



ANNUAL REPORT

OF

SCHEMES OF IIFL MUTUAL FUND

FY 2013-2014



## TRUSTEE REPORT

Dear Unitholders,

We have pleasure in presenting the Third Annual Report of the Schemes of IIFL Mutual Fund for the period ended March 31, 2014, along with the audited financial statements of the Schemes of IIFL Mutual Fund.

### 1. Scheme Performance, Future Outlook and Operations of the Schemes.

#### A. Scheme Performance:

The Assets Under Management (“AUM”), the net asset value (“NAV”) per unit and the performance of the schemes vis-à-vis their benchmark and Industry Benchmark, as on March 31, 2014 are as follows:

Name of the Scheme	Net AUM as on March 31, 2014 (Rs. Crs.)	NAV as on March 31, 2014 <sup>§</sup> (Rs.)	Performance since Inception of the respective scheme & Indices (in %)			Performance of last one year for the respective scheme & Indices (in %)(March-2013-March-2014)		
			Scheme ^	Benchmark Index	@Standard Benchmark	Scheme ^	Benchmark Index*	@Standard Benchmark
IIFL Nifty ETF	8.09	688.1756	13.55	12.35	12.55	19.53	17.98	18.85
IIFL Dividend Opportunities Index Fund	22.77	11.6423	9.00	7.55	16.50	10.28	8.34	17.98
IIFL Fixed Maturity Plan–Series 6	133.16	10.8954	8.82	8.78	6.06	7.88	8.72	5.76
IIFL Dynamic Bond Fund#	21.02	9.8558	-1.97	1.22	-5.68	-	-	-
IIFL Short Term Income Fund #	5.14	10.4866	9.22	10.23	8.58	-	-	-
IIFL Liquid Fund#	18.50	1030.6627	7.99	9.55	8.03	-	-	-

# Not completed one year as on 31-March-2014 (absolute return).CAGR –Performance since inception of the respective scheme. ^Performance returns are of Growth option – Regular Plan [Past performance may or may not be sustained in the future].

§ The net asset value disclosed above represents the computed NAV as on March 31, 2014, and not the last declared NAV.

\* CNX Nifty Index for IIFL NIFTY ETF, CNX Dividend Opportunities Index for IIFL Dividend Opportunities Index Fund, Crisil Short Term Bond Index for IIFL FMP Series 6 @ BSE Sensex for IIFL NIFTY ETF and CNX Nifty for IIFL Dividend Opportunities Fund & Crisil 1-Year T-Bill for IIFL FMP Series 6.



## **Brief Comments on Objective and Performance of Scheme**

### **IIFL Nifty ETF**

IIFL Nifty ETF (Scheme) is open ended passively managed scheme which track & replicate the Benchmark Index CNX Nifty (Index). Scheme's investment objective is to provide returns (before fees and expenses) that closely correspond to the total return of the CNX Nifty Index, subject to tracking errors. As per Scheme investments pattern 95% to 100% in stocks comprising CNX Nifty Index and 0-5% in debt and money market instruments. Scheme investment decision is determined as per Index and any changes in index constituents or rebalancing due to various reasons including corporate actions. Returns are calculated Compounded Annualised Return as on March 31, 2014. Annualised tracking error is 0.09 % which is based on monthly data history from April 2013 to March 2014.

### **IIFL Dividend Opportunities Index Fund**

IIFL Dividend Opportunities Index Fund is open ended passively managed scheme which track & replicate the Benchmark Index Dividend Opportunities Index. Scheme's investment objective is to provide returns (before fees and expenses) that closely correspond to the total return of the CNX Dividend Opportunities Index subject, to tracking errors. As per Scheme investments pattern 95% to 100% in stocks comprising CNX Dividend Opportunities Index and 0 - 5% in debt and money market instruments. Scheme investment decision is determined as per Index and any changes in index constituents or rebalancing due various reasons including corporate actions. Returns are calculated Compounded Annualised Return as on March 31, 2014. Annualized tracking error is 0.36 % which is which is based on monthly data history from April 2013 to March 2014.

### **IIFL Fixed Maturity Plan – Series 6**

IIFL Fixed Maturity Plan (FMP) Series 6, an close ended income scheme with the objective to generate returns through investments in debt and money market instruments, maturing on or before maturity of the scheme. The asset allocation of the scheme is investments in Domestic Debt instruments including Government Securities, Corporate NCDs with 50 - 100% of the net assets and money market instruments investments with 0-5% of the net assets of the scheme.

The Intended allocation against each asset class is AA rated NCD's is 95% to 100% and AAA/A1+ rated 0-5% NCD/CP's/ CD's and T-Bills, Repos, G Secs with residual maturity upto 1 Year, CBLO, Bill rediscounting.

### **IIFL Dynamic Bond Fund:**

IIFL Dynamic Bond Fund is an Open ended income scheme with the objective to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme seeks to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors. As per Scheme investments pattern the scheme shall invest in Debt and Money Market Instruments with 0-100% of net assets of the schemes.

**IIFL Short Term Income Fund:**

IIFL Short Term Income Fund is an Open ended income scheme with the objective to generate income and capital appreciation through investment in debt instruments and money market instruments and to achieve stable returns over shorter-term investment horizons. As per Scheme investments pattern the scheme shall invest in Money market and debt instruments with residual maturity less than 3 years (including floating rate debt instruments, securitized debt, mutual fund units of debt schemes) with 80-100% of the net assets and Debt instruments with residual maturity less than 5 years (including floating rate debt instruments, government securities, corporate NCDs, securitized debt) with 0-20% of the of net assets of the schemes.. The Scheme would invest in securities with average residual maturity upto 3 years.

**IIFL Liquid Fund:**

IIFL Liquid Fund is an Open ended Liquid scheme with the objective to provide liquidity with reasonable returns in commensuration with low risk through a portfolio of money market and debt securities with residual maturity of up to 91days. As per Scheme investments pattern the scheme shall invest in Money market and debt instruments with residual maturity up to 91 days (including floating rate debt instruments and securitized debt).

**B. Future Outlook and Operations of the Scheme:****Overview of Mutual Fund Industry**

The Indian economy went through challenging times with a cyclical down turn with growth slowdown, elevated current account deficit, persistent inflation and the need to restore fiscal policy to a sustainable path.

**Equity**

The last quarter of FY 2013-2014 has been exceptionally good for the Indian markets. After trading in a range for the last 6 years, Indian markets have finally moved out of that trading range and are at all-time highs. In last quarter India has emerged as the best performing markets globally returning 6.3% as against the return of -0.8% generated by the MSCI emerging market index and mostly negative returns generated by the developed markets. The key to the current rally has been the expectations of a strong reformist government, improving macro-economic environment and expectations of a cyclical upturn.

**Debt**

The bond yields were volatile, but the 10 year bond yield managed to finally close on a flat note. A sharp moderation in both consumer and wholesale inflation and improving data on the twin deficit front, helped bond yields to ease later and hence closed flat in the last quarter. Appreciation in the rupee in last quarter also helped to calm the bond markets.



### **Operations of the Scheme:**

During the Financial Year ended March 31, 2014, IIFL Mutual Fund launched two debt schemes namely IIFL Dynamic Bond Fund and IIFL Short Term Income Fund and a Liquid Scheme named IIFL Liquid Fund. As on March 31, 2014 IIFL Mutual Fund managed 6 schemes, with Net Assets under Management of Rs. 224 Crore.

IIFL Mutual Fund with its various product offerings is continuing to grow its Assets Under Management and the number of investors. The AMC would endeavor towards augmenting retail assets while simultaneously remaining proactive with Investor Education Campaigns. In the current financial year AMC proposes to launch open ended equity schemes and closed ended debt mutual fund schemes.

The AMC also seeks to include such other schemes in its product offerings, to suit the requirement of investors at every stage of life.

## **2. Brief background of Sponsors, Fund, Trustee Co. and AMC Co.**

### **a. Sponsor**

IIFL Mutual Fund is sponsored by IIFL Wealth Management Limited (IIFL). IIFL Wealth was incorporated on 17th January 2008 and it obtained its PMS licence from SEBI on May 13, 2008, and over last six years, it has provided management and advisory services to the individuals, firms, associations, institutions, corporate and also provides complete range of financial services. As on May 31, 2014, the total assets under management of the Sponsor were more than Rs. 10,084.73Crore, under PMS activity.

### **b. IIFL Mutual Fund**

IIFL Mutual Fund is a Trust settled by India Infoline Limited ('Settler'), which has entrusted a sum of Rs. 1, 00,000 to the Trustee, as the initial contribution towards corpus of the Mutual Fund. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on March 23, 2011 under Registration Code MF/067/11/02.

In order to integrate the Fund Management Business and Asset Management Business, the entire equity shareholding of India Infoline Asset Management Company Limited (Investment Manager to IIFL Mutual Fund – 'IIFL AMC') and India Infoline Trustee Company Limited (Trustee to IIFL Mutual Fund – 'IIFL Trustee') held by India Infoline Limited was transferred to its subsidiary IIFL Wealth Management Limited (IIFL Wealth), on October 18, 2013. Accordingly, IIFL Wealth holds the entire share capital of IIFL AMC and IIFL Trustee and acts as Sponsor to IIFL Mutual Fund. The said restructuring was within the IIFL Group, effected pursuant to SEBI NOC letter dated October 17, 2013 and did not amount to any change in controlling interest of IIFL AMC. The registered office of IIFL Wealth is at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604.



**c. Trustees**

India Infoline Trustee Company Limited ("Trustee") was incorporated on June 05, 2009 under the Companies Act, 1956 and is Trustee to IIFL Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and also review the activities carried on by the AMC. The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of unitholders. The Board of Directors of the Trustee Company comprises of eminent personalities with varied experience. The Trustees holds the Scheme's Corpus in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Deed of Trust. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Deed of Trust, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies. From the information provided to the Trustees and the reviews the Trustee has undertaken, the Trustee believes AMC has operated in the interests of the Unit holders.

**d. Asset Management Company**

India Infoline Asset Management Company Ltd. ("AMC") was incorporated under the Companies Act, 1956 on March 22, 2010, having its Registered Office at IIFL Centre, 6<sup>th</sup> Floor Annex, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. AMC has been appointed as the Investment Manager to IIFL Mutual Fund by the Trustee vide Investment Management Agreement (IMA) April 29, 2010, executed between India Infoline Trustee Company Ltd. and India Infoline Asset Management Company Ltd. The Board of Directors of the AMC comprises of eminent personalities with varied experience.

**3. Significant Accounting Policies**

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

**4. Unclaimed Dividends & Redemptions of Current Schemes for the financial year 2013-2014**

As on March 31, 2014 there are no unclaimed dividends.

Summary of Number of Investors and corresponding amount scheme wise for unclaimed Redemption(s) is as below:

<b>Scheme Name</b>	<b>Amount (Rs.)</b>	<b>No of Investors</b>
IIFL Fixed Maturity Plan Series 1	5,735.85	2
IIFL Fixed Maturity Plan Series 3	10,908.81	1
IIFL Dividend Opportunities Index Fund	222,802.66	48
<b>Grand Total</b>	<b>239,447.32</b>	<b>1479</b>



Also, an amount of Rs. 803,731.68/- remains outstanding on account of unclaimed refund under IIFL Nifty ETF.

**5. Investor Grievances**

The data on Investor Grievance as per the SEBI prescribed is enclosed herewith as Annexure I.

**6. General Policies & Procedures for exercising the voting rights & Exercise of Proxy Votes**

As per the requirements of the referred SEBI Circular No. SEBI/IMD/CIR No.18/198647/2010 dated March 15, 2010, the General policies and procedures for exercising voting rights (along with the relevant disclosures) in respect of the shares held by the Schemes of IIFL Mutual Fund has been hosted on [www.iiflmf.com](http://www.iiflmf.com).

**7. Statutory Information**

- (i) The Sponsors are not responsible or liable for any loss resulting from the operations of the Schemes of IIFL Mutual Fund beyond their initial contribution of an amount of Rs. 1 lakhs towards setting up IIFL Mutual Fund, and such other accretions/ additions to the same.
- (ii) The price and redemption value of the units, and income from them, can go up as well down with fluctuations in the market value of its underlying investment.
- (iii) Full Annual Report shall be disclosed on the website [www.iiflmf.com](http://www.iiflmf.com) and shall also be available for inspection at the Registered Office of IIFL Mutual Fund. Present and prospective unitholder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

**Acknowledgement**

The Trustee wish to thank Securities and Exchange Board of India, Reserve Bank of India, Association of Mutual Funds in India and the Auditors, for their support and direction. The Trustees also wish to thank all the Unitholders for their strong support.

**For India Infoline Trustee Company Limited**

Sd/-

**A.K. Shukla**  
**Chairman**

Date: July 18, 2014  
Place: Mumbai





## INDEPENDENT AUDITOR'S REPORT

To the Trustees of IIFLMUTUAL FUND

### Report on the Financial Statements

We have audited the accompanying financial statements of the schemes mentioned below (collectively "the Schemes"), which comprise the balance sheets as at the dates mentioned below, the revenue accounts and cash flow statements for the period as mentioned below, and a summary of significant accounting policies and other explanatory information.

Name of the Scheme	Period covered by revenue account and cash flow statements	Balance sheet date
IIFL Nifty ETF	April 1, 2013 to March 31, 2014	March 31, 2014
IIFL Fixed Maturity Plan – Series 1	April 1, 2013 to July22, 2013	July 22, 2013
IIFL Fixed Maturity Plan – Series 2	April 1, 2013 to April3, 2013	April 3, 2013
IIFL Fixed Maturity Plan – Series 3	April 1, 2013 to April 3, 2013	April 3, 2013
IIFL Dividend Opportunities Index Fund	April 1, 2013 to March 31, 2014	March 31, 2014
IIFL Fixed Maturity Plan – Series 6	April 1, 2013 to March 31, 2014	March 31, 2014
IIFL Dynamic Bond Fund	June 6, 2013 to March 31, 2014	March 31, 2014
IIFL Short Term Income Fund	August 30, 2013 to March 31, 2014	March 31, 2014
IIFL Liquid Fund	November 1, 2013 to March 31,	March 31, 2014

### Management's Responsibility for the Financial Statements

Management of India Infoline Asset Management Company Limited, the scheme's asset manager, 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 Schemes in accordance with 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 ('the SEBI Regulations'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

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

- (a) in the case of the balance sheet, of the state of affairs of the Schemes as at the dates mentioned above;
- (b) in the case of the revenue account, of the surplus for the period as mentioned above; and
- (c) in the case of the cash flow statement, of the cash flows for the period as mentioned above.

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

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. The balance sheet and revenue account dealt with by this report are in agreement with the books of account.
3. 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.
4. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2014, where applicable, are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India, as applicable, and approved by the Board of Trustees, and are fair and reasonable.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

**Sd/-**

**per Jayesh Gandhi**

Partner

Membership Number: 037924

Place: Mumbai

Date: July 18, 2014

IIFL Mutual Fund

Balance Sheet

(Amount in Rupees)

Schedule	IIFL NIFTY ETF		IIFL Fixed Maturity Plan - Series 1		IIFL Fixed Maturity Plan - Series 2		IIFL Fixed Maturity Plan - Series 3		IIFL DIVIDEND OPPORTUNITIES INDEX FUND		IIFL FIXED MATURITY PLAN - SERIES 6		IIFL Dynamic Bond Fund	IIFL Short Term Income Fund	IIFL Liquid Fund
	As at March 31, 2014	As at March 31, 2013	As at July 22, 2013	As at March 31, 2013	As at April 03, 2013	As at March 31, 2013	As at April 03, 2013	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014
<b>Sources of Funds</b>															
Unit capital	1,174,870	2,074,870	315,883,190	315,883,190	650,355,700	650,355,700	479,390,700	479,390,700	195,211,667	311,726,834	1,222,141,665	1,222,141,665	213,217,288	49,046,469	183,963,534
Reserves and surplus	79,676,826	117,376,852	45,682,895	35,728,806	71,486,673	71,129,891	48,846,121	48,390,967	32,137,657	17,325,477	109,434,952	10,763,963	(3,056,738)	2,383,475	993,341
Current liabilities and provisions	2,694,801	232,071	226,794	133,305	683,423	507,950	94,933	79,307	4,054,108	32,144,356	1,441,509	131,312	1,019,690	108,404	14,138,413
	<b>83,546,497</b>	<b>119,683,793</b>	<b>361,792,879</b>	<b>351,745,301</b>	<b>722,525,796</b>	<b>721,993,541</b>	<b>528,331,754</b>	<b>527,860,974</b>	<b>231,403,432</b>	<b>361,196,667</b>	<b>1,333,018,126</b>	<b>1,233,036,940</b>	<b>211,180,240</b>	<b>51,538,348</b>	<b>199,095,288</b>
<b>Application of Funds</b>															
Investments	80,649,856	119,120,018	-	338,721,540	-	719,612,000	-	526,645,820	227,507,121	325,835,502	1,283,215,775	982,892,680	192,593,985	44,854,535	159,746,690
Deposits	5,000	-	-	-	3,036,000	-	-	-	25,000	-	-	-	70,000	200,000	2,200,000
Current assets	2,891,641	563,775	361,792,879	13,023,761	719,489,796	2,381,541	526,246,754	1,215,154	3,871,311	35,361,165	49,802,351	250,144,260	18,516,255	6,483,813	37,148,598
	<b>83,546,497</b>	<b>119,683,793</b>	<b>361,792,879</b>	<b>351,745,301</b>	<b>722,525,796</b>	<b>721,993,541</b>	<b>528,331,754</b>	<b>527,860,974</b>	<b>231,403,432</b>	<b>361,196,667</b>	<b>1,333,018,126</b>	<b>1,233,036,940</b>	<b>211,180,240</b>	<b>51,538,348</b>	<b>199,095,288</b>

Significant accounting policies and Notes to Accounts 9

The schedules referred to the above and notes to accounts form an integral part of the accounts.  
As per our attached report of even date.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No: 301003E

For India Infoline Trustee Company Limited

Sd/  
per Jayesh Gandhi  
Partner  
Membership No: 37924

Sd/  
A. K. Shukla  
Chairman

Sd/  
R. Venkataraman  
Director

For India Infoline Asset Management Company Limited

Sd/  
Manish Bandi  
Fund Manager

Sd/  
Gautam Adukia  
Fund Manager

Sd/  
Homai Daruwalla  
Chairman

Sd/  
Karan Bhagat  
Director

Place: Mumbai  
Date :

Place: Mumbai  
Date:

IIFL Mutual Fund

Revenue account for the year/period ended March 31, 2014

(Amount in Rupees)

Schedule	IIFL NIFTY ETF		IIFL Fixed Maturity Plan - Series 1		IIFL Fixed Maturity Plan - Series 2			IIFL Fixed Maturity Plan - Series 3		IIFL DIVIDEND OPPORTUNITIES INDEX FUND		IIFL FIXED MATURITY PLAN - SERIES 6		IIFL Dynamic Bond Fund	IIFL Short Term Income Fund	IIFL Liquid Fund
	Year ended	Period from	Period from	Year ended	Period from	Period from	Period from	Period from	Year ended	Period from	Year ended	Period from	Period from	Period from	Period from	
	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013	April 01, 2013 to July 22, 2013	April 01, 2012 to March 31, 2013	April 01, 2013 to April 03, 2013	01 April 2012 to 31 March 2013	April 01, 2013 to April 03, 2013	April 01, 2012 to March 31, 2013	April 01, 2013 to March 31, 2014	June 06, 2012 to March 31, 2013	April 01, 2013 to March 31, 2014	March 18, 2013 to March 31, 2013	June 06, 2013 to March 31, 2014	August 30, 2013 to March 31, 2014	November 01, 2013 to March 31, 2014	
<b>INCOME AND GAINS</b>																
Dividend income	1,771,126	2,998,389	-	-	-	-	-	-	11,096,132	4,665,602	-	-	-	-	-	-
Interest and discount income	12,337	-	9,877,468	32,019,794	515,748	69,215,018	407,711	48,456,446	79,555	144,455	120,953,112	1,657,710	20,381,672	9,802,842	7,962,773	
Profit on sale / redemption of investments (other than inter-scheme transfer / sale of investments)	9,424,025	17,449,107	-	-	-	168,331	-	75,541	1,046,606	5,705,228	1,859,450	-	67,388	29,863	-	
Profit on inter-scheme transfer / sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	5,477	-	
Net change in mark to market in value of investments	5,848,135	(1,988,058)	815,794	831,926	16,506	(16,506)	52,160	313,868	13,735,206	553,215	(16,241,198)	9,237,565	(3,964,727)	13,895	(14,352)	
Load income (Refer note 2.1 and 2.8 to Schedule 9)	-	-	-	-	-	-	-	-	376,123	281,926	-	-	113,656	-	-	
	<b>17,055,623</b>	<b>18,459,438</b>	<b>10,693,262</b>	<b>32,851,720</b>	<b>532,254</b>	<b>69,366,843</b>	<b>459,871</b>	<b>48,845,855</b>	<b>26,333,622</b>	<b>11,350,426</b>	<b>106,571,364</b>	<b>10,895,275</b>	<b>16,597,989</b>	<b>9,852,077</b>	<b>7,948,421</b>	
<b>EXPENSES AND LOSSES</b>																
Loss on sale/redemption of investments (other than inter-scheme transfer/sale of investments)	-	-	324,250	-	-	-	-	-	-	-	669,550	-	20,917,166	-	-	
Loss on inter-scheme transfer / sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	186,860	-	-	
Management fees (inclusive of service tax)	48,855	90,700	276,418	1,162,721	56,363	2,110,377	174	35,021	2,054,682	1,227,296	4,491,178	80,909	1,635,081	307,602	116,446	
Registrar and transfer agent's fees and expenses (inclusive of service tax)	38,584	59,965	11,909	26,082	301	53,350	220	39,074	147,087	189,306	107,622	1,662	80,561	38,482	23,080	
Custodian fees and transaction charges (inclusive of service tax)	30,683	38,838	8,590	26,356	470	55,331	354	40,508	85,211	56,870	105,823	1,763	43,573	13,658	10,731	
Trusteeship fees (inclusive of service tax)	9,771	18,140	11,057	33,602	593	69,131	434	50,490	27,378	18,536	127,717	2,023	23,358	10,320	9,772	
Marketing and Selling expenses (including agents commission)	2,439	-	-	-	-	-	-	-	2,025,963	894,849	1,276,603	-	1,148,321	53,024	44,367	
Audit fees	12,770	6,180	-	4,194	-	8,607	-	6,296	38,356	37,079	257,571	-	29,372	3,139	4,486	
Investor Education and awareness (Refer note 2.10 to Schedule 9)	19,542	17,140	22,113	34,310	1,187	70,532	868	51,559	54,756	25,620	255,433	4,045	46,717	20,640	19,545	
Other operating expenses (inclusive of service tax)	81,632	222,535	1,615	10,573	416	20,973	120	4,790	182,954	584,088	608,878	40,910	243,672	68,562	14,616	
	<b>244,276</b>	<b>453,498</b>	<b>655,952</b>	<b>1,297,837</b>	<b>59,330</b>	<b>2,388,301</b>	<b>2,170</b>	<b>227,738</b>	<b>4,616,387</b>	<b>3,033,644</b>	<b>7,900,375</b>	<b>131,312</b>	<b>24,354,681</b>	<b>515,427</b>	<b>243,043</b>	
Surplus / (deficit) for the year/period	16,811,347	18,005,940	10,037,310	31,553,883	472,924	66,978,542	457,701	48,618,117	21,717,235	8,316,782	98,670,989	10,763,963	(7,756,692)	9,336,650	7,705,378	
Add/(less): Income equalisation (debit)/credit	(9,091,919)	(6,269,413)	-	-	-	-	-	-	(4,575,116)	3,018,451	-	-	21,795	(6,875,452)	(2,273,300)	
<b>Surplus / (deficit)</b>	<b>7,719,428</b>	<b>11,736,527</b>	<b>10,037,310</b>	<b>31,553,883</b>	<b>472,924</b>	<b>66,978,542</b>	<b>457,701</b>	<b>48,618,117</b>	<b>17,142,119</b>	<b>11,335,233</b>	<b>98,670,989</b>	<b>10,763,963</b>	<b>(7,734,897)</b>	<b>2,461,198</b>	<b>5,432,078</b>	
<b>Appropriation</b>																
Income distributed (including distribution tax)	-	-	83,221	-	116,142	-	2,547	-	-	-	-	-	-	7,779	4,438,403	
Add/(less): Transfer from / (to) unrealised appreciation	(5,848,135)	1,988,058	-	-	-	-	-	-	(13,735,206)	(553,215)	9,237,565	(9,237,565)	-	(13,895)	-	
<b>Surplus / (deficit) transferred to retained surplus</b>	<b>1,871,293</b>	<b>13,724,585</b>	<b>9,954,089</b>	<b>31,553,883</b>	<b>356,782</b>	<b>66,978,542</b>	<b>455,154</b>	<b>48,618,117</b>	<b>3,406,913</b>	<b>10,782,018</b>	<b>107,908,554</b>	<b>1,526,398</b>	<b>(7,734,897)</b>	<b>2,439,524</b>	<b>993,675</b>	

Significant accounting policies and Notes to Accounts 9

The schedules referred to the above and notes to accounts form an integral part of the accounts. As per our attached report of even date.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No: 301003E

For India Infoline Trustee Company Limited

Sd/  
per Jayesh Gandhi  
Partner  
Membership No: 37924

Sd/  
A. K. Shukla  
Chairman  
Sd/  
R. Venkataraman  
Director

For India Infoline Asset Management Company Limited

Sd/  
Manish Bandi  
Fund Manager  
Sd/  
Gautam Adukia  
Fund Manager  
Sd/  
Homai Daruwalla  
Chairman  
Karan Bhagat  
Director

Place: Mumbai  
Date :

Place: Mumbai  
Date :

# IIFL Mutual Fund

## Schedules to the financial statements

	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>		<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>	
	As at March 31, 2014	As at March 31, 2013	As at July 22, 2013	As at March 31, 2013	As at April 03, 2013	As at March 31, 2013	As at April 03, 2013	As at March 31, 2013	As at March 31, 2014	As at 31 March 2013
<b>2 RESERVES AND SURPLUS</b>										
<b>Unit premium reserve</b>										
Opening balance	89,741,012	172,388,340	-	-	-	-	-	-	5,990,243	-
On issue / redemption during the year / period	(45,419,454)	(82,647,328)	-	-	-	-	-	-	(2,329,939)	5,990,243
Closing balance	<b>44,321,558</b>	<b>89,741,012</b>	-	-	-	-	-	-	<b>3,660,304</b>	<b>5,990,243</b>
<b>Unrealised appreciation reserve</b>										
Opening balance	12,424,069	14,412,127	-	-	-	2,106,933	-	-	553,215	-
Net change in unrealised appreciation reserve	5,848,135	(1,988,058)	-	-	-	(2,106,933)	-	-	13,735,206	553,215
Closing balance	<b>18,272,204</b>	<b>12,424,069</b>	-	-	-	-	-	-	<b>14,288,421</b>	<b>553,215</b>
Retained surplus / (deficit) at beginning of the year / period	15,211,771	1,487,186	35,728,806	4,174,923	71,129,891	4,151,349	48,390,967	(227,150)	10,782,019	-
Surplus / (deficit) transferred from revenue account	1,871,293	13,724,585	9,954,089	31,553,883	356,782	66,978,542	455,154	48,618,117	3,406,913	10,782,019
<b>Retained surplus / (deficit) at end of the year / period</b>	<b>17,083,064</b>	<b>15,211,771</b>	<b>45,682,895</b>	<b>35,728,806</b>	<b>71,486,673</b>	<b>71,129,891</b>	<b>48,846,121</b>	<b>48,390,967</b>	<b>14,188,932</b>	<b>10,782,019</b>
	<b>79,676,826</b>	<b>117,376,852</b>	<b>45,682,895</b>	<b>35,728,806</b>	<b>71,486,673</b>	<b>71,129,891</b>	<b>48,846,121</b>	<b>48,390,967</b>	<b>32,137,657</b>	<b>17,325,477</b>
<b>3 CURRENT LIABILITIES AND PROVISIONS</b>										
Management fees payable	3,158	5,536	48,694	66,912	399,495	348,768	1,764	1,608	126,450	131,774
Contracts for purchase of investments	1,788,597	-	-	-	-	-	-	-	-	30,564,736
Payable for units repurchased	9	-	-	-	-	-	-	-	2,790,529	457,217
Payable to the AMC	-	-	-	-	-	-	-	-	337	-
Service tax payable	-	-	-	-	-	-	-	-	295	-
Load	-	-	-	-	-	-	-	-	252,892	252,892
Tax deducted at source payable	421	852	5,913	7,732	45,058	39,363	686	626	14,237	14,886
Dividend and Tax on dividend payable	-	-	83,221	-	116,142	-	2,547	-	-	-
Investor Education Awareness payable	36,682	17,140	56,423	34,310	71,719	70,532	52,427	51,559	80,376	25,620
Unit Pending allotment	-	-	-	-	-	-	-	-	-	-
Unclaimed redemption payable	803,732	-	5,736	-	-	-	10,909	-	222,803	-
Other liabilities	62,202	208,543	26,807	24,351	51,009	49,287	26,600	25,514	566,189	697,231
	<b>2,694,801</b>	<b>232,071</b>	<b>226,794</b>	<b>133,305</b>	<b>683,423</b>	<b>507,950</b>	<b>94,933</b>	<b>79,307</b>	<b>4,054,108</b>	<b>32,144,356</b>

# IIFL Mutual Fund

## Schedules to the financial statements

(Amount in Rupees)

	<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>	<u>IIFL Dynamic Bond Fund</u>	<u>IIFL Short Term Income Fund</u>	<u>IIFL Liquid Fund</u>
	As at March 31, 2014	As at 31 March 2013	As at March 31, 2014	As at March 31, 2014
<b>2 RESERVES AND SURPLUS</b>				
<b>Unit premium reserve</b>				
Opening balance	-	-	-	-
On issue / redemption during the year / period	-	-	4,678,159	(334)
Closing balance	-	-	<b>4,678,159</b>	<b>(334)</b>
<b>Unrealised appreciation reserve</b>				
Opening balance	9,237,565	-	-	-
Net change in unrealised appreciation reserve	(9,237,565)	9,237,565	13,895	-
Closing balance	-	<b>9,237,565</b>	<b>13,895</b>	-
Retained surplus / (deficit) at beginning of the year / period	1,526,398	-	-	-
Surplus / (deficit) transferred from revenue account	107,908,554	1,526,398	(7,734,897)	993,675
<b>Retained surplus / (deficit) at end of the year / period</b>	<b>109,434,952</b>	<b>1,526,398</b>	<b>(7,734,897)</b>	<b>993,675</b>
	<b>109,434,952</b>	<b>10,763,963</b>	<b>(3,056,738)</b>	<b>2,383,475</b>
<b>3 CURRENT LIABILITIES AND PROVISIONS</b>				
Management fees payable	354,030	72,818	116,970	30,374
Contracts for purchase of investments	-	-	-	-
Payable for units repurchased	-	-	581,564	-
Payable to the AMC	-	-	-	-
Service tax payable	-	-	-	-
Load	-	-	-	-
Tax deducted at source payable	40,461	8,293	13,183	3,487
Dividend and Tax on dividend payable	-	-	-	141
Investor Education Awareness payable	201,621	4,045	46,717	20,640
Unit Pending allotment	-	-	49,000	-
Unclaimed redemption payable	-	-	-	-
Other liabilities	845,397	46,156	212,256	25,708
	<b>1,441,509</b>	<b>131,312</b>	<b>1,019,690</b>	<b>108,404</b>
	<b>1,441,509</b>	<b>131,312</b>	<b>1,019,690</b>	<b>14,138,413</b>

# IIFL Mutual Fund

## Schedules to the financial statements

	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>		<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>	
	As at March 31, 2014	As at March 31, 2013	As at July 22, 2013	As at March 31, 2013	As at April 03, 2013	As at March 31, 2013	As at April 03, 2013	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>4 INVESTMENTS</b>										(28,090,249)
	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value
Equity shares	80,649,856	119,120,018	-	-	-	-	-	-	227,507,121	325,835,502
<b>Debentures and bonds</b>										
Listed on recognised stock exchange	-	-	-	325,726,880	-	-	-	-	-	-
Private placement / unlisted	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-
Certificate of deposits	-	-	-	12,994,660	-	719,612,000	-	526,645,820	-	-
	<b>80,649,856</b>	<b>119,120,018</b>	<b>-</b>	<b>338,721,540</b>	<b>-</b>	<b>719,612,000</b>	<b>-</b>	<b>526,645,820</b>	<b>227,507,121</b>	<b>325,835,502</b>
<b>5 DEPOSITS</b>										
Margin money with The Clearing Corporation of India Limited (CCIL)	5,000	-	-	-	3,036,000	-	2,085,000	-	25,000	-
	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,036,000</b>	<b>-</b>	<b>2,085,000</b>	<b>-</b>	<b>25,000</b>	<b>-</b>
<b>6 OTHER CURRENT ASSETS</b>										
Recoverable from the AMC	-	-	-	-	-	-	-	-	-	-
Balances with banks in current account **	1,018,194	478,285	1,692,879	2,023,843	18,264,898	2,381,541	12,733,939	1,215,154	1,198,229	34,274,894
Subscription money receivable	-	-	-	-	-	-	-	-	7,914	383,565
Repo Loan Receivable	49,910	-	360,029,013	-	701,080,840	-	513,407,320	-	289,480	-
Contracts for sale of investments	1,763,380	-	-	-	-	-	-	-	2,027,686	-
Interest accrued but not due	72	-	70,987	10,999,918	144,058	-	105,495	-	416	-
Application Money - Non Convertible Debenture	-	-	-	-	-	-	-	-	-	-
Other assets	60,085	85,490	-	-	-	-	-	-	347,586	702,706
	<b>2,891,641</b>	<b>563,775</b>	<b>361,792,879</b>	<b>13,023,761</b>	<b>719,489,796</b>	<b>2,381,541</b>	<b>526,246,754</b>	<b>1,215,154</b>	<b>3,871,311</b>	<b>35,361,165</b>

\*\* Certain bank accounts of the schemes are held in the name of the Fund.

1,873,448

85,490

360,100,001

10,999,918

701,224,899

-

513,312,810

-



# IIFL Mutual Fund

## Schedules to the financial statements

(Amount in Rupees)

	<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>		<u>IIFL Dynamic Bond Fund</u>	<u>IIFL Short Term Income Fund</u>	<u>IIFL Liquid Fund</u>
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014
<b>4 INVESTMENTS</b>		1,310,197			
	<b>Market / Fair Value</b>	<b>Market / Fair Value</b>	<b>Market / Fair Value</b>	<b>Market / Fair Value</b>	<b>Market / Fair Value</b>
Equity shares	-	-	-	-	-
<b>Debentures and bonds</b>					
Listed on recognised stock exchange	1,072,890,775	714,717,000	56,758,735	5,005,075	-
Private placement / unlisted	210,325,000	208,196,200	-	-	-
Government securities	-	-	135,835,250	-	-
Certificate of deposits	-	59,979,480	-	39,849,460	159,746,690
	<b>1,283,215,775</b>	<b>982,892,680</b>	<b>192,593,985</b>	<b>44,854,535</b>	<b>159,746,690</b>
<b>5 DEPOSITS</b>					
Margin money with The Clearing Corporation of India Limited (CCIL)	-	-	70,000	200,000	2,200,000
	<b>-</b>	<b>-</b>	<b>70,000</b>	<b>200,000</b>	<b>2,200,000</b>
<b>6 OTHER CURRENT ASSETS</b>					
Recoverable from the AMC	-	-	80,853	80,853	-
Balances with banks in current account **	993,724	15,089,301	282,471	169,918	14,096,864
Subscription money receivable	-	-	-	-	-
Repo Loan Receivable	18,367,021	-	12,777,058	5,889,425	23,018,669
Contracts for sale of investments	-	-	-	-	-
Interest accrued but not due	30,441,606	35,054,959	5,375,873	343,617	33,065
Application Money - Non Convertible Debenture	-	200,000,000	-	-	-
Other assets	-	-	-	-	-
	<b>49,802,351</b>	<b>250,144,260</b>	<b>18,516,255</b>	<b>6,483,813</b>	<b>37,148,598</b>

\*\* Certain bank accounts of the schemes are held in the name of the Fund.

**IIFL Mutual Fund**

**Schedules to the financial statements**

(Amount in Rupees)

	<b>IIFL NIFTY ETF</b>		<b>IIFL Fixed Maturity Plan - Series 1</b>				<b>IIFL Fixed Maturity Plan - Series 2</b>				<b>IIFL Fixed Maturity Plan - Series 3</b>					
	As at March 31, 2014 (Units)	Amounts	As at March 31, 2013 (Units)	Amounts	As at July 22, 2013 (Units)	Amounts	As at March 31, 2013 (Units)	Amounts	As at April 03, 2013 (Units)	Amounts	As at March 31, 2013 (Units)	Amounts	As at April 03, 2013 (Units)	Amounts	As at March 31, 2013 (Units)	Amounts
<b>1 UNIT CAPITAL</b>																
<b>Initial capital issued and subscribed:</b>																
Units of Rs. 10 each fully paid up	662,487,000	6,624,870	662,487,000	6,624,870	31,588,319,000	315,883,190	31,588,319,000	315,883,190	65,035,570,000	650,355,700	65,035,570,000	650,355,700	47,939,070,000	479,390,700	47,939,070,000	479,390,700
<b>Dividend Option</b>																
Units outstanding, beginning of the year / period	-	-	-	-	57,440,000	574,400	57,440,000	574,400	105,490,000	1,054,900	105,490,000	1,054,900	2,500,000	25,000	2,500,000	25,000
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	-	-	-	-	57,440,000	574,400	57,440,000	574,400	105,490,000	1,054,900	105,490,000	1,054,900	2,500,000	25,000	2,500,000	25,000
<b>Growth Option</b>																
Units outstanding, beginning of the the year / period	207,487,000	2,074,870	362,487,000	3,624,870	31,530,879,000	315,308,790	31,530,879,000	315,308,790	64,930,080,000	649,300,800	64,930,080,000	649,300,800	47,936,570,000	479,365,700	47,936,570,000	479,365,700
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the the year / period	5,192,399	51,924	85,000,000	850,000	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	(95,192,399)	(951,924)	(240,000,000)	(2,400,000)	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	117,487,000	1,174,870	207,487,000	2,074,870	31,530,879,000	315,308,790	31,530,879,000	315,308,790	64,930,080,000	649,300,800	64,930,080,000	649,300,800	47,936,570,000	479,365,700	47,936,570,000	479,365,700
<b>Total</b>																
Units outstanding, beginning of the the year / period	207,487,000	2,074,870	362,487,000	3,624,870	31,588,319,000	315,883,190	31,588,319,000	315,883,190	65,035,570,000	650,355,700	65,035,570,000	650,355,700	47,939,070,000	479,390,700	47,939,070,000	479,390,700
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the the year / period	5,192,399	51,924	85,000,000	850,000	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	(95,192,399)	(951,924)	(240,000,000)	(2,400,000)	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	117,487,000	1,174,870	207,487,000	2,074,870	31,588,319,000	315,883,190	31,588,319,000	315,883,190	65,035,570,000	650,355,700	65,035,570,000	650,355,700	47,939,070,000	479,390,700	47,939,070,000	479,390,700



# IIFL Mutual Fund

## Schedules to the financial statements

(Amount in Rupees)

	<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>				<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>				<u>IIFL Dynamic Bond Fund</u>		<u>IIFL Short Term Income Fund</u>	
	As at March 31, 2014		As at 31 March 2013		As at March 31, 2014		As at 31 March 2013		As at March 31, 2014		As at March 31, 2014	
	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts
<b>1 UNIT CAPITAL</b>												
<b><u>Regular Fortnightly Dividend Option</u></b>												
Units outstanding, beginning of the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	-	-	-	-	-	-	-	-	-	-	-	-
<b><u>Direct Dividend Option</u></b>												
Units outstanding, beginning of the the year / period	12,778.753	127,788	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the the year / period	44,616.343	446,163	13,239.897	132,399	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	(792.290)	(7,923)	(461.144)	(4,611)	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	56,602.806	566,028	12,778.753	127,788	-	-	-	-	-	-	-	-
<b><u>Direct Growth Option</u></b>												
Units outstanding, beginning of the the year / period	270,035.710	2,700,357	-	-	500,500.000	5,005,000	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	500,500.000	5,005,000	373,100.000	3,731,000	203,500.000	2,035,000
Units issued during the the year / period	564,181.289	5,641,813	272,024.531	2,720,245	-	-	-	-	106,721.489	1,067,215	-	-
Units repurchased during the the year / period	(60,463.063)	(604,630)	(1,988.821)	(19,888)	-	-	-	-	(92,770.639)	(927,706)	-	-
Units outstanding, end of the year / period	773,753.936	7,737,540	270,035.710	2,700,357	500,500.000	5,005,000	500,500.000	5,005,000	387,050.850	3,870,509	203,500.000	2,035,000
<b><u>Direct Half Yearly Dividend Option</u></b>												
Units outstanding, beginning of the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	2,000.000	20,000	-	-
Units issued during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	-	-	-	-	-	-	-	-	2,000.000	20,000	-	-
<b><u>Direct Monthly Dividend Option</u></b>												
Units outstanding, beginning of the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	60,000.000	600,000	-	-
Units issued during the the year / period	-	-	-	-	-	-	-	-	1,002.506	10,025	1,980.295	19,803
Units repurchased during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	-	-	-	-	-	-	-	-	61,002.506	610,025	1,980.295	19,803
<b><u>Total</u></b>												
Units outstanding, beginning of the the year / period	31,172,683.402	311,726,833	-	-	122,214,166.500	1,222,141,665	-	-	-	-	-	-
Units issued, initial offer	-	-	21,272,320.000	212,723,200	-	-	122,214,166.500	1,222,141,665	33,708,383.000	337,083,830	20,803,170.000	208,031,700
Units issued during the the year / period	4,564,189.409	45,641,894	15,929,664.441	159,296,644	-	-	-	-	2,457,369.181	24,573,691	122,933.031	1,229,330
Units repurchased during the the year / period	(16,215,706.104)	(162,157,060)	(6,029,301.039)	(60,293,010)	-	-	-	-	(14,844,023.383)	(148,440,233)	(16,021,456.180)	(160,214,561)
Units outstanding, end of the year / period	19,521,166.707	195,211,667	31,172,683.402	311,726,833	122,214,166.500	1,222,141,665	122,214,166.500	1,222,141,665	21,321,728.798	213,217,288	4,904,646.851	49,046,469

# IIFL Mutual Fund

## Schedules to the financial statements

(Amount in Rupees)

### IIFL Liquid Fund

As at March 31, 2014

(Units)                      Amounts

#### 1 UNIT CAPITAL

##### Initial capital issued and subscribed:

Units of Rs. 1000 each fully paid up

	(Units)	Amounts
	198,067.000	198,067,000

##### Growth Option

Units outstanding, beginning of the the year / period

	-	-
--	---	---

Units issued, initial offer

	99,072.000	99,072,000
--	------------	------------

Units issued during the the year / period

	248,205.656	248,205,656
--	-------------	-------------

Units repurchased during the the year / period

	(320,754.217)	(320,754,217)
--	---------------	---------------

Units outstanding, end of the year / period

	26,523.439	26,523,439
--	------------	------------

##### Regular Half Yearly Dividend Option

Units outstanding, beginning of the the year / period

	-	-
--	---	---

Units issued, initial offer

	98,500.000	98,500,000
--	------------	------------

Units issued during the the year / period

	-	-
--	---	---

Units repurchased during the the year / period

	(98,500.000)	(98,500,000)
--	--------------	--------------

Units outstanding, end of the year / period

	-	-
--	---	---

##### Regular Monthly Dividend Option

Units outstanding, beginning of the the year / period

	-	-
--	---	---

Units issued, initial offer

	105.000	105,000
--	---------	---------

Units issued during the the year / period

	-	-
--	---	---

Units repurchased during the the year / period

	(100.000)	(100,000)
--	-----------	-----------

Units outstanding, end of the year / period

	5.000	5,000
--	-------	-------

##### Regular Quarterly Dividend Option

Units outstanding, beginning of the the year / period

	-	-
--	---	---

Units issued, initial offer

	-	-
--	---	---

Units issued during the the year / period

	-	-
--	---	---

Units repurchased during the the year / period

	-	-
--	---	---

Units outstanding, end of the year / period

	-	-
--	---	---

##### Regular Daily Dividend Option

Units outstanding, beginning of the the year / period

	-	-
--	---	---

Units issued, initial offer

	300.000	300,000
--	---------	---------

Units issued during the the year / period

	480,753.759	480,753,759
--	-------------	-------------

Units repurchased during the the year / period

	(378,781.527)	(378,781,527)
--	---------------	---------------

Units outstanding, end of the year / period

	102,272.232	102,272,232
--	-------------	-------------

##### Regular Weekly Dividend Option

Units outstanding, beginning of the the year / period

	-	-
--	---	---

Units issued, initial offer

	30.000	30,000
--	--------	--------

Units issued during the the year / period

	0.466	466
--	-------	-----

Units repurchased during the the year / period

	(5.000)	(5,000)
--	---------	---------

Units outstanding, end of the year / period

	25.466	25,466
--	--------	--------

##### Regular Fortnightly Dividend Option

Units outstanding, beginning of the the year / period

	-	-
--	---	---

Units issued, initial offer

	5.000	5,000
--	-------	-------

Units issued during the the year / period

	3,995.000	3,995,000
--	-----------	-----------

Units repurchased during the the year / period

	-	-
--	---	---

Units outstanding, end of the year / period

	4,000.000	4,000,000
--	-----------	-----------

# IIFL Mutual Fund

## Schedules to the financial statements

(Amount in Rupees)

**IIFL Liquid Fund**  
As at March 31, 2014  
(Units)                      Amounts

### 1 UNIT CAPITAL

**Direct Dividend Option**

Units outstanding, beginning of the the year / period	-	-
Units issued, initial offer	-	-
Units issued during the the year / period	-	-
Units repurchased during the the year / period	-	-
Units outstanding, end of the year / period	<u>-</u>	<u>-</u>

**Direct Growth Option**

Units outstanding, beginning of the the year / period	-	-
Units issued, initial offer	340.000	340,000
Units issued during the the year / period	206.461	206,461
Units repurchased during the the year / period	(224.768)	(224,768)
Units outstanding, end of the year / period	<u>321.693</u>	<u>321,693</u>

**Direct Daily Dividend Option**

Units outstanding, beginning of the the year / period	-	-
Units issued, initial offer	300.000	300,000
Units issued during the the year / period	50,766.375	50,766,375
Units repurchased during the the year / period	(300.671)	(300,671)
Units outstanding, end of the year / period	<u>50,765.704</u>	<u>50,765,704</u>

**Direct Half Yearly Dividend Option**

Units outstanding, beginning of the the year / period	-	-
Units issued, initial offer	50.000	50,000
Units issued during the the year / period	-	-
Units repurchased during the the year / period	-	-
Units outstanding, end of the year / period	<u>50.000</u>	<u>50,000</u>

**Direct Monthly Dividend Option**

Units outstanding, beginning of the the year / period	-	-
Units issued, initial offer	-	-
Units issued during the the year / period	-	-
Units repurchased during the the year / period	-	-
Units outstanding, end of the year / period	<u>-</u>	<u>-</u>

**Total**

Units outstanding, beginning of the the year / period	-	-
Units issued, initial offer	198,702.000	198,702,000
Units issued during the the year / period	783,927.717	783,927,717
Units repurchased during the the year / period	(798,666.183)	(798,666,183)
Units outstanding, end of the year / period	<u>183,963.534</u>	<u>183,963,534</u>

# IIFL Mutual Fund

## Schedules to the financial statements

	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>		<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>	
	Year ended	Year ended	Period from	Year ended	Period from	Year ended	Period from	Year ended	Year ended	Period from
	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013	April 01, 2013 to July 22, 2013	April 01, 2012 to March 31, 2013	April 01, 2013 to April 03, 2013	April 01, 2012 to March 31, 2013	April 01, 2013 to April 03, 2013	April 01, 2012 to March 31, 2013	April 01, 2013 to March 31, 2014	June 06, 2013 to March 31, 2013
<b>7 INTEREST AND DISCOUNT INCOME</b>										
Debentures and bonds	-	-	9,188,783	31,074,194	-	-	-	-	-	-
- Private placement / unlisted	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-
Commercial papers	-	-	-	-	-	-	-	-	-	-
Certificate of deposits	-	-	393,649	945,600	371,494	69,215,018	302,020	48,319,611	-	-
Reverse repo / CBLO	12,337	-	295,036	-	144,254	-	105,691	136,835	79,555	144,455
	<b>12,337</b>	<b>-</b>	<b>9,877,468</b>	<b>32,019,794</b>	<b>515,748</b>	<b>69,215,018</b>	<b>407,711</b>	<b>48,456,446</b>	<b>79,555</b>	<b>144,455</b>
<b>8 OTHER OPERATING EXPENSES</b>										
Bank charges	758	-	-	-	-	-	-	-	13,147	9,421
Communication expenses	-	27	-	-	-	-	-	-	16,325	71,075
CDSL Annual fees	-	-	-	-	-	-	-	-	-	-
Transaction processing charges	-	-	-	-	-	-	-	-	153,040	152,635
Licence Fees	78,662	222,508	1,406	-	-	-	-	-	442	93,274
Other Expenses	2,212	-	209	10,573	416	20,973	120	4,790	-	257,682
	<b>81,632</b>	<b>222,535</b>	<b>1,615</b>	<b>10,573</b>	<b>416</b>	<b>20,973</b>	<b>120</b>	<b>4,790</b>	<b>182,954</b>	<b>584,087</b>

# IIFL Mutual Fund

## Schedules to the financial statements

(Amount in Rupees)

	<u>IIFL FIXED MATURITY PLAN - SERIES</u> <u>6</u>		<u>IIFL Dynamic Bond</u> <u>Fund</u>	<u>IIFL Short Term</u> <u>Income Fund</u>	<u>IIFL Liquid Fund</u>
	Year ended	Period from	Period from	Period from	Period from
	April 01, 2013 to March 31, 2014	March 18, 2013 to March 31, 2013	June 06, 2013 to March 31, 2014	August 30, 2013 to March 31, 2014	November 01, 2013 to March 31, 2014
<b>7 INTEREST AND DISCOUNT INCOME</b>					
Debentures and bonds	107,269,615	1,576,535	8,783,029	28,690	-
- Private placement / unlisted	12,859,178	-	-	-	-
Government securities	-	-	10,500,405	-	-
Commercial papers	22,216	-	-	-	-
Certificate of deposits	217,851	81,175	81,836	9,130,210	881,762
Reverse repo / CBLO	584,252	-	1,016,402	643,942	7,081,011
	<b>120,953,112</b>	<b>1,657,710</b>	<b>20,381,672</b>	<b>9,802,842</b>	<b>7,962,773</b>
<b>8 OTHER OPERATING EXPENSES</b>					
Bank charges	-	-	465	6	-
Communication expenses	-	-	14,095	7,735	3,754
CDSL Annual fees	56,180	-	-	-	-
Transaction processing charges	-	-	2,010	-	-
Licence Fees	552,698	-	200,422	60,198	10,248
Other Expenses	-	40,910	26,680	623	614
	<b>608,878</b>	<b>40,910</b>	<b>243,672</b>	<b>68,562</b>	<b>14,616</b>



# IIFL Mutual Fund

## Schedules to the financial statements

### 10 Distributable Surplus

	<u>IIFL NIFTY ETF</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>		<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>		<u>IIFL Dynamic Bond Fund</u>	<u>IIFL Short Term Income Fund</u>	(Amount in Rupees) <u>IIFL Liquid Fund</u>
	As at	As at	As at	As at	As at	As at	As at	As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2014	March 31, 2014
Total reserves as per financial statements	79,676,826	117,376,852	32,137,657	17,325,477	109,434,952	10,763,963	(3,056,738)	2,383,475	993,341
Less: Unrealised Appreciation at Portfolio level	(18,272,204)	(12,424,069)	(14,288,421)	(553,215)	-	(9,237,565)	-	(13,895)	-
Less: Credit balance of Unit Premium Reserve at plan level	(44,321,558)	(89,741,012)	(3,660,304)	(5,990,243)	-	-	(4,678,159)	69,944	334
<b>Distributable Surplus</b>	<b>17,083,064</b>	<b>15,211,771</b>	<b>14,188,932</b>	<b>10,782,019</b>	<b>109,434,952</b>	<b>1,526,398</b>	<b>(7,734,897)</b>	<b>2,439,524</b>	<b>993,675</b>

**IIFL Mutual Fund**  
**CASH FLOW STATEMENT**

Schedule	IIFL NIFTY ETF		IIFL Fixed Maturity Plan - Series 1		IIFL Fixed Maturity Plan - Series 2		IIFL Fixed Maturity Plan - Series 3		IIFL DIVIDEND OPPORTUNITIES INDEX FUND		
	for the year ended March 31, 2014	for the year ended March 31, 2013	for the period ended March 31, 2014	for the year ended March 31, 2013	for the period ended March 31, 2014	for the year ended March 31, 2013	for the period ended March 31, 2014	for the year ended March 31, 2013	for the year ended March 31, 2014	for the period ended 31st March 2013	
<b>A. Cashflow from Operating Activity</b>											
Surplus/(deficit) for the year/period	7,719,428	11,736,527	10,037,310	31,553,883	472,924	66,978,542	457,701	48,618,117	17,142,119	11,335,233	
Adjustments for:-											
(Increase)/Decrease in Investments at cost	44,343,514	134,006,336	339,537,334	(28,831,678)	719,628,506	(66,077,339)	526,697,980	(253,812,652)	79,471,165	(325,282,287)	
(Increase)/Decrease in Other current assets	25,332	(36,968)	10,928,930	25,519	(144,059)	-	(105,494)	-	354,705	(1,469,834)	
Increase/(Decrease) in Current liabilities	674,133	(1,408)	10,269	7,399	59,332	364,889	13,078	(145,043)	141,176	32,144,355	
(Increase)/Decrease in Margin money with CCIL	(5,000)	-	-	-	(3,036,000)	-	(2,085,000)	-	(25,000)	-	
Change in provision for net unrealised loss in value of investments	(5,848,135)	1,988,058	(815,794)	(831,926)	(16,506)	16,506	(52,160)	(313,868)	(13,735,206)	(553,215)	
<b>Net cash generated from/(used in) operations</b>	<b>(A)</b>	<b>46,909,272</b>	<b>147,692,545</b>	<b>359,698,049</b>	<b>1,923,197</b>	<b>716,964,197</b>	<b>1,282,598</b>	<b>524,926,105</b>	<b>(205,653,446)</b>	<b>83,348,959</b>	<b>(283,825,748)</b>
<b>B. Cashflow from Financing Activities</b>											
Increase/(Decrease) in Unit capital	(900,000)	(1,550,000)	-	-	-	-	-	-	(116,515,167)	311,726,834	
Increase/(Decrease) in Unit premium	(45,419,453)	(82,647,329)	-	-	-	-	-	-	(2,329,939)	5,990,243	
Adjustments for:-											
Increase/(Decrease) in Sundry creditors for units redeemed by investors	-	(63,532,527)	-	-	-	-	-	-	2,333,312	-	
(Increase)/Decrease in Sundry debtors for units issued to investors	-	-	-	-	-	-	-	-	375,650	383,565	
Dividend paid during the year (including dividend tax)	-	-	-	-	-	-	-	-	-	-	
<b>Net cash (used in)/generated from financing activities</b>	<b>(B)</b>	<b>(46,319,453)</b>	<b>(147,729,856)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116,136,144)</b>	<b>318,100,642</b>	
<b>Net Increase/(Decrease) in Cash and cash equivalents</b>	<b>(A+B)</b>	<b>589,819</b>	<b>(37,311)</b>	<b>359,698,049</b>	<b>1,923,197</b>	<b>716,964,197</b>	<b>1,282,598</b>	<b>524,926,105</b>	<b>(205,653,446)</b>	<b>(32,787,185)</b>	<b>34,274,894</b>
Cash and Cash Equivalents as at the beginning of the year	478,285	515,596	2,023,843	100,646	2,381,541	1,098,943	1,215,154	206,868,600	34,274,894	-	
Cash and Cash Equivalents as at the close of the year	1,068,104	478,285	361,721,892	2,023,843	719,345,738	2,381,541	526,141,259	1,215,154	1,487,709	34,274,894	
<b>Components of cash and cash equivalents</b>											
Balances with banks in current accounts (Refer Schedule 6)	1,018,194	478,285	1,692,879	2,023,843	18,264,898	2,381,541	12,733,939	1,215,154	1,198,229	34,274,894	
Collateralised lending (Reverse re-purchase transactions)	49,910	-	360,029,013	-	701,080,840	-	513,407,320	-	289,480	-	
	1,068,104	478,285	361,721,892	2,023,843	719,345,738	-	526,141,259	1,215,154	1,487,709	34,274,894	

**Significant accounting policies and Notes to Accounts**

9

The schedules referred to the above and notes to accounts form an integral part of the accounts.

As per our attached report of even date.

For **S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 301003E

Sd/  
per **Jayesh Gandhi**  
Partner  
Membership No: 37924

For **India Infoline Trustee Company Limited**

Sd/  
**A. K. Shukla**  
Chairman

Sd/  
**R. Venkataraman**  
Director

For **India Infoline Asset Management Company Limited**

Sd/  
**Manish Bandi**  
Fund Manager

Sd/  
**Gautam Adukia**  
Fund Manager

Sd/  
**Homai Daruwalla**  
Chairman

Sd/  
**Karan Bhagat**  
Director

Place: Mumbai  
Date :

Place: Mumbai  
Date:

The schedules referred to the above and notes to accounts form an integral part of the accounts.

As per our attached report of even date.

**For S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 301003E

Sd/  
**per Jayesh Gandhi**  
Partner  
Membership No: 37924

**For India Infoline Trustee Company Limited**

Sd/  
**A. K. Shukla**  
Chairman

Sd/  
**R. Venkataraman**  
Director

For India Infoline Asset Management Company Limited

Sd/  
**Manish Bandi**  
Fund Manager

Sd/  
**Gautam Adukia**  
Fund Manager

Sd/  
**Homai Daruwalla**  
Chairman

Sd/  
**Karan Bhagat**  
Director

Place: Mumbai  
Date :

Place: Mumbai  
Date:

**IIFL Mutual Fund**  
**CASH FLOW STATEMENT**

(Amount in Rupees)

Schedule	IIFL FIXED MATURITY PLAN - SERIES 6					IIFL Dynamic Bond Fund		IIFL Short Term Income Fund		IIFL Liquid Fund	
	for the year ended March 31, 2014		for the period ended 31st March 2013		for the period ended March 31, 2014		for the period ended March 31, 2014		for the period ended March 31, 2014		
<b>A. Cashflow from Operating Activity</b>											
Surplus/(deficit) for the year/period	98,670,989	10,763,963	(7,734,897)	2,461,198	5,432,078						
Adjustments for:-											
(Increase)/Decrease in Investments at cost	(316,564,293)	(973,655,115)	(196,558,712)	(44,840,640)	(159,761,042)						
(Increase)/Decrease in Other current assets	204,613,353	(235,054,959)	(5,456,726)	(424,470)	(33,066)						
Increase/(Decrease) in Current liabilities	1,310,197	131,312	389,126	108,263	72,934						
(Increase)/Decrease in Margin money with CCIL	-	-	(70,000)	(200,000)	(2,200,000)						
Change in provision for net unrealised loss in value of investments	16,241,198	(9,237,565)	3,964,727	(13,895)	14,352						
<b>Net cash generated from/(used in) operations</b>	<b>(A)</b>	<b>4,271,444</b>	<b>(1,207,052,364)</b>	<b>(205,466,482)</b>	<b>(42,909,544)</b>	<b>(156,474,744)</b>					
<b>B Cashflow from Financing Activities</b>											
Increase/(Decrease) in Unit capital	-	1,222,141,665	213,266,288	49,046,469	197,963,534						
Increase/(Decrease) in Unit premium	-	-	4,678,159	(69,944)	(334)						
Adjustments for:-											
Increase/(Decrease) in Sundry creditors for units redeemed by investors	-	-	581,564	-	-						
(Increase)/Decrease in Sundry debtors for units issued to investors	-	-	-	-	-						
Dividend paid during the year (including dividend tax)	-	-	-	(7,638)	(4,372,923)						
<b>Net cash (used in)/generated from financing activities</b>	<b>(B)</b>	<b>-</b>	<b>1,222,141,665</b>	<b>218,526,011</b>	<b>48,968,887</b>	<b>193,590,277</b>					
<b>Net Increase/(Decrease) in Cash and cash equivalents</b>	<b>(A+B)</b>	<b>4,271,444</b>	<b>15,089,301</b>	<b>13,059,529</b>	<b>6,059,343</b>	<b>37,115,533</b>					
Cash and Cash Equivalents as at the beginning of the year	15,089,301	-	-	-	-						
Cash and Cash Equivalents as at the close of the year	19,360,745	15,089,301	13,059,529	6,059,343	37,115,533						
<b>Components of cash and cash equivalents</b>											
Balances with banks in current accounts (Refer Schedule 6)	993,724	15,089,301	282,471	169,918	14,096,864						
Collateralised lending (Reverse re-purchase transactions)	18,367,021	-	12,777,058	5,889,425	23,018,669						
	19,360,745	15,089,301	13,059,529	6,059,343	37,115,533						

**Significant accounting policies and Notes to Accounts**

9

The schedules referred to the above and notes to accounts form an integral part of the accounts.

As per our attached report of even date.

For **S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 301003E

For India Infoline Trustee Company Limited

Sd/  
per **Jayesh Gandhi**  
Partner  
Membership No: 37924

Sd/  
**A. K. Shukla**  
Chairman

Sd/  
**R. Venkataraman**  
Director

For India Infoline Asset Management Company Limited

Sd/  
**Manish Bandi**  
Fund Manager

Sd/  
**Gautam Adukia**  
Fund Manager

Sd/  
**Homai Daruwalla**  
Chairman

Sd/  
**Karan Bhagat**  
Director

Place: Mumbai  
Date :

Place: Mumbai  
Date:

The schedules referred to the above and notes to accounts form an integral part of the accounts.

As per our attached report of even date.

**For S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 301003E

Sd/  
**per Jayesh Gandhi**  
Partner  
Membership No: 37924

**For India Infoline Trustee Company Limited**

Sd/  
**A. K. Shukla**  
Chairman

Sd/  
**R. Venkataraman**  
Director

For India Infoline Asset Management Company Limited

Sd/  
**Manish Bandi**  
Fund Manager

Sd/  
**Gautam Adukia**  
Fund Manager

Sd/  
**Homai Daruwalla**  
Chairman

Sd/  
**Karan Bhagat**  
Director

Place: Mumbai  
Date :

Place: Mumbai  
Date:

# IIFL Mutual Fund

## Annexure A

### Portfolio holding (market / fair value) as at March 31, 2014

(Amount in rupees)

Particulars	IIFL NIFTY ETF			
	Quantity	Market Value	% To Net Assets	% to Asset Class
<b>Equity Shares</b>				
<b>Auto:</b>				
Tata Motors Limited	6,452	2,572,090	3.18	3.19
Mahindra & Mahindra Limited	1,653	1,621,097	2.01	2.01
Bajaj Auto Limited	482	1,004,295	1.24	1.25
Hero MotoCorp Limited	431	980,439	1.21	1.22
Maruti Suzuki India Limited	475	936,581	1.16	1.16
<b>Banks:</b>				
ICICI Bank Limited	4,145	5,160,732	6.38	6.40
HDFC Bank Limited	6,654	4,982,515	6.16	6.18
State Bank of India	1,110	2,128,647	2.63	2.64
Axis Bank Limited	1,115	1,628,458	2.01	2.02
Kotak Mahindra Bank Limited	1,368	1,068,476	1.32	1.32
IndusInd Bank Limited	1,530	767,831	0.95	0.95
Bank of Baroda	688	495,876	0.61	0.61
Punjab National Bank	535	397,987	0.49	0.49
<b>Cement:</b>				
UltraTech Cement Limited	365	798,237	0.99	0.99
Grasim Industries Limited	229	661,363	0.82	0.82
Ambuja Cements Limited	2,749	555,848	0.69	0.69
ACC Limited	336	470,249	0.58	0.58
<b>Construction:</b>				
DLF Limited	1,604	283,026	0.35	0.35
<b>Construction Project:</b>				
Larsen & Toubro Limited	2,926	3,721,579	4.60	4.61
<b>Consumer Non Durables:</b>				
ITC Limited	19,850	7,004,073	8.66	8.68
Hindustan Unilever Limited	2,541	1,538,703	1.90	1.91
Asian Paints Limited	1,626	890,967	1.10	1.10
United Spirits Limited.	283	749,228	0.93	0.93
<b>Ferrous Metals:</b>				
Tata Steel Limited	2,394	943,116	1.17	1.17
Jindal Steel & Power Limited	1,325	387,496	0.48	0.48
<b>Finance:</b>				
Housing Development Finance Corporation Limited	5,599	4,948,956	6.12	6.14
Infrastructure Development Finance Company Limited	4,505	550,736	0.68	0.68
<b>Gas:</b>				
GAIL (India) Limited	1,613	606,569	0.75	0.75
<b>Industrial Capital Goods:</b>				
Bharat Heavy Electricals Limited	2,836	555,998	0.69	0.69
<b>Minerals / Mining:</b>				
Sesa Sterlite Limited	4,437	836,596	1.03	1.04
Coal India Limited	2,268	654,885	0.81	0.81
NMDC Limited	2,846	396,306	0.49	0.49
<b>Non Ferrous Metals:</b>				
Hindalco Industries Limited	4,618	654,602	0.81	0.81
<b>Oil:</b>				
Oil & Natural Gas Corporation Limited	6,352	2,024,382	2.50	2.51
Cairn India Limited	2,122	706,626	0.87	0.88
<b>Petroleum Products:</b>				
Reliance Industries Limited	5,902	5,493,287	6.79	6.81
Bharat Petroleum Corporation Limited	928	426,926	0.53	0.53
<b>Pharmaceuticals:</b>				
Sun Pharmaceuticals Industries Limited	2,703	1,553,549	1.92	1.93
Dr. Reddy's Laboratories Limited	455	1,166,575	1.44	1.45
Lupin Limited	857	799,710	0.99	0.99
Cipla Limited	1,822	697,462	0.86	0.86
<b>Power:</b>				
NTPC Limited	7,400	887,260	1.10	1.10
Power Grid Corporation of India Limited	7,908	830,340	1.03	1.03
Tata Power Company Limited	6,557	558,329	0.69	0.69
Tata Power Company Limited - Rights	819	20,597.85	0.03	0.03
<b>Software:</b>				

# IIFL Mutual Fund

## Annexure A

### Portfolio holding (market / fair value) as at March 31, 2014

(Amount in rupees)

Particulars	IIFL NIFTY ETF			
	Quantity	Market Value	% To Net Assets	% to Asset Class
Infosys Limited	1,733	5,689,092	7.04	7.05
Tata Consultancy Services Limited	1,836	3,916,463	4.84	4.86
HCL Technologies Limited	961	1,336,463	1.65	1.66
Wipro Limited	2,347	1,274,890	1.58	1.58
Tech Mahindra Limited	533	956,922	1.18	1.19
<b>Telecom - Services:</b>				
Bharti Airtel Limited	4,272	1,357,428	1.68	1.68
<b>Total</b>		<b>80,649,856</b>	<b>99.75</b>	<b>100.00</b>
<b>Others</b>				
CBLO with maturity 02-04-2014		49,910	0.06	
Net Current Assets		151,930	0.19	
<b>Total</b>		<b>201,840</b>	<b>0.25</b>	
<b>NET ASSET VALUE</b>		<b>80,851,696</b>	<b>100.00</b>	

Note : \*  
In IIFL Nifty ETF Fund, the aggregate value of non traded / thinly traded investments which individually exceed 5% of the NAV as at March 31, 2014 is Nil

# IIFL Mutual Fund

## Annexure A

### Portfolio holding (market / fair value) as at March 31, 2014

(Amount in rupees)

Particulars	IIFL Dividend Opportunities Index Fund			
	Quantity	Market Value	% To Net Assets	% to Asset Class
<b>Equity Shares</b>				
<b>Auto:</b>				
Bajaj Auto Limited	8,334	17,364,722	7.64	7.63
Hero MotoCorp Limited	7,450	16,947,260	7.45	7.45
Ashok Leyland Limited	77,213	1,826,087	0.80	0.80
<b>Banks:</b>				
Bank of Baroda	11,891	8,570,438	3.77	3.77
Punjab National Bank	9,247	6,878,843	3.03	3.02
Bank of India	13,282	3,034,937	1.33	1.33
Karur Vysya Bank	6,424	2,410,927	1.06	1.06
Canara Bank	8,880	2,347,428	1.03	1.03
The Jammu & Kashmir Bank Limited	1,410	2,168,580	0.95	0.95
Union Bank of India	15,607	2,144,402	0.94	0.94
The South Indian Bank Limited	83,084	1,848,619	0.81	0.81
Oriental Bank of Commerce	7,610	1,696,269	0.75	0.75
IDBI Bank Limited	23,405	1,528,347	0.67	0.67
The Karnataka Bank Limited	11,700	1,371,825	0.60	0.60
Allahabad Bank	13,898	1,263,328	0.56	0.56
Syndicate Bank	13,123	1,261,120	0.55	0.55
UCO Bank	14,368	1,048,146	0.46	0.46
Andhra Bank	14,593	933,222	0.41	0.41
Indian Overseas Bank	15,036	764,581	0.34	0.34
Indian Bank	5,338	613,069	0.27	0.27
Dena Bank	9,729	588,605	0.26	0.26
Vijaya Bank	13,840	552,216	0.24	0.24
Central Bank of India	9,531	475,120	0.21	0.21
Corporation Bank	1,471	407,320	0.18	0.18
<b>Cement:</b>				
ACC Limited	5,809	8,129,986	3.58	3.57
<b>Construction Project:</b>				
Engineers India Limited	6,193	1,397,450	0.61	0.61
<b>Consumer Non Durables:</b>				
Hindustan Unilever Limited	29,850	18,075,668	7.95	7.95
ITC Limited	48,199	17,007,017	7.48	7.48
Colgate Palmolive (India) Limited	4,138	5,679,405	2.50	2.50
GlaxoSmithKline Consumer Healthcare Limited	720	3,096,252	1.36	1.36
McLeod Russel India Limited	3,690	1,128,771	0.50	0.50
<b>Fertilisers:</b>				
Chambal Fertilizers & Chemicals Limited	11,174	446,401	0.20	0.20
<b>Finance:</b>				
Rural Electrification Corporation Limited	20,358	4,676,233	2.06	2.06
Mahindra & Mahindra Financial Services Limited	16,892	4,256,784	1.87	1.87
Power Finance Corporation Limited	21,546	4,162,687	1.83	1.83
Bajaj Holdings and Investment Limited	3,811	3,905,513	1.72	1.72
Max India Limited	10,071	2,095,272	0.92	0.92
Dewan Housing Finance Corporation Limited	4,046	885,063	0.39	0.39
<b>Industrial Products:</b>				
Cummins India Limited	8,435	5,034,008	2.21	2.21
<b>Minerals / Mining:</b>				
Coal India Limited	39,222	11,325,353	4.98	4.98
NMDC Limited	49,227	6,854,860	3.02	3.01
<b>Oil:</b>				
Oil & Natural Gas Corporation Limited	54,135	17,252,825	7.59	7.58
Oil India Limited	8,461	4,095,547	1.80	1.80
<b>Pesticides:</b>				
Rallis India Limited	6,027	1,043,876	0.46	0.46
<b>Petroleum Products:</b>				
Hindustan Petroleum Corporation Limited	10,280	3,184,744	1.40	1.40
<b>Pharmaceuticals:</b>				
GlaxoSmithKline Pharmaceuticals Limited	2,595	6,677,454	2.94	2.94
<b>Power:</b>				
NTPC Limited	128,001	15,347,320	6.75	6.75



IIFL Mutual Fund

Annexure A

Portfolio holding (market / fair value) as at March 31, 2014

(Amount in rupees)

Particulars	IIFL Dividend Opportunities Index Fund			
	Quantity	Market Value	% To Net Assets	% to Asset Class
<b>Software:</b>				
Mphasis BFL Limited	4,560	1,842,240	0.81	0.81
NIIT Technologies Limited	2,597	1,045,422	0.46	0.46
Hexaware Technologies Limited	5,419	815,560	0.36	0.36
<b>Total</b>		<b>227,507,121</b>	<b>100.07</b>	<b>100.00</b>
<b>Others</b>				
CBLO with maturity 02-04-2014		289,480	0.13	
Net Current Assets		-447,277	-0.20	
<b>Total</b>		<b>-157,797</b>	<b>-0.07</b>	
<b>NET ASSET VALUE</b>		<b>227,349,324</b>	<b>100.00</b>	
<p>Note : *</p> <p>In IIFL Dividend Opportunities Index Fund, the aggregate value of non traded / thinly traded investments which individually exceed 5% of the NAV as at March 31, 2014 is Nil</p>				

# IIFL Mutual Fund

## Annexure A

### Portfolio holding (market / fair value) as at March 31, 2014

Particulars	(Amount in rupees)			
	Quantity	Market Value	% To Net Assets	% to Asset Class
<b>Debentures/Bonds</b>				
<b>Auto:</b>				
8.00% Mahindra Vehicle Manufacturers Limited 14-03-2015	200	210,325,000 *	15.80	16.39
09.15% Tata Motors Limited 03-06-2015	150	148,976,550 *	11.19	11.61
<b>Ferrous Metals:</b>				
10.20% Tata Steel Limited 07-05-2015	150	150,537,150 *	11.31	11.73
<b>Finance:</b>				
0.00% Sundaram BNP Paribas Home Finance Limited 27-07-2015	200	218,362,800 *	16.40	17.02
0.00% India Infoline Finance Limited 27-07-2015	150	168,669,900 *	12.67	13.14
0.00% India Infoline Housing Finance Limited 27-07-2015	100	112,293,700 *	8.43	8.75
9.57% IDFC Limited 11-07-2015	50	50,079,450	3.76	3.90
8.29% Power Finance Corporation Limited 25-06-2015	50	49,351,600	3.71	3.85
9.52% IDFC Limited 17-07-2015	36	36,036,540	2.71	2.81
0.00% India Infoline Finance Limited 18-12-2014	17,308	23,177,091	1.74	1.81
9.38% SIDBI 14-02-2015	17	17,013,294	1.28	1.32
<b>Power:</b>				
09.15% Tata Power Company Limited 23-07-2015	40	98,392,700 *	7.39	7.67
<b>Total</b>		<b>1,283,215,775</b>	<b>96.39</b>	<b>100.00</b>
<b>Others</b>				
<b>CBLO with maturity 02-04-2014</b>		18,367,021	1.38	
<b>Net Current Assets</b>		29,993,821	2.23	
<b>Total</b>		<b>48,360,842</b>	<b>3.61</b>	
<b>NET ASSET VALUE</b>		<b>1,331,576,617</b>	<b>100.00</b>	
Note : *				
In IIFL Fixed Maturity Plan Series 6, the aggregate value of non traded / thinly traded investments which individually exceed 5% of the NAV as at March 31, 2014 is Rs 1,107,557,800				

# IIFL Mutual Fund

## Annexure A

### Portfolio holding (market / fair value) as at March 31, 2014

(Amount in rupees)

Particulars	IIFL Dynamic Bond Fund			
	Quantity	Market Value	% To Net Assets	% to Asset Class
<b>Debentures/Bonds</b>				
<b>Finance:</b>				
8.82% Rural Electrification Corporation Limited 12-04-2023	50	47,749,600 *	22.72	84.13
9.52% IDFC Limited 17-07-2015	9	9,009,135	4.29	15.87
<b>Total</b>		<b>56,758,735</b>	<b>27.01</b>	<b>100.00</b>
<b>Government Bond:</b>				
8.28% Government of India 21-09-2027	100,000,000	93,349,600 *	44.42	68.72
1.44% Government of India 05-06-2023 (Inflation Indexed Bond)	50,000,000	42,485,650 *	20.22	31.28
<b>Total</b>		<b>135,835,250</b>	<b>64.64</b>	<b>100.00</b>
<b>Others</b>				
CBLO with maturity 02-04-2014		12,777,058	6.08	
Net Current Assets		4,789,507	2.27	
<b>Total</b>		<b>17,566,565</b>	<b>8.35</b>	
<b>NET ASSET VALUE</b>		<b>210,160,550</b>	<b>100.00</b>	
<p>Note : *</p> <p>In IIFL Dynamic Bond Fund the aggregate value of non traded / thinly traded investments which individually exceed 5% of the NAV as at March 31, 2014 is Rs 183,584,850</p>				

# IIFL Mutual Fund

## Annexure A

### Portfolio holding (market / fair value) as at March 31, 2014

Particulars	(Amount in rupees)			
	Quantity	Market Value	% To Net Assets	% to Asset Class
<b>Debentures/Bonds</b>				
<b>Finance:</b>				
9.52% IDFC Limited 17-07-2015	5	5,005,075 *	9.73	100.00
<b>Total</b>		<b>5,005,075</b>	<b>9.73</b>	<b>100.00</b>
<b>Certificate of Deposits</b>				
<b>Banks</b>				
IDBI Bank Limited 04-04-2014	200	19,978,580 *	38.85	50.14
Bank of Baroda 25-04-2014	200	19,870,880 *	38.64	49.86
<b>Total</b>		<b>39,849,460</b>	<b>77.49</b>	<b>100.00</b>
<b>Others</b>				
CBLO with maturity 02-04-2014		5,889,425	11.45	
Net Current Assets		685,984	1.33	
<b>Total</b>		<b>6,575,409</b>	<b>12.78</b>	
<b>NET ASSET VALUE</b>		<b>51,429,944</b>	<b>100.00</b>	
<p>Note : *</p> <p>In IIFL Short term Income fund the aggregate value of non traded / thinly traded investments which individually exceed 5% of the NAV as at March 31, 2014 is Rs 44,854,535</p>				

# IIFL Mutual Fund

## Annexure A

### Portfolio holding (market / fair value) as at March 31, 2014

(Amount in rupees)

Particulars	IIFL Liquid Fund			
	Quantity	Market Value	% To Net Assets	% to Asset Class
<b>Certificate of Deposits</b>				
<b>Banks:</b>				
Dena Bank 02-04-2014	500	49,986,800 *	27.03	31.29
UCO Bank 02-04-2014	500	49,985,700 *	27.03	31.29
IDBI Bank Limited 04-04-2014	300	29,967,870 *	16.20	18.76
Bank of Baroda 25-04-2014	300	29,806,320 *	16.12	18.66
<b>Total</b>		<b>159,746,690</b>	<b>86.38</b>	<b>100.00</b>
<b>Others</b>				
<b>CBLO with maturity 02-04-2014</b>		23,018,669	12.45	
<b>Net Current Assets</b>		2,191,516	1.17	
<b>Total</b>		<b>25,210,185</b>	<b>13.62</b>	
<b>NET ASSET VALUE</b>		<b>184,956,875</b>	<b>100.00</b>	

Note : \*

In IIFL Liquid fund the aggregate value of non traded / thinly traded investments which individually exceed 5% of the NAV as at March 31, 2014 is Rs 159,746,690

**IIFL MUTUAL FUND**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

**Schedule 9: NOTES TO ACCOUNTS**

**1 Organisation**

In conformity with Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 (the Regulations), India Infoline Asset Management Limited has been set up to act as the Asset Management Company (AMC) to IIFL Mutual Fund (Fund). In terms of the Investment Management Agreement (IMA) dated 29<sup>th</sup> April 2010, entered into between India Infoline Trustee Company Limited (Trustee) and the AMC, the AMC has been appointed as the Investment Manager to the Schemes of the Fund. IIFL Wealth Management Limited is the sponsor of IIFL Mutual Fund.

Pursuant to Regulation 24(b) of SEBI (Mutual Funds) Regulations, SEBI (Mutual Fund division) vide its letter dated January 24, 2014 has given its no objection to AMC to pooled assets including Alternative Investment Funds / Offshore Funds and to undertake Portfolio Management Services. Pursuant to said NOC, AMC as an Investment Manager to Alternative Investment Funds (AIF) and Venture Capital Fund namely, IIFL Venture Fund (Category I AIF), IIFL Private Equity Fund (Category II AIF), IIFL Opportunities Fund (Category III AIF) and India Infoline Venture Capital Fund (Venture Capital Fund), with effect from March 1, 2014.

List of Schemes of IIFL Mutual Fund

<b>Scheme Name</b>	<b>Date of Launch</b>	<b>NFO period</b>	<b>Date of Allotment</b>	<b>Investment Objective</b>
IIFL NIFTY ETF	September 28, 2011	September 28, 2011 to October 12, 2011	October 18, 2011	The investment objective of the scheme is to provide returns (before fees and expenses) that closely correspond to the total return of the S&P CNX Nifty Index subject, to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
IIFL Fixed Maturity Plan - Series 1	January 13, 2012	January 13, 2012 to January 19, 2012	January 20, 2012	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved. Date of closure (July 22, 2013).
IIFL Fixed Maturity Plan - Series 2	March 06, 2012	March 06, 2012 to March 06, 2012	March 07, 2012	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved. Date of closure (April 03, 2013)
IIFL Fixed Maturity Plan - Series 3	March 28, 2012	March 28, 2012 to March 29, 2012	March 30, 2012	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved. Date of closure (April 03, 2013)
IIFL Dividend Opportunities Index Fund	June 06, 2012	June 06, 2012 to June 19, 2012	June 26, 2012	The investment objective of the scheme is to provide returns (before fees and expenses) that closely correspond to the total return of the S&P CNX Dividend Opportunities Index subject, to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
IIFL Fixed Maturity Plan - Series 6	March 18, 2013	March 18, 2013 to March 25, 2013	March 26, 2013	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved
IIFL Dynamic Bond Fund	June 06, 2013	June 06, 2013 to June 17, 2013	June 24, 2013	The investment objective of the scheme is to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.
IIFL Short Term Income Fund	August 30, 2013	August 30, 2013 to September 13, 2013	September 20, 2013	The investment objective of the scheme is to seek to generate income and capital appreciation through investment in debt instruments and money market instruments and to achieve stable returns over shorter-term investment horizons
IIFL Liquid Fund	November 1, 2013	November 1, 2013 to November 12, 2013	November 13, 2013	To provide liquidity with reasonable returns commensurate with low risk through a portfolio of money market and debt securities with residual maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be achieved

**2 Significant Accounting Policies**

**2.1 Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The financial statements have been prepared in accordance with the Regulations as amended from time to time. The accounting policies have been consistently applied by the fund and except for the changes in accounting policy outlined below, are consistent with used in the previous year.

**2.2 Determination of Net asset value ('NAV')**

The net asset value of the units of schemes is determined separately for the units issued under the Plans.

For reporting the net asset value within the portfolio, daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred, are allocated to the related plans in proportion to their respective daily net assets arrived at by multiplying day-end outstanding units by previous day's closing NAV.

**2.3 Unit capital, unit premium reserve (UPR) and income equalization reserve (IER):**

Unit capital represents the net outstanding units as at the Balance Sheet date.

Upon issue and redemption of units, the net premium is apportioned between UPR and IER in accordance with regulations and guidelines prescribed by the SEBI. When units are issued or redeemed, net asset value less face value and UPR per unit, for the transacted units, from the beginning of the accounting period upto the date of issue or redemption of such unit is transferred to / from the income equalisation account. Upon issue and redemption of units below par, the net discount is appropriated to income equalisation reserve in accordance with regulations and guidelines prescribed by the SEBI

The purpose is to ensure that the per unit amount of the continuing unit holders' share of the undistributed income / loss remains unaffected by the movement in unit capital. At the year end, the balance in the equalisation account is transferred to the Revenue Account.

## SCHEDULES TO THE FINANCIAL STATEMENTS

## 2.4 Investments

## a) Accounting for investment transactions

- i. Investments are accounted on the date of the transaction at cost after including transaction costs as applicable excluding custodian transaction charges. The front end fee receivable, if any, is reduced from the cost of such investment. Bonus entitlements are recognised as investments on the 'exbonus date'. Rights entitlements are recognised as investments on the 'ex-rights date'.
- ii. The cost of investments includes all costs incurred in acquiring the investments and incidental to acquisition of investments e.g. brokerage, transaction costs, CCIL charges and any other charges customarily included in the broker's note. Capitalisation of such brokerage and transaction costs incurred for the purpose of execution of trades is restricted to 12 bps in case of cash market transactions and 5 bps in case of derivative transactions. Any cost in excess of the specified limit is charged to the revenue account of the scheme as part of the total expense ratio.

## b) Valuation of investments

During the period, the fund has valued its investments in accordance with the Regulations, as amended from time to time. All investments are marked to market and are stated in the balance sheet at their market / fair value.

Investments in equity shares / warrants which have traded during a period of thirty days (prior to the balance sheet date) are stated at the closing prices on the balance sheet date or the last trading day before the balance sheet date, as may be applicable, on The National Stock Exchange of India Limited (principal stock exchange). When on a particular valuation day, a security has not been traded on the principal stock exchange, the value at which it is traded on The Bombay Stock Exchange Limited is used.

Options / futures are valued at the closing price on the stock exchange on which the same were contracted originally. In case, the closing price is not available on valuation date on the respective stock exchange, settlement price is considered for valuation. Futures contracts, which are going to expire on valuation date are valued at settlement price.

Non traded and thinly traded equity shares / warrants, including those not traded within thirty days prior to the balance sheet date are valued at the fair value as determined by the AMC under procedures approved by the Trustee of India Infoline Mutual Fund in accordance with the SEBI Regulations.

**POLICY FOR VALUATION OF DEBT AND MONEY MARKET INSTRUMENTS:****I. Valuation of Money Market Securities/Debt Securities with residual maturity of up to 60 days****Traded Securities**

All traded Securities will be valued at the weighted average YTM at which they are traded and reported on FIMMDA on the particular valuation day.

All debt securities with residual maturity upto 60 days, are valued based on yield to maturity derived from trades done by schemes managed by the AMC. If there are no trades done by schemes managed by the AMC for the said security then the securities are valued on the basis of amortized cost based on purchase price or last traded market price, which includes discount / premium accrued on a straight line basis over the period to maturity as long as the valuation is within a  $\pm 0.10\%$  band of the price derived as per the reference yields provided by the Rating Agencies (CRISIL and ICRA). In case the amortized value is outside the above band, the YTM of the security is adjusted to bring the price within the  $\pm 0.10\%$  band.

**a. Valuation of Money Market and Debt Securities with residual maturity above 60 days.**

All securities (including traded and non-traded) will be valued at aggregate security level prices provided by CRISIL & ICRA or any such agency approved by AMFI. Securities for which prices are not provided by the rating agencies on any given date will be valued as follows:

- Traded Securities shall be valued at the weighted average YTM at which they are traded and reported on FIMMDA on the particular valuation day. In case of multiple platforms reporting trades on the same day, the order of preference would be FIMMDA and own trades.
- When such securities are not traded on a particular valuation day they shall be valued at purchase cost plus accruals / amortization;

Prior to December 31, 2013, all quoted debt investments other than thinly traded debt investments with residual maturity greater than 60 days, are considered at prices derived from the weighted average yield to maturity of the traded securities as at the valuation date as obtained from a public platform (FIMMDA /and their own trade) using traded volume thresholds or based on yield to maturity derived from trades done by schemes managed by India Infoline AMC.

Prior to December 31, 2013, all non-traded / thinly traded money market securities, floating rate securities and debt securities with residual maturity greater than 60 days, are valued using the average of the yields released by CRISIL and ICRA, as suggested by AMFI.

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

**b. Valuation of Sovereign Securities (Including Government securities / Treasury Bills / Cash Management Bills):**

Government securities & Treasury Bills with residual maturity greater than 60 days, are valued at the average of the prices released by CRISIL and ICRA, as suggested by AMFI, on the basis of the valuation principles laid down by SEBI.

Prior to October 18, 2013, treasury bills with residual maturity upto 60 days, are valued at the average of the prices released by CRISIL and ICRA, as suggested by AMFI, on the basis of the valuation principles laid down by SEBI.

W.e.f October 18, 2013, treasury bills with residual maturity upto 60 days, are valued based on yield to maturity derived from trades done by schemes managed by the AMC. If there are no trades done by schemes managed by the AMC for the said security then the securities are valued on the basis of amortized cost based on purchase price or last traded market price, which includes discount / premium accrued on a straight line basis over the period to maturity as long as the valuation is within a  $\pm 0.10\%$  band of the price derived as per the reference yields provided by the Rating Agencies (CRISIL and ICRA). In case the amortized value is outside the above band, the YTM of the security is adjusted to bring the price within the  $\pm 0.10\%$  band.

**II. Inter Scheme Transfers**

Inter Scheme Transfer would be done at fair valuation as stated above.

**IIFL MUTUAL FUND**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

**2.5 Revenue recognition**

- Income on investments is recognized on accrual basis except where there is uncertainty about ultimate recovery/ realization. Such income is recognized when the uncertainty is resolved.
- Dividend income is recognised on the ex-dividend date
- Interest income is recognised on an accrual basis.
- Profit or loss on sale/redemption of investments is determined on the basis of the weighted average cost method.

**2.6 Expenses**

- All expenses are accounted for on accrual basis.
- New fund offer (NFO) expenses: The NFO expenses are borne by the Asset Management Company

**2.7 Entry Load / Exit Load**

No entry load is charged to the unit holders of the Schemes. Exit load collected (net of service tax) is credited to Revenue Account.

**2.8 Cash and cash equivalents**

Cash and cash equivalents include balances with banks in current accounts, deposits placed with scheduled banks, and collateralized lending (including reverse repurchase transactions).

**2.9 Investor Education and Awareness**

0.02% of daily net assets within overall expenses ratio have been kept aside for investor education and awareness initiatives. Unutilized amount, if any, is carried to subsequent years.

**2.10 Dividend Distribution**

Income distribution during the current financial period, if any will be made from the available distributable surplus. The Trustees may declare dividend subject to the availability of distributable surplus calculated in accordance with SEBI (Mutual Funds) Regulations, 1996. The actual declaration of dividend and the frequency of distribution will be entirely at the discretion of the Trustees.

**3. Disclosures**

**3.1 Investments**

- a) Investments of the Schemes are registered in the name of the Schemes for the benefits of the Schemes Unit holders except Government securities and Treasury bills which are in the name of fund.
- b) Investment made in foreign securities during the year / period on reporting date is Nil (Previous year: Nil)
- c) Investments made in Companies and their subsidiaries which have invested more than five percent of the net asset value of the Schemes of IIFL Mutual Fund in terms of Regulation 25 (11)

(Amount in Rupees)

Company Name	Schemes invested in by the Company	Investment made by schemes of IIFL Mutual Fund in the company/subsidiary	Aggregate cost of acquisition during current year and previous year	Outstanding as at March 31, 2014 ( At Market / Fair Value)
India Infoline Limited	IIFL NIFTY ETF IIFL Short Term Income Fund	IIFL Dividend Opportunities Index Fund	38,272	-
India Infoline Finance Limited (Subsidiary of India Infoline Limited)	-	IIFL Fixed Maturity Plan - Series 6	171,343,873	19,18,46,991
India Infoline Housing Finance Limited (Subsidiary of India Infoline Limited)	-	IIFL Fixed Maturity Plan - Series 6	100,212,400	11,22,93,700

(Amount in Rupees)

Company Name	Schemes invested in by the Company	Investment made by schemes of IIFL Mutual Fund in the company/subsidiary	Aggregate cost of acquisition during current year and previous year	Outstanding as at March 31, 2013 ( At Market / Fair Value)
India Infoline Limited	IIFL NIFTY ETF	IIFL Dividend Opportunities Index Fund	794,903	-
India Infoline Finance Limited (Subsidiary of India Infoline Limited)	-	IIFL Fixed Maturity Plan - Series 6	150,257,900	155,756,400
India Infoline Housing Finance Limited (Subsidiary of India Infoline Limited)	-	IIFL Fixed Maturity Plan - Series 6	100,212,400	103,837,600

The Investment Manager is of the opinion that the investments are made by the schemes in such companies since they are perceived as fundamentally strong and possesses a high potential for growth. Further, investments in fixed income instruments issued by the aforesaid companies would yield attractive returns commensurate with the risks associated with the issuer.



**IIFL MUTUAL FUND**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

**d) Cost and market value as on reporting date current year :**

(Amount in Rupees)

Investment	Equity shares		Debentures (Listed on recognised stock exchange)		Debentures (Private placement / unlisted)		Government securities		Certificate of deposits	
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value
IIFL NIFTY ETF	62,377,652	80,649,856	-	-	-	-	-	-	-	-
IIFL Fixed Maturity Plan - Series 1	-	-	-	-	-	-	-	-	-	-
IIFL Fixed Maturity Plan - Series 2	-	-	-	-	-	-	-	-	-	-
IIFL Fixed Maturity Plan - Series 3	-	-	-	-	-	-	-	-	-	-
IIFL Dividend Opportunities Index Fund	213,218,700	227,507,121	-	-	-	-	-	-	-	-
IIFL Fixed Maturity Plan - Series 6	-	-	1,082,086,208	1,072,890,775	208,133,200	210,325,000	-	-	-	-
IIFL Dynamic Bond Fund	-	-	60,017,196	56,758,735	-	-	136,541,516	135,835,250	-	-
IIFL Short Term Income Fund	-	-	4,981,000	5,005,075	-	-	-	-	39,859,640	39,849,460
IIFL Liquid Fund	-	-	-	-	-	-	-	-	159,761,042	159,746,690

**Cost and market value as on reporting date previous year:**

(Amount in Rupees)

Investment	Equity shares		Debentures (Listed on recognised stock exchange)		Debentures (Private placement / unlisted)		Government securities		Certificate of deposits	
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value
IIFL NIFTY ETF	106,695,949	119,120,018	-	-	-	-	-	-	-	-
IIFL Fixed Maturity Plan - Series 1	-	-	326,542,672	325,726,880	-	-	-	-	12,994,662	12,994,660
IIFL Fixed Maturity Plan - Series 2	-	-	-	-	-	-	-	-	719,628,506	719,612,000
IIFL Fixed Maturity Plan - Series 3	-	-	-	-	-	-	-	-	526,697,980	526,645,820
IIFL Dividend Opportunities Index Fund	325,282,287	325,835,502	-	-	-	-	-	-	-	-
IIFL Fixed Maturity Plan - Series 6	-	-	705,542,423	714,717,000	208,133,200	208,196,200	-	-	59,979,492	59,979,480

**e) Unrealised Gain / (Loss) as on reporting date current year:**

(Amount in Rupees)

Scheme Name	Equity shares	Debentures (Listed on recognised stock exchange)	Debentures (Private placement / unlisted)	Government securities	Certificate of deposits
IIFL NIFTY ETF	18,272,204	-	-	-	-
IIFL Dividend Opportunities Index Fund	14,288,421	-	-	-	-
IIFL Fixed Maturity Plan - Series 6	-	(9,195,433)	2,191,800	-	-
IIFL Dynamic Bond Fund	-	(3,258,461)	-	(706,266)	-
IIFL Short Term Income Fund	-	24,075	-	-	(10,180)
IIFL Liquid Fund	-	-	-	-	(14,352)
<b>Grand Total</b>	<b>32,560,625</b>	<b>(12,429,819)</b>	<b>2,191,800</b>	<b>(706,266)</b>	<b>(24,532)</b>

**Unrealised Gain / (Loss) as on reporting date previous year:**

(Amount in Rupees)

Scheme Name	Equity shares	Debentures (Listed on recognised stock exchange)	Debentures (Private placement / unlisted)	Government securities	Certificate of deposits
IIFL NIFTY ETF	12,424,069	-	-	-	-
IIFL Fixed Maturity Plan - Series 1	-	(815,792)	-	-	(2)
IIFL Fixed Maturity Plan - Series 2	-	-	-	-	(16,506)
IIFL Fixed Maturity Plan - Series 3	-	-	-	-	(52,160)
IIFL Dividend Opportunities Index Fund	553,215	-	-	-	-
IIFL Fixed Maturity Plan - Series 6	-	9,174,577	63,000	-	(12)
<b>Grand Total</b>	<b>12,977,284</b>	<b>8,358,785</b>	<b>63,000</b>	<b>-</b>	<b>(68,680)</b>

**3.2 Total Income and Expenses:**

**IIFL MUTUAL FUND**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

a) Investment management fees have been charged to the Schemes pursuant to an agreement with India Infoline Asset Management Limited (AMC), as under:

Scheme	Income ratio *		Total Expense ratio #		Management fees ratio	
	For the year/period ended March 31, 2014	For the year/period ended March 31, 2013	For the year/period ended March 31, 2014	For the year/period ended March 31, 2013	For the year/period ended March 31, 2014	For the year/period ended March 31, 2013
IIFL NIFTY ETF	11.46%	10.16%	0.25%	0.25%	0.05%	0.04%
IIFL Fixed Maturity Plan - Series 1	2.77%	9.53%	0.30%	0.39%	0.25%	0.31%
IIFL Fixed Maturity Plan - Series 2	0.07%	9.73%	1.00%	0.35%	0.95%	0.27%
IIFL Fixed Maturity Plan - Series 3	0.08%	9.68%	0.05%	0.05%	0.00%	0.01%
IIFL Dividend Opportunities Index Fund	4.60%	6.14%	1.69%	1.64%	0.75%	0.59%
IIFL Fixed Maturity Plan - Series 6	9.62%	54.03%	0.57%	0.65%	0.35%	0.36%
IIFL Dynamic Bond Fund	6.77%	-	1.39%	-	0.70%	-
IIFL Short Term Income Fund	5.03%	-	0.50%	-	0.30%	-
IIFL Liquid Fund	3.10%	-	0.25%	-	0.12%	-

\* Income Ratio is calculated excluding net change in mark to market value of Investments.

# Expense Ratio is calculated excluding loss on Sale of Investments. Expense ratio is calculated on an annualized basis.

Note: Rate represents average rate in percentage per annum charged on daily average net assets.

b) Trusteeship fees for regular and direct plan in current year and previous year is charged at 0.01% of daily average net assets.

3.3 a) Details of Transactions with Associates in terms of Regulation 25(8) for reporting period : Nil (Previous year / period : Nil)

b) Brokerage paid to associates/related parties/group companies of Sponsor/AMC for reporting period : Nil (Previous year / period : Nil)

c) Commission paid to associates / related parties / group companies of Sponsor / AMC:

For the period/year ended March 31, 2014

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (Rupees)	Business given ( in % of total business received by the fund)	Commission paid (Rupees)	% of total Commission paid by the fund
India Infoline Limited	Associate	01 April 2013 to 31 March 2014	585,796,426	25.00%	807,149	27.00%
IIFL Wealth Management Limited	Associate	01 April 2013 to 31 March 2014	1,646,772,743	71.00%	2,012,978	68.00%

For the period ended March 31, 2013

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (Rupees)	Business given ( in % of total business received by the fund)	Commission paid (Rupees)	% of total Commission paid by the fund
India Infoline Limited	Associate	01 April 2012 to 31 March 2013	358,709,575	49.43%	435,356	48.62%
IIFL Wealth Management Limited	Associate	01 April 2012 to 31 March 2013	301,379,300	41.53%	411,943	46.00%

3.4 The aggregate value of investments purchased and sold (including redeemed) during the period and these amounts as a percentage of average daily net assets are as follows:

For the period/year ended March 31, 2014

(Amount in Rupees)

Scheme	Purchases	Sales	Purchase as % to average daily net assets	Sale as % to average daily net assets	Average Asset Under Management)
IIFL NIFTY ETF	11,734,762	65,477,083	12.0%	67.0%	97,768,932
IIFL Fixed Maturity Plan - Series 1	234,511,689	578,978,000	65.7%	162.2%	357,054,987
IIFL Fixed Maturity Plan - Series 2	-	720,000,000	0.0%	99.8%	721,778,910
IIFL Fixed Maturity Plan - Series 3	-	527,000,000	0.0%	99.8%	528,109,850
IIFL Dividend Opportunities Index Fund	98,973,846	212,084,039	36.2%	77.5%	273,762,366
IIFL Fixed Maturity Plan - Series 6	590,231,910	327,780,850	46.2%	25.7%	1,276,871,352
IIFL Dynamic Bond Fund	1,000,427,101	782,913,588	329.5%	257.9%	303,585,676
IIFL Short Term Income Fund	250,372,210	214,697,120	128.1%	109.8%	195,513,759
IIFL Liquid Fund	318,879,280	160,000,000	124.3%	62.4%	256,553,438

For the period ended March 31, 2013

(Amount in Rupees)

**IIFL MUTUAL FUND**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

Scheme	Purchases	Sales	Purchase as % to average daily net assets	Sale as % to average daily net assets	Average Asset Under Management)
IIFL NIFTY ETF	58,185,048	209,640,487	32.04%	115.43%	181,624,773
IIFL Fixed Maturity Plan - Series 1	27,249,062	15,200,000	8.11%	4.52%	335,936,886
IIFL Fixed Maturity Plan - Series 2	757,781,390	761,087,400	109.64%	110.12%	691,141,388
IIFL Fixed Maturity Plan - Series 3	732,538,700	527,121,200	145.12%	104.43%	504,780,231
IIFL Dividend Opportunities Index Fund	388,422,591	68,845,533	160.50%	28.45%	242,006,923
IIFL Fixed Maturity Plan - Series 6	973,158,117	-	79.11%	0.00%	1,230,167,513

Note: Purchase/Sale does not include CBLO/Repo, term deposits and derivative transactions.

**3.5 Segment Information**

The Schemes operate only in one segment viz. to primarily generate returns, based on schemes investment objective.

**3.6 Summary of Net Asset value ('NAV') per unit**

(Amount in Rupees)

Scheme	Option	*As at March 31, 2014	As at March 31, 2013
IIFL NIFTY ETF	Growth	688.1756	575.7070
IIFL Fixed Maturity Plan - Series 1	Growth	N.A.	11.1311
IIFL Fixed Maturity Plan - Series 1	Dividend	N.A.	11.1311
IIFL Fixed Maturity Plan - Series 2	Growth	N.A.	11.0937
IIFL Fixed Maturity Plan - Series 2	Dividend	N.A.	11.0937
IIFL Fixed Maturity Plan - Series 3	Growth	N.A.	11.0094
IIFL Fixed Maturity Plan - Series 3	Dividend	N.A.	11.0094
IIFL Dividend Opportunities Index Fund	Growth	11.6423	10.5558
IIFL Dividend Opportunities Index Fund	Dividend	11.6423	10.5558
IIFL Dividend Opportunities Index Fund	Direct Growth	11.7343	10.5571
IIFL Dividend Opportunities Index Fund	Direct Dividend	11.7343	10.5571
IIFL Fixed Maturity Plan - Series 6	Growth	10.8954	10.0881
IIFL Fixed Maturity Plan - Series 6	Dividend	10.8954	10.0881
IIFL Fixed Maturity Plan - Series 6	Direct Growth	10.9095	10.0884
IIFL Dynamic Bond Fund	Growth	9.8558	-
IIFL Dynamic Bond Fund	Monthly Dividend	9.8558	-
IIFL Dynamic Bond Fund	Quarterly Dividend	9.8558	-
IIFL Dynamic Bond Fund	Regular Bonus	9.8558	-
IIFL Dynamic Bond Fund	Half-Yearly Dividend	9.8558	-
IIFL Dynamic Bond Fund	Direct Growth	9.8939	-
IIFL Dynamic Bond Fund	Direct Monthly Dividend	9.8939	-
IIFL Dynamic Bond Fund	Direct Half-Yearly Dividend	9.8939	-
IIFL Short Term Income Fund	Growth	10.4866	-
IIFL Short Term Income Fund	Monthly Dividend	10.1137	-
IIFL Short Term Income Fund	Half-Yearly Dividend	10.4866	-
IIFL Short Term Income Fund	Direct Growth	10.4895	-
IIFL Short Term Income Fund	Direct Monthly Dividend	10.1138	-
IIFL Liquid Fund	Growth	1030.6627	-
IIFL Liquid Fund	Regular Daily Dividend	1000.8682	-
IIFL Liquid Fund	Monthly Dividend	1011.5540	-
IIFL Liquid Fund	Weekly Dividend	1006.5538	-
IIFL Liquid Fund	Fortnightly Dividend	1008.5464	-
IIFL Liquid Fund	Direct Growth	1030.8600	-
IIFL Liquid Fund	Direct Half-Yearly Dividend	1030.8600	-
IIFL Liquid Fund	Direct Daily Dividend	1000.8942	-

\* NAV disclosed above is computed NAV for IIFL Fixed Maturity Plan - Series 6, IIFL Dynamic Bond Fund, IIFL Short Term Income Fund, and IIFL Liquid Fund as March 31, 2014 were not a business day.

**3.7 Large holding in the schemes (i.e. in excess of 25% of the net assets)**

**As at March 31, 2014**

Scheme	Percentage of Holding	No. of Investors
IIFL Liquid Fund	79.81	3

**As at March 31, 2013 – There were Nil large holdings in the schemes**

**3.8 Open position for Future and Option for reporting date is Nil (previous year : Nil)**

**3.9 Industry wise Classification of Investments**

Total value of investments falling under each major industry group and within each major classification the percentage thereof in relation to the total investment within the classification as on March 31, 2014 and March 31, 2013. **Annexure A**



**IIFL MUTUAL FUND**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

IIFL Income Opportunities Fund Series Special Situations	Redemption	-	-	-	-	-	-	-	-	148,699,783
IIFL Real Estate Fund Domestic Series 1	Redemption	-	-	-	-	-	-	-	-	60,000,000
India Infoline Finance Limited	Redemption	-	-	-	-	-	-	-	41,908,400	-
India Infoline Limited	Redemption	58,276,774	-	-	-	-	-	-	41,889,600	-
R Venkataraman	Redemption	-	572,440	-	-	-	-	976,020	-	-
IIFL Wealth Management Limited	Transfer Out	-	-	-	-	-	-	-	51,442,000	-
India Infoline Finance Limited	Transfer In	-	-	-	-	-	-	-	51,442,000	-
IIFL Asset Revival Fund	Outstanding	-	-	-	-	-	-	-	-	47,698,062
IIFL Capital Limited	Outstanding	123,872	-	-	-	-	-	-	-	-
IIFL Income Opportunities Fund Series Special Situations	Outstanding	-	-	-	-	-	-	-	-	49,788,373
IIFL Real Estate Fund Domestic Series 1	Outstanding	-	-	-	-	-	-	-	-	3,856,897
IIFL Wealth Management Limited	Outstanding	-	-	-	-	-	-	1,005,563	-	-
India Infoline Finance Limited	Outstanding	-	-	-	-	-	-	-	10,477,300	-
India Infoline Limited	Outstanding	6,503,948	-	-	-	-	-	-	-	-
R Venkataraman	Outstanding	2,043,882	-	-	-	672,151	10,887,200	-	5,238,650	-

2012-2013	Nature of Transaction	Scheme Name (Amount in Rupees)					
		IIFL NIFTY ETF	IIFL Fixed Maturity Plan - Series 1	IIFL Fixed Maturity Plan - Series 2	IIFL Fixed Maturity Plan - Series 3	IIFL Dividend Opportunities Index Fund	IIFL Fixed Maturity Plan - Series 6
India Infoline Limited	Subscription	47,800,000	-	-	-	-	-
India Infoline Limited	Redemption	136,403,519	-	-	-	-	-
Mr. R. Venkataraman	Subscription	1,093,866	-	-	-	375,000	10,000,000
Mr. Nirmal Jain	Subscription	-	-	-	-	100,000	5,000,000
IIFL Wealth Management Ltd	Subscription	-	-	-	-	-	-
India Infoline Limited	Outstanding	7,322,567	-	-	-	-	-
Mr. Nirmal Jain	Outstanding	-	1,112,270	-	-	105,572	5,000,000
Mr. R. Venkataraman	Outstanding	1,093,866	556,135	-	-	376,854	10,000,000
India Infoline Limited	Redemption	-	-	-	-	-	-

**3.10.2 Investment Security Purchases & Sales:**

**For the year/period ended March 31, 2014**

Scheme	Security	Purchase		Sale		Outstanding	
		Quantity	Value	Quantity	Value	Quantity	Value
IIFL Dividend Opportunities Index Fund	National Thermal Power Company Limited	51,824	7,311,645	108,601	15,282,656	128,001	15,347,320
IIFL FMP Series 6	India Infoline Finance Limited	17,308,000	21,085,973	-	-	167,308,000	191,846,991
IIFL Nifty ETF	National Thermal Power Company Limited	539	75,562	6,608	923,564	7,400	887,260
IIFL Nifty ETF	Jaiprakash Associates Limited	649	37,733	8,134	419,659	-	-

**For the year/period ended March 31, 2013**

Scheme	Security	Purchase		Sale		Outstanding	
		Quantity	Value	Quantity	Value	Quantity	Value
IIFL Dividend Opportunities Index Fund	India Infoline Limited	13,029	794,903	13,029	868,348	-	-
IIFL Dividend Opportunities Index Fund	National Thermal Power Company Limited	190,752	28,907,088	5,974	948,449	184,778	26,229,237
IIFL FMP Series 6	India Infoline Finance Limited	150,000,000	150,257,900	-	-	150,000,000	155,756,400
IIFL FMP Series 6	India Infoline Housing Finance Limited	100,000,000	100,212,400	-	-	100,000,000	103,837,600
IIFL Nifty ETF	National Thermal Power Company Limited	9,860	1,556,147	16,342	2,614,126	13,469	1,911,925
IIFL Nifty ETF	Jaiprakash Associates Limited	3,199	233,878	13,369	1,054,302	7,485	489,893

**IIFL MUTUAL FUND**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

**3.10.3 Counter Party :**

**For the year/period ended March 31, 2014**

Name of Associate	Scheme	Security Name	Purchase / Sale	Quantity	Value (Amount in Rs.)	Type of Security
India Infoline Wealth Management Pvt Ltd	IIFL FMP Series 6	India Infoline Finance Ltd. - ZCB 18-Dec-2014	Purchase	17,308,000	21,085,973	DEBT
IIFL Private Equity Fund	IIFL Dynamic Bond Fund	IDFC LTD 9.52% 17JUL15 NCD	Sell	10,000,000	10,499,929	DEBT
IIFL Private Equity Fund	IIFL FMP Series 6	IDFC LTD 9.52% 17JUL15 NCD	Purchase	2,000,000	2,109,241	DEBT
IIFL Private Equity Fund	IIFL Dynamic Bond Fund	IDFC LTD 9.52% 17JUL15 NCD	Purchase	8,000,000	8,436,964	DEBT

**For the year/period ended March 31, 2013**

Name of Associate	Scheme	Security Name	Purchase / Sale	Quantity	Value (Amount in Rs.)	Type of Security
India Infoline Finance Limited	IIFL FMP Series 1	Canara Bank-CD - 28-Mar-2013	Purchase	15,200,000	14,271,770	DEBT
India Infoline Finance Limited	IIFL FMP Series 3	Canara Bank-CD - 28-Mar-2013	Purchase	25,000,000	24,511,695	DEBT
India Infoline Finance Limited	IIFL FMP Series 6	India Infoline Finance Ltd. - ZCB - 27-Jul-2015	Purchase	150,000,000	110,920,201	DEBT
India Infoline Finance Limited	IIFL FMP Series 6	India Infoline Housing Finance Ltd.- ZCB - 27-Jul-2015	Purchase	100,000,000	100,212,400	DEBT
India Infoline Finance Limited	IIFL FMP Series 6	10.20% Tata Steel Ltd - NCD - 07-May-2015	Purchase	150,000,000	166,406,897	DEBT
India Infoline Finance Limited	IIFL FMP Series 6	9.57% Infrastructure Development Finance Company Ltd.- NCD - 11-Jul-2015	Purchase	50,000,000	215,529,173	DEBT

**3.10.4 Commission paid on Investment transaction:**

**For the year/period ended March 31, 2014**

Name of Associate	Value of Business (Amount in Rupees)	Commission paid (Amount in Rupees)
India Infoline Finance Limited	585,796,426	807,149
IIFL Wealth Management Limited	1,646,772,743	2,012,978

**For the year/period ended March 31, 2013**

Name of Associate	Value of Business (Amount in Rupees)	Commission paid (Amount in Rupees)
India Infoline Finance Limited	358,709,575	435,356
IIFL Wealth Management Limited	301,379,300	411,943

**3.10.5 Nature of transactions : Management Fees and Trustee Fees:**

2013-14	Scheme (Amount in Rupees)								
	IIFL NIFTY ETF	IIFL Fixed Maturity Plan - Series 1	IIFL Fixed Maturity Plan - Series 2	IIFL Fixed Maturity Plan - Series 3	IIFL Dividend Opportunities Index Fund	IIFL Fixed Maturity Plan - Series 6	IIFL Dynamic Bond Fund	IIFL Short Term Income Fund	IIFL Liquid Fund
<b>Management Fees</b>	48,855	276,418	56,363	174	2,054,682	4,491,178	1,635,081	307,602	116,446
<b>Trustee fee</b>	9,771	11,057	593	434	27,378	127,717	23,358	10,320	9,772
<b>As at March 31, 2014</b>									
<b>AMC</b>	3,158	-	-	-	126,450	354,030	116,970	30,374	24,700
<b>Trustee</b>	632	-	-	-	1,686	10,115	1,671	1,013	2,119

2012-13	Scheme (Amount in Rupees)					
	IIFL NIFTY ETF	IIFL Fixed Maturity Plan - Series 1	IIFL Fixed Maturity Plan - Series 2	IIFL Fixed Maturity Plan - Series 3	IIFL Dividend Opportunities Index Fund	IIFL Fixed Maturity Plan - Series 6
<b>Management Fees</b>	90,700	1,162,721	2,110,377	35,022	1,227,296	80,909
<b>Trustee fee</b>	18,140	33,602	69,131	50,490	18,536	2,023
<b>As at March 31, 2013</b>						
<b>AMC</b>	5,536	66,912	348,768	1,608	131,774	72,818
<b>Trustee</b>	1,107	2,677	5,497	4,020	2,196	1,821

**3.11 Custodian Fees**

Citibank N.A. provides custodial services to the Scheme for which it receives custody fees.

**IIFL MUTUAL FUND****SCHEDULES TO THE FINANCIAL STATEMENTS****3.12 Prior period comparatives:**

For IIFL Dynamic Bond Fund, IIFL Short Term Income Fund, IIFL Liquid Fund are the first financial statements since the date of its launch, hence there are no comparative figures for the prior period. Further for IIFL Dividend Opportunities Index Fund and IIFL Fixed Maturity Plan - Series 6, IIFL Fixed Maturity Plan - Series 1, IIFL Fixed Maturity Plan - Series 2 and IIFL Fixed Maturity Plan - Series 3 previous year figures are for the period other than a financial year hence figures are not comparable.

The prior year figures have been reclassified and regrouped wherever necessary to confirm with current year's presentation.

**Signatories to financial statements in capacity as Fund Managers:**

<b>Fund Managers</b>	<b>Scheme Name</b>
Mr. Manish Bandi	IIFL NIFTY ETF
Mr. Gautam Adukia	IIFL Fixed Maturity Plan - Series 1
Mr. Gautam Adukia	IIFL Fixed Maturity Plan - Series 2
Mr. Gautam Adukia	IIFL Fixed Maturity Plan - Series 3
Mr. Manish Bandi	IIFL Dividend Opportunities Index Fund
Mr. Gautam Adukia	IIFL Fixed Maturity Plan - Series 6
Mr. Gautam Adukia	IIFL Dynamic Bond Fund
Mr. Gautam Adukia	IIFL Short Term Bond Fund
Mr. Gautam Adukia	IIFL Liquid Fund

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No: 301003E

**For India Infoline Trustee Company Limited**

Sd/

**per Jayesh Gandhi**

Partner

Membership No :37924

Sd/

**A.K. Shukla**

Chairman

Sd/

**R. Venkataraman**

Chairman

**For India Infoline Asset Management Company Limited**

Sd/

**Homai Daruwalla**

Chairman

Sd/

**Karan Bhagat**

Director

Sd/

**Manish Bandi**

Fund Manager

Sd/

**Gautam Adukia**

Fund Manager

Place: Mumbai

Date:

Place: Mumbai

Date: