



ANNUAL REPORT

OF

SCHEMES OF IIFL MUTUAL FUND

FY 2021-2022

TRUSTEE REPORT

Dear Unitholders,

We have pleasure in presenting the Eleventh Annual Report of the Schemes of IIFL Mutual Fund for the period ended March 31, 2022, 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:

Investment Objective: 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.

The net assets of the scheme as on March 31, 2022 is Rs. 689.4 Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-21 to 31-Mar-22	31-Mar-19 to 31-Mar-22	31-Mar-17 To 31-Mar-22	Since Inception
IIFL Dynamic Bond Fund - Regular Plan – Growth Option	7.08%	6.86%	6.81%	6.95%
IIFL Dynamic Bond Fund-Direct Plan- Growth Option	7.35%	7.37%	7.38%	7.50%
Benchmark: Crisil Composite Bond Fund Index*	4.48%	8.21%	7.29%	8.09%
Additional Benchmark: Crisil 10 Year Gilt Index	1.08%	6.27%	5.02%	6.18%

*Changed to Crisil Dynamic Bond Fund CIII index w.e.f. April 01, 2022

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, Money Market Instruments with an allocation of 0-100% of net assets of the schemes and in and units of REIT/ INVITs upto 10% of the net assets of the scheme.

IIFL TRUSTEE LIMITED

(FORMERLY KNOWN AS INDIA INFOLINE TRUSTEE COMPANY LIMITED)

CORPORATE & REGD. OFFICE:

6TH FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,
LOWER PAREL, MUMBAI - 400 013. INDIA

TEL: (91-22) 4876 5600 | FAX: (91-22) 4875 5606

CIN: U74990MH2009PLC193063

The scheme outperformed the benchmark for the year on account of active investment management across the yield curve. The scheme has maintained its portfolio strategy of investing in high rated papers and keeping a relatively lower average maturity, helping it maintain low volatility and high issuer quality during the year.

IIFL Liquid Fund:

Investment Objective: 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.

The net assets of the scheme as on March 31, 2022 is Rs 899.88 Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-21 To 31-Mar-22	31-Mar-19 To 31-Mar-22	31-Mar-17 to 31-Mar-22	Since Inception
IIFL Liquid Fund - Regular Plan – Growth Option	3.16%	3.84%	4.92%	6.03%
IIFL Liquid Fund- Direct Plan – Growth Option	3.21%	3.89%	4.98%	6.08%
Benchmark: CRISIL Liquid Fund Index*	3.68%	4.70%	5.71%	6.72%
Additional Benchmark: CRISIL 1 Year T-Bill Index	3.76%	5.28%	5.82%	6.66%

*Changed to CRISIL Liquid Fund BI Index w.e.f. April 01, 2022.

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. The scheme underperformed the benchmark marginally for the year. The scheme has maintained its portfolio strategy of low volatility and high quality during the year.

The scheme underperformed the benchmark for the year with strategy of lower average duration during the year. 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.

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IIFL Focused Equity Fund:

Investment Objective: The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

The net assets of the scheme as in March 31, 2022 is Rs. 2825.35 Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-21 to 31-Mar-22	31-Mar-19 to 31-Mar-22	31-Mar-17 to 31-Mar-22	Since Inception
IIFL Focused Equity Fund - Regular Plan – Growth option	22.50%	22.73%	17.17%	15.56%
IIFL Focused Equity Fund-Direct Plan- Growth option	23.88%	24.30%	18.78%	17.01%
Benchmark: S&P BSE 500 TRI	22.26%	17.06%	14.79%	13.08%
Additional Benchmark: S&P BSE Sensex TRI	19.50%	16.06%	15.94%	12.16%

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.

In FY22 IIFL Focused Equity Fund out performed its Benchmark S&P BSE-500 TRI Index. During FY22, the scheme has given a return of 22.50% as compared to S&P BSE-500 TRI return of 22.26%.

FY22 still ended as a good year for Indian equities despite the headwinds. In the beginning of the fiscal year, spike in Covid-19 cases coupled with lack of medical supplies led to imposition of lockdowns, restrictions, and supply chain disruption. However, the situation improved as the vaccination drive picked up and governments declared relief packages to deal with Covid-19 led disruptions. The Indian government announced a flurry of reforms, corporate earnings growth showed improvement, and primary market buzzed with strong participation. Towards the second half of the fiscal, the consolidation/correction phase began due to tight monetary policy, high inflation, geopolitical tension, and selling by foreign portfolio investors (FPIs). It is important to note that FPIs have been net sellers in only four of the past twenty-seven fiscal years starting from FY93. Retail participation remained strong in the last fiscal as indicated by flows in MFs. The continued trend towards systematic investment plans has been a key contributor to India's relative outperformance against global markets.

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While domestic investors’ optimism on local factors has given support to the market, there are certainly emerging signs of worry. The surge in commodity prices has led to a series of price hikes across sectors. This has already started to dent demand on the ground. While nominal revenue growth would remain supported by price hikes, volumes are likely to weaken. The combination of margin pressure and speedbumps in demand recovery can lead to corporate earnings downgrades in the short term. While high growth companies have seen valuation corrections in the markets, profitable companies with strong cash flows are likely to weather the situation well.

Although we remain positive on the economic cycle over the medium term, the trajectory of inflation would play a critical role in determining the course of equity markets in the short term.

IIFL Quant Fund

Investment Objective : The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities based on a quant theme. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

The net assets of the scheme as in March 31, 2022 is Rs. 104.55 crore.

Performance of Scheme:

Scheme Name / Benchmark	Since Inception
IIFL Quant Fund - Regular Plan – Growth option	0.93%
IIFL Quant Fund-Direct Plan- Growth option	1.32%
Benchmark: S&P BSE 200 TRI	2.16%
Additional Benchmark: S&P BSE Sensex TRI	2.48%

Past performance may or may not be sustained in the future. Inception Date: November 29, 2021

The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities based on a quant theme. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

The scheme underperformed the benchmark since inception as momentum as a factor has also underperformed. The scheme has maintained its portfolio strategy of investing as per the quantitative model defined for the product.

Future Outlook:

Overview of Mutual Fund Industry

Mutual funds' assets base was Rs 37.57 lakh crore in March 31, 2021, with a 19.5% YOY increase since March 31, 2021, according to data from AMFI. The mutual fund industry added more than 3 crore investor

accounts (32%YoY) in 2021-22, taking the total count to 12.95 crore. Financialization of savings coupled with increased awareness about investments and rise in digitization contributed to the surge in the assets.

Since the time COVID became a part of our lives, global macro variables have taken many twists and turns. The biggest challenge economies and businesses have been struggling with is the imbalance in demand and supply. Supply chains were initially disrupted with COVID and then further impacted by the Russia-Ukraine war and shut downs in China. The disequilibrium has manifested itself in inflation, which has become the biggest challenge for central banks. The accommodative/lower interest rate policies of central banks decisively reversed in the last fiscal. The focus has now shifted to bringing demand lower to match the constraints in supply. This has significant repercussions for asset classes across the globe.

The recovery in the investment cycle and capex thrust announced in the Union Budget 2022-23 is becoming visible in the form of new projects coming up. The PLI scheme announced by the government has also played a key role towards new project announcements. While larger scale private corporate capex may take time to recover, the policy measures to lift public capex (infrastructure spending) and a rebound in housing capex could be the next stimulants. Further, India seems to be well poised for a credit accelerator effect. Bank balance sheets are in good shape and a favourable combination of policy settings coupled with structural space for increased leverage may augur well for the credit cycle.

Macroeconomic Overview:

Economy and markets in FY 2022

Since the time COVID became a part of our lives, global macro variables have taken many twists and turns. The biggest challenge economies and businesses have been struggling with is the imbalance in demand and supply. Supply chains were initially disrupted with COVID and then further impacted by the Russia-Ukraine war and shut downs in China. The disequilibrium has manifested itself in inflation, which has become the biggest challenge for central banks. The accommodative/lower interest rate policies of central banks decisively reversed in the last fiscal. The focus has now shifted to bringing demand lower to match the constraints in supply. This has significant repercussions for asset classes across the globe.

From a stock market standpoint, the last fiscal was a year of contrasts. Optimism and pessimism kept alternating as Indian equities touched an all-time high and then started sliding in the last quarter owing to concerns around geopolitical risks, rising interest rates, slowdown in growth and the end of the global easy money phase.

FY22 still ended as a good year for Indian equities despite the headwinds. In the beginning of the fiscal year, spike in Covid-19 cases coupled with lack of medical supplies led to imposition of lockdowns, restrictions, and supply chain disruption. However, the situation improved as the vaccination drive picked up and governments declared relief packages to deal with Covid-19 led disruptions. The Indian government announced a flurry of reforms, corporate earnings growth showed improvement, and primary market buzzed with strong participation. Towards the second half of the fiscal, the

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consolidation/correction phase began due to tight monetary policy, high inflation, geopolitical tension, and selling by foreign portfolio investors (FPIs). It is important to note that FPIs have been net sellers in only four of the past twenty-seven fiscal years starting from FY93. Retail participation remained strong in the last fiscal as indicated by flows in MFs. The continued trend towards systematic investment plans has been a key contributor to India's relative outperformance against global markets.

Despite geopolitical risks continuing post the Russia-Ukraine crisis and persistent concerns around COVID, the domestic economy seems to be well placed with some nascent signs of revival. GST collections during FY22 stood at INR 14.8 trillion, much above estimates at the start of the year. The record collection of INR 1.4 trillion in March 2022 reflects strengthening economic activity. Even the net direct tax collections recorded a 50% hike.

The recovery in the investment cycle and capex thrust announced in the Union Budget 2022-23 is becoming visible in the form of new projects coming up. The PLI scheme announced by the government has also played a key role towards new project announcements. As per the Centre for Monitoring Indian Economy (CMIE) data, the value of new projects in March 2022 stood at INR 5.1 trillion compared to INR 2.5 trillion recorded in March 2021. Although, the latest number of new projects is still lower than the pre-COVID period, the incremental number of new projects is showing a gradual uptrend.

While larger scale private corporate capex may take time to recover, the policy measures to lift public capex (infrastructure spending) and a rebound in housing capex could be the next stimulants. Further, India seems to be well poised for a credit accelerator effect. Bank balance sheets are in good shape and a favourable combination of policy settings coupled with structural space for increased leverage could augur well for the credit cycle.

Outlook for FY2022

Equity Markets

We believe that volatility is likely to continue in an environment of on rising interest rates and high inflation, in addition to the direction in which the Ukraine crisis unfolds. We expect this to be a year of consolidation and correction, wherein expectations of excess returns should be tapered. Increased volatility due to geopolitical tensions, high crude oil prices and general commodity inflation are likely to keep the market range bound.

While domestic investors' optimism on local factors has given support to the market, there are certainly emerging signs of worry. The surge in commodity prices has led to a series of price hikes across sectors. This has already started to dent demand on the ground. While nominal revenue growth would remain supported by price hikes, volumes are likely to weaken. The combination of margin pressure and speed-bumps in demand recovery can lead to corporate earnings downgrades in the short term. While high growth companies have seen valuation corrections in the markets, profitable companies with strong cash flows are likely to weather the situation well.

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Debt Markets

The RBI had maintained an accommodative stance throughout the last fiscal year. With the broad-based surge in prices of key industrial inputs and global supply chain disruptions, input cost push pressures are likely to persist for longer than expected. Nevertheless, good prospects of Rabi output are likely to augur well for rural demand. In its March 2022 policy, the US Fed hiked rates by 25 bps and signaled six more rate hikes in 2022, while raising its inflation projections sharply. Given the hawkish stance of the Fed, the US rate hike cycle is likely to be steeper than that of India. A hawkish tone by Fed after a 40-year high U.S inflation (7.9%) print has prepared markets for faster normalization of rates which is reflected in the recent inverted yield curve. We think the gap between the overnight rate to medium-tenure curve is already steep enough and we may see gradual normalization of rates with volatility in the money market rates. Medium-term yield curve will be the preferred bet due to higher accrual.

Operations of the Scheme(s):

During the Financial Year ended March 31, 2022, The total net sales across mutual fund schemes stood at INR 1,600 crores. We continued to focus on scaling IIFL Focused Equity Fund during the year. For most part of the year, the fund was among the best performing funds in its category. We added net sales of INR 900 crores in the IIFL Focused Equity Fund. We launched our first quant-based offering – IIFL Quant Fund and raised over INR 100 crores in the NFO. We focused on increasing SIPs in the equity schemes. We reduced the minimum investment amount which is likely to ensure wider participation from retail investors.

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 Research Analyst and has obtained Merchant Banking license. IIFLW provides wealth management services to various HNI / Ultra HNI clients. 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, 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 Finance Limited (formerly known as IIFL Holdings 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

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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 Trustee 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 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. IIFL 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 and IIFL AMC. The Board of Directors of IIFL 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) and IIFL Real Estate Investment Trust (Real Estate Investment Trust). IIFL AMC is also registered with SEBI as a Portfolio Manager. The AMC is also registered with SEC, US as an Investment Adviser.

The unitholders are requested to note that the annual report of the AMC is available on the website www.iiflmutualfund.com. If the unitholders so desire, they may request for the annual report of the AMC.

2. 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.

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3. Unclaimed Dividends & Redemptions of Current Schemes for the financial year 2021 - 2022

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 (Rs.)
1	IIFL Focused Equity Fund	45	1,74,336
2	IIFL Dynamic Bond Fund	1	2,663
	Grand Total	46	1,76,999

Dividend			
Sr. No.	Scheme Name	Number Investors	Amount(Rs.)
1	IIFL Focused Equity Fund	271	97,713
2	IIFL Dynamic Bond Fund	39	2,820
3	IIFL Liquid Fund	1	1
	Grand Total	311	1,00,534

4. Investor Grievances

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

5. 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, SEBI circular no. SEBI/HO/IMD/ DF2/CIR/P/2016/68 dated August 10, 2016, SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 and SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2021/029 dated March 05, 2021 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. A copy of the policy is attached as Annexure II.

During the FY 2021 - 2022, 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:

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Summary of Votes cast during the F.Y. 2021-2022					
F.Y.	Quarter	Total no. of resolutions	Break-up of Vote decision		
			For	Against	Abstained
2021-2022	April – June	49	49	0	0
2021-2022	July - September	224	215	9	0
2021-2022	October - December	10	10	0	0
2021-2022	January - March	53	53	0	0

For complete voting details for the period 2021-22 along with Scrutinizer’s certificate, unit holders can log on to the website (<https://www.iiflmf.com/downloads/disclosures>) of the Fund.

6. Report on Compliance of Stewardship Code for F.Y. 2021-2022

In terms of SEBI Circular CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019 and Stewardship Code, Institutional investors shall report periodically on their stewardship activities. A report on the stewardship activities of the Fund is as under:

S. No.	Particulars of Principles of Stewardship Code	Status (Complied, Deviation, Partly Complied, Not Complied)	Reason for Deviation or Non Compliance	Remarks
1	Formulation of Policy, its Disclosure and Review	Complied	N.A	The Fund has formulated adopted Stewardship Policy, which is hosted on the website: www.iiflmf.com
2	Managing Conflict of Interest	Complied	N.A	The aspect of managing conflict of interest forms an integral part of the Policy.
3	Monitoring Investee Companies	Complied	N.A	The Fund monitors the Investee Companies regularly. The Fund may consider taking assistance of third party experts for this.
4	Intervention in Investee Companies and	Complied	N.A	The Stewardship Policy provides for intervention in Investee

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	Collaboration with Institutional Investors			Companies. During the financial year 2022, there were no instances which required intervention.
5	Policy on Voting	Complied	N.A	The Fund has adopted Voting Policy which governs the votes cast by the Fund. The Policy and the voting reports are made available on the website: www.iiflmf.com
6	Reporting	Complied	N.A	A report on implementation of stewardship code is made available on the website of the Fund at www.iiflmf.com

7. Scheme wise changes in Risk-o-meter

In terms of SEBI Circular SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 05, 2020, Mutual Funds are required to publish the summary of scheme wise changes in Risk-o-meter in the Annual Report. A summary of the changes to the risk-o-meter of the Schemes of IIFL Mutual Fund during the Financial Year 2021-22 is as under:

Scheme name	Risk-o-meter level at start of the financial year	Risk-o-meter level at end of the financial year	Number of changes in Risk-o-meter during the financial year
IIFL Dynamic Bond Fund	Moderate	Moderate	0
IIFL Focused Equity Fund	Very High	Very High	0
IIFL Liquid Fund	Low to Moderate	Low to Moderate	2
IIFL Quant Fund	-	Very High	0

8. Disclosure on Potential Risk Class Matrix

Pursuant to SEBI Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 07, 2021 on Potential Risk Class (PRC) Matrix for debt schemes based on Interest Rate Risk and Credit Risk, IIFL Asset

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Management Limited has positioned its debt schemes in terms of PRC matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration of the scheme) and maximum credit risk (measured by Credit Risk Value of the scheme). Accordingly, the debt schemes of the Mutual Fund shall be placed in PRC matrix as follows:

Credit Risk of scheme →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk of the Scheme ↓			
Relatively Low (Class I)	A – I NIL	B – I IIFL Liquid Fund	C – I NIL
Moderate (Class II)	A – II NIL	B – II NIL	C – II NIL
Relatively High (Class III)	A – III NIL	B – III NIL	C – III IIFL Dynamic Bond Fund

9. Swing pricing framework

SEBI introduced swing pricing framework for open ended debt schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds) through circular *SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/631 dated September 29, 2021 (SEBI Circular)*. The swing pricing is made applicable only for scenario related to net outflows from the scheme. Further SEBI mandates full swing during market dislocation times for high risk open ended debt schemes.

During the financial year ended March 31, 2022, swing pricing framework was not triggered and swing factor was not made applicable for the Schemes of IIFL Mutual Fund.

10. 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 lakh 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 in securities.
- (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 physical copy of the trust deed, the full Annual Report of the Fund / AMC and scheme related documents free of cost.

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TEL: (91-22) 4876 5600 | FAX: (91-22) 4875 5606

CIN: U74990MH2009PLC193063

**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.

**By order of the Board
For IIFL Trustee Limited**

Director

Date: July 21, 2022

Place: Mumbai

IIFL TRUSTEE LIMITED

(FORMERLY KNOWN AS INDIA INFOLINE TRUSTEE COMPANY LIMITED)

CORPORATE & REGD. OFFICE:

6TH FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,
LOWER PAREL, MUMBAI - 400 013. INDIA

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Annexure 1
Details of Redressal of Complaints received against IIFL Mutual Fund during FY 2021-2022

Complaint code	Type of complaint #	(a) No. of complaints pending at the beginning of the period	(b) No of complaints received during the period	Action on (a) and (b)																
				Resolved					Non Actionable*	Pending										
				Within 30 days	30-60 days	60-180 days	Beyond 180 days	Average time taken ^ (in days)		0-3 months	3-6 months	6-12 months	Beyond 12 months							
I A	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option																			
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdraw																			

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	al option												
I C	Non receipt of Redemption Processed		8	8									
I D	Interest on delayed payment of Redemption		2	2									
II A	Non receipt of Statement of Account/Unit Certificate		2	2									
II B	Discrepancy in Statement of Account		2	2									
II C	Data corrections in Investor details		2	2									
II D	Non receipt of Annual Report/Abridged Summary												
III A	Wrong switch between Schemes												

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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		1	1									
III F	Delay in allotment of Units												
III G	Unauthorized Redemption												
IV	Others		19	19	0	0	0	0	0	0	0	0	0
	Total	0	36	36	0	0	0	0	0	0	0	0	0

including against its authorized persons/ distributors/ employees. etc.

*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund.

^ Average Resolution time is the sum total of time taken to resolve each complaint in days, in the current month divided by total number of complaints resolved in the current month.

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Voting Policy

Version	Version 2
Effective Date	July 2022

Index

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4.	Decision Making Process	3
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POLICY FOR EXERCISING VOTING RIGHTS IN RESPECT OF SHARES HELD BY SCHEME(S) OF IIFL MUTUAL FUND

1. Background & Objective of Policy:

IIFL Asset Management Ltd (AMC) as an Investment Manager to IIFL Mutual Fund manages investments of Schemes of IIFL Mutual Fund (Schemes) and invests in various securities as per the Investment Objectives of the respective Schemes. In the long term interest of the unit holder(s) and as per SEBI's directive requiring mutual funds to play an active role in ensuring better corporate governance of listed companies, AMC has set out this Policy for exercising voting in respect of shares held by Schemes ('Voting Policy').

IIFL Asset Management Limited (AMC) also acts as an investment manager to scheme(s) launched under 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) (collectively known as 'IIFL AIF') and IIFL Real Estate Investment Trust (Real Estate Investment Trust). IIFLAMC is also registered as a Portfolio Manager with SEBI and as an Investment Adviser with SEC, US.

The Voting Policy contains the principles that form the basis for exercising the voting rights attached to shares in which Schemes have invested and the processes that would be followed by AMC towards exercising said voting rights.

2. Objective underlying voting exercise:

While deciding on exercising a vote, AMC's objective would be:

1. To support such proposals that tend to maximise shareholders' value and in turn value of unit holders;
2. To signal dissent to proposals that favour promoters / dominant shareholders at the expense of other (minority) shareholders;
3. To ensure that the decision to cast a vote is not influenced by conflict of interest;

3. Guidelines for exercising a vote:

Specific decision on a particular resolution i.e. to support, oppose or abstain from voting, shall be taken on a case-to- case basis considering potential impact of the vote on shareholder value and interests of the unitholders of the Schemes at large. AMC may also at its discretion choose to abstain from participating in any resolution and hold a neutral stance, should the concerning issue be of no major relevance for the shareholder value and/or unitholder interest. The general guidelines which the AMC would follow while evaluating voting decisions are as follows:

1. AMC shall support changes to the capital structure which appear to give better returns on

capital employed and in the long term interest of the shareholders.

2. Votes on key decisions concerning fundamental corporate changes, extraordinary transactions, key corporate governance decisions, shall be decided on the case to case basis in the long term interest of the Unit holders.
3. AMC shall support proposals for employee stock option plans which appear to have been designed for creating employee ownership culture which in turn would enable better employee participation and value creation.
4. The AMC shall generally support the proposal for appoint of independent directors as proposed by Board of Directors of the Company and generally support proposals that strengthen the independence of the Board of Directors.
5. Other proposals submitted to shareholders related to selection of the auditors, amendments to the company's charter or by-laws and Issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, would be addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.
6. The vote shall be cast at Mutual Fund Level. However, in case Fund Manager/(s) of any specific scheme(s) has different views, the voting at scheme(s) level shall be allowed on case to case basis subject to recording of detailed rationale for the same
7. SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021 made it mandatory for all Mutual Funds including their passive investment schemes like Index Funds, Exchange Traded Funds etc. to cast votes compulsorily in respect of the following resolutions:
 - a. Corporate governance matters, including changes in the state of incorporation. merger and other corporate restructuring, and anti-takeover provisions.
 - b. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
 - c. Stock option plans and other management compensation issues.
 - d. Social and corporate responsibility issues.
 - e. Appointment and Removal of Directors.
 - f. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.
 - g. Related party transactions of the investee companies (excluding own group companies).

Further, for all remaining resolutions which are not covered above, Mutual Funds shall also compulsorily be required to cast their votes with effect from April 01, 2022.

4. Decision Making Process:

The decision regarding the voting on the resolutions of the Investee companies, i.e. whether the AMC will vote for or against the resolution or refrain from voting shall be taken by the Fund

Manager, in consultation with Chief Investment Officer (CIO).

The AMC may consult other Institutional Shareholders and may consider the inputs from external agencies to arrive at the decision, if so required.

The voting rights on behalf of the Scheme(s) will be exercised by the employee(s) of AMC or an externally authorised agency or employees of Custodian, as authorized by the:

- CEO or CIO
- Compliance Officer
- Research Analyst(s)
- Any member of Investment Team
- Product Head
- Head - Operations

The voting rights may also be exercised by an externally authorised agency or employees of Custodian, as authorized by the:

- CEO or CIO
- Compliance Officer
- Product Head
- Head – Operations

5. Conflict of Interest:

IIFL AMC is part of a large and diversified financial services group with many affiliates and related companies. From time to time, IIFL AMC may face conflicts of interest in relation to our stewardship responsibilities. However, the approach adopted by the AMC will always be to keep the best interest of the investors ahead. As a rule, in all cases of conflicts of interest, the voting decision will be based on the best interest of the investors. Fund Managers/Decision makers shall submit a declaration on quarterly basis to the Trustees that the votes cast by them have not been influenced by any factor other than the best interest of the unit holders.

There will be a clear segregation of the voting function and sales functions. Person authorised to vote on behalf of the Schemes who is interested or have any association with the Investee Company will not be allowed to participate in Proxy Voting related decision.

6. Disclosures:

The actual exercise of the proxy votes in the AGMs/EGMs of the investee companies shall be disclosed to the Unit Holders and on the Website of the AMC in respect of following matters:

- a. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions;
- b. Changes to capital structure, including increases and decreases of capital and preferred stock issuances;
- c. Stock option plans and other management compensation issues;

- d. Social and corporate responsibility issues;
- e. Appointment and Removal of Directors; and
- f. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

AMC shall disclose the following with respect to votes cast:

- a) Specific rationale supporting their voting decision (for, against or abstain) with respect to each vote proposal stated in above.
- b) A summary of the votes cast across all its investee company and its break-up in terms of total number of votes cast in favor, against or abstained from.
- c) Disclosure of votes cast on their website (in spreadsheet format) on a quarterly basis, within 10 working days from the end of the quarter.
- d) AMCs shall continue disclosing voting details in their annual report.

This Policy has been disclosed on the Home Page of the website of the AMC i.e. www.iifl.com and shall also be suitable set forth in the Annual Report of Schemes distributed to the Unit Holders.

The disclosures of voting rights exercised shall be made on the website of IIFL MF (www.iifl.com) as follows:

- Quarterly - the details of votes cast by the schemes of the Fund (in the format and due date as prescribed by SEBI from time to time).
- Annually - the details of votes cast by the schemes of the Fund (in the format and due date as prescribed by SEBI from time to time).

On an annual basis, IIFL AMC will obtain a certification from auditors on voting and the same will be placed before the Boards of AMC and Trustee. The auditor's certificate will form part of annual report of the Schemes and will also be uploaded on the website

M. P. Chitale & Co.

Chartered Accountants

1/11, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 • Tel.: 43474301-03 • Fax : 43474304

**The Board of Directors,
IIFL Asset Management Limited,
IIFL Centre, Kamala City, Annex Building
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400013.**

We have been appointed by IIFL Asset Management Ltd. as scrutinizer to provide certification on proxy voting reports disclosed by AMC on their website in terms of SEBI circular No. CIR/IMD/DF/05/2014 dated March 24, 2014 modified by SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 and SEBI Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019 and SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021 to issue a certificate to be submitted to trustees.

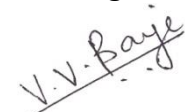
We have verified the voting disclosures made by IIFL Asset Management Ltd. on the website for the year 2021-22 on the basis of data obtained from custodian and records maintained by the Investment Team w.r.t. the voting decision (either to vote for/against/abstain from voting) duly supported by the rationale for each agenda item.

We certify that AMC has disclosed details of all the votes cast in the format specified in the circular.

This certification has been issued for submission to Board of Directors of IIFL Trustee Ltd. and to disclose the same in IIFL Mutual Fund's Annual Report and website in terms of SEBI circular No. CIR/IMD/DF/05/2014 dated March 24, 2014 modified by circular No. SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 and should not be used for any other purpose.

Yours faithfully,

**For M.P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W**



**Vidya Barje
Partner
M. No. 104994
Mumbai, May 18, 2022
UDIN: 22104994AJFCRN2182**

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Board of Directors of IIFL Trustee Limited (the "Trustee")

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of the under mentioned schemes of IIFL Mutual Fund (the "Schemes"), which comprise the Balance Sheet and the related Revenue Account and Cash Flow Statement, where applicable, for the year/period mentioned below, including a summary of significant accounting policies and other explanatory information.

Schemes	Year / Period	Balance Sheet Date
IIFL Focused Equity Fund	April 1, 2021 to March 31, 2022	March 31, 2022
IIFL Dynamic Bond Fund	April 01, 2021 to March 31, 2022	March 31, 2022
IIFL Liquid Fund	April 01, 2021 to March 31, 2022	March 31, 2022
IIFL Quant Fund	November 29, 2021 (date of allotment) to March 31, 2022	March 31, 2022

2. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto (the "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 net surplus for the year/period ended on that date and;

(c) in the case of the Cash Flow Statement, where applicable, of the cash flows for the year ended on that date.

Basis for opinion

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

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028
T: +91 (22) 66691500, F: +91 (22) 66547804/07

Registered office and Head office : Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LUPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT
To the Board of IIFL Trustee Limited
Report on the Financial Statements
Page 2 of 5

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Appropriateness of Valuation of Investments</p> <p>The Schemes hold investments in various types of securities, whose scheme wise aggregate value as at March 31, 2022 is as mentioned in Schedule 4 to the Schedules forming part of the Balance Sheet as at March 31, 2022 and the Revenue Account for the year/period ended March 31, 2022. Valuation of investments including equity and equity related securities, government securities, debt securities, and money market securities is carried out using different valuation methodologies depending on the type of security and as required by the Regulations and the guidelines prescribed by the Association of Mutual Funds in India (AMFI).</p> <p>This is a key audit matter due to the following reasons:</p> <ul style="list-style-type: none">- Investments constitute a significant portion of the net asset value of the Schemes and are accordingly material to the Schemes.- the computation of the net asset value of the Schemes is affected by the valuation methodology.- the Schemes are required to ensure strict compliance to the valuation policies and procedures for different types of securities in the portfolio of the Schemes as approved by the Trustee and the Board of Directors of IIFL Asset Management Limited (the AMC) in line with the Regulations.	<p>We carried out audit procedures, which included the following:</p> <ul style="list-style-type: none">- Understanding and evaluating the design effectiveness and testing the operating effectiveness of controls around the valuation of securities on sample basis.- Obtaining and assessing the valuation policies and procedures approved by the Trustee and the AMC who have determined the methodologies to be used for valuing each type of security held by the Schemes as investments and assessing that the same is in line with the applicable regulations and guidelines prescribed by AMFI.- Obtaining the prices as on March 31, 2022 for all types of securities from independent sources, including recognised stock exchanges, rating agencies such as CRISIL and ICRA as specified in the Regulations.- Reperforming the valuation of sample of investments as on March 31, 2022 using the prices obtained from independent sources and compared the same to the values in the books of account. <p>Basis the above procedures performed, we did not note any exceptions with respect to the valuation of investments as determined by the AMC and approved by the Trustee.</p>

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of IIFL Trustee Limited

Report on the Financial Statements

Page 3 of 5

Other Information

5. The Trustee and the Management of the AMC (the "Management") are responsible for the other information. The other information comprises the information included in the Annual Report and the Abridged Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report and the Abridged Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report and the Abridged Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Trustee, Management and Those Charged with Governance for the Financial Statements

6. The Trustee and the Management are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemes in accordance with the accounting policies and standards specified in the Ninth Schedule of the Regulations. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the Trustee and the Management are responsible for assessing the Schemes' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so. The Trustee and Management are also responsible for overseeing the Schemes' financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of IIFL Trustee Limited

Report on the Financial Statements

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9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes to cease to continue as a going concern.
 - Performed procedures including to obtain confirmation of securities owned and unit capital balances as at Balance Sheet date by correspondence with the custodian/others and registrar and transfer agent, respectively.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of IIFL Trustee Limited

Report on the Financial Statements

Page 5 of 5

Report on other legal and regulatory requirements

13. As required by section 55(4) of the Regulations, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; and
 - (b) In our opinion, the Balance Sheet, Revenue Account and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Regulations.
14. As required by clause 5 (ii)(2) of the Eleventh Schedule to the Regulations, we report that the Balance Sheet and Revenue Account dealt with by this report are in agreement with the books of account of the Schemes.
15. In our opinion, the methods used to value non-traded securities as at Balance sheet date, as determined by Management under procedures approved by the Trustee in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Russell I. Parera

Partner

Membership Number: 042190

UDIN: 22042190ANIVRS2615

Place: Mumbai

Date: July 21, 2022

IIFL Mutual Fund

Balance Sheet as at March 31, 2022

(Amount in Rupees)

	Schedule	<u>IIFL Dynamic Bond Fund</u>		<u>IIFL Liquid Fund</u>		<u>IIFL Focused Equity Fund</u>		<u>IIFL Quant Fund</u>
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022
Liabilities								
Unit capital	1	3,760,847,539	4,407,494,777	5,490,493,182	774,905,871	9,192,754,507	6,533,120,722	1,035,230,946
Reserves and surplus	2	3,133,150,865	3,112,639,137	3,508,326,592	440,288,023	19,060,861,668	9,713,966,765	10,308,894
Current liabilities and provisions	3	4,003,874	8,907,136	2,460,240	249,870,239	121,295,598	83,472,675	4,129,007
		6,898,002,278	7,529,041,050	9,001,280,014	1,465,064,133	28,374,911,773	16,330,560,162	1,049,668,847
Assets								
Investments	4	6,631,383,825	6,680,086,726	6,336,250,050	947,181,950	26,858,165,195	15,643,958,215	1,044,637,091
Deposits	5	5,595,000	5,595,000	32,350,000	37,600,000	11,205,000	6,205,000	250,000
Other current assets	6	261,023,453	843,359,324	2,632,679,964	480,282,183	1,505,541,578	680,396,947	4,781,756
		6,898,002,278	7,529,041,050	9,001,280,014	1,465,064,133	28,374,911,773	16,330,560,162	1,049,668,847
Notes to Financial Statements	9							

The schedules referred to herein form an integral part of the Financial Statements
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For IIFL Trustee Limited

For IIFL Trustee Limited

Russell I. Parera
Partner
Membership No: 042190

Sd/-
R. Mohan
Associate Director
DIN: 0000012070

Sd/-
S. Sengupta
Independent Director
DIN: 08467648

For IIFL Assest Management Limited

For IIFL Assest Management Limited

Sd/-
Anup Maheshwari
Whole Time Director
DIN: 08258671

Sd/-
Kumar Sharadindu
Independent Director
DIN: 07341455

Sd/-
Mayur Patel
Fund Manager

Sd/-
Milan Mody
Fund Manager

Sd/-
Parijat Garg
Fund Manager

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

IIFL Mutual Fund

Revenue account for the year/ period ended March 31, 2022

(Amount in Rupees)

Schedule	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL Focused Equity Fund		IIFL Quant Fund
	April 01, 2021 to March 31, 2022	April 01, 2020 to March 31, 2021	April 01, 2021 to March 31, 2022	April 01, 2020 to March 31, 2021	April 01, 2021 to March 31, 2022	April 01, 2020 to March 31, 2021	November 29, 2021 to March 31, 2022*
INCOME AND GAINS							
Dividend income (Note 2.5 of Schedule 9)	13,485,642	-	-	-	258,137,849	107,850,195	7,863,915
Interest and discount (Note 2.5 of Schedule 9)	477,904,963	342,027,644	155,793,305	94,349,257	31,908,291	12,667,288	409,159
Profit on sale / redemption of investments (other than inter-scheme transfer / sale of investments) (Gross) (Note 2.5 of Schedule 9)	41,864,870	24,058,419	347,323	55,247	1,634,431,422	1,159,897,528	1,049,388
Load income (Refer note 2.7 to Schedule 9)	2,271,719	22,435	28,163	5,365	9,762,540	7,670,813	642,146
Other income	-	-	-	-	-	-	-
Total (A)	535,527,194	366,108,498	156,168,791	94,409,869	1,934,240,102	1,288,085,823	9,964,608
EXPENSES AND LOSSES							
Loss on sale/redemption of investments (other than inter-scheme transfer/sale of investments) (Gross) (Note 2.5 of Schedule 9)	14,696,969	81,778,217	15,885,020	1,717,890	93,151,475	686,303,317	1,392,868
Management fees (excluding goods and service tax) (Note 3.4 of Schedule 9)	11,020,398	19,923,307	4,193,961	2,633,704	130,464,092	72,765,771	552,950
Goods and service tax on management fees	1,983,672	3,586,197	754,910	474,067	23,483,536	13,117,307	99,532
Registrar and transfer agent's fees and expenses	2,516,500	1,797,516	934,333	678,871	19,725,065	11,210,049	207,989
Custodian fees and expenses (Note 3.6 of Schedule 9)	761,508	532,198	436,316	293,742	2,420,035	1,165,632	37,239
Trusteeship fees and expenses (Note 3.5 of Schedule 9)	502,892	494,889	166,129	273,932	1,510,261	1,085,964	4,520
Marketing and Selling expenses (including agents commission)	11,762,990	18,273,609	324,652	224,630	128,503,551	70,951,827	3,552,271
Publicity Expenses	-	-	-	-	-	-	-
Audit fees	531,000	472,000	236,000	118,000	708,000	590,000	47,200
Investor Education and awareness expense (Note 3.15 of Schedule 9)	1,422,490	989,778	786,070	547,864	4,576,402	2,171,927	70,132
Other operating expenses	236,510	531,132	216,597	370,433	11,366,436	4,167,494	303,907
Total (B)	45,434,929	128,378,843	23,933,988	7,333,133	415,908,853	863,529,289	6,268,608
Net Realised Gains for the Year/ Period (A-B)	490,092,265	237,729,655	132,234,803	87,076,736	1,518,331,249	424,556,535	3,696,000
Net Change in Unrealised Depreciation in Value of Investments (Note 3.2 (d) of Schedule 9)	-	21,374,386	(2,834,356)	(24,448)	-	1,381,844,205	-
Net Gains for the Year/ Period	490,092,265	259,104,041	129,400,447	87,052,288	1,518,331,249	1,806,400,740	3,696,000
Net Change in Unrealised Appreciation in Value of Investments (Note 3.2 (d) of Schedule 9)	(2,250,807)	7,709,485	-	(1,440,871)	2,577,935,872	3,872,252,668	6,648,422
Net Surplus including Net Change in Unrealised Appreciation/Depreciation in Value of Investments	487,841,458	266,813,526	129,400,447	85,611,417	4,096,267,121	5,678,653,408	10,344,422
Net Change in Unrealised Appreciation in Value of Investments transferred to Unrealised Appreciation Reserve (Note 3.2 (d) of Schedule 9)	2,250,808	(7,709,485)	-	1,440,871	(2,577,935,873)	(3,872,252,668)	(6,648,422)
Net Surplus for the Year/ Period	490,092,266	259,104,041	129,400,447	87,052,288	1,518,331,248	1,806,400,740	3,696,000
Add/(less): Transfer from Equalisation reserve	(427,955,610)	1,718,938,607	2,938,398,113	(932,410,376)	919,773,548	207,195,405	(5,943)
Add : Transfer from Reserve Fund	2,894,787,244	916,807,152	440,297,452	1,298,376,359	2,129,654,605	116,058,459	-
Less: Dividend Distributions	62,104	62,557	840,635	12,720,819	-	-	-
Balance Transferred to Reserve Fund	2,956,861,796	2,894,787,244	3,507,255,377	440,297,452	4,567,759,401	2,129,654,605	3,690,057

Notes to the Financial Statements

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* IIFL Quant Fund was allotted on November 29, 2021.
The Schedules referred to herein form an integral part of the Financial Statements.
This is the Revenue Account referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For IIFL Trustee Limited

For IIFL Trustee Limited

Russell I. Parera
Partner
Membership No: 042190

Sd/-
R. Mohan
Associate Director
DIN: 0000012070

Sd/-
S. Sengupta
Independent Director
DIN: 08467648

For IIFL Assest Management Limited

For IIFL Assest Management Limited

Sd/-
Anup Maheshwari
Whole Time Director
DIN: 08258671

Sd/-
Kumar Sharadindu
Independent Director
DIN: 07341455

Sd/-
Mayur Patel
Fund Manager

Sd/-
Milan Mody
Fund Manager

Sd/-
Parijat Garg
Fund Manager

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

IIFL Mutual Fund

Cash Flow Statement for year ended March 31, 2022

(Amount in Rupees)

	Schedule	IIFL Focused Equity Fund*
		April 01, 2021 to March 31, 2022
A. Cashflow from Operating Activities		
Net surplus for the year		4,096,267,121
Less: Change in unrealised appreciation in value of investments (Refer Note 3.2 (d) of Schedule 9)		(2,577,935,872)
Operating profit before working capital changes		1,518,331,249
Adjustments for:-		
(Increase) in Investments at cost (Refer Note 3.2 (c) of Schedule 9)		(8,636,271,108)
Decrease in Other current assets (Refer Schedule 6)		7,652,979
Increase in Current liabilities (Refer Schedule 3)		58,629,103
(Increase) in Deposits (Refer Schedule 3)		(5,000,000)
Net cash generated from operating activities	(A)	(7,056,657,777)
B Cashflow from Financing Activities		
Increase in Unit capital (Refer Schedule 1)		2,659,633,785
Increase in Unit premium reserve (Refer Note 2.3 of Schedule 9)		5,250,627,782
(Decrease) in Subscription pending allotment (Refer Schedule 3)		(7,617,620)
(Decrease) in Payable for units redeemed by investors (Refer Schedule 3)		(13,188,560)
(Increase) in Subscription Receivable for units issued to investors (Refer Schedule 6)		(40,749)
Income distributed (including dividend distribution tax paid) (Refer Schedule 3)		-
Net cash generated from financing activities	(B)	7,889,414,638
Net Increase in Cash and cash equivalents	(A+B)	832,756,861
Cash and cash equivalents as at the beginning of the year		672,472,264
Cash and cash equivalents as at the end of the year		1,505,229,125
Components of cash and cash equivalents		
Balance with banks (Refer Schedule 6)		24,079,139
Tri-party repo (Refer Schedule 6)		1,481,149,986
		1,505,229,125

Notes to Financial Statements

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Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in the Accounting Standard - 3 on the Cash Flow Statements issued by The Institute of Chartered Accountants of India.

(2) The figures in brackets represents cash outflow.

*IIFL Focused Equity Fund has previously qualified for exemption from application of accounting standard ('AS') 3- Cash Flow Statements but no longer qualifies for exemption in the current accounting year. Since this is the first year of application of these accounting standard disclosures, corresponding previous year figures have not been disclosed.

The schedules referred to herein form an integral part of the Financial Statements.
This is the Cash flow statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For IIFL Trustee Limited

For IIFL Trustee Limited

Russell I. Parera
Partner
Membership No: 042190

Sd/-
R. Mohan
Associate Director
DIN: 0000012070

Sd/-
S. Sengupta
Independent Director
DIN: 08467648

For IIFL Assest Management Limited

For IIFL Assest Management Limited

Sd/-
Anup Maheshwari
Whole Time Director
DIN: 08258671

Sd/-
Kumar Sharadindu
Independent Director
DIN: 07341455

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Sd/-
Mayur Patel
Fund Manager

Sd/-
Milan Mody
Fund Manager

Sd/-
Parijat Garg
Fund Manager

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

Place: Mumbai
Date : July 21, 2022

IIFL Mutual Fund
Schedules to the financial statements

(Amount in Rupees)

	IIFL Dynamic Bond Fund				IIFL Liquid Fund				IIFL Focused Equity Fund				IIFL Quant Fund	
	As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2022	
	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.1000)	Amounts	(Units) (Face Value Rs.1000)	Amounts	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.10)	Amounts
I UNIT CAPITAL														
Dividend Option														
Units outstanding, beginning of the year/ period	-	-	-	-	-	-	-	-	12,344,424.358	123,444,245	16,903,183.366	169,031,835	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	382,150.890	3,821,509
Units issued during the year / period	-	-	-	-	-	-	-	-	1,334,880.636	13,348,806	3,275,778.021	32,757,780	111,219.371	1,112,194
Units repurchased during the year /period	-	-	-	-	-	-	-	-	(4,011,528.742)	(40,115,287)	(7,834,537.029)	(78,345,370)	(31,678.819)	(316,788)
Units outstanding, end of the year/ period	-	-	-	-	-	-	-	-	9,667,776.252	96,677,764	12,344,424.358	123,444,245	461,691.442	4,616,915
Growth Option														
Units outstanding, beginning of the year/ period	301,714,719.051	3,017,147,191	124,561,534.670	1,245,615,347	392,420.269	392,420.269	306,773.220	306,773.220	303,893,466.293	3,038,934,662	258,786,351.896	2,587,863,518	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	88,397,586.830	883,975,868
Units issued during the year / period	67,258,053.130	672,580,531	289,821,754.254	2,898,217,543	1,796,822.894	1,796,822.894	909,753.657	909,753.657	168,958,361.204	1,689,583,612	125,406,298.289	1,254,062,983	4,102,184.616	41,021,846
Units repurchased during the year /period	(132,351,266.557)	(1,323,512,666)	(112,668,569.873)	(1,126,685,699)	(1,849,587.510)	(1,849,587.510)	(824,106.608)	(824,106.608)	(54,841,451.226)	(548,414,512)	(80,299,183.892)	(802,991,839)	(7,243,543.463)	(72,435,435)
Units outstanding, end of the year/ period	236,621,505.624	2,366,215,056	301,714,719.051	3,017,147,191	339,655.653	339,655.653	392,420.269	392,420.269	418,010,376.271	4,180,103,762	303,893,466.293	3,038,934,662	85,256,227.983	852,562,279
Regular Bonus Option														
Units outstanding, beginning of the year/ period	60,128.423	601,284	61,129.574	611,296	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year /period	(4,876.062)	(48,761)	(1,001.151)	(10,012)	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year/ period	55,252.361	552,523	60,128.423	601,284	-	-	-	-	-	-	-	-	-	-
Regular Half Yearly Dividend Option														
Units outstanding, beginning of the year/ period	104,688.151	1,046,882	104,688.151	1,046,882	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year /period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year/ period	104,688.151	1,046,882	104,688.151	1,046,882	-	-	-	-	-	-	-	-	-	-
Regular Monthly Dividend Option														
Units outstanding, beginning of the year/ period	98,237.084	982,371	99,686.466	996,865	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	2,385.819	23,858	2,442.129	24,421	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year /period	(1,864.750)	(18,648)	(3,891.511)	(38,915)	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year/ period	98,758.153	987,581	98,237.084	982,371	-	-	-	-	-	-	-	-	-	-
Regular Quarterly Dividend Option														
Units outstanding, beginning of the year/ period	245,972.748	2,459,727	199,192.999	1,991,930	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	12,832.934	128,329	66,235.030	662,350	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year /period	(79,464.473)	(794,645)	(19,455.281)	(194,553)	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year/ period	179,341.209	1,793,411	245,972.748	2,459,727	-	-	-	-	-	-	-	-	-	-
Regular Daily Dividend Option														
Units outstanding, beginning of the year/ period	-	-	-	-	2,581.550	2,581.550	26,592.225	26,592.225	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	-	-	-	-	122.592	122,592	247.163	247,163	-	-	-	-	-	-
Units repurchased during the year /period	-	-	-	-	(1,043.828)	(1,043,828)	(24,257.838)	(24,257,838)	-	-	-	-	-	-
Units outstanding, end of the year/ period	-	-	-	-	1,660.314	1,660,314	2,581.550	2,581,550	-	-	-	-	-	-
Regular Weekly Dividend Option														
Units outstanding, beginning of the year/ period	-	-	-	-	274.032	274,032	3,214.123	3,214,123	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	-	-	-	-	73.927	73,927	451.629	451,629	-	-	-	-	-	-
Units repurchased during the year /period	-	-	-	-	(149.054)	(149,054)	(3,391.720)	(3,391,720)	-	-	-	-	-	-
Units outstanding, end of the year/ period	-	-	-	-	198.905	198,905	274.032	274,032	-	-	-	-	-	-
Direct Weekly Dividend Option														
Units outstanding, beginning of the year/ period	-	-	-	-	86.706	86,706	37.921	37,921	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	-	-	-	-	27.642	27,642	88.231	88,231	-	-	-	-	-	-
Units repurchased during the year /period	-	-	-	-	(71.772)	(71,772)	(39.446)	(39,446)	-	-	-	-	-	-
Units outstanding, end of the year/ period	-	-	-	-	42.576	42,576	86.706	86,706	-	-	-	-	-	-
Direct Growth Option														
Units outstanding, beginning of the year/ period	138,520,128.644	1,385,201,286	36,179,032.855	361,790,329	357,770.101	357,770.101	2,087,014.068	2,087,014.068	328,950,307.966	3,289,503,080	193,549,949.648	1,935,499,496	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	16,389,283.530	163,892,835
Units issued during the year / period	33,146,081.073	331,460,811	121,983,901.232	1,219,839,012	14,791,963.529	14,791,963.529	4,241,194.721	4,241,194.721	223,469,717.618	2,234,697,176	179,528,953.123	1,795,289,531	1,719,093.703	17,190,937
Units repurchased during the year /period	(32,658,514.418)	(326,585,144)	(19,642,805.443)	(196,428,054)	(10,013,223.906)	(10,013,223.906)	(5,970,438.688)	(5,970,438.688)	(62,505,032.133)	(625,050,321)	(44,128,594.805)	(441,285,948)	(353,658.801)	(3,536,588)
Units outstanding, end of the year/ period	139,007,695.299	1,390,076,953	36,179,032.855	361,790,329	5,136,509.724	5,136,509.724	357,770.101	357,770.101	489,914,993.451	4,899,149,935	328,950,307.966	3,289,503,080	17,754,718.432	177,547,184
Direct Dividend Option														
Units outstanding, beginning of the year/ period	-	-	-	-	-	-	-	-	8,123,873.629	81,238,736	13,182,192.980	131,821,930	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	66,296.690	662,967
Units issued during the year / period	-	-	-	-	-	-	-	-	620,639.646	6,206,396	1,421,356.328	14,213,563	5,656.242	56,562
Units repurchased during the year /period	-	-	-	-	-	-	-	-	(7,062,208.529)	(70,622,085)	(6,479,675.679)	(64,796,757)	(21,496.097)	(214,961)
Units outstanding, end of the year/ period	-	-	-	-	-	-	-	-	1,682,304.746	16,823,047	8,123,873.629	81,238,736	50,456.835	504,568
Direct Daily Dividend Option														
Units outstanding, beginning of the year/ period	-	-	-	-	21,773.213	21,773.213	39,636.710	39,636.710	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	-	-	-	-	284,712.695	284,712.695	2,308,222.496	2,308,222.496	-	-	-	-	-	-
Units repurchased during the year /period	-	-	-	-	(294,059.898)	(294,059.898)	(2,326,085.993)	(2,326,085.993)	-	-	-	-	-	-

IIFL Mutual Fund
Schedules to the financial statements

(Amount in Rupees)

	<u>IIFL Dynamic Bond Fund</u>				<u>IIFL Liquid Fund</u>				<u>IIFL Focused Equity Fund</u>				<u>IIFL Quant Fund</u>	
	As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2022	
	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.1000)	Amounts	(Units) (Face Value Rs.1000)	Amounts	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.10)	Amounts	(Units) (Face Value Rs.10)	Amounts
I UNIT CAPITAL														
Units outstanding, end of the year/ period	-	-	-	-	12,426.010	12,426.010	21,773.213	21,773.213	-	-	-	-	-	-
Direct Monthly Dividend Option														
Units outstanding, beginning of the year/ period	5,603.449	56,034	5,343.154	53,432	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	270.721	2,707	260.295	2,603	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year /period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year/ period	5,874.170	58,741	5,603.449	56,034	-	-	-	-	-	-	-	-	-	-
Direct Quarterly Dividend Option														
Units outstanding, beginning of the year/ period	-	-	29,260.064	292,601	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the year / period	12,859.570	128,596	64.158	642	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year /period	(1,220.624)	(12,206)	(29,324.222)	(293,242)	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year/ period	11,638.946	116,390	-	-	-	-	-	-	-	-	-	-	-	-
Total														
Units outstanding, beginning of the year/ period	440,749,477.550	4,407,494,776	161,239,867.933	1,612,398,679	774,905.871	774,905.871	2,463,268.267	2,463,268,267	653,312,072.246	6,533,120,722	482,421,677.890	4,824,216,779	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-	105,235,317.940	1,052,353,179
Units issued during the year / period	100,432,483.247	1,004,324,832	411,874,657.098	4,118,746,571	16,873,723.279	16,873,723,279	7,459,957.897	7,459,957,897	394,383,599.104	3,943,835,991	309,632,385.761	3,096,323,858	5,938,153.932	59,381,539
Units repurchased during the year /period	(165,097,206.884)	(1,650,972,069)	(132,365,047.481)	(1,323,650,475)	(12,158,135.968)	(12,158,135,968)	(9,148,320.293)	(9,148,320,293)	(128,420,220.630)	(1,284,202,206)	(138,741,991.405)	(1,387,419,914)	(7,650,377.180)	(76,503,772)
Units outstanding, end of the year/ period	376,084,753.913	3,760,847,539	440,749,477.550	4,407,494,777	5,490,493.182	5,490,493,182	774,905.871	774,905,871	919,275,450.720	9,192,754,507	653,312,072.246	6,533,120,722	103,523,094.692	1,035,230,946

Note: Includes Units allotted to IIFL Asset Management Limited on account of its investment in the schemes as stipulated under Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014.

IIFL Mutual Fund

Schedules to the financial statements

	(Amount in Rupees)						
	<u>IIFL Dynamic Bond Fund</u>		<u>IIFL Liquid Fund</u>		<u>IIFL Focused Equity Fund</u>		<u>IIFL Quant Fund</u>
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022
2 RESERVES AND SURPLUS							
Unit premium reserve (Note 2.3 of Schedule 9)							
Opening balance	210,142,408	52,490,517	(9,429)	(46,540)	3,712,059,492	1,776,370,787	-
On issue / redemption during the year / period	(467,267,626)	1,876,590,498	2,939,478,757	(932,373,265)	5,250,627,782	2,142,884,110	(35,528)
Transfer from / (to) equalisation reserve	427,955,610	(1,718,938,607)	(2,938,398,113)	932,410,376	(919,773,548)	(207,195,405)	5,943
Closing balance	170,830,392	210,142,408	1,071,215	(9,429)	8,042,913,726	3,712,059,492	(29,585)
Equalisation reserve (Note 2.3 of Schedule 9)							
Opening Balnace	-	-	-	-	-	-	-
Additions during the year / period	(427,955,610)	1,718,938,607	2,938,398,113	(932,410,376)	919,773,548	207,195,405	(5,943)
Transferred to Revenue account	427,955,610	(1,718,938,607)	(2,938,398,113)	932,410,376	(919,773,548)	(207,195,405)	5,943
Closing balance	-	-	-	-	-	-	-
Unrealised appreciation reserve (Note 2.5 of Schedule 9)							
Opening balance	7,709,485	-	-	1,440,871	3,872,252,668	-	-
Net change in unrealised appreciation reserve in the value investments transferred from Revenue account	(2,250,808)	7,709,485	-	(1,440,871)	2,577,935,873	3,872,252,668	6,648,422
Closing balance	5,458,677	7,709,485	-	-	6,450,188,541	3,872,252,668	6,648,422
Reserve Fund							
Opening balance	2,894,787,244	916,807,152	440,297,452	1,298,376,359	2,129,654,605	116,058,459	-
Transferred to Revenue account	(2,894,787,244)	(916,807,152)	(440,297,452)	(1,298,376,359)	(2,129,654,605)	(116,058,459)	-
Balance transferred from Revenue account	2,956,861,796	2,894,787,244	3,507,255,377	440,297,452	4,567,759,401	2,129,654,605	3,690,057
Closing balance	2,956,861,796	2,894,787,244	3,507,255,377	440,297,452	4,567,759,401	2,129,654,605	3,690,057
Total	3,133,150,865	3,112,639,137	3,508,326,592	440,288,023	19,060,861,668	9,713,966,765	10,308,894
3 CURRENT LIABILITIES AND PROVISIONS							
Management fees payable	1,429,166	2,303,049	810,244	27	14,873,991	14,096,908	97,311
Trustee fees payable	5,899	61,800	5,929	9,877	22,885	136,618	860
Custody fees payable	62,796	67,908	64,461	10,578	243,041	146,262	9,134
Registrar and transfer agent fees payable	187,375	222,746	127,600	30,431	1,765,688	1,495,370	-
Audit fees payable (including GST)	610,934	536,449	248,022	147,049	782,257	677,000	48,600
Purchase contracts awaiting completion							
Equity	-	-	-	248,863,750	69,073,000	19,432,796	-
Payable for units repurchased	-	3,304,338	10,866	45,641	11,841,147	20,097,861	2,191,760
Unclaimed Redemption (Note 3.16)	2,663	2,663	-	-	174,336	18,374	-
Unclaimed Dividend (Note 3.16)	2,820	2,820	1	1	97,713	97,713	-
Tax deducted at source payable	274,298	409	163,265	46,627	671,472	89,876	32,097
Dividend payable (including DDT)	-	-	-	1,993	-	-	-
Investor Education Awareness payable (Note 3.15)	117,984	123,600	118,562	19,754	457,720	273,236	17,202
Subscription Pending allotment	-	-	558,645	193,000	5,033,890	12,651,510	12,955
Brokerage Payable	896,026	4,682	24,947	478	11,965,662	437,980	799,865
Inter-Scheme Payable							
Switch out payable	20,932	4,000	1	344,533	1,896	208,704	12,536
Others	8,000	-	-	-	-	4,881,000	529,000
Sundry Payables	384,981	2,272,672	327,697	156,499	4,290,900	8,731,467	377,687
Total	4,003,874	8,907,136	2,460,240	249,870,239	121,295,598	83,472,675	4,129,007

IIFL Mutual Fund

Schedules to the financial statements

		<u>IIFL Dynamic Bond Fund</u>		<u>IIFL Liquid Fund</u>		<u>IIFL Focused Equity Fund</u>		<u>IIFL Quant Fund</u>	
		(Amount in Rupees)							
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	
4	INVESTMENTS								
	[Refer to attached Statement of Portfolio Holdings as on March 31, 2022, Schedule 9 - 2.4, 3.2(b), 3.2(c)]								
		Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	Market / Fair Value	
	Equity Shares	-	-	-	-	26,858,165,195	15,643,958,215	1,044,637,091	
	Debentures and bonds Listed/awaiting listing	4,963,359,975	5,257,444,476	712,572,150	-	-	-	-	
	Treasury Bill	-	-	745,523,000	748,014,750	-	-	-	
	Central Government securities	725,054,050	1,422,642,250	50,413,350	-	-	-	-	
	State Government securities	316,347,650	-	-	-	-	-	-	
	Commercial papers	-	-	2,587,504,300	99,677,000	-	-	-	
	Certificate of deposits	-	-	2,240,237,250	99,490,200	-	-	-	
	InvIT	187,242,546	-	-	-	-	-	-	
	REIT	169,134,354	-	-	-	-	-	-	
	Zero Coupon Bond	270,245,250	-	-	-	-	-	-	
	Total	6,631,383,825	6,680,086,726	6,336,250,050	947,181,950	26,858,165,195	15,643,958,215	1,044,637,091	
5	DEPOSITS								
	Margin with The Clearing Corporation of India Limited (CCIL) *	5,595,000	5,595,000	32,350,000	37,600,000	11,205,000	6,205,000	250,000	
	Total	5,595,000	5,595,000	32,350,000	37,600,000	11,205,000	6,205,000	250,000	
	* Margin placed with CCIL are held in the name of Fund and allocated to the schemes								
6	OTHER CURRENT ASSETS								
	Receivable from Investment Manager	-	2	-	-	43,453	41,247	-	
	Reverse Repo/ Tri Party Repo (TREPS)	90,472,512	449,133,948	2,521,134,011	472,725,226	1,481,149,986	595,579,805	4,498,634	
	Balances with banks								
	Current account	344,951	215,140,492	57,454,380	2,675,843	23,807,090	76,776,372	210,567	
	Unclaimed Redemption	2,663	2,663	-	-	174,336	18,374	-	
	Unclaimed Dividend	2,820	2,820	1	1	97,713	97,713	-	
	Unit subscription receivable	-	14	-	113	-	218,019	-	
	Interest accrued but not due								
	Government securities	23,257,472	34,930,792	1,245,139	-	-	-	-	
	Debentures and Bonds	146,943,035	144,148,553	52,578,433	-	-	-	-	
	Dividend Receivable	-	-	-	-	-	6,748,640	53,724	
	Inter-Scheme Receivable								
	Switch in receivable	-	-	-	-	-	10,232	-	
	Others	-	-	268,000	4,881,000	269,000	-	-	
	Miscellaneous Receivables	-	40	-	-	-	906,545	18,831	
	Total	261,023,453	843,359,324	2,632,679,964	480,282,183	1,505,541,578	680,396,947	4,781,756	

Schedules to the financial statements

(Amount in Rupees)

	<u>IIFL Dynamic Bond Fund</u>		<u>IIFL Liquid Fund</u>		<u>IIFL Focused Equity Fund</u>		<u>IIFL Quant Fund</u>
	Year ended April 01, 2021 to March 31, 2022	Year ended April 01, 2020 to March 31, 2021	Year ended April 01, 2021 to March 31, 2022	Year ended April 01, 2020 to March 31, 2021	Year ended April 01, 2021 to March 31, 2022	Year ended April 01, 2020 to March 31, 2021	Period ended November 29, 2021 to March 31, 2022
7 INTEREST AND DISCOUNT INCOME							
Debentures and bonds	382,439,924	260,676,138	29,938,347	3,515,652	-	-	-
Government securities	87,501,903	68,741,083	7,741,944	-	-	-	-
Treasury bills	23,110	-	12,159,932	17,514,684	-	-	-
Commercial papers	40,887	232,040	41,784,395	25,226,422	-	-	-
Certificate of deposits	72,946	340,398	21,542,962	20,124,928	-	-	-
Reverse repo / TREPS	7,677,038	12,014,896	42,565,539	27,738,724	31,892,179	12,623,057	407,776
Deposit	149,155	23,089	60,186	228,847	16,112	44,231	1,383
Total	477,904,963	342,027,644	155,793,305	94,349,257	31,908,291	12,667,288	409,159
8 OTHER OPERATING EXPENSES							
Bank charges	153	9,440	194	4,720	655	14,225	153
Communication expenses	7,270	-	7,182	-	75,068	-	1,945
Investor Services charges	3,166	3,433	3,185	3,558	139,493	118,111	-
Data and transaction processing charges	94,238	78,005	97,872	82,596	8,011,497	2,948,298	179,331
CBLO Settlement Charges	-	60,322	-	117,224	-	58,454	-
Other Expenses	131,683	379,932	108,164	162,335	3,139,723	1,028,406	122,478
Total	236,510	531,132	216,597	370,433	11,366,436	4,167,494	303,907

IIFL MUTUAL FUND
SCHEDULES TO THE FINANCIAL STATEMENTS

Schedule 9: NOTES TO FINANCIAL STATEMENTS

1. Organization

IIFL Mutual Fund ('the Fund') has been constituted as a Trust in accordance with the provisions of the Indian Trust Act, 1882. IIFL Asset Management Limited (formerly known as India Infoline Asset Management Company Limited) has been set up to act as the Asset Management Company ('the AMC') to Fund. In terms of the Investment Management Agreement (IMA) dated April 29, 2010, entered into between IIFL Trustee Limited (formerly known as India Infoline Trustee Company Limited) ('the 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.

The key Features of the schemes are as follows:

Scheme Name	Type of Scheme	Date of Launch	Date of Allotment	Investment Objective	Plan / option currently offered
IIFL Dynamic Bond Fund	An open-ended dynamic debt scheme investing across duration	June 06, 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.	Regular Growth Regular Quarterly Regular Bonus * Regular Half yearly ^ Regular Monthly ^ Direct Growth Direct Quarterly Direct Monthly ^
IIFL Liquid Fund	An open-ended liquid scheme	November 01, 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.	Regular Growth Regular Weekly Dividend Regular Daily Dividend Direct Growth Direct Weekly Dividend Direct Daily Dividend
IIFL Focused Equity Fund*	An open-ended equity scheme investing in maximum 30 Multicap stocks	October 08, 2014	October 30, 2014	The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities.	Regular Growth Regular Dividend Direct Growth Direct Dividend
IIFL Quant Fund	An open-ended equity scheme investing based on quant theme.	November 08, 2021	November 29, 2021	The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities selected based on quant theme.	Regular Growth Regular Dividend Direct Growth Direct Dividend

* The bonus option in the scheme has been discontinued with effect from June 23, 2015

^ Plans have been discontinued with effect from June 23, 2015

2. Significant Accounting Policies

2.1 Basis of Accounting

The schemes maintain books of account on an accrual basis. These financials statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 and amended thereto ("SEBI Regulations") as applicable. Presentation of these separate balance sheet and revenue account in a columnar form is not intended to indicate that they bear any relation to each other or comparable in any way. They are independent of each other. All the schemes as mentioned in Schedule 9 Note 1, except for IIFL Focused Equity Fund, have qualified for exemption as not being level I entities from application of accounting standard ('AS') 3- Cash Flow Statements in accordance with Criteria for classification of Non-company entities for applicability of Accounting Standards issued by the Institute of Chartered Accountants of India for the year/period ended March 31, 2022.

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 / Options.

For reporting multiple net asset values within the portfolio, the schemes 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 the respective net assets(Net assets of previous day+Subscriptions for the day-Redemptions for the day) of the plan.

IIFL MUTUAL FUND SCHEDULES TO THE FINANCIAL STATEMENTS

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

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

Upon issue and redemption of units, the net premium or discount to the face value of the units is adjusted against the unit premium reserve of the respective plans/ options of the Scheme, after an appropriate portion of the issue proceeds and redemption pay-out is credited or debited respectively to the income equalisation reserve.

The net distributable income relating to units issued / repurchased is transferred to / from income equalisation reserve for determining the net surplus / deficit, transferred from / to unit premium reserve. At year end, balance in income equalisation reserve is transferred to revenue account.

2.4 Investments and derivatives

- i Transactions for purchase and sale of investments are recognised as of the trade date. In determining the holding cost of investments and the gain or loss on sale of investments, the “weighted average cost” method is followed. The cost of investments includes brokerage, stamp charges and any other charges customarily included in the contract note but excludes custodian safekeeping fees. Pursuant to SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, with effect from October 01, 2012, Brokerage and Transaction Costs which are incurred for the purpose of execution of trade are included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions. Remaining portion is charged to expenses, within total expense ratio in line with Regulations.
- ii Bonus entitlements are recognised as investments on ex-bonus date.
- iii Rights entitlements are recognised as investments on ex-rights date.
- iv The net unrealized gain or loss in the value of investment is determined at portfolio level. The change in the net unrealised loss between two balance sheets dates is recognised in the Revenue account and the change in net unrealised gain is adjusted in unrealised appreciation reserve.

Valuations

Rights:

Right entitlement is booked at zero and valued at market price.

The Rights entitlement will be valued as on ex-date. The rights entitlement will be valued at Ex-Rights price minus Rights Offer price till the rights shares are traded. In case the offer price is higher than the Ex-Rights price, rights share will be valued at Zero. In case of rights on non- traded shares, the value of rights will be Zero.

Amalgamation / Merger / De-merger / Spin off:

In case of Amalgamation / Merger / De-merger / Spin off, where the resultant entities is not listed, the valuation for the same shall be arrived at in good faith by the Valuation Committee.

Valuation of the resulting company would be determined by valuation of merging / amalgamating company prior to the ex- date of merger / amalgamation. In case of merging / amalgamating companies being listed, valuation of resulting companies would be summation of valuation of entities immediately prior to merger date. Further if a listed company merges into an unlisted surviving company, then the surviving company should be valued at the traded value of merging company immediately before merger.

Initial Public Offer (IPOs):

IPO investments are accounted as share application money until allotment is made. Post allotment till listing, the shares are valued at cost. Post listing, it is valued as per the norms applicable for traded equity shares.

Traded equity and equity related securities:

All actively traded equity securities will be valued at its closing price on the principal stock exchange (National Stock Exchange - NSE) on the valuation day (i.e. T day).

If a security is not listed on the principal stock exchange but listed on the secondary stock exchange, the closing price of the security on the secondary stock exchange on the valuation day will be considered for the purpose of valuation.

For an equity security listed on both the Exchanges, if the price is not available in the principal stock exchange on a particular valuation day, then its closing price in the secondary stock exchange (BSE) for the day will be considered for valuation.

If a security is not traded on the principal or secondary stock exchange on a particular valuation day, the value at which it was traded on the principal stock exchange or secondary stock exchange as the case may be, on the earliest previous day may be used provided such date is not more than 30 days prior to the valuation date.

Non-traded / thinly traded equity and equity related securities:

Thinly traded, non-traded and unlisted equity and equity related securities are valued “in good faith” by the AMC based on the valuation norms prescribed by the Regulations.

Thinly traded

An equity / equity related security shall be considered as thinly traded if and only if it fulfils both the below criterion over a period of a calendar month:

- a. Value of trades for the calendar month is less than Rs. 5 lakhs; and
- b. Volume of securities traded across all recognized stock exchanges in India is less than 50,000 shares.

Warrants

Traded warrants will be valued at the traded price.

Non traded warrants will be valued as under :-

- If the exercise price is less than the underlying share price then the warrants would be valued at the value of the underlying share price less the exercise price with illiquidity discount as may be decided by the valuation committee.
- If the exercise price is more than the underlying share price then it would be valued at Zero.

**IIFL MUTUAL FUND
SCHEDULES TO THE FINANCIAL STATEMENTS**

Traded/Non traded Money market and debt securities including Sovereign securities which includes government securities, (G Secs / SDLs), treasury bills, cash management bills and any other sovereign securities:

A. Money Market and Debt Securities

upto June 30, 2020	<i>Residual maturity over 30 days</i>	These instruments will be valued at the average of the security level prices as provided by the valuation agencies nominated by AMFI (currently CRISIL & ICRA). In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at purchase yield on the date of allotment / purchase. If the security level prices are not provided on subsequent days and the purchase yield is considered inappropriate, then the Valuation Committee shall adopt alternate procedures / methodologies in accordance with the fair valuation principles to arrive at the fair valuation of the security.
	<i>Residual maturity less than or equal to 30 days</i>	The security will be amortized on a straight line basis from the last valuation price/purchase price for newly purchased securities as long as the price remains within the +/- 0.025% of the reference price. On any day where the valuation is beyond the band, the valuation would be adjusted for that day to get it within the band and would go through straight line amortisation on subsequent days unless on subsequent days the band is again busted. The 'reference price' shall be the average of the security level price of such security as provided by the Valuation agencies appointed by AMFI (currently CRISIL & ICRA).
From July 01, 2020	<i>Across all residual maturity buckets</i>	These instruments shall be valued on the basis of average of security level prices provided by the valuation agencies irrespective of the residual maturity. In case security level prices given by rating agencies are not available for a new security (which is currently not held by any scheme of the Fund), then any such security may be valued on amortisation basis on the date of allotment/ purchase.
	<i>Valuation of investments rated below investment grade</i>	A money market or debt security shall be classified as "below investment grade" if the long term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3. Money market and debt securities which are rated below investment grade shall be valued at the price provided by the valuation agencies. Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts prescribed by AMFI. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade or default on the principal and accrued interest if any and shall continue till the valuation agencies compute the valuation price of such securities. Further, these haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts.

B. Sovereign securities which includes government securities, (G Secs / SDLs), treasury bills, cash management bills and any other sovereign securities:

	<i>Across all residual maturity buckets</i>	At average of prices provided by AMFI appointed agencies (currently CRISIL and ICRA).
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The Scheme enters into derivative transactions in equity/ index futures for the purpose of hedging, leveraging and portfolio balancing

Equity derivatives:

Options

- Premium paid on bought option contracts is debited to "equity option premium account" and recorded as an asset.
- When the option contracts are squared off before expiry, the difference between the premium paid and received on the squared off transactions is recognized in the revenue account. When the option contracts are exercised on expiry, the difference between the option settlement price as determined by the exchange and the premium paid is recognized in the revenue account.
- Premium asset in respect of options not exercised / squared off as on expiry date is transferred to revenue account.
- If more than one option contracts in respect of the same stock / index with the same strike price and expiry date to which the squared off / exercised contract pertains is outstanding at the time of square off / exercise of the contract, the weighted average method is followed for determining the gain or loss.
- At each valuation date, all open option positions are valued at the NSE settlement price. The unrealised appreciation / depreciation on all open positions are considered for determining the net asset value.
- Non-traded option contracts are valued at fair value as per procedures determined by the AMC and approved by the Trustee.

Futures

Futures contracts are marked to market daily at the futures settlement price as determined by the NSE. The variation margin calculated as the difference between the trade price or the previous day's settlement price, as the case may be, and the current day's settlement price is recorded as an asset / liability.

- When a contract is closed (squared off) / settled (on expiry), the difference between the final settlement / square-off price and the contract price is recognised in the revenue account. If more than one futures contracts in respect of the same stock / index and expiry date, to which the squared off / settled contract pertains, is outstanding at the time of square off / settlement of the contract, the weighted average method is followed for determining the gain or loss.
- At each valuation date, all open futures positions are valued at the NSE futures settlement price. The unrealised appreciation / depreciation on all open positions is considered for determining the net asset value.
- "Derivative margin deposit" representing the margin towards equity derivative contracts entered into by the Scheme is disclosed under "Deposits".
- Non traded futures contracts are valued as per fair valuation policy as approved by AMC and the trustee.

IIFL MUTUAL FUND SCHEDULES TO THE FINANCIAL STATEMENTS

Reverse Repo/ TREPS

As per SEBI circular on Valuation of money market and debt securities dated September 24, 2019 Valuation methodology has been changed with w.e.f. December 23, 2019, as follows: - Investments in repurchase (repo) transactions (including tri-party repo i.e. TREPS) with tenor of upto 30 days, shall be valued on cost plus accrual basis.

REIT / InvIT

REIT / InvIT shall be valued at the last quoted closing price at the principal stock exchange. NSE will be the principal stock exchange. In case REIT / InvIT are not traded on the principal stock exchange on a particular date, the closing price at which it is traded on any other stock exchange will be considered. If the traded price is not available, then valuation shall be as per the direction of Valuation Committee.

Fixed Deposits

Investments in Fixed Deposits are valued on cost plus accrual basis.

Deviation

Any deviation in Valuation Policy shall be with the prior approval of the Valuation Committee. All such deviations shall be reported to the Board of AMC and Trustees.

2.5 Revenue recognition

- Dividend income is recognised on the ex-dividend date.
- Interest income is recognized on an accrual basis.
- Profit or loss on sales/redemption of investments is determined on the basis of the weighted average cost method.
- The net unrealized gain or loss in the value of investment is determined at portfolio level. The change in the net unrealised loss between two balance sheets dates is recognised in the Revenue account and the change in net unrealised gain is adjusted in unrealised appreciation reserve.
- The discount / premium, if any, to the redemption value of debt securities (except Coupon bearing Bonds, Government Securities) is amortised/accreted and adjusted/recognised as interest income, as case may be, over the period to redemption.

2.6 Expenses

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

2.7 Load

Pursuant to SEBI (Second Amendment) (Mutual Fund) Regulations, 2012 dated September 26, 2012, with effect from October 01, 2012, exit load net off GST is credited to the scheme.

2.8 Cash and cash equivalents

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

2.9 Dividend Distribution

Subject to availability of Distributable Surplus, Dividend is distributed to the Unitholders on the Record Date. Dividend is paid / or reinvested by way of units is subject to Dividend Distribution Tax as applicable.

2.10 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods. Interest income is recognized on an accrual basis (Interest paid for the period from the last interest due date upto the date of purchase, is not repaid as cost of purchase, but debited to interest accrued but not due account. Similarly interest received at the time of sell for the period from the last interest due date up to the date of sell, is not treated as addition to sell value but credited to interest accrued but not due account.

**IIFL MUTUAL FUND
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3 Disclosures

3.1 Unit Capital

The SEBI circular no. SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003 as amended by SEBI circular no. SEBI/IMD/CIR No.1/42529/05 dated June 14, 2005 (Circular) on minimum number of investors inter alia mandates rebalancing in case of investor holdings which are more than 25% on a quarterly average basis.

Scheme Name	Number of Investors as at March 31, 2022	Percentage of holding as at March 31, 2022	Number of Investors as at March 31, 2021	Percentage of holding as at March 31, 2021
	-	-	-	-

3.2 Investments

a) Investments of the Schemes are registered in the name of the Schemes except Government securities and Treasury bills which are in the name of mutual fund.

b) Investments made by the Schemes of IIFL Mutual Fund in Companies which have invested more than five percent of the net asset value of any schemes of IIFL Mutual Fund in terms of Regulation 25 (11) of SEBI Regulation:

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

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

c) Cost and market / fair value of Investments

As at March 31, 2022

(Amount in Rupees)

Investments	Equity Shares		Debentures and Bonds		Treasury bill		Government securities		Commercial papers		Certificate of deposits		InvIT		REIT		Total	
	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value
IIFL Dynamic Bond Fund	-	-	5,246,354,039	5,233,605,225	-	-	1,063,479,360	1,041,401,700	-	-	-	-	155,496,173	187,242,546	160,595,576	169,134,354	6,625,925,148	6,631,383,825
IIFL Liquid Fund	-	-	715,767,480	712,572,150	745,457,999	745,523,000	50,440,561	50,413,350	2,587,444,031	2,587,504,300	2,239,998,782	2,240,237,250	-	-	-	-	6,339,108,853	6,336,250,050
IIFL Focused Equity Fund	20,407,976,654	26,858,165,195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,407,976,654	26,858,165,195
IIFL Quant Fund	1,037,988,670	1,044,637,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,037,988,670	1,044,637,091

As at March 31, 2021

(Amount in Rupees)

Investments	Equity Shares		Debentures and Bonds		Treasury bill		Government securities		Commercial papers		Certificate of deposits		InvIT		REIT		Total	
	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value	Amortised Cost	Market / Fair Value
IIFL Dynamic Bond Fund	-	-	5,245,847,107	5,257,444,476	-	-	1,426,530,134	1,422,642,250	-	-	-	-	-	-	-	-	6,672,377,241	6,680,086,726
IIFL Liquid Fund	-	-	-	-	748,063,160	748,014,750	-	-	99,665,867	99,677,000	99,477,371	99,490,200	-	-	-	-	947,206,398	947,181,950
IIFL Focused Equity Fund	11,771,705,547	15,643,958,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,771,705,547	15,643,958,215

IIFL MUTUAL FUND SCHEDULES TO THE FINANCIAL STATEMENTS

d) Unrealized Gain / (Loss)

As at March 31, 2022

(Amount in Rupees)

Investments	Equity (Listed/Awaiting Listing)	Corporate Bond	Commercial Paper	Certificate of deposits	Zero Coupon Bond	TBILL	GOVT SECURITIES	InvIT	REIT	Total
IIFL Dynamic Bond Fund	-	(10,804,699)	-	-	(1,944,115)	-	(22,077,660)	31,746,374	8,538,778	5,458,678
IIFL Liquid Fund	-	(3,195,330)	60,269	238,468	-	65,001	(27,211)	-	-	(2,858,803)
IIFL Focused Equity Fund	6,450,188,541	-	-	-	-	-	-	-	-	6,450,188,541
IIFL Quant Fund	6,648,422	-	-	-	-	-	-	-	-	6,648,422

As at March 31, 2021

(Amount in Rupees)

Investments	Equity Shares	Debentures and Bonds	Treasury bill	Government securities	Commercial papers	Certificate of deposits	Total
IIFL Dynamic Bond Fund	-	11,597,369	-	(3,887,884)	-	-	7,709,485
IIFL Liquid Fund	-	-	(48,410)	-	11,133	12,829	(24,448)
IIFL Focused Equity Fund	3,872,252,668	-	-	-	-	-	3,872,252,668

e) Aggregate fair value of Thinly traded / Non Traded Investments valued in good faith in accordance with the guidelines of valuation of securities for Mutual Funds issued by SEBI are given below:

Scheme Name	As on March 31, 2022 *	As on March 31, 2021
IIFL Dynamic Bond Fund	NIL	5,097,302,526
IIFL Liquid Fund	NIL	99,677,000
IIFL Focused Equity Fund	NIL	NIL
IIFL Quant Fund	NIL	N.A.

* As per the SEBI Regulations amended on January 25, 2022, debt securities which have been valued at a price other than the price given by the Independent Valuation Agencies at the end of year, the aggregate value of such securities and percentage to net assets should be disclosed.

3.3 Income and Expenses:

Annualised total income (including net profit/loss on sale or redemption of investments and derivatives and change in unrealised appreciation and depreciation in value of investments) and expenditure as a percentage of the average daily net assets during the year are given below:

Income

Scheme	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Percentage	Amount	Percentage
IIFL Dynamic Bond Fund	518,579,419	7.29%	313,414,153	6.33%
IIFL Liquid Fund	137,449,415	3.50%	91,226,660	3.33%
IIFL Focused Equity Fund	4,419,024,500	19.31%	5,855,879,380	53.93%
IIFL Quant Fund	15,220,162	4.34%*	-	-

* Annualised

Expenses

Scheme	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Percentage	Amount	Percentage
IIFL Dynamic Bond Fund	30,737,960	0.43%	46,600,627	0.94%
IIFL Liquid Fund	8,048,968	0.20%	5,615,243	0.20%
IIFL Focused Equity Fund	322,757,378	1.41%	177,225,972	1.63%
IIFL Quant Fund	4,875,740	1.39%*	-	-

* Annualised

3.4 Management Fees

The computation of the management fees (Excluding Goods and Services tax on management fees) charged to the Revenue Account for the year ended March 31, 2022 for the Schemes are as under:

Scheme Name	Period ended	Average Daily Net Asset Value	Management Fees (Excluding Goods & Services Tax)	% of Management Fees to Average Net Asset Value
IIFL Dynamic Bond Fund	March 31, 2022	7,112,370,946	11,020,398	0.15%
IIFL Liquid Fund	March 31, 2022	3,930,323,843	4,193,961	0.11%
IIFL Focused Equity Fund	March 31, 2022	22,881,133,671	130,464,092	0.57%
IIFL Quant Fund	March 31, 2022	1,040,540,258	552,950	0.16%*

* Annualised

Scheme Name	Period ended	Average Daily Net Asset Value	Management Fees (Excluding Goods & Services Tax)	% of Management Fees to Average Net Asset Value
IIFL Dynamic Bond Fund	March 31, 2021	4,948,761,535	19,923,307	0.40%
IIFL Liquid Fund	March 31, 2021	2,739,269,917	2,633,704	0.10%
IIFL Focused Equity Fund	March 31, 2021	10,859,155,745	72,765,771	0.67%

IIFL MUTUAL FUND SCHEDULES TO THE FINANCIAL STATEMENTS

3.5 Trusteeship Fees

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

3.6 Custodian fees

Deutsche Bank provides custodial services to the Schemes for which it receives Custody fees (including transaction and registration charges).

3.7 Custody confirmation

Confirmation has been received from Deutsche Bank at the end of the year for the investments held by the Schemes. All investments, except Tri Party Repo (TREPS) / Reverse Repo are held in safe custody of the custodian.

3.8 Income tax

No income tax provision has been made as the Schemes qualify as a recognised Mutual Fund under section 10 (23D) of the Income-tax Act, 1961 and the Direct Tax Laws (Amendment) Act, 1988.

3.9 Disclosure under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended.

a) Subscription by the Schemes in the issues lead managed by associate companies and 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 is Rupees 120,305,250 (Previous Year: Nil)

b) Brokerage paid to associates/related parties/group companies of Sponsor/AMC:

For the year ended March 31, 2022

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Value of Transaction (Rupees)	% of Total Value of Transaction of the fund	Brokerage (Rupees)	% of total Brokerage paid by the fund
IIFL Securities Limited	Associate	April 01, 2021 to March 31, 2022	381,947,155	1.05%	381,591	1.89%

For the year ended March 31, 2021

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Value of Transaction (Rupees)	% of Total Value of Transaction of the fund	Brokerage (Rupees)	% of total Brokerage paid by the fund
IIFL Securities Limited	Associate	April 01, 2020 to March 31, 2021	469,131,588	1.66%	468,736	3.03%

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

For the year ended March 31, 2022

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
IIFL Securities Limited	Associate	April 01, 2021 to March 31, 2022	76.55	1.67	1.55	11.07
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	Associate	April 01, 2021 to March 31, 2022	589.88	12.89	8.38	59.80
5Paisa Capital Limited	Associate	April 01, 2021 to March 31, 2022	0.15	0.00	0.00	0.01
IIFL Wealth Capital Markets Limited	Associate	April 01, 2021 to March 31, 2022	21.99	0.48	0.27	1.96

For the year ended March 31, 2021

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
IIFL Securities Limited	Associate	April 01, 2020 to March 31, 2021	32.39	1.14	1.13	13.01
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	Associate	April 01, 2020 to March 31, 2021	673.71	23.71	5.86	67.26
IIFL Private Wealth (Mauritius) Limited	Associate	April 01, 2020 to March 31, 2021	-	-	-	-
5Paisa Capital Limited	Associate	April 01, 2020 to March 31, 2021	0.04	-	-	0.02
L & T Capital Markets Limited	Associate	April 01, 2020 to March 31, 2021	36.09	1.27	0.08	0.88
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	Associate	April 01, 2020 to March 31, 2021	0.15	0.01	-	0.01

d) Underwriting obligations taken by the scheme in respect of issues of securities of associate companies is Nil. (Previous Year: Nil)

e) Devolvement during the year is Nil. (Previous Year: Nil)

3.10 a). The aggregate value of Purchase and Sale of Investments (Excluding Tri-Party Repo and Reverse Repo) Purchased and sold (including maturity/redemption) during the year and their percentage of the respective average daily net assets are as follows:

Year ended March 31, 2022

(Amount in Rupees)

Scheme	Purchases	Purchase as % to average daily net assets	Sales	Sale as % to average daily net assets
IIFL Dynamic Bond Fund	6,011,770,966	84.53%	6,105,238,352	85.84%
IIFL Liquid Fund	40,542,752,182	1031.54%	35,211,690,396	895.90%
IIFL Focused Equity Fund	13,318,790,479	58.21%	6,223,802,048	27.20%
IIFL Quant Fund	1,067,707,498	304.50%*	29,375,354	8.38%*

* Annualised

Year ended March 31, 2021

(Amount in Rupees)

Scheme	Purchases	Purchase as % to average daily net assets	Sales	Sale as % to average daily net assets
IIFL Dynamic Bond Fund	10,885,567,030	219.97%	6,385,045,458	129.02%
IIFL Liquid Fund	12,635,877,797	461.29%	13,486,189,000	492.33%
IIFL Focused Equity Fund	9,226,103,692	84.96%	5,411,866,079	49.84%

IIFL MUTUAL FUND SCHEDULES TO THE FINANCIAL STATEMENTS

b). Disclosure for investments in derivatives:

(i) Hedging positions through Futures as on March 31, 2022: Nil (Previous Year: Nil)

(ii) For the period April 01, 2021 to March 31, 2022, hedging transaction squared off/Expired through Futures: Nil (Previous Year: Nil)

(iii) Other than hedging positions through Futures as on March 31, 2022: Nil (Previous Year: Nil)

(iv) For the period April 01, 2021 to March 31, 2022, following non-hedging transaction through Futures have been squared off/Expired:

2021-22: Nil

2020-21:

(Amount in Rupees)

Scheme	Total Number of Contracts where futures were bought	Total Number of Contracts where futures were sold	Gross Notional Value of contracts where futures were bought	Gross Notional Value of contracts where futures were sold	Net Profit/Loss value on all contracts combined
IIFL Focused Equity Fund	1,247	1,247	860,612,613	901,886,887	40,594,121

(v) Hedging Position through Put Option as on March 31, 2022: Nil (Previous Year: Nil)

(vi) For the period April 01, 2021 to March 31, 2022, hedging transactions through options which have been exercised/expired: Nil (Previous Year: Nil)

(vii) Other than Hedging Positions through Options as on March 31, 2022: Nil (Previous Year: Nil)

(viii) For the period April 01, 2021 to March 31, 2022, non-hedging transactions through options have been exercised/expired: Nil (Previous Year: Nil)

(ix) Hedging Positions through Swaps as on March 31, 2022: Nil (Previous Year: Nil)

(x) For the period April 01, 2021 to March 31, 2022, hedging transactions through Swaps which have been squared off/expired: Nil (Previous Year: Nil)

Note: In case of derivative transactions end of the day position on the date of such transaction is considered as the basis to assess the nature of transaction as hedge / non-hedge.

3.11 Segment Reporting

The Schemes are primarily engaged in the business of investing the amounts received from investors as unit capital, in accordance with their investment objectives, to generate returns. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard (AS) - 17, issued by the Institute of Chartered Accountants of India have not been made.

3.12 Net Asset Value per unit (Computed NAV as on March 31, 2022)

(Amount in Rupees)

Scheme	Option	As at March 31, 2022	As at March 31, 2021
IIFL Dynamic Bond Fund	Regular Growth	18.0237	16.8319
IIFL Dynamic Bond Fund	Regular Monthly Dividend *	12.0674	11.8453
IIFL Dynamic Bond Fund	Regular Quarterly Dividend	17.3927	16.2427
IIFL Dynamic Bond Fund	Regular Bonus *	18.0236	16.8319
IIFL Dynamic Bond Fund	Regular Half-Yearly Dividend *	17.3927	16.2427
IIFL Dynamic Bond Fund	Direct Growth	18.8609	17.5698
IIFL Dynamic Bond Fund	Direct Monthly Dividend *	12.7765	12.4772
IIFL Dynamic Bond Fund	Direct Quarterly Dividend	17.4073	N.A.
IIFL Liquid Fund	Regular Growth	1,634.2094	1,584.1009
IIFL Liquid Fund	Regular Daily Dividend	1,000.0696	1,000.0701
IIFL Liquid Fund	Regular Weekly Dividend	1,005.2853	1,005.0859
IIFL Liquid Fund	Direct Growth	1,641.0796	1,589.9656
IIFL Liquid Fund	Direct Daily Dividend	1,000.0424	1,000.0427
IIFL Liquid Fund	Direct Weekly Dividend	1,005.2695	1,005.0936
IIFL Focused Equity Fund	Regular Growth	29.2536	23.8796
IIFL Focused Equity Fund	Regular Dividend	25.8824	21.1272
IIFL Focused Equity Fund	Direct Growth	32.0906	25.9040
IIFL Focused Equity Fund	Direct Dividend	31.7630	25.6395
IIFL Quant Fund	Regular Growth	10.0928	N.A.
IIFL Quant Fund	Regular Dividend	10.0928	N.A.
IIFL Quant Fund	Direct Growth	10.1320	N.A.
IIFL Quant Fund	Direct Dividend	10.1320	N.A.

* This plan is closed for subscription

The net asset value disclosed above represents the computed NAV as on balance sheet date, and not the last declared NAV.

**IIFL MUTUAL FUND
SCHEDULES TO THE FINANCIAL STATEMENTS**

3.13 Industry wise Classification of Investments

The Statement of Portfolio Holding and industry wise classification of the schemes' investments in each category of investment as on March 31, 2022 is given in Annexure A.

3.14 Related Party Disclosure

The information required in this regard in accordance with Accounting Standard 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, is provided below.

Names of related parties and description of relationship	
Name of the Party	Relationship
IIFL Finance Limited	Holding of Sponsor
IIFL Wealth Management Limited	Sponsor
IIFL Asset Management Limited	Asset Manager
IIFL Trustee Limited	Trustee

Schemes under common control:

IIFL Dynamic Bond Fund
IIFL Liquid Fund
IIFL Focused Equity Fund
IIFL Quant Fund (with effect from November 29, 2021)
Schemes under IIFL Private Equity Fund (Category II Alternate Investment Fund under the SEBI (Alternative Investment Funds) Regulations – 2012)
Schemes under IIFL Opportunities Fund (Category III Alternate Investment Fund under the SEBI (Alternative Investment Funds) Regulations – 2012)
Schemes under IIFL Alternate Opportunities Fund (Category III Alternate Investment Fund under the SEBI (Alternative Investment Funds) Regulations – 2012)
Schemes under IIFL Alternative PE Fund

Name of Scheme	Name of Fund
IIFL High Growth Companies Fund	IIFL Opportunities Fund
India Housing Fund	IIFL Private Equity Fund
IIFL Select Series - II	IIFL Opportunities Fund
IIFL India Private Equity Fund	IIFL Private Equity Fund
IIFL Multi-Strategy Fund	IIFL Opportunities Fund
IIFL Income Opportunities Fund - Series 2	IIFL Private Equity Fund
IIFL Special Opportunities Fund	IIFL Private Equity Fund
IIFL Special Opportunities Fund Series 2	IIFL Private Equity Fund
IIFL Special Opportunities Fund Series 3	IIFL Private Equity Fund
IIFL Special Opportunities Fund Series 4	IIFL Private Equity Fund
IIFL Special Opportunities Fund Series 5	IIFL Private Equity Fund
IIFL Special Opportunities Fund Series 6	IIFL Private Equity Fund
IIFL Special Opportunities Fund Series 7	IIFL Private Equity Fund
IIFL Income Opportunities Fund Series - Special Situations	IIFL Private Equity Fund
IIFL Real Estate Fund (Domestic) - Series 2	IIFL Private Equity Fund
IIFL Select Series I	IIFL Opportunities Fund
IIFL Yield Enhancer Fund	IIFL Opportunities Fund
IIFL Real Estate Fund (Domestic) - Series 4	IIFL Private Equity Fund
IIFL Select Equity Fund	IIFL Private Equity Fund
IIFL Real Estate Fund (Domestic) - Series 3	IIFL Private Equity Fund
IIFL Seed Ventures Fund I	IIFL Private Equity Fund
IIFL Blended Fund - Series A	IIFL Alternate Opportunities Fund
IIFL Blended Fund - Series B	IIFL Alternate Opportunities Fund
IIFL Blended Fund - Series C	IIFL Alternate Opportunities Fund
IA All Cap Fund	IIFL Alternate Opportunities Fund
IA Diversified Fund	IIFL Alternate Opportunities Fund
IA Opportunities Fund – Series 1	IIFL Alternate Opportunities Fund
IA Opportunities Fund – Series 2	IIFL Alternate Opportunities Fund
IA Opportunities Fund – Series 8	IIFL Alternate Opportunities Fund
IA Opportunities Fund – Series 9	IIFL Alternate Opportunities Fund
IA Opportunities Fund – Series 4	IIFL Alternate Opportunities Fund
IIFL Seed Ventures Fund – Series 2	IIFL Private Equity Fund
IIFL One Opportunities Fund – Series 20	IIFL Alternate Opportunities Fund
High Conviction Fund – Series 1	IIFL Opportunities Fund
IIFL Equity Opportunities Fund	IIFL Opportunities Fund
India Housing Fund – Series 2	IIFL Private Equity Fund
IIFL One Core Solutions- Aggressive	IIFL Alternate Opportunities Fund
IIFL One Core Solutions - Balanced	IIFL Alternate Opportunities Fund
IIFL One Core Solutions - Conservative	IIFL Alternate Opportunities Fund
IIFL India Private Equity Fund - Series 1A	IIFL Private Equity Fund
IIFL Special Opportunities Fund - Series 8	IIFL Private Equity Fund
IIFL Monopolistic Market Intermediaries Fund	IIFL Private Equity Fund
India Housing Fund - Series 3	IIFL Private Equity Fund
Turnaround Opportunities Fund	IIFL Opportunities Fund
IIFL Income Opportunities Fund - Series 3	IIFL Private Equity Fund
IIFL Special Opportunities Fund - Series 9	IIFL Private Equity Fund
IIFL Special Opportunities Fund - Series 10	IIFL Private Equity Fund
IIFL Commercial Yield Fund	IIFL Private Equity Fund
IIFL Multi-Strategy Fund - 2	IIFL Opportunities Fund
IA Value Fund – Series A	IIFL Alternative PE Fund

IIFL MUTUAL FUND SCHEDULES TO THE FINANCIAL STATEMENTS

3.14.1 Subscription and/or Redemption by Related Party in schemes of the Fund

For the year ended March 31, 2022

Name of Related Party	Scheme Name	Purchase Transactions	Redemption Transaction	Closing Net Assets as on March 31, 2022
		(Rs.In lakhs)	(Rs.In lakhs)	(Rs.In lakhs)
IIFL Income Opportunities Fund Series 2	IIFL Liquid Fund	5,392.73	5,147.87	250.56
IIFL Special Opportunities Fund Series 5	IIFL Liquid Fund	20,765.96	17,173.64	3,674.33
India Housing Fund Series 2	IIFL Liquid Fund	2,799.86	2,700.00	104.55
IIFL India Private Equity Fund	IIFL Liquid Fund	3,401.33	2,983.45	424.79
IIFL Equity Opportunities Fund	IIFL Liquid Fund	11,180.44	6,247.28	4,956.99
IIFL India Private Equity Fund Series 1A	IIFL Liquid Fund	35,169.74	35,267.35	-
IIFL Special Opportunities Fund Series 9	IIFL Liquid Fund	19,916.50	13,650.00	6,325.54
IIFL Special Opportunities Fund	IIFL Liquid Fund	10,849.46	1,650.00	9,295.19
IA Diversified Fund	IIFL Liquid Fund	-	202.52	-
IIFL Monopolistic Market Intermediaries Fund	IIFL Liquid Fund	13,242.34	-	13,343.43
IIFL Special Opportunities Fund Series 10	IIFL Liquid Fund	3,635.82	2,400.00	1,254.83
IIFL Monopolistic Market Intermediaries Fund	IIFL Liquid Fund	399.98	400.24	-
IIFL Income Opportunities Fund Series 3	IIFL Liquid Fund	2,999.85	2,800.65	200.68
IIFL Special Opportunities Fund-Series 2	IIFL Liquid Fund	19,065.05	12,268.18	6,849.94
IIFL Special Opportunities Fund Series 3	IIFL Liquid Fund	14,396.28	9,963.91	4,473.49
IIFL Special Opportunities Fund Series 4	IIFL Liquid Fund	26,187.69	20,995.70	5,295.47
IIFL Finance Limited	IIFL Focused Equity Fund	-	1,398.62	-
IIFL Seed Ventures Fund Series 2	IIFL Liquid Fund	4,993.75	-	5,085.64
IIFL Special Opportunities Fund Series 7	IIFL Liquid Fund	15,749.21	13,566.17	2,203.20
IIFL Asset Management Limited	IIFL Quant Fund	50.00	-	50.66
IIFL Asset Management Limited	IIFL Liquid Fund	-	244.45	95.06
IIFL Income Opportunities Fund Series Special Situations	IIFL Liquid Fund	2,839.86	2,927.21	-
IIFL Special Opportunities Fund Series 8	IIFL Liquid Fund	15,901.20	-	16,049.92
IIFL Asset Management Limited	IIFL Liquid Fund	-	64.83	-

For the year ended March 31, 2021

Name of Related Party	Scheme Name	Purchase Transactions	Redemption Transaction	Closing Net Assets as on March 31, 2021
		(Rs.In lakhs)	(Rs.In lakhs)	(Rs.In lakhs)
IIFL Select Series II	IIFL Liquid Fund	6,500.00	6,591.34	-
IIFL Asset Management Limited	IIFL Liquid Fund	2,125.26	12,925.17	729.12
IIFL Asset Management Limited PMS Liquid Strategy	IIFL Liquid Fund	-	285.82	-
IA Opportunities Fund Series 9	IIFL Focused Equity Fund	-	130.23	-
IIFL Blended Fund Series C	IIFL Focused Equity Fund	-	51.36	-
IIFL Investment Adviser And Trustee Services Limited	IIFL Focused Equity Fund	-	300.41	-
IIFL Income Opportunities Fund Series Special Situations	IIFL Liquid Fund	224.99	144.00	83.66
IIFL Special Opportunities Fund	IIFL Liquid Fund	6,399.88	6,442.11	-
India Infoline Finance Limited	IIFL Focused Equity Fund	-	-	1,181.85
IIFL Re Organize India Equity Fund	IIFL Liquid Fund	1,349.93	1,356.65	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	IIFL Liquid Fund	3,300.00	-	0.13
IIFL Special Opportunities Fund-Series 2	IIFL Liquid Fund	2,499.88	5,433.57	-
IIFL Special Opportunities Fund Series 3	IIFL Liquid Fund	2,499.88	4,019.41	-
IIFL Special Opportunities Fund Series 4	IIFL Liquid Fund	2,499.88	10,281.69	-
IIFL Special Opportunities Fund Series 5	IIFL Liquid Fund	2,499.88	9,170.91	-
India Housing Fund	IIFL Liquid Fund	22,719.43	22,834.33	-
IIFL Special Opportunities Fund Series 7	IIFL Liquid Fund	11,999.88	12,096.39	-
IA Diversified Fund	IIFL Liquid Fund	519.98	320.78	201.29

3.14.2 Holding of Asset Manager/Sponsor/Trustee

Company	Company/Scheme Name	Units held as on March 31, 2022	Market Value as on March 31, 2022	Units held as on March 31, 2021	Market Value as on March 31, 2021
IIFL Asset Management Limited	IIFL Focused Equity Fund	826,539.442	26,523,981.31	826,539.442	21,410,677.71
	IIFL Dynamic Bond Fund	563,624.612	10,630,467.44	563,624.612	9,902,771.71
	IIFL Liquid Fund	10,561.829	17,332,805.28	29,713.651	47,243,682.94
	IIFL Quant Fund	499,975.001	5,065,746.71	-	-

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3.14.3 Investment Security Purchases and Sales with related parties

Scheme name	Broker	For the year ended March 31, 2022	For the year ended March 31, 2021
IIFL Focused Equity Fund	IIFL Securities Limited	345,198,805	469,131,588
IIFL Dynamic Bond Fund	IIFL Securities Limited	36,748,350	-
IIFL Liquid Fund		-	-
IIFL Quant Fund		-	-

3.14.4 Investment by schemes of fund in related parties

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

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

3.14.5 Brokerage paid on Investment transaction

Name of the Related Party	For the year ended on March 31, 2022	For the year ended on March 31, 2021
IIFL Securities Limited	381,591	468,736

3.14.6 Management Fees and Trusteeship Fees (inclusive of GST)

For the year ended March 31, 2022

Scheme name	Related Party: IIFL Asset Management Limited		Related Party: IIFL Trustee Limited	
	Management Fees for the year	Outstanding payable as on year end	Trusteeship Fees for the year	Outstanding payable as on year end
IIFL Dynamic Bond Fund	13,004,070	1,429,166	502,892	5,899
IIFL Liquid Fund	4,948,870	810,244	166,129	5,929
IIFL Focused Equity Fund	153,947,628	14,873,991	1,510,261	22,885
IIFL Quant Fund	652,482	97,311	4,520	860

For the year ended March 31, 2021

Scheme name	Related Party: IIFL Asset Management Limited		Related Party: IIFL Trustee Limited	
	Management Fees for the year	Outstanding payable as on year end	Trusteeship Fees for the year	Outstanding payable as on year end
IIFL Dynamic Bond Fund	23,509,504	2,303,049	494,889	61,800
IIFL Liquid Fund	3,107,771	27	273,932	9,877
IIFL Focused Equity Fund	85,883,078	14,096,908	1,085,964	136,618

3.15 Investor Education Awareness Initiative (IEAI)

In view of the AMFI Best Practices Guidelines Circular No. 56/2015-16, the IEF accrual is set aside in a separate bank account. The consolidated balance across all schemes as on March 31, 2022 is Rs. 6,004,654 (Previous Year: Rs. 3,523,546).

An annual charge of 2 basis points (0.02% p.a.) of daily net assets, being part of total recurring expenses is set aside for Investor Education and Awareness Initiatives (IEAI) in accordance with SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder. These funds set aside are used only for meeting expenses for Investor Education and Awareness Initiatives.

As per SEBI circular no. IMD/DF2/RS/813/2016 dated January 08, 2016, 50% of the unutilised portion of investor awareness and education fund as on March 31, 2016 has been transferred to AMFI. Also, from April 01, 2016 onwards, 50% of the 2 bps accrual on daily net assets set aside by mutual fund for investor education and awareness initiative has been transferred to AMFI. Accordingly, amount for the month of March 2022 of Rs. 355,735 was transferred on April 07, 2022 (Previous Year: Rs. 208,296).

In addition to above, net income on amount lying in Unclaimed Redemption and Unclaimed Dividend completing more than 3 years is transferred to Investor education account.

Movement of IEAI balances for IIFL Mutual fund during the financial year ended March 31, 2022 and March 31, 2021 is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	3,523,546	3,888,667
Accrued during the year	6,560,218	3,983,728
Less : Transfer to AMFI	3,280,109	1,783,569
Less : Utilisations during the year	799,001	2,565,281
Closing Balance	6,004,654	3,523,546

**IIFL MUTUAL FUND
SCHEDULES TO THE FINANCIAL STATEMENTS**

3.16 Unclaimed Redemption and Dividend:

Scheme Name	Unclaimed Redemption				Unclaimed Dividend			
	As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
	No. of Investors	Amount	No. of Investors	Amount	No. of Investors	Amount	No. of Investors	Amount
IIFL Dynamic Bond Fund	1	2,663	1	2,663	39	2,820	39	2,820
IIFL Liquid Fund	-	-	-	-	1	1	1	1
IIFL Focused Equity Fund	45	174,336	5	18,374	271	97,713	271	97,713
IIFL Quant Fund	-	-	N.A.	N.A.	-	-	N.A.	N.A.
Total	46	176,999	6	21,037	311	100,534	311	100,534

3.17 Margin Deposit with Clearing Corporation of India Limited

The Schemes have placed margin deposit with Clearing Corporation of India Limited, of which the following amounts are towards 'Securities Segment' transactions and

For the year ended March 31, 2022

Scheme	Total amount of Margin deposit with Clearing Corporation of India	Deposit made towards Security Segment transactions	Deposit made towards Tri-party repo transactions
IIFL Dynamic Bond Fund	5,595,000	NIL	NIL
IIFL Liquid Fund	32,350,000	NIL	NIL
IIFL Focused Equity Fund	11,205,000	NIL	NIL
IIFL Quant Fund	250,000	NIL	NIL

For the year ended March 31, 2021

Scheme	Total amount of Margin deposit	Deposit made towards Security	Deposit made towards Tri-party
IIFL Dynamic Bond Fund	5,595,000	NIL	NIL
IIFL Liquid Fund	37,600,000	NIL	NIL
IIFL Focused Equity Fund	6,205,000	NIL	NIL

3.18 Prior year/period comparatives:

The prior year figures have been reclassified and regrouped wherever necessary to confirm with current year's presentation. As this is the first financial statement for IIFL Quant Fund from the date of its commencement, there is no corresponding figures for the previous year.

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No: 012754N/N500016

Russel I. Parera
Partner
Membership No : 042190

Place: Mumbai
Date : July 21, 2022

For IIFL Trustee Limited

Sd/-
R.Mohan
Associate Director
DIN: 0000012070

For IIFL Asset Management Limited

Sd/-
Anup Maheshwari
Whole Time Director
DIN: 08258671

Place: Mumbai
Date: July 21, 2022

For IIFL Trustee Limited

Sd/-
S. Sengupta
Independent Director
DIN: 08467648

For IIFL Asset Management Limited

Sd/-
Kumar Sharadindu
Independent Director
DIN: 07341455

Place: Mumbai
Date: July 21, 2022

Sd/-
Mayur Patel
Fund Manager

Place: Mumbai
Date: July 21, 2022

Sd/-
Milan Mody
Fund Manager

Place: Mumbai
Date: July 21, 2022

Sd/-
Parijat Garg
Fund Manager

Place: Mumbai
Date : July 21, 2022