



Abridged Annual Report 2017 - 2018

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SPONSOR

IIFL Wealth Management Limited
Registered Office: IIFL Centre, Kamala City,
S.B. Marg, Lower Parel, Mumbai - 400 013

ASSET MANAGEMENT COMPANY

IIFL Asset Management Limited
IIFL Centre, 6th Floor, Kamala City,
S.B. Marg, Lower Parel, Mumbai - 400 013

TRUSTEE COMPANY

IIFL Trustee Limited
Regd. Office:
IIFL Centre, 6th Floor,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

CUSTODIAN

Deutsche Bank AG, Filiale Mumbai
4th Floor, Nirlon Knowledge Park,
Block 1, Western Express Highway,
Goregaon (E), Mumbai 400 063

REGISTRAR

Computer Age Management Services Pvt. Ltd. (CAMS)
"Rayala Towers", Tower I, 6th Floor,
158 Anna Salai, Chennai - 600 002
www.camsonline.com

STATUTORY AUDITORS

S. R. Batliboi & Co. LLP,
The Ruby, 14th Floor,
Senapati Bapat Marg,
Dadar (West),
Mumbai – 400 028, India
Tel : 022- 6192 0000
Fax : 022-6192 1000

TRUSTEE REPORT

Dear Unitholders,

We have pleasure in presenting the Seventh Annual Report of the Schemes of IIFL Mutual Fund for the period ended March 31, 2018, 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:

IIFL Dynamic Bond Fund:

The net assets of the scheme as on March 31, 2018 is Rs. 364.18Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-17 to 31-Mar-18	31-Mar-15 to 31-Mar-18	Since Inception
IIFL Dynamic Bond Fund - Direct Plan – Growth Option	8.05%	7.30%	7.74%
IIFL Dynamic Bond Fund-Regular Plan Growth Option	7.44%	6.74%	7.19%
Benchmark: Crisil Composite Bond Fund Index	5.10%	8.12%	8.30%
Additional Benchmark: Crisil 10 Year Gilt Index	-0.42%	6.36%	5.99%

Past performance may or may not be sustained in the future. Inception Date: June 24, 2013

IIFL Dynamic Bond Fund is an open-ended dynamic debt scheme investing across duration 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(s) across the maturity spectrum with a view to optimize the risk return proposition for investors. As per investment objective of the Scheme, the scheme shall invest in Debt and Money Market Instruments with an allocation of 0-100% of net assets of the schemes.

During the year, interest rates hardened on the back of increasing inflation caused by global crude oil prices. The inflationary expectations of the Reserve Bank of India are on a rising trend indicating the need for a passive approach on interest rates. The scheme outperformed the benchmark and the additional benchmark for the year by maintaining strategy of lower average duration during the year to take advantage of accrual-based earnings in hardening interest rate environment. The scheme has maintained its portfolio strategy of investing in high rated papers and keeping a lower average maturity, helping it maintain low volatility and high issuer quality during the year.

IIFL Liquid Fund:

The net assets of the scheme as on March 31, 2018 is Rs. 280.49 Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-17 to 31-Mar-18	31-Mar-15 to 31-Mar-18	Since Inception
IIFL Liquid Fund - Direct Plan – Growth Option	6.37%	6.99%	7.44%
IIFL Liquid Fund- Regular Plan – Growth Option	6.32%	6.94%	7.38%
Benchmark: CRISIL Liquid Fund Index	6.84%	7.33%	7.92%
Additional Benchmark: CRISIL 91 Day T-Bill Index	6.97%	6.33%	7.62%

Past performance may or may not be sustained in the future. Inception Date: November 13, 2013.

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 91 days. As per investment objective of the Scheme, it shall invest in Money market and debt instruments with residual maturity up to 91 days.

During the year, interest rates hardened on the back of increasing inflation stocked by global crude oil prices. The inflationary expectations of the Reserve Bank of India are on rising trend indicating more passive interest rates. The scheme underperformed the benchmark marginally for the year. The scheme has maintained its portfolio strategy of low volatility and high quality during the course of the year.

IIFL Focused Equity Fund:

Pursuant to SEBI Categorization and Rationalization circular, the name of the scheme has been changed from IIFL India Growth Fund to IIFL Focused Equity Fund.

The net assets of the scheme as in March 31, 2018 is Rs. 256.22 Crore.

Scheme Name / Benchmark	31-Mar-17 to 31-Mar-18	31-Mar-15 to 31-Mar-18	Since Inception
IIFL Focused Equity Fund - Direct Plan – Growth	6.63%	9.82%	11.41%
IIFL Focused Equity Fund-Regular Growth	5.04%	8.60%	10.15%
Benchmark: NIFTY 50 TRI	11.86%	7.38%	7.75%
Additional Benchmark: BSE Sensex	12.81%	7.14%	7.02%

Past performance may or may not be sustained in the future. Inception Date: October 30, 2014.

IIFL Focused Equity Fund is an open-ended equity scheme investing in maximum 30 multicap stocks with the objective of generating long term capital appreciation for investors from a portfolio of equity and equity related securities.

FY2018 was a difficult year for out-performing the benchmark and IIFL Focused Equity Fund was no different. During FY18, the scheme has given a return of 5.04% as compared to Nifty-50 TRI return of 11.86%. The bulk of the underperformance for the fund happened in the last quarter of the financial year which dragged the whole years performance. In the last quarter of FY18 there was a huge divergence between Index movement and broader market movement. Few index heavyweights pulled up the index levels and there was sell-off seen in broader market. The selloff was more severe in midcaps and smallcaps and that lead to overall panic among the broader market. The scheme continues to focus on high quality names and looks for companies which have earnings visibility and are available at attractive valuations.

B. Future Outlook:

Overview of Mutual Fund Industry

Mutual funds' assets base surged to over Rs 23 lakh crore in 2017-18, growing by Rs 4.75 lakh crore (26% YOY growth), due to a spirited investor awareness campaign by the industry and strong participation from smaller towns, according to data from AMFI. Moreover, a sharp rise in systematic investment plans (SIPs) promoted sustainable growth for the industry as more people moved away from the concept of large lump sum investments. The industry has seen an overall addition of 32 lakh new investors over the last one year, while the total number of folios grew by 1.05 crore or 26 per cent during the period. Monthly SIP contribution for the industry touched Rs 6,425 crore from 2.05 crore SIP accounts.

Macro-economic parameters of India like fiscal deficit, current account deficit, Foreign Direct Investment, inflation is healthy, and growth are expected to further accelerate with improvement in capex. Improving macros would further lead to growth in SIP based assets of Mutual Fund Industry ensuring a sustainable flow of AUM.

Given the rising household incomes and higher appetite towards financial savings coupled with long-term India growth story, mutual funds would continue to be the choice of households in FY 18-19.

Macroeconomic Overview:

Economy and markets

Looking back at FY2018, the year begun with a lot of hope and optimism and unfortunately the end wasn't as rosy. Almost half of the gains seen in the Indian equity markets in the first 10 months of FY18 were lost in the last 2 months. Domestic liquidity riding on hopes of earnings revival and lack of other alternative avenues for investment kept market valuations and levels elevated for most part of the year. The market optimism was able to ride above the jolt of GST which came in mid-year and crude oil prices which surged by around 30% during the year. Rising interest rates kept Foreign Institutional Investment interest low towards most emerging markets and India was no different.

The gradual tightening of global liquidity also kept investors on the edge. Having raised interest rates six times, the US Fed is on course to deliver at least two more hikes this year. FY2018 witnessed a significant up-turn in global trade after more than two years of sluggish growth. This, in turn had positive implications on global GDP growth. Equity markets globally rallied on the back of this improving macros. India on its part, though emerged as one of the fastest growing economies in FY18, had its own share of macro concerns which kept its equity markets subdued. India's current account deficit (CAD) rose to USD13.5b (or 2% of GDP) in 3QFY18 from USD 8b (1.4% of GDP) in the year ago period. Total domestic savings (implied from the difference between investments and the CAD) declined to 28% of GDP in 3QFY18 from 28.7% in 3QFY17. This was the lowest level of savings on a quarterly basis in 15 years. Balancing out the optimism and the macro indicators mentioned above, India fared average when compared to other global markets in developed and developing world.

Macro-economic outlook in FY2019

We have entered the new financial year with lot of uncertainty on both the global and local arena.

- **Economic wars:** Rhetoric regarding a global trade war have been on top of the mind for investors. The Trump administration has broadly gone

ahead with all the points that were laid out in their trade plan during their election campaign. We believe the noise regarding trade protectionism is more of negotiating tool and would be used for bargaining rather than anything else by US. There has been some cool off in recent times too on the trade war noises after China and US agreed to reduce the bilateral trade deficit significantly and Chinese companies would invest in US to create jobs. However, any escalation would be a big worry for global GDP growth.

- **Domestic macro indicators:** The RBI has revised down inflation expectations to 4.7-5.1% in H1FY19 (earlier 5.1-5.6%) and 4.4% in H2FY19 (earlier 4.5-4.6%) with upside risk. The central bank expects overall food inflation to remain in check, based on the assumptions of a normal monsoon and effective supply management by the government. The RBI highlighted that the statistical impact of an increase in House Rent Allowance for central government employees under the seventh central pay commission (CPC) will continue till mid-2018; it is expected to dissipate gradually thereafter. The RBI has projected HRA revisions impact of 30-40bps during H1FY19.

A substantial rise in MSP, fiscal slippage at the centre and state level, House Rent Allowance revisions by state governments, deficient monsoon and an increase in oil prices have been highlighted as major inflation risks. These factors could hamper the downward trajectory in the second half and prompt the RBI to adopt a more hawkish stance.

The RBI expects real GDP growth to strengthen from 6.6% in FY18 to 7.4% in FY19 (same as the last policy) – in the range of 7.3-7.4% in H1 and 7.3-7.6% in H2 – with risks evenly balanced. Pick up in credit offtake, expansion in capital goods production and strong global growth would help bolster the pace of GDP growth. Meanwhile, deterioration in public finances and trade protectionism pose downside risks.

Equity Markets Outlook for FY2019:

- **Political uncertainty and outcome to drive investors sentiment in near to medium term**

The next 12 months would see India being at the centre of extreme political debate and drama as several large state elections are to be held and we have the general elections in 2019. Political uncertainty although has limited impact on corporate profits nevertheless drives the sentiments of the stock markets and makes the path jittery. Political experts now fear a grand coalition of opposition parties to challenge the BJP in the next general elections. This could raise anxiousness as the uniform polity to go ahead with reforms is broken. This might result in early general elections, which could club with important state elections in the states of Chhattisgarh, Rajasthan and Madhya Pradesh. This strategy would give the ruling party in these states as well in the Centre an advantage over campaigning as well to combat anti-incumbency sentiment. As highlighted before, inflation as well as fiscal deficit would be keenly watched as both are at risks of populist measures can get priority keeping general elections in mind.

- **Corporate Earnings showing signs of recovery**

Stock returns over the medium to long-term are dictated by corporate earnings. Nominal GDP growth is another good proxy for long-term equity returns. For India, both factors are showing a very robust upward trend. While corporate earnings have surprised negatively in five out of the last six years, the scope for a negative surprise in FY19 is rather slim, as a favourable base and revival in economic activity provide strong tailwinds. While negative surprises cannot be completely ruled out, we find that even in a stressed-case scenario, corporate earnings will grow by 22% YOY in FY19.

In FY11-17, Nifty's EPS grew by just 4.5% and earnings saw significant downgrades through the years. However, for FY19, consensus expects a growth at 22%, In fact, at 20% CAGR, consensus expectations about NIFTY's FY17-20 earnings growth trajectory is very robust. However, we could see some downgrades in market earning projections considering some companies are giving cautious guidance. This number looks very high and experience suggests that chances of downgrades are quite high. However, we believe that sluggish earnings growth over FY11-17 has resulted in a favorable base and therefore chances of downgrades are not very significant; in fact, earnings growth is more likely to be robust.

For FY19, we see strong double-digit earnings growth continue across all sectors on the back of (1) normalization of operating conditions in sectors that were hit by GST implementation (2) higher global commodity prices from FY2018 levels (3) moderate domestic economic recovery (4) improved balance sheets and (5) pick up in capex cycle in the economy.

- **Foreign Institutional Investors flows to remain subdued while Domestic Institutional Investors to give support**

India witnessed strong Foreign portfolio investment (FPI) inflows in March '18 (USD 1.96 bn) – a sole exception among EMs, mainly driven by primary issuance. However, we expect FPI equity flows to be weak given rich valuation and deteriorating macroeconomic indicators (GDP, Fiscal deficit, Current account deficit, inflation, interest rate) relative to both Emerging & Developed countries. Seizing the market correction as an opportunity, DIIs continued to invest in March (USD 0.4 bn) and supported the market, primarily driven by MF (~USD 0.6bn). We expect DII equity flows to remain strong given a) real interest rate driving financial saving; b) ~9% MoM correction in Real estate; and c) strong sustained SIP equity flows.

Debt

Global markets broadly have remained risk-on as the US protectionism policy, aiming 'America First' is igniting global trade war and leading to uncertainties. US policies outlined to reduce trade deficit has run into severe criticism of consequent higher input costs, higher inflation and limited capacity of creating incremental jobs, along with threats from Euro zone and China of retaliatory measures on imports from the US. A move from globalization to de-globalization, has started creating headwinds for productivity and is likely catalyst to inflation. In India due to rising global oil prices the inflationary expectations have increased. The yields have hardened by at least 90bps in the previous year FY18 and is likely to remain elevated in FY19 with data dependent RBI rate actions.

The government, in consultation with RBI, has favorably announced its borrowing calendar for H1-FY19, at Rs2.9 trillion which is 48% of the annual budget and is much lower than 60-65% share in this period in previous years. The borrowing program is structured to reduce average duration of issuances and FPI bond investment limits have been enhanced to sail through the borrowing program.

Moving forward, the global bond yields will be tracked by currency volatility resulting from tariff war & other political developments and its impact on crude oil prices. Other challenging factor will be the strategies of major central banks in shrinking bond buyback programs and achieving balance sheet reduction. Indian bond rates will be traced by incremental FII flows and the movement of the rupee against the greenback along with the liquidity in the domestic markets. The domestic liquidity conditions are gradually leading to marginal surplus mode in coming quarters, as government front loads its spending in the economy. But the readings on inflation is likely to remain elevated due to adverse base effect and increase in diesel prices. Market participants will take cues from the economic assessment by the Monetary Policy Committee in its review meets of FY19 and will follow the RBI's stance on liquidity management and inflation projections. Markets will follow the fiscal situation in the form of pick up in GST revenue and execution of other populist measures including increase in Minimum Support Price (MSP) in the pre-election year.

Operations of the Scheme(s):

During the Financial Year ended March 31, 2018, IIFL Mutual Fund with its product offerings is continuing to grow its Assets under Management and the number of investors. The AMC scaled up its sales and distribution capability by setting up offices across multiple locations in India. Going ahead we seek to increase the number of fund offerings by providing unique fund offers to investors. We would also seek to reach deeper into the market and reach larger network of channel partners. The AMC would endeavour to augment retails 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 Wealth Management Limited (IIFLW) was incorporated on 17th January 2008, a Company incorporated under the Companies Act, 1956, is registered with SEBI as a Portfolio Manager, Investment Advisor, Stock Broker, Research Analyst and Depository Participant. IIFLW is also registered with AMFI as a distributor of mutual funds. IIFLW provides wealth management services to various HNI / Ultra HNI clients and inter alia distributes various securities and financial products, including mutual funds, alternative investment funds, debentures and structured products. IIFLW acts as the Sponsor to IIFL Mutual Fund and Co-Sponsor to Schemes of Alternative Investment Funds; The associate/group companies of IIFLW acts as Investment Manager to schemes of Alternative Investment Funds, Real Estate Investment Trust, Venture Capital Funds, provides Portfolio Management Services, Trustee Services, Investment Advisory Services, Distribution Services, Non-Banking Financial Services, Housing Finance, Merchant Banking Services, Business Process Outsourcing activities. The registered office of IIFLW is at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

b. IIFL Mutual Fund

IIFL Mutual Fund is a Trust settled by IIFL Holdings Limited (formerly known as India Infoline Limited) ('Settler') on April 29, 2010, 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 Trustee has entered into Investment Management Agreement (IMA) dated April 29, 2010, with IIFL Asset Management Limited (IIFL AMC) to function as the investment Manager for schemes of IIFL Mutual Fund. The Mutual Fund was registered with SEBI on March 23, 2011 under Registration Code MF/067/11/02.

c. Trustees

IIFL Trustee 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 thereunder 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 their views the Trustee has undertaken, the Trustee believes AMC has operated in the interests of the Unitholders.

d. Asset Management Company:

IIFL Asset Management Company Limited ("IIFL AMC") was incorporated under the Companies Act, 1956 on March 22, 2010, having its Registered Office at IIFL Centre, 6th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013. 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 IIFL Trustee Limited (Formerly known as India Infoline Trustee Company Ltd.) and AMC. The Board of Directors of the AMC comprises of eminent personalities with varied experience.

IIFL AMC also provides Investment Manager Services to Schemes of Alternative Investment Funds namely IIFL Venture Fund (Category I - Alternative Investment Fund), IIFL Private Equity Fund (Category II - Alternative Investment Fund) and IIFL Opportunities Fund (Category III - Alternative Investment Fund), India Infoline Venture Capital Fund (Venture Capital Fund) and IIFL Real Estate Investment Trust (Real Estate Investment Trust). IIFL AMC is also registered with SEBI as a Portfolio Manager.

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 2017-2018:

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

Redemption			
Sr. No.	Scheme Name	Number of Investors	Amount (Rupees)
1	IIFL Dynamic Bond Fund	1	2663.22
2	IIFL FMP Series 1	1	11.45
3	IIFL FMP Series 6	1	6133.25
4	IIFL Focused Equity Fund *	747	594895.5
Grand Total		750	603703.42

Dividend			
Sr. No.	Scheme Name	Number Investor	Amount (Rupees)
1	IIFL Dynamic Bond Fund	42	2928.54
2	IIFL Focused Equity Fund	286	117084.2
3	IIFL Liquid Fund	6	4.92
Grand Total		334	120017.66

*Also, an amount of Rs. 353,965.22 (count 684) 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 and SEBI Circular No. CIR/IMD/DF/05/2014 dated March 24, 2014, 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.

During the FY 2017-2018, the proxy voting was exercised by IIFL Asset Management Limited for and on behalf of IIFL Mutual Fund ('the Fund'). The summary of proxy votes cast by IIFL Mutual Fund/AMC across all the investee companies is as follows:

Summary of Votes cast during the F.Y. 2017-2018					
F.Y.	Quarter	Total no. of resolutions	Break-up of Vote decision		
			For	Against	Abstained
2017-2018	April - June	37	34	1	2
2017-2018	July - September	146	143	2	1
2017-2018	October - December	2	2	-	-
2017-2018	January - March	13	13	-	-

For complete voting details for the period 2017-18, unit holders can log on to the website (www.iiflmf.com) of the Fund. Further the said details are also available in the Annual Report for the period 2017-2018. A copy thereof is available on the said website of the Fund and the link thereof shall be emailed to the unit holders. Also, a physical copy shall be provided free of cost on request received from a unitholder.

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 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 free of cost.

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 IIFL Trustee Limited

**R. Mohan
Director**

Date: July 25, 2018

Place: Mumbai

Annexure I

Details of Redressal of Complaints received against IIFL Mutual Fund during FY 2017-2018

Total Folios: 19941

Complaint Code	Type of Complaint	(a) No. of complaints pending at the beginning of the year	(b) No. of Complaints received during the year	Action on (a) and (b)									
				Resolved				Non Actionable	Pending				
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months	
I A	Non receipt of Dividend on Units												
I B	Interest on delayed payment of Dividend												
I C	Non receipt of Redemption Proceeds		2	2									
I D	Interest on delayed payment of Redemption												
II A	Non receipt of Statement of Account/ Unit Certificate												
II B	Discrepancy in Statement of Account												
II C	Data corrections in Investor details												
II D	Non receipt of Annual Report/Abridged Summary												
III A	Wrong switch between Schemes												
III B	Unauthorized switch between Schemes												
III C	Deviation from Scheme attributes												
III D	Wrong or excess charges/load												
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc												
IV	Others												
Total			2	2									

Abridged Annual Report, 2017 - 2018

INDEPENDENT AUDITOR'S REPORT

To the Trustees of IIFL Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Schemes of IIFL Mutual Fund mentioned below (collectively 'the Schemes'), which comprise the Balance Sheet as at dates mentioned below, the Revenue Account of the schemes, cash flow statement (as applicable) for the year as mentioned below and a summary of significant accounting policies and other explanatory information.

Name of Scheme	Period covered by Revenue Account and Cash Flow Statement (as applicable)	Balance Sheet Date
IIFL Dynamic Bond Fund	April 1, 2017 to March 31, 2018	March 31, 2018
IIFL Liquid Fund	April 1, 2017 to March 31, 2018	March 31, 2018
IIFL India Growth Fund	April 1, 2017 to March 31, 2018	March 31, 2018

Management's Responsibility for the Financial Statements

Management of IIFL Asset Management Limited ('the Company'), 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 (as applicable) 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 Scheme'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 internal controls. 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:

- in the case of the Balance Sheet, of the state of affairs of the respective Schemes as at the dates mentioned above;
- in the case of the Revenue Account, of the surplus/deficit (as applicable) of the respective Schemes for the year ended on dates mentioned above; and
- in the case of the cash flow statement, of the cash flows (as applicable) for the year ended as mentioned above.

Report on Other Legal and Regulatory Requirements

- 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.
- The balance sheet, revenue account and cash flow statement (as applicable) dealt with by this report are in agreement with the books of account.
- 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.
- In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at balance sheet date 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/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

Place: Mumbai

Date: July 25, 2018

ABRIDGED BALANCE SHEET AS AT MARCH 31, 2018

Rupees in Lakhs

	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL India Growth Fund	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
LIABILITIES						
1 Unit Capital	26,114.47	1,615.67	24,982.11	22,380.71	18,576.93	27,793.99
2 Reserves & Surplus						
2.1 Unit Premium Reserves	907.94	56.60	1.91	0.45	1,440.90	3,794.35
2.2 Unrealised Appreciation Reserve	77.70	4.09	17.70	1.53	1,082.18	3,493.38
2.3 Other Reserves	9,338.17	415.83	3,063.24	1,817.07	4,516.72	1,189.02
3 Loans & Borrowings	-	-	-	-	-	-
4 Current Liabilities & Provisions						
4.1 Provision for doubtful Income/ Deposits	-	-	-	-	-	-
4.2 Other Current Liabilities & Provisions	2,215.87	2.12	2,095.65	1,031.11	328.56	1,328.89
TOTAL	38,654.15	2,094.31	30,160.61	25,230.87	25,945.29	37,599.63
ASSETS						
1 Investments						
1.1 Listed Securities:						
1.1.1 Equity Shares	-	-	-	-	24,424.51	33,746.71
1.1.2 Preference Shares	-	-	-	-	-	-
1.1.3 Equity Linked Debentures	-	-	-	-	-	-
1.1.4 Other Debentures & Bonds	21,176.68	406.47	-	-	-	-
1.1.5 Securitised Debt securities	-	-	-	-	-	-
1.2 Securities Awaited Listing:						
1.2.1 Equity Shares	-	-	-	-	-	-
1.2.2 Preference Shares	-	-	-	-	-	-
1.2.3 Equity Linked Debentures	-	-	-	-	-	-
1.2.4 Other Debentures & Bonds	-	-	-	-	-	-
1.2.5 Securitised Debt securities	-	-	-	-	-	-
1.3 Unlisted Securities						
1.3.1 Equity Shares	-	-	-	-	-	-
1.3.2 Preference Shares	-	-	-	-	-	-
1.3.3 Equity Linked Debentures	-	-	-	-	-	-
1.3.4 Other Debentures & Bonds	5,002.83	-	-	-	-	-
1.3.5 Securitised Debt Securities	-	-	-	-	-	-
1.4 Government Securities	-	1,512.47	-	-	-	-
1.5 Treasury Bills	-	-	-	-	-	-
1.6 Commercial Paper	-	-	11,394.73	12,857.03	-	-
1.7 Certificate of Deposits	9,461.31	-	15,826.16	8,412.48	-	-
1.8 Bill Rediscounting	-	-	-	-	-	-
1.9 Units of Domestic Mutual Fund	-	-	-	-	-	-
1.10 Foreign Securities	-	-	-	-	-	-
Total Investments	35,640.82	1,918.94	27,220.89	21,269.51	24,424.51	33,746.71
2 Deposits	11.79	11.39	290.04	182.53	18.67	311.58
3 Other Current Assets	-	-	-	-	-	-
3.1 Cash & Bank Balance	24.52	1.59	2.74	107.35	8.41	1,537.70
3.2 CBLO/ Reverse Repo Lending	2,354.16	136.96	2,644.93	3,665.92	1,458.52	1,965.42
3.3 Others	622.86	25.43	2.01	5.56	35.18	38.22
4 Deferred Revenue Expenditure (to the extent not written off)	-	-	-	-	-	-
TOTAL	38,654.15	2,094.31	30,160.61	25,230.87	25,945.29	37,599.63

The notes to accounts form an integral part of the accounts.

(*) Indicates less than 1 Thousand.

Note: Pursuant to SEBI Categorization and Rationalization circular, the name of the scheme has been changed from IIFL India Growth Fund to IIFL Focused Equity Fund.

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ABRIDGED REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED MARCH 31, 2018

Rupees in Lakhs

	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL India Growth Fund	
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
1 INCOME						
1.1 Dividend	-	-	-	-	290.22	196.96
1.2 Interest	486.75	159.22	2,092.39	1,308.93	63.32	109.05
1.3 Realised Gain / (Loss) on Foreign Exchange Transactions	-	-	-	-	-	-
1.4 Realised Gains / (Losses) on Interscheme sale of investments	-	(0.00)*	-	0.13	-	-
1.5 Realised Gains / (Losses) on External sale / redemption of investments	3.53	6.90	(0.13)	(30.11)	5,769.95	901.56
1.6 Realised Gains / (Losses) on Derivative Transactions	-	-	-	-	-	36.78
1.7 Provision for depreciation in value of investments written back	-	-	16.17	-	-	-
1.8 Load Income	0.00*	-	-	-	20.08	-
1.9 Other Income	-	-	-	-	-	-
(A)	490.28	166.11	2,108.43	1,278.96	6,143.57	1,244.35
2 EXPENSES						
2.1 Management fees (inclusive of service tax / GST)	31.94	7.63	39.70	22.38	344.05	187.27
2.2 Service tax on Management fees	-	-	-	-	-	-
2.3 Transfer agents fees and expenses	2.24	0.77	7.80	4.34	35.67	20.73
2.4 Custodian fees	0.87	0.56	4.03	4.55	6.61	5.45
2.5 Trusteeship fees	0.62	0.23	3.32	1.89	3.80	2.24
2.6 Marketing & Distribution expenses	36.55	9.67	15.82	8.83	288.31	130.16
2.7 Publicity Expenses	-	-	-	-	109.08	-
2.8 Audit fees	0.71	0.41	3.80	3.47	4.34	4.13
2.9 Investor Education Fund	1.24	0.45	6.64	3.78	7.60	4.49
2.10 Other operating expenses	1.33	0.50	2.99	2.63	15.99	4.51
2.11 Expenses borne by AMC	-	(0.65)	(2.00)	(5.56)	-	(3.05)
(B)	75.50	19.58	82.10	46.32	815.45	355.93
3 NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A-B =C)	414.78	146.53	2,026.33	1,232.64	5,328.12	888.42
4 Change in Unrealised Depreciation in value of investments (D)	-	-	-	-	-	-
5 NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C-D))	414.78	146.53	2,026.33	1,232.64	5,328.12	888.42
6 Change in unrealised appreciation in the value of investments (F)	73.60	4.01	-	-	(2,411.20)	4,359.70
7 NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	488.38	150.54	2,026.33	1,232.64	2,916.92	5,248.12
7.1 Add: Opening balance transfer from Unrealised Appreciation Reserve	415.83	892.22	1,817.06	1,958.54	1,189.02	(161.23)
7.2 Less: Balance transfer to Unrealised Appreciation Reserve	(73.60)	(4.01)	(16.17)	(0.45)	2,411.20	(3,493.38)
7.3 Add / (Less): Equalisation	8,508.26	(621.58)	317.47	(1,095.85)	(2,000.42)	248.69
8 Total	9,338.87	417.17	4,144.69	2,095.32	4,516.72	1,842.20
9 Dividend appropriation						
9.1 Income Distributed during the year / period	0.50	0.94	726.58	187.46	-	653.18
9.2 Tax on income distributed during the year / period	0.19	0.40	354.88	90.80	-	-
10 Retained Surplus / (Deficit) carried forward to Balance sheet	9,338.18	415.83	3,063.23	1,817.06	4,516.72	1,189.02

The notes to accounts form an integral part of the accounts.

(*) Indicates less than 1 Thousand.

Note: Pursuant to SEBI Categorization and Rationalization circular, the name of the scheme has been changed from IIFL India Growth Fund to IIFL Focused Equity Fund.

ABRIDGED NOTES TO ACCOUNTS

**Schedules forming part of the Balance Sheet as at 31st March, 2018 and the
Revenue Account for the year ended on 31st March, 2018**

Annexure I: ABRIDGED NOTES TO ACCOUNTS

1. INVESTMENTS

1.1 Investments of the Schemes are registered in the name of the Trustees for the benefits of the Schemes Unit holders.

1.2 Open Position of derivatives for 2016-2017 & 2017-2018:- NIL

1.3 Other than Hedging Positions through Futures for 2017-2018:- NIL

Other than Hedging Positions through Futures for 2016-2017

Underlying	Long / Short	Futures Price when purchased	Current price of the contract	Margin maintained in ₹ Lakhs
As on March 31, 2017 : Nil				
Total exposure due to futures (non hedging positions) as a %age of net assets : Nil				
Details of non-hedging transactions through futures which have been squared off / expired during the year ended March 31, 2017 are as follows:				
Total Number of contracts where futures were bought : 250				
Total Number of contracts where futures were sold : 250				
Gross Notional Value of contracts where futures were bought : Rs. 167,869,537				
Gross Notional Value of contracts where futures were sold : Rs. 171,686,572				
Net Profit/(Loss) value on all contracts combined : Rs. 3,678,476				

1.4 Investments in Associates and Group Companies for 2017-2018

Rupees in Lakhs

Name of Associates / Group Company	Nature of Instrument	Scheme which has invested in Associates / Group Company	Cost of investment (Including accrual of discount)	Market / Fair Value
IIFL Holdings Limited	Equity shares	IIFL India Growth Fund	1,145.81	1,411.40
India Infoline Finance Limited	Debentures (Listed on recognised stock exchange)	IIFL Dynamic Bond Fund	256.09	256.14

Investments in Associates and Group Companies for 2016-2017: Nil

1.5 Open position of Securities borrowed and / or Lend by the Scheme for 2017-2018 & 2016-2017:- NIL

1.6 Details of NPA: Aggregate market value and provision thereof for 2017-2018 & 2016-2017:- NIL

1.7 Aggregate Unrealized Gain / Loss: 2017-2018

Rupees in Lakhs

Scheme Name	Equity (Listed/Awaiting Listing)	Debentures (Listed on recognised stock exchange)	Debentures (Unlisted)	Commercial Paper	Certificate of deposits	Zero Coupon Bond	Total
IIFL Dynamic Bond Fund	-	13.04	45.30	-	11.59	7.77	77.70
IIFL Liquid Fund	-	-	-	6.09	11.62	-	17.70
IIFL India Growth Fund	1,082.18	-	-	-	-	-	1,082.18
Grand Total	1,082.18	13.04	45.30	6.09	23.21	7.77	1,177.58

2016-2017

Rupees in Lakhs

Scheme Name	Equity (Listed/Awaiting Listing)	Debentures (Listed on recognised stock exchange)	Government securities	Commercial Paper	Certificate of deposits	Total
IIFL Dynamic Bond Fund	-	0.94	3.15	-	-	4.09
IIFL Liquid Fund	-	-	-	0.31	1.22	1.53
IIFL India Growth Fund	3,493.38	-	-	-	-	3,493.38
Grand Total	3,493.38	0.94	3.15	0.31	1.22	3,499.01

1.8 The aggregate value of Purchase and Sale (including redeemed) with Percentage of average assets: 2017-2018

Rupees in Lakhs

Scheme	Purchases*	Sales*	Purchase as % to average daily net assets	Sale as % to average daily net assets	Average Asset Under Management
IIFL Dynamic Bond Fund	3,92,049.29	3,55,827.11	6300.99%	5718.83%	6,222.03
IIFL Liquid Fund	16,98,708.87	16,95,883.42	5113.46%	5104.96%	33,220.32
IIFL India Growth Fund	3,39,410.96	3,52,662.24	893.01%	927.87%	38,007.53

2016-2017

Rupees in Lakhs

Scheme	Purchases*	Sales*	Purchase as % to average daily net assets	Sale as % to average daily net assets	Average Asset Under Management
IIFL Dynamic Bond Fund	12,910.23	14,603.96	573.50%	648.74%	2,251.14
IIFL Liquid Fund	1,51,924.89	1,44,589.45	804.50%	765.66%	18,884.38
IIFL India Growth Fund	33,549.44	18,514.57	149.48%	82.49%	22,444.16

*Note: Purchase/Sale includes CBLO/Repo, term deposits and derivative transactions

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1.9 Non-Traded securities in the portfolio:

Scheme Name	Particulars	As on	As on
		March 31, 2018 (Amount in Lakhs)	March 31, 2017 (Amount in Lakhs)
IIFL Dynamic Bond Fund	Aggregate fair value of thinly traded / non traded Investment	33,973.82	199.71
IIFL Liquid Fund	Aggregate fair value of thinly traded / non traded Investment	27,220.89	2,461.29

2 Details of transactions with Associates in terms of regulation 25(8):

2.1 Securities transaction in the form of investments/disinvestment in various Public issues / Private placements where the associate was the sole or one of the several lead managers

a) For the period/year ended March 31, 2018

Scheme	Lead Manager	Name of Issuer	Amount (in Lakhs)
IIFL India Growth Fund	IIFL Holdings Limited	Capacite Infraprojects Ltd	624.90
		ICICI Lombard General Insurance Company Ltd	626.32
		Reliance Nippon Life Asset Management Ltd	1,000.02
		HDFC Standard Life Insurance Company Limited	2,000.13
		Shalby Ltd	1,000.08

For the period/year ended March 31, 2017

Scheme	Lead Manager	Name of Issuer	Amount (in Lakhs)
IIFL India Growth Fund	IIFL Holdings Limited	Ujjivan Financials Services Limited.	51.22
		Quess Corp Limited	20.66
		RBL Bank Limited	19.94

b) Subscription to issue of equity on private placement where sponsor or its associate companies have acted as arranger or manager.

For the year ended on balance sheet date (Current Year)

Scheme	Lead Manager	Name of Issuer	Amount (in Lakhs).
IIFL India Growth Fund	IIFL Holdings Limited	Federal Bank Ltd	800.00

For the year ended on balance sheet date (Previous Year) : Nil.

2.2 Brokerage paid to associates/related parties/group companies of Sponsor/AMC for reporting period :

For the period/year ended March 31, 2018

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Value of Transaction (Lakhs)	% of Total Value of Transaction of the fund	Brokerage (Lakhs)	% of total Brokerage paid by the fund
India Infoline Ltd	Associate	April 1, 2017 to March 31, 2018	5,194.23	2.42%	5.20	3.38%

For the period/year ended March 31, 2017

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Value of Transaction (Lakhs)	% of Total Value of Transaction of the fund	Brokerage (Lakhs)	% of total Brokerage paid by the fund
India Infoline Limited	Associate	April 1, 2016 to March 31, 2017	4,854.44	3.68%	4.37	8.74%

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

For the period/year ended March 31, 2018

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (in crores)	Business given (in % of total business received by the fund)	*Commission paid (in crores)	% of total Commission paid by the fund
India Infoline Limited	Associate	April 1, 2017 to March 31, 2018	29.12	4%	0.15	4%
IIFL Wealth Management Limited	Sponsor	April 1, 2017 to March 31, 2018	603.78	78%	3.23	94%
IIFL Asset Management (Mauritius) Limited	Associate	April 1, 2017 to March 31, 2018	5.07	1%	0.04	1%
5PAISA CAPITAL LIMITED	Associate	April 1, 2017 to March 31, 2018	0.08	0%	0	0%

For the period/year ended March 31, 2017

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (in crores)	Business given (in % of total business received by the fund)	*Commission paid (in crores)	% of total Commission paid by the fund
India Infoline Limited	Associate	April 1, 2016 to March 31, 2017	22.59	5%	0.14	8%
IIFL Wealth Management Limited	Sponsor	April 1, 2016 to March 31, 2017	360.21	82%	1.62	89%
IIFL Asset Management (Mauritius) Limited	Associate	April 1, 2016 to March 31, 2017	4.00	1%	0.03	2%

3 Large Holdings in the scheme (i.e. in excess of 25% of the net assets as on the balance sheet date is Nil (Previous year: Nil))

4 Unit Capital movement during the year ended / period ended.

2017-2018

Scheme	PLAN	Face Value	Opening / Initial Issue Units	Units Sold / Switch In	Redemption / Switch out	Closing Units
IIFL Dynamic Bond Fund	Growth Option	10	14498014.295	210825867.884	1925048.405	223398833.774
IIFL Dynamic Bond Fund	Regular Bonus Option	10	124028.637	0.000	37987.817	86040.820
IIFL Dynamic Bond Fund	Regular Half Yearly Dividend Option	10	173239.311	0.000	65508.290	107731.021
IIFL Dynamic Bond Fund	Regular Monthly Dividend Option	10	124790.899	627.752	20842.455	104576.196
IIFL Dynamic Bond Fund	Regular Quarterly Dividend Option	10	309542.327	6581230.312	13305.140	6572863.941
IIFL Dynamic Bond Fund	Direct Growth Option	10	922042.523	29717483.771	75275.131	30564251.163
IIFL Dynamic Bond Fund	Direct Monthly Dividend Option	10	5000.000	0.000	0.000	5000.000
IIFL Dynamic Bond Fund	Direct Quarterly Dividend Option	10	0.000	765.047	0.000	765.047
IIFL Liquid Fund	Growth Option	1000	625758.232	16247561.400	16108777.513	764542.119
IIFL Liquid Fund	Regular Daily Dividend Option	1000	1561809.733	25934637.785	25840943.267	1655504.251
IIFL Liquid Fund	Regular Weekly Dividend Option	1000	35112.874	91425.372	122854.077	3684.169
IIFL Liquid Fund	Direct Weekly Dividend Option	1000	4.975	0.000	4.975	0.000
IIFL Liquid Fund	Direct Growth Option	1000	11301.044	6554137.158	6494869.044	70569.158
IIFL Liquid Fund	Direct Daily Dividend Option	1000	4084.057	777059.796	777232.917	3910.936
IIFL India Growth Fund	Growth Option	10	169895656.503	44310712.158	111990764.964	102215603.697
IIFL India Growth Fund	Dividend Option	10	47424520.310	50494952.352	67076375.249	30843097.413
IIFL India Growth Fund	Direct Growth Option	10	56740208.617	65989591.053	73257255.106	49472544.564
IIFL India Growth Fund	Direct Dividend Option	10	3879513.396	120515.741	755052.514	3244976.623

2016-2017

Scheme	PLAN	Face Value	Opening / Initial Issue Units	Units Sold / Switch In	Redemption / Switch out	Closing Units
IIFL Dynamic Bond Fund	Growth Option	10	11577450.421	7465803.104	4545239.230	14498014.295
IIFL Dynamic Bond Fund	Regular Bonus Option	10	142130.303	0.000	18101.666	124028.637
IIFL Dynamic Bond Fund	Regular Half Yearly Dividend Option	10	183563.200	0.000	10323.889	173239.311
IIFL Dynamic Bond Fund	Regular Monthly Dividend Option	10	231559.720	957.139	107725.960	124790.899
IIFL Dynamic Bond Fund	Regular Quarterly Dividend Option	10	305522.994	4938.769	919.436	309542.327
IIFL Dynamic Bond Fund	Direct Growth Option	10	30306412.552	0.000	29384370.029	922042.523
IIFL Dynamic Bond Fund	Direct Monthly Dividend Option	10	5000.000	0.000	0.000	5000.000
IIFL Dynamic Bond Fund	Direct Quarterly Dividend Option	10	1930.423	0.000	1930.423	0.000
IIFL Liquid Fund	Growth Option	1000	440837.455	9782315.439	9597394.662	625758.232
IIFL Liquid Fund	Regular Daily Dividend Option	1000	530696.090	8023868.059	6992754.416	1561809.733
IIFL Liquid Fund	Regular Weekly Dividend Option	1000	822.492	87623.768	53333.386	35112.874
IIFL Liquid Fund	Direct Weekly Dividend Option	1000	0.000	4.975	0.000	4.975
IIFL Liquid Fund	Direct Growth Option	1000	518524.555	3036857.903	3544081.414	11301.044
IIFL Liquid Fund	Direct Daily Dividend Option	1000	0.000	19520.289	15436.232	4084.057
IIFL India Growth Fund	Growth Option	10	96091318.101	111156960.674	37352622.272	169895656.503
IIFL India Growth Fund	Dividend Option	10	44914416.298	25430604.482	22920500.470	47424520.310
IIFL India Growth Fund	Direct Growth Option	10	11523226.489	53396382.014	8179399.886	56740208.617
IIFL India Growth Fund	Direct Dividend Option	10	164617.823	4828008.576	1113113.003	3879513.396

5 Prior Period Comparatives

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

6 Contingent Liability: -

As of March 31, 2018: NIL

As of March 31, 2017: NIL

7 Unit-holders can obtain from the mutual fund a copy of the Annual Report of the scheme in which he /she /it has invested.

8 Expenses other than management fees are inclusive of service tax / GST where applicable.

9 The annual financials of the scheme(s) have been approved by the Board of Directors of IIFL Asset Management Limited and IIFL Trustee Limited at their Board Meeting(s) held on July 25th, 2018.

Note: Pursuant to SEBI Categorization and Rationalization circular, the name of the scheme has been changed from IIFL India Growth Fund to IIFL Focused Equity Fund.

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KEY STATISTICS FOR THE PERIOD ENDED 31.03.18

	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL India Growth Fund	
	Period Ended 31.03.18	Period Ended 31.03.17	Period Ended 31.03.18	Period Ended 31.03.17	Period Ended 31.03.18	Period Ended 31.03.17
1. NAV per unit (Rs.): Declared NAV excluding Load						
Open						
Dividend Option	NA	NA	NA	NA	11.7143	10.1513
Growth Option	12.9627	12.1440	1,284.9729	1,203.4253	13.2428	10.1513
Bonus Option	12.9627	12.1440	NA	NA	NA	NA
Weekly Option	NA	NA	1,005.6410	1,005.6177	NA	NA
Monthly Dividend Option	11.2259	11.0956	NA	NA	NA	NA
Quarterly Dividend Option	12.5089	11.7188	NA	NA	NA	NA
Half Yearly Option	12.5089	11.7188	NA	NA	NA	NA
Daily Dividend Option	NA	NA	1,000.0879	1,000.0640	NA	NA
Direct Dividend Option	NA	NA	NA	NA	13.3918	10.3330
Direct Growth Option	13.2100	12.3137	1,287.1548	1,204.8678	13.5651	10.3330
Daily Weekly Option	NA	NA	1,005.6474	NA	NA	NA
Direct Quarterly Dividend Option	NA	11.8855	NA	NA	NA	NA
Direct Monthly Dividend option	11.4612	11.2612	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	1,000.0880	NA	NA	NA
High						
Dividend Option	NA	NA	NA	NA	13.9847	13.1343
Growth Option	13.9193	12.9627	1,365.5016	1,284.9729	15.8075	13.3483
Bonus Option	13.9193	12.9627	NA	NA	NA	NA
Weekly Option	NA	NA	1,006.2958	1,006.5976	NA	NA
Monthly Dividend Option	11.8005	11.4427	NA	NA	NA	NA
Quarterly Dividend Option	13.432	12.5089	NA	NA	NA	NA
Half Yearly Option	13.432	12.5089	NA	NA	NA	NA
Daily Dividend Option	NA	NA	1,000.7626	1,000.2496	NA	NA
Direct Dividend Option	NA	NA	NA	NA	16.1744	13.4932
Direct Growth Option	14.2639	13.2100	1,368.4983	1,287.1548	16.3851	13.6679
Direct Weekly Option	NA	NA	1,006.1647	1,005.9496	NA	NA
Direct Quarterly Dividend Option	13.4811	11.9518	NA	NA	NA	NA
Direct Monthly Dividend option	11.8005	11.6573	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	1,000.6615	1,000.0880	NA	NA
Low						
Dividend Option	NA	NA	NA	NA	11.4922	10.0023
Growth Option	12.9665	12.1557	1285.4084	1,204.2671	12.9917	10.0023
Bonus Option	12.9665	12.1557	NA	NA	NA	NA
Weekly Option	NA	NA	1005.0000	1,005.0000	NA	NA
Monthly Dividend Option	11.1839	11.1022	NA	NA	NA	NA
Quarterly Dividend Option	12.5126	11.7301	NA	NA	NA	NA
Half Yearly Option	12.5126	11.7301	NA	NA	NA	NA
Daily Dividend Option	NA	NA	1000.0700	1,000.0246	NA	NA
Daily Weekly Option	NA	NA	1005.0540	1,005.0011	NA	NA
Direct Dividend Option	NA	NA	NA	NA	13.165	10.1837
Direct Growth Option	13.215	12.3262	1287.5945	1,205.7156	13.3354	10.1837
Direct Quarterly Dividend Option	13.0703	11.8976	NA	NA	NA	NA
Direct Monthly Dividend Option	11.4243	11.2726	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	1,000.0427	1,000.0246	NA	NA
End **						
Dividend Option	NA	NA	NA	NA	12.2991	11.7143
Growth Option	13.9269	12.9627	1,366.2573	1,284.9729	13.9018	13.2428
Bonus Option	13.9269	12.9627	NA	NA	NA	NA
Weekly Option	NA	NA	1,006.3203	1,005.6410	NA	NA
Monthly Dividend Option	11.4443	11.2259	NA	NA	NA	NA
Quarterly Dividend Option	13.4394	12.5089	NA	NA	NA	NA
Half Yearly Option	13.4394	12.5089	NA	NA	NA	NA

	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL India Growth Fund	
	Period Ended 31.03.18	Period Ended 31.03.17	Period Ended 31.03.18	Period Ended 31.03.17	Period Ended 31.03.18	Period Ended 31.03.17
Daily Dividend Option	NA	NA	1,001.3164	1,000.0879	NA	NA
Direct Dividend Option	NA	NA	NA	NA	14.2694	13.3918
Direct Growth Option	14.2725	13.2100	1,369.2612	1,287.1548	14.4553	13.5651
Direct Weekly Option	NA	NA	NA	1,005.6474	NA	NA
Direct Quarterly Dividend Option	13.4893	NA	NA	NA	NA	NA
Direct Monthly Dividend option	11.7645	11.4612	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	1,001.2196	1,000.0880	NA	NA
2. Closing Assets Under Management (Rs. in Lakhs)						
End	36,438.27	2,092.19	28,064.96	24,197.70	25,617.73	36,232.61
Average (AAuM)	6,222.03	2,251.14	33,220.31	18,884.38	38,007.53	22,444.16
3. Gross income as % of AAuM	7.88%	7.38%	6.30%	6.77%	16.16%	5.54%
4. Expense Ratio:						
a. Total Expense as % of AAuM						
Regular Plan	1.25%	0.94%	0.25%	0.25%	2.60%	1.69%
Direct Plan	0.62%	0.44%	0.20%	0.20%	1.10%	1.00%
b. Management Fee as % of AAuM						
Regular Plan	0.42%	0.34%	0.12%	0.12%	0.60%	0.83%
Direct Plan	0.42%	0.34%	0.12%	0.12%	0.60%	0.83%
5. Net Income as % of AAuM	6.67%	6.51%	6.10%	6.53%	14.02%	3.96%
6. Portfolio turnover ratio	NA	NA	NA	NA	0.93	0.42
7. Total Dividend per unit distributed during the year / period						
Individual & HUF						
Dividend	1.08347688	0.86776112	153.28686925	119.28644338	-	1.67000000
Others						
Dividend	-	0.36804064	110.76824453	47.60651350	-	1.67000000
8. Returns:						
a. Last One Year						
Scheme	7.44%	6.74%	6.32%	6.78%	5.04%	30.45%
Benchmark	5.10%	11.09%	6.84%	7.11%	11.86%	18.55%
b. Since Inception						
Scheme	7.19%	7.13%	7.38%	7.70%	10.15%	12.31%
Benchmark	8.30%	9.16%	7.92%	8.23%	7.75%	4.91%
Benchmark Index	CRISIL Composite Bond Fund Index	CRISIL Composite Bond Fund Index	CRISIL Liquid Fund Index	CRISIL Liquid Fund Index	Nifty 50 TRI	Nifty 50

The above abridged financial statement are derived out of audited financial statement, however the same has not been audited

1. Gross income = amount against (A) in the revenue account i.e. Income.
2. Net income = amount against (C) in the revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD
3. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year / period
4. AAuM=Average daily net assets

** Calculated NAV of 31st March, 2018

Note: Pursuant to SEBI Categorization and Rationalization circular, the name of the scheme has been changed from IIFL India Growth Fund to IIFL Focused Equity Fund.

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