 43.05 | 27.73 | 50.96 |
| Expenses & Losses | | | |
| Aggregate of expenses, write-off, amortization and charges | 2.61 | 1.58 | 1.66 |
| Net change in Unrealised appreciation/depreciation in value of investments | 0.02 | 1.04 | 0.76 |
| Gross Expenditure | 2.63 | 2.62 | 2.42 |
| Net Income | 40.42 | 25.11 | 48.54 |
| Unrealised appreciation / depreciation in value of investments | (0.77) | (1.14) | (0.31) |
| Ratio of expenses to average net assets | 0.21% | 0.19% | 0.18% |
| Ratio of gross income to average net assets | 3.41% | 3.40% | 5.57% |
| NAV | | | |
| Highest | | | |
| Regular Plan Growth | 1,186.7484 | 1,149.6731 | 1,114.7756 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 | 1,000.2078 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.6250 | 1,001.8739 | 1,002.4091 |
| Regular Plan- Monthly IDCW | 1,006.0601 | 1,006.1973 | 1,008.6833 |
| Direct Plan Growth | 1,191.5019 | 1,153.1265 | 1,117.0102 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 | 1,000.2078 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.6417 | 1,001.8932 | 1,002.4255 |
| Direct Plan- Monthly IDCW | 1,006.1531 | 1,006.2719 | 1,008.7799 |
| Lowest | | | |
| Regular Plan Growth | 1,149.9861 | 1,114.9527 | 1,056.8959 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.5295 | 1,000.2078 | 1,000.1239 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.0000 | 1,000.9372 | 1,000.9160 |
| Regular Plan- Monthly IDCW | 1,003.0000 | 1,002.9367 | 1,003.0000 |
| Direct Plan Growth | 1,153.4531 | 1,117.1938 | 1,057.9567 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.5325 | 1,000.2078 | 1,000.1248 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.0000 | 1,000.9426 | 1,000.9186 |
| Direct Plan- Monthly IDCW | 1,003.0000 | 1,002.9417 | 1,003.0000 |

| Per Unit Particulars (Rupees) | Parag Parikh Liquid Fund | Parag Parikh Liquid Fund | Parag Parikh Liquid Fund |
|---|--------------------------|--------------------------|--------------------------|
| | As on 31 Mar 2022 | As on 31 Mar 2021 | As on 31 Mar 2020 |
| Resale Price | | | |
| Highest | | | |
| Regular Plan Growth | 1,186.6653 | 1,149.5926 | 1,114.6976 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.4704 | 1,000.4704 | 1,000.2078 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.5549 | 1,001.8038 | 1,002.4091 |
| Regular Plan- Monthly IDCW | 1,005.9897 | 1,006.1269 | 1,008.6833 |
| Direct Plan Growth | 1,191.4185 | 1,153.0458 | 1,116.9320 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.4704 | 1,000.4704 | 1,000.2078 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.5716 | 1,001.8231 | 1,002.4255 |
| Direct Plan- Monthly IDCW | 1,006.0827 | 1,006.2015 | 1,008.7799 |
| | | | |
| Lowest | | | |
| Regular Plan Growth | 1,149.9056 | 1,114.8747 | 1,056.8959 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.4595 | 1,000.1378 | 1,000.0539 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,000.9299 | 1,000.8671 | 1,000.8459 |
| Regular Plan- Monthly IDCW | 1,002.9298 | 1,002.8665 | 1,002.9298 |
| Direct Plan Growth | 1,153.3724 | 1,117.1156 | 1,057.9567 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.4625 | 1,000.1378 | 1,000.0548 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,000.9299 | 1,000.8725 | 1,000.8485 |
| Direct Plan- Monthly IDCW | 1,002.9298 | 1,002.8715 | 1,002.9298 |
| | | | |
| Trading Price | | | |
| Highest | NA | NA | NA |
| Lowest | NA | NA | NA |
| | | | |
| Weighted Average Price Earning Ratio | NA | NA | NA |

PPFAS MUTUAL FUND
Key Statistics
Annexure 4

| Parag Parikh Liquid Fund | Period ended March 31, 2022 | Period ended March 31, 2021 |
|--|------------------------------------|------------------------------------|
| 1. NAV per unit (Rs.): | | |
| Open (NAV as on 01 April 2021) | | |
| Regular Plan Growth | 1,149.6731 | 1,114.7756 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.2078 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.1574 | 1,001.1682 |
| Regular Plan- Monthly IDCW | 1,003.1568 | 1,003.1684 |
| Direct Plan Growth | 1,153.1265 | 1,117.0102 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.2078 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.1600 | 1,001.1705 |
| Direct Plan- Monthly IDCW | 1,003.1604 | 1,003.1710 |
| High | | |
| Regular Plan Growth | 1,186.7484 | 1,149.6731 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.6250 | 1,001.8739 |
| Regular Plan- Monthly IDCW | 1,006.0601 | 1,006.1973 |
| Direct Plan Growth | 1,191.5019 | 1,153.1265 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.6417 | 1,001.8932 |
| Direct Plan- Monthly IDCW | 1,006.1531 | 1,006.2719 |
| Low | | |
| Regular Plan Growth | 1,149.9861 | 1,114.9527 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.5295 | 1,000.2078 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.0000 | 1,000.9372 |
| Regular Plan- Monthly IDCW | 1,003.0000 | 1,002.9367 |
| Direct Plan Growth | 1,153.4531 | 1,117.1938 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.5325 | 1,000.2078 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.0000 | 1,000.9426 |
| Direct Plan- Monthly IDCW | 1,003.0000 | 1,002.9417 |
| End | | |
| Regular Plan Growth | 1,186.7484 | 1,149.6731 |
| Regular Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 |
| Regular Plan- Weekly Reinvestment of IDCW | 1,001.3372 | 1,001.1574 |
| Regular Plan- Monthly IDCW | 1,003.3373 | 1,003.1568 |
| Direct Plan Growth | 1,191.5019 | 1,153.1265 |
| Direct Plan- Daily Reinvestment of IDCW | 1,000.5404 | 1,000.5404 |
| Direct Plan- Weekly Reinvestment of IDCW | 1,001.3456 | 1,001.1600 |
| Direct Plan- Monthly IDCW | 1,003.3456 | 1,003.1604 |
| 2. Closing Assets Under Management (Rs. in Lakhs) | | |
| End | 132,697.09 | 124,320.97 |
| Average (AAuM) ¹ | 141,105.58 | 88,353.95 |
| 3. Gross income as % of AAuM ² | 3.41 | 3.40 |
| 4. Expense Ratio: | | |
| a. Total Expense as % of AAuM (plan wise) | | |
| - Regular Plan | 0.26 | 0.26 |
| - Direct Plan | 0.16 | 0.16 |
| b. Management Fee as % of AAuM (plan wise) | | |
| - Regular Plan | 0.05 | 0.04 |
| - Direct Plan | 0.05 | 0.04 |
| 5. Net Income as a percentage of AAuM ³ | 3.20 | 3.20 |
| 6. Portfolio turnover ratio ⁴ | 3.98 | 3.24 |

| Parag Parikh Liquid Fund | Period ended March 31, 2022 | Period ended March 31, 2021 |
|---|------------------------------------|------------------------------------|
| 7. Total Dividend per unit distributed during the year / period (plan wise) | | |
| Regular Daily Dividend -Individual/HUF | 31.895001 | 30.488576 |
| Regular Daily Dividend -Others | 31.895001 | 30.488576 |
| Regular Weekly Dividend -Individual/HUF | 31.606620 | 30.877049 |
| Regular Weekly Dividend -Others | 31.606620 | 30.877049 |
| Regular Monthly Dividend -Individual/HUF | 31.697829 | 30.963384 |
| Regular Monthly Dividend -Others | 31.697829 | 30.963384 |
| Direct Daily Dividend - Individual/HUF | 32.921121 | 31.477292 |
| Direct Daily Dividend - Others | 32.921121 | 31.477292 |
| Direct Weekly Dividend - Individual/HUF | 32.593968 | 31.876973 |
| Direct Weekly Dividend - Others | 32.593968 | 31.876973 |
| Direct Monthly Dividend - Individual/HUF | 32.695160 | 31.969720 |
| Direct Monthly Dividend - Others | 32.695160 | 31.969720 |
| 8. Returns: | | |
| a. Last One Year (%) | | |
| Scheme | | |
| - Regular Plan | 3.22 | 3.13 |
| - Direct Plan | 3.33 | 3.23 |
| Benchmark - CRISIL Liquid Fund Index | 3.68 | 4.07 |
| Additional Benchmark - CRISIL 1 Year T-Bill Index | 3.76 | |
| b. Since Inception (%) | | |
| Scheme | | |
| - Regular Plan | 4.50 | 4.94 |
| - Direct Plan | 4.61 | 5.05 |
| Benchmark - CRISIL Liquid Fund Index | 5.39 | 5.99 |
| Additional Benchmark - CRISIL 1 Year T-Bill Index | 5.82 | |

1. AAuM=Average daily net assets

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

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

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

Sudit K. Parekh & Co. LLP

Chartered Accountants

Independent Auditor's Report

To the Trustees of
PPFAS Mutual Fund - **Parag Parikh Conservative Hybrid Fund**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Scheme Parag Parikh Conservative Hybrid Fund (the "Scheme") which comprise the Balance Sheet as at 31 March 2022, the Revenue Account for the period 28 May 2021 to 31 March 2022 and the Cash Flow Statement for the period 28 May 2021 to 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Scheme as at 31 March 2022;
- (b) In the case of the Revenue Account, of the surplus for the period from 28 May 2021 to 31 March 2022; and
- (c) In the case of Cash Flow Statement, of the cash flows for the period from 28 May 2021 to 31 March 2022.

Basis for Opinion

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

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

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

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

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

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

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Mumbai | Pune | Gurugram | Bengaluru | Hyderabad

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

Sudit K. Parekh & Co. LLP

Chartered Accountants

Responsibilities of Management for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Scheme in accordance with accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the SEBI Regulations for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent, the design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Sudit K. Parekh & Co. LLP

Chartered Accountants

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the SEBI Regulations, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations; and
 - c) The balance Sheet, the revenue account and the cash flow Statement dealt with by this report are in agreement with the books of account of the Scheme.

- 2) As required by the Eighth Schedule of the SEBI Regulations, we report that:
 - a) In our opinion, and on the basis of information and explanations given to us, the methods used to value non-traded securities as at 31 March 2022 are in accordance with the SEBI Regulations and guidelines, valuation policy and other guidelines approved by the Board of Directors of PPFAS Trustee Company Private Ltd and are fair and reasonable.

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

Chartered Accountants

ICAI Firm Registration No: 110512W/W100378

Sd/-

Durgaprasad S. Khatri

Partner

Membership No: 016316

ICAI UDIN No: 22016316ALXHRC1595

Place: Mumbai

Date: 29th June, 2022

6th Floor, Urmi Axis Building, Famous Studio Lane, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011, India
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PPFAS MUTUAL FUND
Cash Flow Statement for the year ended 31 March 2022

| | Parag Parikh Conservative Hybrid Fund | Parag Parikh Conservative Hybrid Fund | |
|-----------|--|---------------------------------------|------------------------|
| | | May 28, 2021 to Mar 31, 2022 | |
| | | Amount (Rs.) | |
| A. | Cashflow from operating activities | | |
| | Surplus for the Year | | 301,116,173 |
| | Add: Unrealised appreciation in value of investments | | 48,539,480 |
| | Net Surplus for the year | | 349,655,653 |
| | Adjustments for:- | | |
| | (Increase)/Decrease in investments | | (7,547,904,801) |
| | (Increase)/Decrease in other current assets | | (137,014,639) |
| | Increase/(Decrease) in current liabilities | | 4,714,271 |
| | (Increase)/Decrease in deposits | | - |
| | Net cash used in operations | (A) | (7,330,549,516) |
| B | Cashflow from financing activities | | |
| | Increase/(Decrease) in unit capital | | 7,317,555,352 |
| | Increase/(Decrease) in unit premium reserve | | 49,626,136 |
| | Transfer (to)/from Equalisation reserve | | 118,363,006 |
| | Increase/(Decrease) in redemption payable for units redeemed by investors | | 1,595,654 |
| | (Increase)/Decrease in subscription receivable for units issued to investors | | - |
| | Dividend paid (including tax thereon) | | (2,485,346) |
| | Net cash generated from financing activities | (B) | 7,484,654,802 |
| | Net Increase/(Decrease) in cash and cash equivalents | (A+B) | 154,105,286 |
| | Cash and Cash Equivalents as at the beginning of the year | | - |
| | Cash and Cash Equivalents as at the close of the year | | 154,105,286 |
| | Component of cash and cash equivalents | | |
| | Balances with Banks in Current Account | | 19,127,508 |
| | Deposit with scheduled banks | | 45,000,000 |
| | Tri Party Repo (TREPS) | | 89,977,778 |
| | Total | | 154,105,286 |

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

As per our Report of even date

For and on behalf of PPFAS Trustee Company Private Limited

For Sudit K Parekh & Co.LLP
Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh
(CEO and Director)

Sd/-

Rajeev Thakkar
(CIO and Director)

Sd/-

Raunak Onkar
(Fund Manager)

Sd/-

Raj Mehta
(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

| Parag Parikh Conservative Hybrid Fund | | May 28, 2021 to Mar 31, 2022 |
|---|-----|------------------------------|
| | | Amount (Rs.) |
| INCOME | | |
| Interest | 'G' | 248,616,901 |
| Dividend | 'H' | 65,364,650 |
| Exit Load | | 5,379,109 |
| Miscellaneous Income | | 210 |
| Profit on sale of future | | 348,829 |
| Total (A) | | 319,709,699 |
| EXPENSES AND LOSSES | | |
| Loss on sale / redemption of investments (other than inter Scheme transfer) | | 1,851,518 |
| Commission to Agent | | 3,428,823 |
| Investor education and awareness expenses | | 872,193 |
| Management fees | | 4,296,350 |
| Goods and Service Tax on Management Fees | | 773,343 |
| Trustee Fees | | 58,673 |
| Custody Fees | | 116,930 |
| Registrar & Transfer Agent Fees | | 2,036,024 |
| Audit Fees | | 61,360 |
| Other Operating expenses | | 5,098,311 |
| Total (B) | | 18,593,525 |
| Surplus for the Year (A-B) | | 301,116,174 |
| Change in unrealised depreciation in the value of investments/derivatives | | (135,903,477) |
| Surplus for the Year | | 165,212,697 |
| Add/Less: Income Equalisation Account | | 118,363,006 |
| | | 283,575,703 |
| Change in unrealised appreciation in the value of investments/derivatives | | 184,442,957 |
| Less: Amount transferred to Unrealised Appreciation Reserve Account | | (184,442,957) |
| Dividend Distribution | | (2,485,346) |
| Dividend Distribution Tax | | |
| Net surplus transferred to Revenue Reserve | | 281,090,357 |

Significant Accounting Policies and Notes forming part of Accounts

As per our Report of even date

For Sudit K Parekh & Co.LLP

Chartered Accountants

Firm Registration Number. 110512W / W100378

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

For and on behalf of PPFAS Trustee Company Private Limited

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO and Director)

Sd/-

Raunak Onkar

(Fund Manager)

Sd/-

Raj Mehta

(Fund Manager)

Date: June 29, 2022

Place : Mumbai

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

| Parag Parikh Conservative Hybrid Fund | 31 Mar 2022 | |
|--|------------------------|----------------------|
| | Units | Amount (Rs.) |
| SCHEDULE 'A' | | |
| UNIT CAPITAL | | |
| Initial Capital Issued and Subscribed: | | |
| (Face Value of Rs. 10 Each fully paid up) | 183,697,204.979 | 1,836,972,050 |
| | | |
| Unit Capital (At the beginning of the year) | - | - |
| Add : Subscription during the year / period | 811,499,655.028 | 8,114,996,550 |
| Less : Redemption during the year / period | 79,744,119.776 | 797,441,197 |
| | | |
| Unit Capital (At the end of the year) | 731,755,535.252 | 7,317,555,353 |

As per our Report of even date

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

| Parag Parikh Conservative Hybrid Fund | 31 Mar 2022 | |
|--|--------------|--------------------|
| | Amount (Rs.) | |
| SCHEDULE 'B' | | |
| Reserves & Surplus | | |
| Unit Premium Reserve | | |
| Opening Balance | | - |
| Add / (Less) : Discount / Premium on units repurchased/sold during the year / period | | 49,626,136 |
| Closing Balance | | 49,626,136 |
| Unrealised Appreciation in the value of investments | | |
| Opening Balance | | |
| Less: Reversed during the year | | - |
| Add: Unrealised appreciation as at year end | | 184,442,956 |
| Closing Balance | | 184,442,956 |
| Revenue Reserve | | |
| Opening Balance | | - |
| Net Surplus / (deficit) transferred from Revenue Account | | 281,090,357 |
| Closing Balance | | 281,090,357 |
| Total Reserves & Surplus | | 515,159,449 |

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

| Parag Parikh Conservative Hybrid Fund | 31 Mar 2022 |
|---|----------------------|
| | Amount (Rs.) |
| SCHEDULE 'C' | |
| CURRENT LIABILITIES & PROVISIONS | |
| Current Liabilities: | |
| Statutory Dues Payables | 309,610 |
| Investor Education Fees - Payable | 65,823 |
| Contracts for Purchase of Investments | - |
| Units Redemption Payable | 1,595,654 |
| Payable to PPFAS Asset Management Private Limited (Net of receivable) | 1,633,871 |
| Pending Unit Allotment | 528,010 |
| Other Payables | 2,176,956 |
| Total | 6,309,925 |
| SCHEDULE 'D' | |
| INVESTMENTS | |
| Equity Shares | 987,760,580 |
| Government Securities | 98,652,700 |
| Non Convertible Debentures | 50,607,000 |
| Real Estate Investment Trust | 679,299,421 |
| State Development Loans | 5,731,585,100 |
| Total | 7,547,904,801 |
| SCHEDULE 'E' | |
| DEPOSITS | |
| Deposit with Scheduled banks | 45,000,000 |
| Total | 45,000,000 |
| SCHEDULE 'F' | |
| OTHER CURRENT ASSETS | |
| Balances with Banks in Current Account | 19,127,508 |
| Accrued Interest on Deposits | 1,903,927 |
| Future Margin Receivable | 386 |
| Inter Fund Dues | 333,809 |
| Margin for Futures and Options Transactions | 3,849,418 |
| Other Receivable | 4,674 |
| Outstanding and Accrued Income | 129,683,961 |
| Margin deposit with Clearing Corporation of India Ltd. | 1,210,000 |
| Prepaid Stamp Duty | 28,464 |
| Tri Party Repo (TREPS) | 89,977,778 |
| Total | 246,119,925 |

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

| Parag Parikh Conservative Hybrid Fund | 31 Mar 2022 |
|---|--------------------|
| | Amount (Rs.) |
| SCHEDULE 'G' | |
| INTEREST | |
| Interest Income-Government Securities | 3,237,250 |
| Interest Income-Fixed Deposits | 1,466,846 |
| Interest Income-Margin Fixed Deposits | 437,081 |
| Interest Income - State Development Loans | 235,492,944 |
| Interest Income - TREPS | (3,043) |
| Interest Income - CCIL Margin | 20,751 |
| Interest Income - NCD | 3,132,740 |
| Amortization Income - Tri-Party Repo | 4,832,332 |
| Total | 248,616,901 |

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

| Parag Parikh Conservative Hybrid Fund | 31 Mar 2022 |
|---------------------------------------|-------------------|
| | Amount (Rs.) |
| SCHEDULE 'H' | |
| DIVIDEND | |
| Dividend Income - EQU | 41,408,648 |
| Dividend Income - REIT | 23,956,002 |
| Total | 65,364,650 |

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

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

| Scheme Name | Nature of Scheme | Allotment Date | Options | Investment Objective |
|---------------------------------------|---|----------------|--|--|
| Parag Parikh Conservative Hybrid Fund | An open-ended hybrid scheme investing predominantly in debt instruments | 26th May 2021 | Regular Plan - Growth Option Regular Plan - Monthly IDCW Option Direct Plan - Growth Option Direct Plan - Monthly IDCW Option | To generate regular income through investments predominantly in debt and money market instruments. The Scheme also seeks to generate long term capital appreciation from the portion of equity investments under the scheme. However, there is no assurance or guarantee that the investment objective of the Scheme will be realized. |

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

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

b) Portfolio Valuation

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

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

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

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

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

2. Inter scheme Transfers:

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

3. Exceptional events:

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

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

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

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

4. Deviation:

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

5. Record Maintenance:

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

6. Disclosure:

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

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

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

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

* In case of non-availability of price from the principal stock exchange for i.e. National Stock Exchange (NSE) on time, prices as quoted on Bombay Stock Exchange (BSE) will be used for valuation purpose. In exceptional scenarios wherein due to technical

reasons if closing price is not available of a security traded on principal stock exchange on a particular day, then the last traded price on that day (latest available price) of that security on principal stock exchange will be considered for valuation. Secondly, if the latest available traded price is of a trade carried out by PPFAS AMC on behalf of its schemes on that particular day, then that trade price can be considered for valuation in the absence of availability of closing price / last traded price on principal stock exchange.

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

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

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

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

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

Shares on De-merger and Other Corporate Action Events –

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

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

ii) Preference Shares –

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

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

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

iii) Warrants –

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

iv) Right entitlements –

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

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

II. Money Market, Debt & Debt Related Instruments

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

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

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

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

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

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

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

Consideration of traded price for valuation:

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

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

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

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

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

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

- (i) The treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default, is detailed below:
 - a. The indicative haircut that has been applied to the principal should be applied to any accrued interest.
 - b. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.

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

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

Others:

| Security Type | Valuation Policy |
|---------------------------|--|
| Listed Mutual Funds Units | <p>Valuation will be at the closing price at the principal stock exchange*.</p> <p>If units are not traded on principal stock exchange on a particular valuation day, the closing price on any other stock exchange where units are traded will be used.</p> <p>If units are not traded on any stock exchange on a particular valuation day, then NAV per unit will be used for valuation.</p> |

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

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

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

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

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

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

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

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

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

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

B. Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

i) Securities with Call Option:

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

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

ii) Securities with Put Option:

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

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

iii) Securities with both Put and Call Option:

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

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

In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.

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

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

C. Treatment of Upfront Fees on Trades:

i) Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.

ii) Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.

iii) For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment.

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

D. Segregate Portfolio valuation:

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

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

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

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

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

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

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

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

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

Valuation of Foreign Securities:

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

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

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

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

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

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

Valuation of IDR/ADR/ GDR:

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

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

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

c) Investment Transactions

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

d) Recognition of Revenue and Treatment of Expenses

- I. For quoted investments, Dividend income earned by a scheme are recognised, on the date the share is quoted on an ex-dividend basis. Dividend on unquoted investments is recognised on date of declaration.
 - II. In respect of all interest-bearing investments, income is accrued on a day to day basis as it is earned ,except for Interest on CCIL Margin Money placed for TREPS trades is accounted on receipt basis.
 - III. Income on Treasury Bills and Government Securities are amortised on a straight-line basis over the period up to redemption.
 - IV. The net unrealised gain / loss in the value of investments is determined separately for each class of investment.
 - V. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method is followed by the scheme.
 - VI. All expenses are accounted on accrual basis.
- e) The fund does not isolate that portion of the change in investment valuation resulting from changes in the foreign exchange rates from the fluctuations arising from changes in the local market prices of securities held. Such fluctuations are included in unrealised appreciation or depreciation on investments.

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

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

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

g) Determination of net asset values

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

h) PPFAS AMC and PPFAS Mutual Fund has complied with the SEBI circular no. CIR/IMD/DF/21/2012 dated 13.09.2012.

i) Load Charges

In accordance with SEBI circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, the scheme has not charged any Entry Load on investments made into it.

Based on SEBI notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012 Exit Load collected is credited to the Scheme, net of Good & Service tax and is considered as income of the Scheme in determining the NAV (Net Asset Value). Entry Load: Nil ; Exit Load: In respect of each purchase / switch-in of Units, 10% of the units ("the limit") may be redeemed without any exit load from the date of allotment.

Any redemption or switch-out in excess of the limit shall be subject to the following exit load:

- Exit load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment of units.
- No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.

J) Note on Cash Flow:

I. Cash and cash equivalents (for the purpose of cash flow statement)

Cash and cash equivalents includes balances in banks current account, deposits placed with schedule banks (with original maturity up to three months) and Tri-party Repo (TREPS).

II. Cash Flow Statement:

The cash flow statement has been prepared under the indirect method set out in accounting standard ("AS") - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India ("ICAI").

k) Treatment of change in unrealised appreciation/depreciation in value of investments:

The net unrealised appreciation / depreciation in the value of investments is determined separately for each category of investments. The change in net unrealised gain/loss, if any, between two balance sheet dates is recognized in the revenue account and thereafter the net unrealised gain, if any, is transferred to the unrealised appreciation reserve.

l) Dividend distribution:

Income distribution during the financial year was made from the distributable surplus of year's / period's earnings and accumulated reserves of earlier years.

3) Net Asset Value (NAV) per unit as at the year end is as follows :

| SCHEME NAME | Parag Parikh Conservative Hybrid Fund | |
|----------------------------|---------------------------------------|---------|
| | March 31, 2022 | |
| | NAV | SALE |
| Regular Growth Plan | 10.6892 | 10.6892 |
| Regular Plan- Monthly IDCW | 10.1997 | 10.1997 |
| Direct Growth Plan | 10.7166 | 10.7166 |
| Direct Plan- Monthly IDCW | 10.1016 | 10.1016 |

4) As at the year end, the details of investments are as under:

| SCHEME NAME | March 31, 2022 |
|--|---------------------------|
| | Market / Fair Value (Rs.) |
| Parag Parikh Conservative Hybrid Fund | |
| Equity Shares | 987,760,580 |
| Government Securities | 98,652,700 |
| Non Convertible Debentures | 50,607,000 |
| Real Estate Investment Trust | 679,299,421 |
| State Development Loans | 5,731,585,100 |
| Total | 7,547,904,801 |

- 5) Total value of investments falling under each major industry group and exceeding 5% of the total investments in each major classification is as under :

a) As on March 31, 2022

| SCHEME NAME | Market /Fair Value as on March 31, 2022 | % of Classification as on March 31, 2022 |
|---|--|---|
| Parag Parikh Conservative Hybrid Fund | | |
| Indian Equities / Equity related instruments | | |
| Construction | 679,299,421 | 39.55 |
| Power | 250,858,656 | 14.60 |
| Minerals/Mining | 217,029,572 | 12.64 |
| Consumer Non Durables | 209,147,373 | 12.18 |
| Auto | 195,212,667 | 11.36 |
| Gas | 166,119,313 | 9.67 |
| Total | 1,717,667,002 | 100.00 |

- 6) The details of the unrealised appreciation, included in Revenue Reserve, are as under

| Scheme Name | March 31, 2022 |
|---------------------------------------|-----------------------|
| | Rs. |
| Parag Parikh Conservative Hybrid Fund | 184,442,957 |

- 7) The scheme has exposure in Stock / Index Future Derivative as on : Nil

- 8) The details of the management fees (exclusive of Good & Service Tax) paid by the scheme to PPFAS Mutual Fund, are as under:

| Scheme Name | March 31, 2022 | |
|--|-----------------------|----------------------|
| Parag Parikh Conservative Hybrid Fund | Rs. | % of Avg. AUM |
| Management Fees | 4,296,350 | 0.08 |

Note: No management fee has been charged on the investments made by the Asset Management Company in the units of the scheme.

- 9) The aggregate value of purchases and sales of investments and income and expenditure during the year expressed as a % of average daily net assets is as under :

| Parag Parikh Conservative Hybrid Fund | March 31, 2022 | |
|--|-----------------------|-------------------|
| | Rs. | % as above |
| Purchases | 7,769,439,566 | 151.31 |
| Sales | 151,511,508 | 2.95 |
| Income | 319,360,870 | 6.22 |
| Expenditure | 16,742,008 | 0.33 |

Note:

- Income excludes net change in unrealized gain/loss in value of investments, profit on sale thereof and provisions written back. Expenditure excludes net change in unrealized gain/loss in value of investments and loss on sale thereof.
- Purchase excludes FD, Future & Options and TREPS. Sales excludes Future & Options and Maturity.

- 10) **Note on margin deposit money:**

| Parag Parikh Conservative Hybrid Fund | Deposits made towards Tri Party Repo (TREPS) | Margin Deposits with Axis bank |
|--|---|---------------------------------------|
| Financial Year 2021-2022 | 1,210,000 | 3,849,418 |

- 11) **Principal Bank:** The AMC has engaged services of DBS Bank India Limited as on March 31, 2022.

- 12) **Registrar and Transfer Agent (R & T):** The AMC has appointed Computer Age Management Services Limited (CAMS) to provide services as RTA to the schemes of PPFAS Mutual Fund. These services includes back office data processing, unit holders' account maintenance and front office maintenance.
- 13) **Custodian:** The Trustee to PPFAS Mutual Fund has appointed DBS Bank India Limited as Custodian to scheme(s) PPFAS Mutual Fund.
- 14) Trusteeship fee of INR 0.59 Lakhs is paid by the Scheme which is 0.01% per annum of the average daily/weekly net assets of the Fund subject to a maximum of Rs. 25 lakhs across all Schemes of PPFAS Mutual Fund.
- 15) The income of the Mutual Fund is exempt from income tax, as per Section 10(23D) of the Income Tax Act, 1961. Accordingly, no provision for income tax has been made in the Revenue Account.
- 16) Details of transactions with the associates, in terms of regulation 25(7) and 25(8) of SEBI (Mutual Fund) Regulations, 1996 is provided in the **Annexure 1**.
- 17) As on March 31, 2022 there are no underwriting commitments.
- 18) **Segment Reporting:** The Scheme is primarily engaged in the business of investing the funds received from investors as unit capital, in accordance with its investment objectives, as stated in the Scheme Information Document (SID) to generate returns. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard (AS) - 17, issued by the Institute of Chartered Accountants of India have not been made.
- 19) There are no Unit Holders holding over 25% of the Net Asset Value of the Scheme as at March 31, 2022
- 20) The details of unclaimed redemption and Divided is Nil as on March 31, 2022.
- 21) The scheme has not made any investment in repo transactions in corporate debt securities as on March 31, 2022
- 22) The Scheme hold Investments in the name of the Schemes / Trustees for the benefits of the Scheme's Unitholders
- 23) Contingent liabilities as on 31st March 2022 is Nil.
- 24) Disclosure under Regulation 25(11) of SEBI (Mutual Fund) Regulation 1996, in respect of investments made by the scheme in companies or their subsidiaries, that have invested more than 5% of net assets of the scheme for period ended March 31, 2022: NIL.
- 25) Disclosure of transactions in accordance with Accounting Standard 18 "Related party Transactions" and as per Regulation 25(8) of SEBI (Mutual Fund) Regulations 1996, is provided in **Annexure 1**.
- 26) Portfolio disclosure for derivative positions pursuant to SEBI Circular no. CIR/IMD/DF/11/2010 dated August 18, 2010, is as per **Annexure 2**.
- 27) Complete portfolio of the Scheme is provided in **Annexure 3**.
- 28) Perspective historical per unit statistics: Refer **Annexure 5**.
- 29) Pursuant to SEBI Circular dated 22nd October, 2018 it was mandatory to charge scheme expenses to respective Scheme and not to be routed through AMC. Therefore this change in the system of charging expenses was carried out.
- 30) Investments in Associates and Group Companies as on March 31, 2022 : Nil
- 31) Details of securities classified as below investment grade or default as on March 31, 2022 : Nil
- 32) **Investor Education & Awareness Initiative (IEAI) :** An annual charge of 2 basis points (0.02 % p.a.) of daily net assets , being part of total recurring expenses is set aside for IEAI as mandated by SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. The said balance is transferred on periodic basis to separate bank account maintained for the purpose. These funds are utilised by the AMC in accordance with SEBI Regulations and the policy approved by the Trustees

Movement of IEAI balances for PPFAS Mutual Fund during the financial year ended Mar 31, 2022 is as follows:

| Particulars | Amount in INR |
|--|-------------------|
| | FY 2021-22 |
| Opening Balance | 438,365.27 |
| Add: Amount transfer to a separate account of Investor Education Fund during the Year | 34,148,772.70 |
| Less: Amount Transfer to AMFI during the Year | 16,491,038.00 |
| Less: Amount Utilized for Investor Education Expenses during the Year | 18,090,565.32 |
| Closing Balance | 5,534.65 |

33) Prior period figures have been reclassified and regrouped, wherever applicable to conform to current year presentation - Not Applicable as Scheme has been launched in May 2021.

As per our Report of even date

For Sudit K Parekh & Co.LLP

Chartered Accountants

Firm Registration Number 110512W / W100378

For and on behalf of PPFAS Trustee Company Private Limited

Sd/-

(D. S. Khatri)

Partner

Membership Number 16316

Sd/-

Dhaval Desai

(Director)

Sd/-

Suneel Gautam

(Director)

For and on behalf of PPFAS Asset Management Private Limited

Sd/-

Neil Parag Parikh

(CEO and Director)

Sd/-

Rajeev Thakkar

(CIO and Director)

Sd/-

Raunak Onkar

(Fund Manager)

Sd/-

Raj Mehta

(Fund Manager)

Date: June 29, 2022

Place : Mumbai

Annexure I
Parag Parikh Conservative Hybrid Fund
Details of payments to associate/group companies

Brokerage paid to associates/related parties/group companies of Sponsor/AMC is as under:

| Name of associate/related parties/ group companies of Sponsor/AMC | Nature of Association/Nature of relation | Period covered | Value of transaction (in Rs. & % of total value of transaction of the fund) | | Brokerage (Rs. & % of total brokerage paid by the fund) | |
|--|--|----------------|---|---|--|---|
| | | | Rs. | % | Rs. | % |
| NIL | | | | | | |

Commission paid to associates/related parties/group companies of sponsor/AMC is as under :

| Name of associate/related parties/ group companies of Sponsor/AMC | Nature of Association/Nature of relation | Period covered | Business Given (Rs. & % of total value of transaction of the fund) | | Commission paid(Rs. & % of total commission paid by the fund) | |
|--|--|-------------------------------------|---|------|---|------|
| | | | Rs. Cr. | % | Rs. Cr. | % |
| Mrs. Rita Kiritkumar Mehta (ARN-0688) | Relative of AMC employee | May 28, 2021 -to- March 31, 2022 | 0.54 | 0.12 | *0.00 | 0.67 |

* Amount is less than Rs.1 lakh hence, appearing as zero.

| Name of associate/related parties/group companies of Sponsor/AMC | Nature of Transactions | Period covered | Transaction Value |
|---|------------------------|------------------------|-------------------|
| | | | Rs. |
| PPFAS Asset Management Private Limited | Management Fees Paid | 28.5.2021 to 31.3.2022 | 4,296,350 |

Annexure 2
Parag Parikh Conservative Hybrid Fund
Portfolio disclosure for derivative positions.

A. Hedging Positions through Futures as on 31-March-2022 : Nil

B. Other than Hedging Positions through Futures as on 31-March-2022 : Nil

C. Hedging Position through Put Option as on 31-March-2022 : Nil

D. Other than Hedging Positions through Options as on 31-March-2022 :

| Underlying | Call/Put | Number of Contracts | Option Price when purchased (Rs. Per unit) | Current Option Price (Rs. Per unit) |
|---|----------|---------------------|--|--------------------------------------|
| Nil | | | | |
| Total exposure through options as a % of net assets : Nil | | | | |

Details of non-hedging transactions through options which have already been exercised/expired are as under:

| Scheme Name | Total Number of contracts entered into | Gross National Value of contracts (Rs. In Lakhs) | Net Profit/(Loss) value on all contracts (Rs. In Lakhs) |
|---------------------------------------|--|--|---|
| Parag Parikh Conservative Hybrid Fund | 40 | 490.64 | 3.50 |

E. Hedging Positions through swaps as on 31-March-2022: Nil

Annexure 3
Parag Parikh Conservative Hybrid Fund

Portfolio Statement as on March 31,2022

| Name of the Instrument | ISIN | Industry | Quantity | Market/Fair Value in Rs. | % to Net Assets | Percentage to Investment category |
|---|--------------|-----------------------|-----------|--------------------------|-----------------|-----------------------------------|
| Equity & Equity related | | | | | | |
| (a) Listed / awaiting listing on Stock Exchanges | | | | | | |
| Bajaj Auto Limited | INE917101010 | Auto | 53,439 | 195,212,667 | 2.49% | 19.76% |
| ITC Limited | INE154A01025 | Consumer Non Durables | 834,420 | 209,147,373 | 2.67% | 21.17% |
| Petronet LNG Limited | INE347G01014 | Gas | 857,390 | 166,119,312 | 2.12% | 16.82% |
| Coal India Limited | INE522F01014 | Minerals/Mining | 1,185,630 | 217,029,572 | 2.77% | 21.97% |
| Power Grid Corporation of India Limited | INE752E01010 | Power | 923,670 | 200,251,656 | 2.56% | 20.28% |
| Total | | | | 987,760,580 | 12.61% | 100.00% |
| REIT | | | | | | |
| Embassy Office Parks Reit | INE041025011 | Construction | 546,365 | 203,111,189 | 2.59% | 29.90% |
| Brookfield India Real Estate Trust | INE0FDU25010 | Construction | 974,950 | 305,295,843 | 3.90% | 44.94% |
| Mindspace Business Parks Reit | INE0CCU25019 | Construction | 493,139 | 170,892,389 | 2.18% | 25.16% |
| Sub Total | | | | 679,299,421 | 8.67% | 100.00% |
| B MONEY MARKET INSTRUMENTS | | | | | | |
| (a) Government Securities | | | | | | |
| 05.63% GOVT STOCK - 12 04 2026 | IN0020210012 | Sovereign | 1,000,000 | 98,652,700 | 1.26% | 100.00% |
| Total of Gsec | | | | 98,652,700 | 1.26% | 100.00% |
| (b) State Development Loans | | | | | | |
| 08.11% Chhattisgarh SDL-31.01.2028 | IN3520170041 | Sovereign | 500,000 | 52,825,050 | 0.67% | 0.92% |
| 07.65% Tamilnadu SDL-06.12.2027 | IN3120170094 | Sovereign | 1,000,000 | 104,343,300 | 1.33% | 1.82% |
| 08.34% Tamilnadu SDL-28.02.2028 | IN3120170136 | Sovereign | 500,000 | 53,526,600 | 0.68% | 0.93% |
| 08.73% Uttar Pradesh SDL-10.10.2028 | IN3320180042 | Sovereign | 500,000 | 54,475,800 | 0.70% | 0.95% |
| 08.17% Gujarat SDL-19.12.2028 | IN1520180226 | Sovereign | 500,000 | 53,162,300 | 0.68% | 0.93% |
| 08.56% Maharashtra SDL-11.07.2028 | IN2220180037 | Sovereign | 500,000 | 54,052,500 | 0.69% | 0.94% |
| 08.53% Gujarat SDL-20.11.2028 | IN1520180192 | Sovereign | 500,000 | 54,077,050 | 0.69% | 0.94% |
| 08.37% Madhya Pradesh SDL-05.12.2028 | IN2120180095 | Sovereign | 1,000,000 | 107,270,500 | 1.37% | 1.87% |
| 08.08% Tamilnadu SDL-26.12.2028 | IN3120180200 | Sovereign | 1,500,000 | 158,902,950 | 2.03% | 2.77% |
| 08.08% Maharashtra SDL-26.12.2028 | IN2220180052 | Sovereign | 1,500,000 | 158,914,500 | 2.03% | 2.77% |
| 08.43% Uttar Pradesh SDL-06.03.2029 | IN3320180174 | Sovereign | 500,000 | 53,718,250 | 0.69% | 0.94% |
| 08.39% Uttar Pradesh SDL-13.03.2029 | IN3320180182 | Sovereign | 500,000 | 53,619,100 | 0.68% | 0.94% |
| 08.28% Gujarat SDL-20.02.2029 | IN1520180291 | Sovereign | 500,000 | 53,387,750 | 0.68% | 0.93% |
| 08.61% Punjab SDL-14.11.2028 | IN2820180106 | Sovereign | 500,000 | 54,250,250 | 0.69% | 0.95% |
| 08.08% Gujarat SDL-26.12.2028 | IN1520180234 | Sovereign | 500,000 | 52,958,250 | 0.68% | 0.92% |
| 08.19% Odisha SDL-09.05.2028 | IN2720180032 | Sovereign | 500,000 | 53,113,700 | 0.68% | 0.93% |
| 08.45% Uttar Pradesh SDL-27.02.2029 | IN3320180166 | Sovereign | 1,000,000 | 107,521,000 | 1.37% | 1.88% |
| 08.09% West Bengal SDL-27.03.2028 | IN3420170216 | Sovereign | 500,000 | 52,866,550 | 0.67% | 0.92% |
| 08.28% Tamilnadu SDL-21.02.2028 | IN3120170128 | Sovereign | 500,000 | 53,373,050 | 0.68% | 0.93% |
| 08.05% Tamilnadu SDL-18.04.2028 | IN3120180010 | Sovereign | 1,500,000 | 158,342,100 | 2.02% | 2.76% |
| 07.92% Uttar Pradesh SDL-24.01.2028 | IN3320170175 | Sovereign | 2,500,000 | 262,240,500 | 3.35% | 4.58% |
| 08.39% Andhra Pradesh SDL-23.05.2028 | IN1020180080 | Sovereign | 500,000 | 53,603,700 | 0.68% | 0.94% |
| 08.42% Madhya Pradesh SDL-08.08.2028 | IN2120180053 | Sovereign | 1,500,000 | 161,061,300 | 2.06% | 2.81% |
| 07.65% Karnataka SDL-06.12.2027 | IN1920170108 | Sovereign | 500,000 | 52,167,600 | 0.67% | 0.91% |
| 08.00% Kerala SDL-11.04.2028 | IN2020180013 | Sovereign | 2,500,000 | 263,251,250 | 3.36% | 4.59% |
| 08.33% Kerala SDL-30.05.2028 | IN2020180039 | Sovereign | 1,500,000 | 160,450,800 | 2.05% | 2.80% |
| 08.41% Kerala SDL-06.06.2028 | IN2020180047 | Sovereign | 1,000,000 | 107,378,300 | 1.37% | 1.87% |
| 08.15% Tamilnadu SDL-09.05.2028 | IN3120180036 | Sovereign | 1,000,000 | 106,039,400 | 1.35% | 1.85% |
| 08.45% Uttar Pradesh SDL-27.06.2028 | IN3320180034 | Sovereign | 500,000 | 53,678,500 | 0.69% | 0.94% |
| 07.98% Uttar Pradesh SDL-11.04.2028 | IN3320180018 | Sovereign | 500,000 | 52,469,400 | 0.67% | 0.92% |
| 07.24% Haryana SDL-18.03.2029 | IN1620190190 | Sovereign | 500,000 | 50,634,550 | 0.65% | 0.88% |
| 06.99% Telangana SDL-10.06.2028 | IN4520200093 | Sovereign | 3,000,000 | 301,001,100 | 3.84% | 5.25% |
| 08.18% Tamilnadu SDL-19.12.2028 | IN3120180192 | Sovereign | 500,000 | 53,198,100 | 0.68% | 0.93% |
| 07.86% Haryana SDL-27.12.2027 | IN1620170101 | Sovereign | 500,000 | 52,630,300 | 0.67% | 0.92% |
| 07.53% West Bengal SDL-22.11.2027 | IN3420170117 | Sovereign | 500,000 | 51,803,500 | 0.66% | 0.90% |

| Name of the Instrument | ISIN | Industry | Quantity | Market/Fair Value in Rs. | % to Net Assets | Percentage to Investment category |
|---------------------------------------|--------------|---------------------------|-----------|--------------------------|-----------------|-----------------------------------|
| 07.99% Punjab SDL-11.04.2028 | IN2820180015 | Sovereign | 1,000,000 | 105,188,100 | 1.34% | 1.84% |
| 08.16% Rajasthan SDL-09.05.2028 | IN2920180030 | Sovereign | 2,500,000 | 265,141,000 | 3.39% | 4.63% |
| 07.88% Madhya Pradesh SDL-24.01.2028 | IN2120170070 | Sovereign | 2,000,000 | 209,368,200 | 2.67% | 3.65% |
| 06.79% West Bengal SDL-30.06.2028 | IN3420210046 | Sovereign | 500,000 | 49,646,150 | 0.63% | 0.87% |
| 08.29% Haryana SDL-14.03.2028 | IN1620170150 | Sovereign | 500,000 | 53,367,250 | 0.68% | 0.93% |
| 08.49% Uttarakhand SDL-21.08.2028 | IN3620180106 | Sovereign | 500,000 | 53,862,750 | 0.69% | 0.94% |
| 08.25% Tamilnadu SDL-02.01.2029 | IN3120180218 | Sovereign | 500,000 | 53,272,050 | 0.68% | 0.93% |
| 08.34% Punjab SDL-30.05.2028 | IN2820180049 | Sovereign | 1,500,000 | 160,426,650 | 2.05% | 2.80% |
| 07.97% Assam SDL-18.04.2028 | IN1220180021 | Sovereign | 500,000 | 52,535,800 | 0.67% | 0.92% |
| 08.43% Goa SDL-13.03.2029 | IN1420180151 | Sovereign | 1,000,000 | 107,379,800 | 1.37% | 1.87% |
| 08.20% Jammu & Kashmir SDL-30.01.2029 | IN1820180108 | Sovereign | 500,000 | 53,086,350 | 0.68% | 0.93% |
| 06.98% Telangana SDL-22.04.2028 | IN4520200044 | Sovereign | 1,500,000 | 150,613,800 | 1.92% | 2.63% |
| 08.13% Rajasthan SDL-27.03.2028 | IN2920170205 | Sovereign | 500,000 | 53,036,900 | 0.68% | 0.93% |
| 08.65% Rajasthan SDL-03.10.2028 | IN2920180212 | Sovereign | 500,000 | 54,389,650 | 0.69% | 0.95% |
| 08.20% Uttarakhand SDL-09.05.2028 | IN3620180023 | Sovereign | 1,000,000 | 106,154,700 | 1.36% | 1.85% |
| 06.53% Chhattisgarh SDL-15.09.2028 | IN3520210037 | Sovereign | 500,000 | 48,954,400 | 0.62% | 0.85% |
| 07.11% Tamilnadu SDL-31.07.2029 | IN3120190068 | Sovereign | 500,000 | 50,167,050 | 0.64% | 0.88% |
| 07.09% Goa SDL-28.08.2029 | IN1420190085 | Sovereign | 500,000 | 50,022,700 | 0.64% | 0.87% |
| 07.13% Kerala SDL-10.07.2029 | IN2020190103 | Sovereign | 500,000 | 50,188,950 | 0.64% | 0.88% |
| 08.21% West Bengal SDL-23.01.2029 | IN3420180124 | Sovereign | 500,000 | 53,038,150 | 0.68% | 0.93% |
| 08.63% Rajasthan SDL-03.09.2029 | IN2920180188 | Sovereign | 500,000 | 54,289,350 | 0.69% | 0.95% |
| 07.15% Karnataka SDL-09.10.2028 | IN1920190056 | Sovereign | 1,000,000 | 101,157,700 | 1.29% | 1.76% |
| 07.32% West Bengal SDL-26.06.2029 | IN3420190016 | Sovereign | 500,000 | 50,613,400 | 0.65% | 0.88% |
| 08.31% Jharkhand SDL-13.02.2029 | IN3720180063 | Sovereign | 500,000 | 53,313,250 | 0.68% | 0.93% |
| 08.43% Punjab SDL-05.12.2028 | IN2820180114 | Sovereign | 1,500,000 | 161,413,050 | 2.06% | 2.81% |
| 06.83% West Bengal SDL-07.07.2028 | IN3420210053 | Sovereign | 500,000 | 49,683,100 | 0.63% | 0.87% |
| 07.64% Karnataka SDL-08.11.2027 | IN1920170066 | Sovereign | 500,000 | 52,122,100 | 0.67% | 0.91% |
| 07.50% Telangana SDL-15.04.2028 | IN4520200010 | Sovereign | 1,000,000 | 102,843,900 | 1.31% | 1.78% |
| Total of SDL | | | | 5,731,585,100.00 | 73.17% | 100.00% |
| Non Convertible Debentures | | | | | | |
| India Grid Trust 7.7% 06MAY28 NCD | | Power | 500,000 | 50,607,000 | 0.65% | 100.00% |
| Sub Total | | | | 50,607,000 | 0.65% | 100.00% |
| Total | | | | 50,607,000 | 0.65% | 100.00% |
| Others | | | | | | |
| Fixed Deposit | | Duration (in Days) | | | | |
| 4.90% FD HDFC (MD 30-05-22) | | 368 | | 10,000,000 | 0.13% | 22.22% |
| 4.90% FD HDFC (MD 27-05-22) | | 365 | | 15,000,000 | 0.19% | 33.33% |
| 4.90% FD HDFC (MD 01-06-22) | | 365 | | 10,000,000 | 0.13% | 22.22% |
| 5.10% FD AXIS (MD 30-05-22) | | 367 | | 10,000,000 | 0.13% | 22.23% |
| Sub Total | | | | 45,000,000 | 0.58% | 100.00% |
| Total | | | | 45,000,000 | 0.58% | 100.00% |
| Tri-Party Repo | | | | | | |
| Clearing Corporation of India Limited | | | | 89,977,778 | 1.15% | 100.00% |
| Sub Total | | | | 89,977,778 | 1.15% | 100.00% |
| Total | | | | 7,682,882,579 | 98.09% | |
| Net Receivables / (Payables) | | | | 149,832,222 | 1.91% | |
| GRAND TOTAL | | | | 7,832,714,801 | 100.00% | |

| SCHEME NAME | Parag Parikh Conservative Hybrid Fund | |
|--|---------------------------------------|------------------------|
| | Market /Fair Value as | % of Classification as |
| | on March 31, 2022 | on March 31, 2022 |
| Equities / Equity related instruments | | |
| Auto | 195,212,667 | 11.36% |
| Consumer Non Durables | 209,147,373 | 12.18% |
| Gas | 166,119,312 | 9.67% |
| Minerals/Mining | 217,029,572 | 12.64% |
| Power | 250,858,656 | 14.60% |
| Construction | 679,299,421 | 39.55% |
| Total | 1,717,667,001 | 100.00% |

Annexure 4
Key Statistics

| Parag Parikh Conservative Hybrid Fund | Rupees in Lakhs |
|---|-----------------------------|
| | Period ended March 31, 2022 |
| 1. NAV per unit (Rs.): | |
| Open (NAV as on 01st April 2021) | |
| - Regular Plan | - |
| - Regular Plan- Monthly IDCW | - |
| - Direct Plan | - |
| - Direct Plan- Monthly IDCW | - |
| High | |
| - Regular Plan | 10.7003 |
| - Regular Plan- Monthly IDCW | 10.2989 |
| - Direct Plan | 10.7275 |
| - Direct Plan- Monthly IDCW | 10.3019 |
| Low | |
| - Regular Plan | 9.9890 |
| - Regular Plan- Monthly IDCW | 9.9650 |
| - Direct Plan | 9.9925 |
| - Direct Plan- Monthly IDCW | 9.9660 |
| End | |
| - Regular Plan | 10.6892 |
| - Regular Plan- Monthly IDCW | 10.1997 |
| - Direct Plan | 10.7166 |
| - Direct Plan- Monthly IDCW | 10.1016 |
| 2. Closing Assets Under Management (Rs. in Lakhs) | |
| End | 78,327.15 |
| Average (AAuM) ¹ | 51,346.86 |
| 3. Gross income as % of AAuM ² | |
| | 6.19 |
| 4. Expense Ratio: | |
| a. Total Expense as % of AAuM (plan wise) | |
| - Regular Plan | 0.51 |
| - Direct Plan | 0.26 |
| b. Management Fee as % of AAuM (plan wise) | |
| - Regular Plan | 0.08 |
| - Direct Plan | 0.08 |
| 5. Net Income as a percentage of AAuM ³ | |
| | 5.86 |
| 6. Portfolio turnover ratio ⁴ | |
| | 0.03 |
| 7. Total Dividend per unit distributed during the year / period (plan wise) | |
| - Regular Plan | - |
| - Direct Plan | - |
| 8. Returns: | |
| a. Last One Year (%) | |
| Scheme | |
| - Regular Plan | NA |
| - Direct Plan | NA |
| Benchmark - CRISIL HYBRID 85+15 - Conservative Index TRI | NA |
| Additional Benchmark - CRISIL 10 year GILT Index | NA |

| Parag Parikh Conservative Hybrid Fund | Rupees in Lakhs |
|--|-----------------------------|
| | Period ended March 31, 2022 |
| b. Since Inception (%) | |
| Scheme | |
| - Regular Plan | 6.89 |
| - Direct Plan | 7.17 |
| Benchmark - CRISIL HYBRID 85+15 - Conservative Index TRI | 4.61 |
| Additional Benchmark - CRISIL 10 year GILT Index | (1.16) |

1. AAuM=Average daily net assets
2. Gross income = amount against (A) in the Revenue account i.e. Income.
3. Net Income = Amount Against (C) In The Revenue Account i.e. Net Realised Gains / (Losses) for the year / period.
4. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.

Annexure 5
PPFAS MUTUAL FUND
Historical Per Unit as on 31st March, 2022

| Parag Parikh Conservative Hybrid Fund | Parag Parikh Conservative Hybrid Fund As on 31st March, 2022 |
|---|---|
| Face Value | RS.10/- |
| Unit Capital | 731,755,535 |
| Avg Net asset | 5,134,686,334 |
| APP | - |
| Net Asset Value | |
| Regular Plan | 10.6892 |
| Regular Plan- Monthly IDCW | 10.1997 |
| Direct Plan | 10.7166 |
| Direct Plan- Monthly IDCW | 10.1016 |
| Income | |
| Other than profit on sale of investment | 0.44 |
| From profit on inter-scheme sales/transfer of investments (net) | - |
| From profit on sale of investment to third party (net) | (0.00) |
| Gross Income | 0.43 |
| Expenses & Losses | |
| Aggregate of expenses, write-off, amortization and charges | 0.02 |
| Net change in Unrealised depreciation in value of investments | - |
| Gross Expenditure | 0.02 |
| Net Income | 0.41 |
| Unrealised appreciation / depreciation in value of investments | 0.07 |
| Ratio of expenses to average net assets | 0.33% |
| Ratio of gross income to average net assets | 6.19% |
| NAV | |
| Highest | |
| - Regular Plan | 10.7003 |
| - Regular Plan- Monthly IDCW | 10.2989 |
| - Direct Plan | 10.7275 |
| - Direct Plan- Monthly IDCW | 10.3019 |
| Lowest | |
| - Regular Plan | 9.9890 |
| - Regular Plan- Monthly IDCW | 9.9650 |
| - Direct Plan | 9.9925 |
| - Direct Plan- Monthly IDCW | 9.9660 |
| Resale Price | |
| Highest | |
| - Regular Plan | 10.5933 |
| - Regular Plan- Monthly IDCW | 10.1959 |
| - Direct Plan | 10.6202 |
| - Direct Plan- Monthly IDCW | 10.1989 |

| Parag Parikh Conservative Hybrid Fund | Parag Parikh Conservative Hybrid Fund As on 31st March, 2022 |
|--|---|
| Lowest | |
| - Regular Plan | 9.8891 |
| - Regular Plan- Monthly IDCW | 9.8654 |
| - Direct Plan | 9.8926 |
| - Direct Plan- Monthly IDCW | 9.8663 |
| | |
| Trading Price | |
| Highest | NA |
| Lowest | NA |
| | |
| Weighted Average Price Earning Ratio | NA |

Redressal of Complaints received during 2021-2022

Name of the Mutual Fund: PPFAS Mutual Fund

Total Number of Folios: 1,805,822

| Complaint code | Type of complaint# | (a) No. of complaints pending at the beginning of the year | Action on (a) and (b) | | | | | | | | | |
|----------------|--|--|---|----------------|------------|-------------|-----------------|-----------------|------------|------------|------------|-------------|
| | | | (b) No of complaints received during the year | Resolved | | | | Non Actionable* | Pending | | | |
| | | | | Within 30 days | 30-60 days | 60-180 days | Beyond 180 days | | 0-3 months | 3-6 months | 6-9 months | 9-12 months |
| I A | Non receipt of Dividend on Units | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I B | Interest on delayed payment of Dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I C | Non receipt of Redemption Proceeds | 0 | 8 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I D | Interest on delayed payment of Redemption | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II A | Non receipt of Statement of Account/Unit Certificate | 1 | 32 | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II B | Discrepancy in Statement of Account | 0 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II C | Data corrections in Investor details | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II D | Non receipt of Annual Report/Abridged Summary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III A | Wrong switch between Schemes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III B | Unauthorized switch between Schemes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III C | Deviation from Scheme attributes | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III D | Wrong or excess charges/load | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III E | Non updation of changes viz. address, PAN, bank details, nomination, etc | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IV | Others ** | 0 | 21 | 20 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |

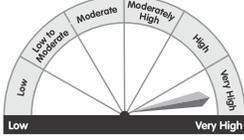
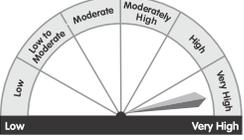
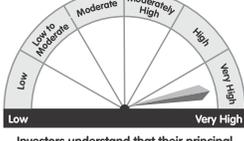
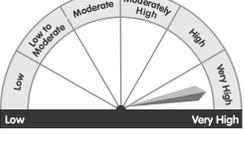
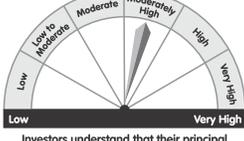
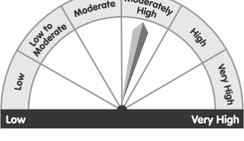
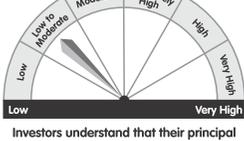
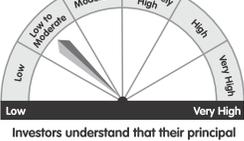
including against its authorized persons/ distributors/ employees. etc.

*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

** If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

Risk-o-meters as at Financial year end

| | | |
|---|---|---|
| <p>This Product is suitable for investors who are seeking*</p> | Parag Parikh Flexi Cap Fund | |
| <p>The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of Equity and Equity Related Securities. Scheme shall invest in Indian equities, foreign equities and related instruments and debt securities.</p> | <p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at very high risk.</p> | <p>Tier 1 Benchmark's Riskometer (Nifty 500 TRI)</p>  |
| <p>This Product is suitable for investors who are seeking*</p> | Parag Parikh Tax Saver Fund | |
| <ul style="list-style-type: none"> ● Long term capital appreciation ● Investment predominantly in equity and equity related securities. | <p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at very high risk.</p> | <p>Tier 1 Benchmark's Riskometer (Nifty 500 TRI)</p>  |
| <p>This Product is suitable for investors who are seeking*</p> | Parag Parikh Conservative Hybrid Fund | |
| <ul style="list-style-type: none"> ● To generate regular income through investments predominantly in debt and money market instruments. ● Long term capital appreciation from the portion of equity investments under the scheme. | <p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at moderately high risk.</p> | <p>Tier 1 Benchmark's Riskometer (CRISIL Hybrid 85+15 Conservative Index TRI)</p>  |
| <p>This Product is suitable for investors who are seeking*</p> | Parag Parikh Liquid Fund | |
| <ul style="list-style-type: none"> ● Income over short term ● Investments in Debt/money market instruments | <p>Scheme's Riskometer</p>  <p>Investors understand that their principal will be at low to moderate risk.</p> | <p>Tier 1 Benchmark's Riskometer (CRISIL Liquid Fund Index)</p>  <p>Investors understand that their principal will be at low to moderate risk.</p> |

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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PPFAS 
MUTUAL FUND

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.