PARAGARIKH FINANCIAL ADVISORY SERVICES LIMITED

DISCLOSURE DOCUMENT

(As required under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)

SEBI Registration No.: INP000000241

I. Declaration:

(i) The Document has been filed with Securities and Exchange Board of India (hereinafter referred as the "SEBI") SEBI along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

(ii) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager.

(iii) The document contains the necessary information about the Portfolio Manager required by an investor before investing, and the investor may retain the document for future reference.

(iv) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager are as follows;

Name: Mr. Rohil Amit Gandhi
Tel no.: +91 22 61406543
E-mail: pms@ppfas.com
Registered & Corporate Office: 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai - 400021.

Date: 22nd February, 2024

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III. Contents of the Document.

1) Disclaimer clause

The particulars of the services have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended till date and filed with Securities and Exchange Board of India (SEBI). The disclosure documents has neither been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2) Definitions & Abbreviations

SEBI : The Board established under the Securities and Exchange Board of India Act, 1992

RBI : Reserve Bank of India.

PMS : Portfolio Management Scheme.

PPFAS : Parag Parikh Financial Advisory Services Limited

SEBI Regulations : The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time and including any guidelines, circulars, press releases or notifications that may be issued by SEBI, in relation thereto.

Fixed Income Securities: Debt Securities created and issued by entities such as the Central Government, State Government(s), Local Authorities, Municipal Corporations, Public Sector Undertakings, Public Companies, Private Companies, Bodies Corporate and any other entities which may be recognised/ permitted which yield a return at fixed or variable rate by way of interest, premium, discount or a combination of any of them.

Money Market Instruments : Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an unexpired maturity up to one year, call, notice or term money, Certificate of Deposit, usance bills discounting scheme, repo/reverse repos and any other like instruments as specified from time to time by RBI.

NAV : Net Asset Value means the sum total of the current value of the securities plus bank balance and receivables less payables and pms fees.

NRI : A Non-Resident Indian or a Person of Indian Origin residing outside India.

OCB : Overseas Corporate Bodies, firms and societies which are held directly or indirectly but ultimately to the extent of at least 60 % by NRI's and Trusts in which at least 60% of the beneficial interest is held irrevocably by such persons.

3) Description

(i) History, Present Business and Background of the Portfolio Manager.

Parag Parikh Financial Advisory Services Limited (PPFAS) is a Portfolio Manager registered with SEBI. Equity Research and Investment-based analysis forms the core of the business model of PPFAS. Investment advice has always been the back-bone of all our operations, ever since the firm was founded in 1983. Research first enabled PPFAS to obtain a footing in the highly competitive institutional broking market and now enables us to maintain our differentiation and cutting edge. Our strength lies in giving investment advice to clients based on ideas, insight and business acumen rather than churning out detailed company or industry reports, which are primarily based on information freely available in the public domain.

Leveraging on its nucleus of investment research, PPFAS launched the Portfolio Management Services in 1996 for managing equity funds of investors and the same is known as **Cognito**. The Portfolio manager has a sound track record managing portfolio of client investments since November 1996.

Very often investors fall prey to their own and sometimes others' mistakes due to the use of emotions in financial decision-making. This concept is known as Behavioral Finance. We at PPFAS apply behavioral finance by understanding certain common and predictable errors made by investors and then help our clients profit from it.

PPFAS has always been a pioneer in introducing technology into its operations. It aims to create a common interface in the organisation through knowledge sharing and information database. The organisation plans to maintain a lean structure, with strong system support.

Being purely an advisory service, it aims to achieve the objective of wealth maximization through Asset Allocation. Asset Allocation Strategies are devised after a proper understanding of the risk, return and investment objectives of the investors.

ii) Promoters of the Portfolio Manager, directors and their background

1) Mr. Neil Parikh, Promoter & Director

Mr. Neil Parag Parikh is a Director of the company. He is associated with the company since June 2004. Although he was initially involved in the Research Department, he quickly moved on to the more action-oriented field of Institutional Equity Dealing. Earlier in 2004, he received his Bachelors degree in Economics from the University of North Carolina at Chapel Hill. Neil has rejoined the firm in July 2010, after completing his MBA as Associate Vice President, Wealth Management Group.

2) Mr. Rajeev Thakkar, Director

Mr. Rajeev Thakkar has more than 20 years of experience in the Capital Markets. He has exposure to investment banking, corporate finance, securities broking and managing client investments in equities and fixed income securities. He has also worked with Prime Securities Ltd. and Dil Vikas

Finance Ltd.

Rajeev is a strong believer in the school of "value-investing" and is heavily influenced by Warren Buffet and Charlie Munger's approach.

Rajeev is Chartered Accountant, CFA charterholder, Cost Accountant and Certified Financial Planner by training. He did his graduation in commerce from the Narsee Monjee College.

3) Mr. Suneel Gautam, Director

Mr. Suneel Gautam is a Chartered Accountant by training. He is the co-founder of CLEA Advertising & Marketing which went on to become India's seventh largest advertising firm by the mid-1990s and the founder of Hanmer MSL Communications Pvt. Ltd. and Pitchfork Partners Strategic Consulting LLP. He has nearly four decades of experience. He has worked with various corporate houses over the years and he is the Non-Executive Director of the Company.

4) Mr. Sahil Parikh, Promoter & Director

Mr. Sahil Parikh is a Director and founder of Synage Software Pvt. Ltd, a software as a service (SaaS) company based out of Mumbai, India.

5) Mr. Shashi Kataria, Director

Mr. Shashi Kataria is a Chartered Accountant. He has more than two decades of work experience in the financial and manufacturing sectors.

6) Ms. Dipti Neelakantan, Director

Ms. Dipti Neelakantan is a fellow member of the Institute of Company Secretaries of India and has nearly four decades of professional experience in the financial and capital markets. She retired in mid-2019 as Group Chief Operating Officer and part of the Firm Management at JM Financial Group. She is currently a member of FICCI's Capital Market Committee and CII's National Committee on Financial Markets. She has been a member of various committees of SEBI during her active years of work at JM Financial. She is the Independent Director of the Company.

7) Mr. Hitesh Gajaria, Director

Mr. Hitesh Gajaria has over 38 years of professional experience in the fields of tax, transfer pricing and regulatory consulting. Hitesh continues as Senior Advisor at KPMG in India, where he was Partner for more than 2 decades. He led the firm's Tax Services Practice from 2018 to 2020.
He is sought after for his professional insights and counsel on tax and regulatory issues and trends in India. He is a regular conference host, presenter and moderator at various international tax and transfer pricing conferences in India and overseas.
He has co-authored Bombay Chartered Accountants Society's publications - 'Taxation of Non-Residents, FERA / FEMA', 'Transfer Pricing Manual' and 'Multi Lateral Instrument – A Compendium' and was Country Reporter for India at International Fiscal Association's Conference. He was a visiting faculty at Reserve Bank of India's (RBI) Bankers' Training college and at Jamnalal Bajaj Institute of Management Studies, Mumbai.

8) Ms. Geeta Parikh, Promoter

Ms. Geeta Parikh is a part of the Promoter group of the Company.

9) Empeegee Portfolio Management Services Private Limited, Promoter

M/s Empeegee Portfolio Management Services Private Limited is a part of the Promoter group of the Company. Mr. Neil Parikh, Mr. Sahil Parikh and Ms. Geeta Parikh are the members and directors in the said Company.

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis

(Amt in Lakhs)

Sr.No.	Name of Group Companies	Turnover (April 2022 - March 2023)
1	PPFAS Asset Management Pvt. Ltd.	14,400.67
2	Synage Software Pvt. Ltd.	73.91
3	PPFAS Trustee Co. Pvt. Ltd.	42.37
4	Empeegee Portfolio Management Services Pvt. Ltd.	1.20

(iv) Details of the services being offered:.

DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES

PPFAS has been managing a PMS for investments in equities since 1996. This is a SEBI registered discretionary portfolio management service in which the final decision of buying and selling securities as well as execution of such transactions is entirely on us. Detailed reports of the funds managed by us are provided regularly to our clients, both on the Net and through physical reports (if requested by the clients). The minimum amount of investment required per client is Rs.50,00,000/- in case of a Resident Indian and NRI. The tenure of the Portfolio management and the fees charged will be in accordance with the agreement entered with the client for the same.

NON DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES

This is a SEBI registered non-discretionary service in which the decisions of buying and selling of securities is entirely on the client but the execution of such transactions will be done by us. Detailed reports of the investment held with us will be provided regularly to our clients through electronic mode. The minimum amount of investment required is Rs.50,00,000/- in case of a Resident Indian and NRI. The tenure of the Portfolio management and the fees charged will be in accordance with the agreement entered with the client for the same.

INVESTMENT ADVISORY SERVICES

The Portfolio Manager shall be acting solely as an Advisor to the Client and shall not be responsible for the investment/divestment of securities and/or administrative activities on the client's portfolio. Under these services, the Client is advised on buy/sell decisions within the overall profile without any back-office responsibility for trade execution, custody of securities or accounting functions. The Portfolio Manager shall act in a fiduciary capacity towards its Client and shall maintain an arm's length relationship with its other activities. The Portfolio Manager shall provide advisory services in accordance with guidelines and/or directives issued by the regulatory authorities and/or the Client from time to time in this regard. The minimum amount of investment required per client is Rs.50,00,000/- in case of a Resident Indian and NRI. The tenure of the Portfolio management and the fees charged will be in accordance with the agreement entered with the client for the same.

Auditor of Firm Level Performance:
BSL & Co. audits the operations of the above Portfolio Management Service. S. Panse & Co LLP audits the firm level performance of the PMS as per Regulation 22 (4)(e) of SEBI (Portfolio Managers) Regulations, 2020 read with Paragraph 13 & 14 of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020.

4) Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.

(i) Cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act or Rules or Regulations made thereunder.	None
(ii) The nature of the penalty/direction.	Not applicable
(iii) Penalties imposed for any economic offence and/ or for violation of any securities laws	None
(iv) Any pending material litigation/legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any.	None
(v) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	None
(vi) Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made thereunder.	None

5) Services Offered

The Portfolio Manager offers Discretionary Portfolio Management Services, Non-Discretionary Portfolio Management Services and Advisory Services and as per Portfolio Management Services Agreement executed with each Client.

Portfolio Manager under Non-Discretionary or Advisory Services may invest or advise up to 25% of the assets under management of the client in unlisted securities, in addition to the securities permitted for discretionary portfolio management.

The money or securities accepted by PPFAS shall only be invested as per the terms of the agreement between PPFAS and the client. PPFAS shall not while dealing with clients' funds indulge in speculative transactions that is, it shall not enter into any transaction for purchase or sale of any security which is periodically or ultimately settled otherwise than by actual delivery or transfer of security except the transactions in derivatives.

PPFAS shall not borrow funds or securities on behalf of the client.

PPFAS shall not lend securities held on behalf of the clients to a third person except as provided under SEBI regulations.

PPFAS shall not invest the clients' funds in the portfolio managed or administered by another portfolio manager and shall not invest the client's fund based on the advice of any other entity.

PPFAS can invest in units of Mutual Funds only through direct plan and shall not charge any kind of distribution related fees to the client.

All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio in terms of SEBI (PMS) Regulations, 2020.

Portfolio Manager shall make disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any.

(i) The present investment objectives, investment approach and policies including the types of securities in which investments are made.

The investment objective of PPFAS as a portfolio manager is to optimize the annualized return on the funds placed with PPFAS through a judicious deployment in capital/money market instruments, mutual fund units or derivatives based on a professional, detailed assessment and evaluation of all factors pertaining to the investment in order to generate long term capital growth from an actively managed portfolio while at the same time evaluating the risks associated with the investments.

Buying securities at a discount to intrinsic value will help to create value for investors. We aim to avail of such opportunities, whenever available. We also intend to hold every constituent in our portfolio for several years, unless certain circumstances dictate otherwise. This will automatically reduce the churn in the portfolio, thereby resulting in a more tax-efficient investment for you.

(ii) Investment Approaches of the Portfolio Manager.

Discretionary Portfolio Management Services:

(a) Cognito:

We follow a bottom-up approach to investing. We focus on the fundamentals of individual companies. We try to understand their business and invest in businesses that look attractive over a long term period.

Appropriate benchmark to compare performances.

S&P BSE 500 Sensex is considered for the benchmark to compare the performance of the scheme.

Indicative tenure or investment horizons.

Long Term refers to an investment horizon of 5 years and more.

The investments will be allocated in equity shares, derivatives, mutual funds: equity/ETFs, debts/ETFs, debentures, Units of Real Estate Investment Trust (REITs) & Infrastructure Investment Trust (InvITs), government securities and money market instruments, other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time as per the discretion of the fund manager.

Subject to any restrictions and/or prohibitions in the applicable guidelines/regulations of SEBI, the Funds shall be invested in any financial, money market or other instruments or investment including in, but not limited to shares, stocks, scripts, bonds, units, mutual funds, convertible debentures, non-convertible debentures, certificates of deposits, Units of Real Estate Investment Trust (REITs) & Infrastructure Investment Trust (InvITs), Government Securities, treasury bills and certificates of securities debt. However, no investment will be made in bill discounting, badla financing and lending to corporate or any other bodies and such instruments as may be expressly prohibited by SEBI/other regulatory bodies. PPFAS hereby agrees not to pledge or loan securities without the written permission of the Investor and the leveraging of portfolio shall not be permitted in respect of investment in derivatives. PPFAS may, subject to authorization by the client in writing, participate in securities lending.

Non-Discretionary Portfolio Management Services

(b) Multi Asset Non-Discretionary Strategy:

We participate in good quality stock ideas across sectors. We will be focusing on companies whose business models resonate with the investors' intrinsic value framework. The idea is to look out for attractive companies which are in line with bottom-up business approach, understanding and stock picking.

Since the product is of non-discretionary nature, the investor will have complete control over investments and the asset classes to be invested in Multi Asset Non-Discretionary Strategy. Ideas will be generated by PPFAS, but investor consent is required before the implementation. Investors may also have specific ideas that he/ she may like to be validated by the detailed research process we follow and based on our recommendations, the investor may or may not agree to move forward. Such an arrangement will help the investor to get an independent perspective of the idea before he/ she acts on it. In addition to that, we will be guiding their portfolio towards the value framework that they hold. Such a process could lead to a varied set of stock ideas across investors, thus providing them a customized portfolio and service.

Appropriate benchmark to compare performances.

NIFTY Multi Asset - Equity: Debt: Arbitrage: REITS / INVITS (50:20:20:10) Index is considered for the benchmark to compare the performance of the scheme.

As per the discretion of the clients and subject to any restrictions and/or prohibitions in the applicable guidelines/regulations of SEBI, the Funds shall be invested in listed and/or unlisted securities (provided that investment in unlisted securities shall not exceed 25% of the assets under management), any financial, money market or other instruments or investment including in, but not limited to shares, stocks, scripts, bonds, units, mutual funds, convertible debentures, non-convertible debentures, certificates of deposits, Units of Real Estate Investment Trust (REITs) & Infrastructure Investment Trust (InvITs), Government Securities, treasury bills, certificates of securities debt or any other securities as directed by non-discretionary clients.

(iii) The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.

The Portfolio Manager will not invest the funds of the PMS in any security of an associate or group companies of the portfolio manager.

6) Risk factors

(i) Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the investments will be achieved.

(ii) As with any investment in securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.

(iii) The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.

(iv) Investors are not being offered any guaranteed returns.

(v) The performance of the Assets of the Client may be adversely affected by the performance of individual securities, changes in the marketplace and industry specific and macroeconomic factors.

(vi) Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.

(vii) Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

(viii) Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counterparty.

(ix) The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.

(x) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

(xi) There are inherent risks arising out of investment objectives, investment strategy, asset allocation and non-diversification of portfolio.

(xii) The Net Asset Value may be affected by changes in settlement periods and transfer procedures.

(xiii) Past performance of the portfolio manager does not indicate its future performance.

(xiv) Investments are subject to market risk arising out of non-diversification, if any.

(xv) Risk arising from the investment approach, investment objective, investment strategy and asset allocation are as follows:

(i) Risk associated with Equity and Equity Related Instruments

Equity and Equity Related Instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity Related Instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the Value of the Client Portfolio may be adversely affected. Further, the Equity and Equity Related Instruments are risk capital and are subordinate in the right of payment to other securities, including debt securities. Equity and Equity Related Instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of securities held in the Client's Portfolio.

Mid and Small cap stocks carry higher liquidity risk as they are less extensively researched compared to large cap stocks. This may lead to abnormal illiquidity and consequent higher impact cost.

The Portfolio Manager may invest in securities which are not listed on the stock exchanges, in terms of the applicable provisions. These securities may be illiquid in nature and carry a higher amount of liquidity risk, in comparison to securities that are listed on the stock exchanges or offer other exit options to the investor. The liquidity and valuation of the investments held in Portfolio, due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

(ii) Risk associated with Debt and Money Market Securities

Interest - Rate Risk Fixed Income and Money Market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rate falls, the prices increase. In case of floating rate securities, an additional risk could arise because of the changes in the spreads of floating rate securities. With the increase in the spread of floating rate securities, the price can fall and with decrease in spread of floating rate securities, the prices can rise. Credit Risk Credit risk or default risk refers to the risk that the issuer of a fixed income security may default on interest payment or even in paying back the principal amount on maturity. In the case of Government Securities, there is minimal credit risk to that extent. Lower rated or unrated securities are more likely to react to developments affecting the market and credit risk than the highly rated securities which react primarily to movements in the general level of interest rates. Lower rated or unrated securities also tend to be more sensitive to economic conditions than higher rated securities. Liquidity or Marketability Risk refers to the inability of the Portfolio Manager to execute a sale/purchase order due to lack of sufficient volumes. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances. Reinvestment Risk refers to the interest rate risk at which the intermediate cash flows received from the securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

(iii) Risks associated with Investing in Securitised Debt

Securitised debt may suffer losses in the event of delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. Securitised debt is subject to interest-rate risk, prepayment risk, credit or default risk.

Further, Asset Backed Security (ABS) has structure risk due to a unique characteristic known as early amortization or early pay-out risk.

(iv) Risks associated with Investing in Derivatives

The use of derivatives requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decisions of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast the price or interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

(v) Risks associated with Securities Lending

For Equity Instruments

As with other modes of extensions of credit, there are risks inherent to securities lending. During the period the security is lent, the Portfolio Manager may not be able to sell such security and in turn cannot protect from the falling market price of the said security. Under the current securities lending and borrowing mechanism, the Portfolio Manager can call back the securities lent any time before the maturity date of securities lending contract. However, this will again be a function of the liquidity in the market. If there are no lenders in the specified security, the Portfolio Manager may not be able to call back the security and in the process, the Portfolio Manager will be exposed to price volatility. Moreover, the fees paid for calling back the security may be more than the lending fees earned by Scheme at the time of lending the said security and this could result in loss to the Portfolio Manager. Also, during the period the security is lent, the Portfolio Manager will not be able to exercise the voting rights attached to the security as the security will not be registered in the name of the Portfolio Manager in the records of the depository/issuer.

For Debt Instruments

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. Portfolio Manager and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Portfolio Manager may not be able to sell such lent securities, and this can lead to temporary illiquidity.

(vi) Risks associated with investments in Mutual Funds

The Portfolios may invest in schemes of Mutual Funds. Hence scheme specific risk factors of each such underlying scheme will be applicable to the portfolios.

(vii) Risk associated with investments in Market Linked Debentures

The Portfolios may invest in Market Linked Debentures, which are securities linked to index(s) and/ or underlying stocks or commodities and this could result in negligible returns or no returns over the entire tenor or part thereof. Further, at any time during the tenor of the Portfolio, value of the Market Linked Debentures may be substantially less than the actual value of the Market Linked Debentures at the end of tenor. Further, the Market Linked Debentures and the return and/or maturity proceeds of the Market Linked Debentures, are not guaranteed or insured in any manner by any entity. In case of occurrence of any event caused by a Force Majeure; the Portfolio may be liquidated at a date much before the tenor of the Portfolio at a fair value. Portfolios investing in debentures linked to silver/ gold may be affected by the prices of silver/ gold. The prices of silver/ gold may be affected by several factors such as demand and supply in India and in the global market, change in political, economic environment and government policy, inflation trends, currency exchange rates, interest rates, perceived trends in bullion prices, restrictions on the movement/trade of gold by RBI, GOI or by the country importing/ exporting silver/ gold in/ out of India etc.

(viii) Risk arising out of non-diversification

The investment according to the investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with the investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry.

7) Client Representation
(i) Category of clients and Fund Managed:

Category of clients	No. of Clients	Funds managed (Rs.in Crores)	Discretionary / Non Discretionary
<u>**As on 31/03/2023**</u>			
I. Associates/Group Companies	0	0	Discretionary
II. Others	**0**	**0**	
Individual - Resident	0	0	Discretionary
Individual – Non Resident	8	20.92	Discretionary
Total	8	20.92	
I. Associates/Group Companies	0	0	Non-Discretionary
II. Others	**0**	**0**	
Individual - Resident	1	11.02	Non-Discretionary
Individual – Non-Resident	3	12.07	Non-Discretionary
Total	4	23.09	

Category of clients	No. of Clients	Funds managed (Rs.in Crores)	Discretionary / Non Discretionary
<u>**As on 31/03/2022**</u>			
I. Associates/Group Companies	0	0	Discretionary
II. Others	**0**	**0**	
Individual - Resident	0	0	Discretionary
Individual – Non Resident	9	24.78	Discretionary
Total	9	24.78	
I. Associates/Group Companies	0	0	Non-Discretionary
II. Others	**0**	**0**	
Individual - Resident	1	11.71	Non-Discretionary
Individual – Non-Resident	3	10.57	Non-Discretionary
Total	4	22.28	

Category of clients	No. of Clients	Funds managed (Rs.in Crores)	Discretionary / Non Discretionary
As on 31/03/2021			
I. Associates/Group Companies	0	0.00	Discretionary
II. Others			
Individual - Resident	0	0.00	Discretionary
Individual – Non Resident	7	13.51	Discretionary
Total	**7**	**13.51**	
I. Associates/Group Companies	0	0.00	Non-Discretionary
II. Others			
Individual - Resident	2	13.81	Non-Discretionary
Individual – Non-Resident	3	9.80	Non-Discretionary
Total	**5**	**23.61**	

(ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standards are given below:

Name of the Related Party.	Relationship	Nature of Payment	Amount (Rs. In lakhs) Audited for FY 22-23
PPFAS Asset Management Private Ltd	Subsidiary Company	Shared Service Cost Received	114.00

Note-1. The PMS division has no clients from the family of promoter.
2. There are no conflicts of interest and all the related party transactions are at arm's length basis.

Name	Relationship with Promoter	Amount of Portfolio Fund Managed (Rs. In Lakhs)
N.A.	N.A.	N.A.

8) Financial Performance of the portfolio manager
Financial results of PPFAS – Portfolio manager for the PMS
(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022	31.03.2021
Operating Income	37.58	47.32	34.70
Other Income	602.02	356.73	125.81
Total Income	639.60	404.05	160.51
Profit /(Loss) before Depreciation & tax	511.99	233.22	6.85
Depreciation	5.57	3.08	0.13
Profit /(Loss) before tax	506.35	230.18	6.72
Tax Expense	63.89	17.39	11.25
Profit / (Loss) after tax	443.14	212.79	(4.53)
Share Capital	766.81	765.53	739.61
Reserves & Surplus	4,787.31	4316.69	3882.73
Net worth*	5,554.12	5082.22	4622.34

***"Net worth" means the aggregate value of paid-up equity capital plus free reserves (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses and deferred expenditure not written off, including miscellaneous expenses not written off.**

9) Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using Time weighted rate of return method in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020

Portfolio Management performance for the last three years:

Fund Managed (Discretionary) (Rs.in Crores)

Particulars	31.03.2023	31.03.2022	31.03.2021
Funds Managed	20.92	24.78	13.51

Performance of PMS, since inception (Annualised)

Particular	Period
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager.	Since Inception upto 31.03.2023
Discretionary Clients	17.93
S&P BSE 500 TRI	NA
NIFTY 50 (Additional Benchmark)	13.45

Performance of PMS using 'Time Weighted Rate of Return"				
Particular	**Period**			
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager.	2022-23	2021-22	2020-21	
Discretionary Clients	1.09%	36.76%	84.22%	
S&P BSE 500 TRI	-0.91%	22.26%	78.63%	
NIFTY 50 (Additional Benchmark)	0.59%	18.83%	72.54%	

10) Audit Observation

There has been no adverse observation by the Statutory auditor in the last three preceding years.

11) Nature of expenses

(i)Investment management and advisory fees

Subject to other terms and conditions of the Original Agreement, the remuneration to be paid by the Investor to PPFAS for the services provided under this Agreement is:

Sr. No.	Investment Approach	Particulars/ Condition of Fees to be charged	Duration When Charged
I	Cognito (Fixed Fees) (Discretionary PMS)	1. Through Distributor - Fixed Fee of 2% p.a. of the NAV. 2. Direct - Fixed fee of 1% p.a. of the NAV.	Quarterly
II	Multi Asset Non-Discretionary Strategy (Non-Discretionary PMS)	Rs.10,000/- p.a.	Half Yearly
III	Advisory Services	Fixed fee as agreed between the Client and the Portfolio Manager and which is in compliance with SEBI (PMS) Regulations, 2020 and guidelines issued thereunder.	Fixed fee will be charged either on monthly/ quarterly/yearly or for such other period as agreed between the Client and Portfolio Manager.

Also, Portfolio Manager may retain right to pay referral or distribution Fees out of its pocket to service providers, distributors, advisors etc. as per mutually agreed upon terms at no incremental cost to clients and which is in compliance with SEBI (PMS) Regulations, 2020 and SEBI Circular no. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020.

Provided that PPFAS shall always have the discretion to charge a lower rate for the services provided.

The other deductions made are for:

Security Transaction Tax	Actual
Brokerage	Actual
Custody charges	Actual
Registration and transfer fees	Actual

The other charges will be:

Goods and Service Tax (w.e.f. 01.07.2017) on above fees as per the prevailing rate of taxes.

Notes: -

1. Investment management & advisory fees represent the cost of managing the portfolio.
2. Custodian fees represent cost incurred in connection with the Custody of the securities and dematerialisation, rematerialisation and other cost related thereto.
3. Registrar and transfer agent fee and Depository fees represent cost incurred in connection with the transfer of securities in the name of the client, stamp charges, correspondence and delivery charges related thereto.

4. Brokerage and transaction cost represent cost incurred in connection with the purchase and sale of securities through a broker being a member of a recognised Stock Exchange.

12) Taxation

Under the PMS, the onus of income tax payable on capital gains, dividends, interest or any other taxable income is on the Investor. The Portfolio Manager will provide adequate statements on a periodical basis, prior to the due dates of income tax payments, to enable the investor to meet their tax obligations under the Income Tax Act, 1961.

In the event of there being any withholding tax or tax deductible at source relating to any income received by PPFAS on behalf of the Investor on the investments, the credit in respect thereof shall be passed onto the Investor if legally permissible and practicable to do. In the event of PPFAS paying any taxes on behalf of the Investor, PPFAS may debit the same to the Investor's account and the Investor agrees to reimburse the same to PPFAS forthwith.

13) Accounting policies

13. 1. Following are the key accounting policies.

a) All Investments will be marked to market. Investment in shares will be valued on the basis of closing market prices of the National Stock Exchange of India Ltd. If securities are not listed on the National Stock Exchange of India Ltd., then the closing market values on the Bombay Stock Exchange Ltd or on any other exchange on which the securities are listed will be considered for valuation.

b) Investment in units of Mutual Funds will be valued on the basis of closing NAV declared by the respective Mutual Funds.

c) All debt instruments will be valued using CRISIL Bond Valuer and Government Securities will be valued based on FIMMDA Yield.

d) Realized gains/losses will be on the basis of FIFO (First in First out) principle. For example, the earliest purchased quantity will be reckoned for the current / most recent sale at the respective prices at both points in time.

e) The equity shares of Private Limited Companies will be valued on the fair value at the year / period end based on the valuation certificates of qualified Chartered Accountants.

f) Transactions relating to equity instruments will be recognized as of the trade date and not as of the settlement date so that the effect of all investments traded during the year are recorded and reflected in the financial statement for that year.

g) The costs of investments acquired or purchased would include brokerage, service tax, transaction charges, stamp charges and any charge customarily included in the brokers' contract note / trade confirmation or levied by any statute,

h) For derivative transactions (if any) unrealized gains and losses on open Positions will be calculated by the mark to market method.

13.2 Basis of Accounting

The following Accounting Policies will be applied for accounting the Investments of the Client and reporting to them.
a. The Books of Account of the Client is maintained on an historical cost basis.

b. Realized gains/losses will be calculated by applying the first in/first out method.

c. For derivatives/futures and options, unrealized gains and losses will be calculated by marking all the open positions to market.

d. Unrealized gains/losses are the differences between the current market values/NAV and the historical cost of the securities.

e. All income will be accounted on accrual or receipt basis, whichever is earlier.

f. All expenses will be accounted on due or payment basis, whichever is earlier.

g.The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investment or for accounting the same, as may be mutually agreed between them on a case-by-case basis.

h. Purchase and Sale transactions are accounted for on trade date basis.

i. Purchases are accounted for at the cost of acquisition inclusive of brokerage, Goods & Service Tax, stamp duty, transaction charges, or any other charges charged by the Broker in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, Goods & Service Tax, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities Transaction Tax and Demat charges on purchase / sale transaction would be accounted as expense on receipt of bills.

j. Bonus shares are recorded on the ex-benefit date (ex-date).

k. Dividend income is recorded on the ex-dividend date (ex-date).

l. Interest on Debt instruments / Fixed Deposit with banks are accounted on accrual basis.

m. Tax deducted at source (TDS) on interest on Fixed Deposits is considered as withdrawal of Portfolio and debited accordingly.

13.3. Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

13.4 Audit of Accounts
The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent Chartered Accountant and a copy of the certificate issued by the Chartered Accountant shall be given to the clients.

13.5 The client may appoint a Chartered Accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such Chartered Accountant in course of the audit.

14) Investors services
(i) Name, address and telephone number of the investor relation officer

Ms. Neeta Shukla
Parag Parikh Financial Advisory Services Limited
81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg,
230, Nariman Point, Mumbai - 400 021.
Ph: 022 6140 6555
Email Id: neeta@ppfas.com

(ii) Grievances redressal and dispute settlement mechanism
All grievances and disputes will be received at the registered office of the Portfolio Manager (as mentioned in clause 14(i) above or through email at email@ppfas.com and the portfolio manager will ensure timely and prompt redressal of the grievances and disputes.

15) Details of investments in the securities of related parties of the portfolio manager

Sr. No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
NIL					

Date: 22nd February, 2024
Place: Mumbai

Sakataria

Mr. Shashi Kataria
Director

Mr. Neil Parikh
Director

FORM C

SEBI (PORTFOLIO MANAGERS) REGULATIONS, 2020

Name of the Portfolio Manager: Parag Parikh Financial Advisory Services Limited

Address: 81/82, 8th Floor, Sakhar Bhavan, Ramnath Goenka Marg, 230, Nariman Point, Mumbai – 400 021

Telephone no.: 022-61406543
Fax no: 022-22846553

We confirm that:

i) the Disclosure Document forwarded to the board is in accordance with SEBI(Portfolio Managers) Regulations 2020 and the guidelines and directives issued by the board from time to time;

ii) the disclosure made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us/investment through the Portfolio Manager;

iii) the Disclosure Document has been duly certified by an independent Chartered Accountant on 29th February, 2024.

Name: N.S. Gokhale & Co., Chartered Accountants.

Address: 705-707, Fenkin 9, Phase 1, Behind Hotel Satkar Grand, Wagle Estate, Thane West, Thane – 400604

Telephone no.: 022-25829414

Registration no.: 103270W

PARAG PARIKH FINANCIAL ADVISORY SERVICES LTD. ★ MUMBAI

Date: 29th February, 2024
Place: Mumbai

RGandhi

Rohil Gandhi
Principal Officer
Parag Parikh Financial Advisory Services Ltd.
81/82, 8th Floor, Sakhar Bhavan,
Ramnath Goenka Marg, 230, Nariman Point,
Mumbai – 400 021.

N.S. Gokhale & Co.
CHARTERED ACCOUNTANTS

Correspondence :
202, Patibha Building,
Opp. Teen Pentrol Pump,
L.B.S. Marg,
Thane (W) - 400 602.
Tel.: +91-22-254536381 / 82

The Board of Directors
Parag Parikh Financial Advisory Services Limited
Mumbai

Independent Practitioner's Report on PMS Disclosure document of the company

1. We have verified the disclosure document of PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED (SEBI Registration No.: INP000000241) (hereinafter called as the "Company") attached with this certificate which is required to be submitted to Securities and Exchange Board of India (SEBI) under Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as updated from time to time) (Hereinafter called as "The Regulations"). Disclosure document as per the above regulation is contained in **Annexure A**.

Management's Responsibility for the Disclosure Document

2. The preparation of the disclosure document is the responsibility of the management of the company including the preparation and maintenance of all investment policies and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation including the basis of preparation of the disclosure document.

Practitioner's Responsibility

3. As per the terms of our engagement, we have to verify whether the disclosure document prepared by management is as per the regulations and the contents of the document are true and fair. We have not performed an audit of the document and hence do not provide any assurance on the overall disclosure document or numbers contained therein.

4. Also, we are not commenting on the types of services provided by the company as well as the policies and procedures followed by the company.

5. We conducted our verification in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

N. S. GOKHALE & COMPANY
FRN 103270W
Chartered Accountants

Opinion

7. Based on our verification of documents produced before us, as above, and the information and explanations provided by the Management, we certify that the details contained in **Annexure A** is in compliance with the above mentioned regulations and the contents of the document are true and fair.

Restriction on Use

8. This certificate is issued at the request of the company to be submitted to Securities and Exchange Board of India (SEBI) and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N S Gokhale & Co.,
Chartered Accountants
Firm Number: 103270W

N. S. GOKHALE & COMPANY FRN 103270W Chartered Accountants

CA Samir Sheth
Partner
M No. 140636
Place: Mumbai
Date: 29th February 2024
Certificate Number: NSG/FEB/23-24/393
UDIN: 24140636BKGWEH2669