



ANNUAL REPORT
OF
SCHEMES OF
IIFL MUTUAL FUND

FY 2012-2013



TRUSTEE REPORT

Dear Unitholders,

We have pleasure in presenting the Second Annual Report of the Schemes of IIFL Mutual Fund for the period ended March 31, 2013, along with the audited financial statements of the Schemes of IIFL Mutual Fund.

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

A. Scheme Performance:

The Assets Under Management (“AUM”), the net asset value (“NAV”) per unit and the performance of the schemes vis-à-vis their benchmark and Industry Benchmark, as on March 31, 2013 are as follows:

Name of the Scheme	Net AUM as on March 31, 2013	NAV as on March 31, 2013 [§]	Performance since Inception of the respective scheme & Indices (in %)			Performance of last one year for the respective scheme & Indices (in %)		
			Scheme [^]	Benchmark Index*	@Standard Benchmark	Scheme [^]	Benchmark Index*	@Standard Benchmark
IIFL Nifty ETF	11.95	575.707	10.39	9.12	9.02	12.06	10.67	11.28
IIFL Dividend Opportunities Index Fund – Regular Plan	32.91	10.5558	5.24	4.15	10.67	NA	NA	NA
IIFL Dividend Opportunities Index Fund – Direct Plan	NA	10.0884	10.69	10.81	5.18	NA	NA	NA
IIFL Fixed Maturity Plan–Series 1	35.16	11.1311	9.463	9.1347	9.0205	9.7700	9.0952	8.37
IIFL Fixed Maturity Plan–Series 2	72.15	11.0937	10.2500	9.1347	9.0205	9.8769	9.0952	8.37
IIFL Fixed Maturity Plan–Series 3	52.78	11.0094	9.9957	9.1347	9.0205	9.6671	9.0952	8.37
IIFL Fixed Maturity Plan–Series 6	123.29	NA	NA	NA	NA	NA	NA	NA

[^]Performance returns are of Growth option

[Past performance may or may not be sustained in the future].

§ The net asset value disclosed above represents the computed NAV as on March 31, 2013, and not the last declared NAV.

* CNX Nifty Index for IIFL NIFTY ETF, CNX Dividend Opportunities Index for IIFL Dividend Opportunities Index Fund, Crisil Short Term Bond Index for IIFL FMP Series 1&6

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

Brief Comments on Objective and Performance of Scheme

IIFL NIFTY ETF

IIFL Nifty ETF (Scheme) is open ended passively managed scheme which track & replicate the Benchmark Index CNX Nifty (Index). Scheme’s investment objective is to provide returns (before fees and expenses) that closely correspond to the total return of the CNX Nifty Index, subject to tracking errors. As per Scheme’s investment pattern, the Fund Manager will deploy 95% to 100% of AUM in stocks comprising CNX Nifty Index and 0-5% in debt and money market



instruments. The Scheme's investment decision is determined as per constituents of Index, any changes therein and/or rebalancing due to various reasons including corporate actions. The Scheme had an annualised tracking error of 0.11 % which is based on monthly data history from March 2012 to March 2013.

IIFL Dividend Opportunities Index Fund

IIFL Dividend Opportunities Index Fund is open ended passively managed scheme which tracks & replicates its Benchmark CNX Dividend Opportunities Index. Scheme's investment objective is to provide returns (before fees and expenses) that closely correspond to the total return of the CNX Dividend Opportunities Index subject to tracking errors. As per Scheme's investments pattern, the Fund Manager would allocate 95% to 100% in stocks comprising CNX Dividend Opportunities Index and 0 - 5% in debt and money market instruments. The Scheme's investment decision is determined as per constituents of Index, any changes therein and/or rebalancing due to various reasons including corporate actions. The Scheme had an annualized tracking error of 0.12 % which is based on monthly data history from July 2012 to March 2013.

Returns for last one year are not calculated as the scheme has not completed one year as on March 31, 2013.

IIFL FIXED MATURITY PLAN – SERIES 1 and Series 6

The Investment Objective of IIFL Fixed Maturity Plan (FMP) series 1, Series 2, Series 3 and Series 6 is to generate returns through investments in debt and money market instruments, maturing on or before maturity of the scheme. Both the schemes are closed ended schemes. The asset allocation of the said schemes is as follows:

IIFL FMP Series 1 and 6

Domestic Debt instruments including Government Securities, Corporate NCDs – 50% - 100% and Money Market Instruments upto maximum of 50%

IIFL FMP Series 2 and 3

Domestic Debt instruments including Government Securities, Corporate NCDs and money market instruments upto maximum of 100%

Returns for IIFL FMP Series 6 are not calculated as the first NAV of the scheme was declared on April 03, 2013.

B. Future Outlook and Operations of the Scheme:

Equity Market Outlook:

In FY 2012-13 India Equity Market has been positive with Nifty up by 7.31%, driven by large cap stocks. With expected gradual recovery in growth, lower inflation, interest-rate easing cycle and better corporate earnings, the Indian equity market is expected to perform in FY 13-14.

Debt Market Outlook:

The fixed income markets witnessed a rally since the start of April, as yields eased significantly from the levels seen in March. The fall in yields was triggered by robust demand from long term investors, reduction in withholding tax on bonds for FIIs, sharp fall in commodity prices especially the fall in prices of Gold and Crude Oil in addition to inflation falling much below what market expected which led to expectation of further monetary easing by RBI during the rest of the financial year.



However, Global developments guided by the prospects of tapering and unwinding of QE by the US Fed put the rupee under pressure due to which bond yields retraced some of their gains in anticipation of a pause in rate easing cycle.

More recently RBI announced series of measures to support the currency and tighten liquidity to address exchange market volatility which has led to fears of RBI reversing their monetary easing stance and therefore a sudden hike in both long term and short term yields. We believe these measures taken by RBI are short term measures and once rupee stabilizes, the possibility of RBI reversing these measures after a short time cannot be entirely ruled out. On the other hand, if rupee volatility continues, primarily due to external factors, then RBI can be expected to take further actions to support the currency.

In the medium term, focus on reviving growth along with significant moderation in inflation would lead to continuation of rate easing cycle and thus lower interest rates across the yield curve. Therefore such situations throw up an attractive investment opportunity (from a medium to long term perspective) for investors.

Source- Bloomberg/Care rating

▪ **Operations of the Scheme:**

During the Financial Year ended March 31, 2013, IIFL Mutual Fund launched 2 schemes, one being IIFL Dividend Opportunities Index Fund, an open ended Index Scheme and one series under IIFL Fixed Maturity Plan (closed ended income schemes). The Net AUM of IIFL Mutual Fund as on March 31, 2013 was Rs. 328.23 Crore with around 26,900 folios.

IIFL Mutual Fund with its various product offerings is continuing to grow its Assets Under Management and the number of investors. The AMC would endeavor towards augmenting retails assets while simultaneously remaining proactive with Investor Education Campaigns. In the current financial year AMC has launched IIFL Dynamic Bond Fund and proposes to launch certain debt schemes like Liquid Plan, Short Term Plan and further series under Fixed Maturity Plan. The AMC also seeks to include such other schemes in its product offerings, to suit the requirement of investors at every stage of life.

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

A. Sponsor

IIFL Mutual Fund is sponsored by India Infoline Limited (IIFL). IIFL was incorporated on 18th October, 1995 and is listed on National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange Ltd.(BSE), MCX – Sx. IIFL is registered with Securities & Exchange Board of India as Stock Broker on NSE, BSE, MCX Stock Exchange Limited & United Stock Exchange Ltd, as a Depository Participant with National Securities Depository Limited and Central Depository Services (India)Limited. IIFL is also registered as Merchant Banker under SEBI (Merchant Bankers) Regulations, 1992 and as a Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1996.

B. IIFL Mutual Fund

IIFL Mutual Fund has been constituted as a trust on April 29, 2010 in accordance with the provisions of the Indian Trusts Act, 1882 with India Infoline Limited as the Sponsor and India



Infoline Trustee Company Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on March 23, 2011 under Registration Code MF/067/11/02.

C. TRUSTEES

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

D. Asset Management Company

India Infoline Asset Management Company Ltd. ("AMC") was incorporated under the Companies Act, 1956 on March 22, 2010, having its Registered Office at IIFL Centre, 3rd Floor Annex, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. AMC has been appointed as the Investment Manager to IIFL Mutual Fund by the Trustee vide Investment Management Agreement (IMA) April 29, 2010, executed between India Infoline Trustee Company Ltd. and India Infoline Asset Management Company Ltd. The Board of Directors of the AMC comprises of eminent personalities with varied experience.

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.

Unclaimed Dividends & Redemptions of Current Schemes for the financial year 2012-2013

As on March 31, 2013 there are no unclaimed dividend and redemption amount under any schemes of IIFL Mutual Fund. However, an amount of Rs. 1,738,979.73 remains unclaimed under IIFL Nifty ETF, being the amount of refund(s) made to investors under the NFO of IIFL Nifty ETF and not claimed / encashed by the Investors.

Investor Grievances

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

General Policies & Procedures for exercising the voting rights & Exercise of Proxy Votes:

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

Statutory Information



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

Acknowledgement

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

For India Infoline Trustee Company Limited

Sd/-

A.K. Shukla
Chairman

Date: July 19, 2013

Place: Mumbai



ANNEXURE I

Details of Redressal of Complaints received against IIFL Mutual Fund during FY 2012-2013

Total Folios : 26928

Complaint Code	Type of Complaint	(a) No. of complaints pending at the beginning of the year	Action on (a) and (b)											
			(b) No. of Complaints received during the year	Resolved				Non Actionable	Pending					
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months		
I A	Non receipt of Dividend on Units													
I B	Interest on delayed payment of Dividend													
I C	Non receipt of Redemption Proceeds		23	23										
I D	Interest on delayed payment of Redemption		2	2										
II A	Non receipt of Statement of Account/Unit Certificate		1	1										
II B	Discrepancy in Statement of Account													
II C	Non receipt of Annual Report/Abridged Summary													
III A	Wrong switch between Schemes													
III B	Unauthorized switch between Schemes													
III C	Deviation from Scheme attributes													
III D	Wrong or excess charges/load													
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc		10	10										
IV	Others		5	5										
	a. Correction of Investor Information		1	1										
	b. Non Receipt of Cheque pertaining to Refund of Fractional Units / NFO NIGO Refunds		4	4										
Total			41	41										

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
IIFL Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Schemes of IIFL Mutual Fund mentioned below (collectively 'the Schemes'), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement (where applicable) for the period April 1, 2012 or date of launch of the respective Schemes to March 31, 2013 ('the period'), and a summary of significant accounting policies and other explanatory information. Presentation of these separate Balance Sheets, Revenue Accounts and Cash Flow Statements in a columnar form is not intended to indicate that they bear any relation to each other, or are interdependent or comparable in any way:

- IIFL Nifty ETF
- IIFL Fixed Maturity Plan – Series 1
- IIFL Fixed Maturity Plan – Series 2
- IIFL Fixed Maturity Plan – Series 3
- IIFL Dividend Opportunity Index Fund
- IIFL Fixed Maturity Plan – Series 6

Management's Responsibility for the Financial Statements

Management of India Infoline Asset Management Company Limited ('the Company'), the scheme's asset manager, is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Schemes as at the March 31, 2013;
- (b) in the case of the Revenue Account, of the surplus/deficit (as applicable) for the period April 1, 2012/date of launch till March 31, 2013; and
- (c) in the case of the Cash Flow Statement, of the cash flows (as applicable) for the period April 1, 2012/date of launch till March 31, 2013.

Report on Other Legal and Regulatory Requirements

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. The balance sheet, revenue account and cash flow statement dealt with by this report are in agreement with the books of account.
3. In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations.
4. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at 31 March 2013 are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India, as applicable, and approved by the Board of Trustees, and are fair and reasonable.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Shrawan Jalan
Partner
Membership Number: 102102
Place:
Date:

IIFL Mutual Fund

Balance Sheet as at March 31, 2013

(Amount in Rupees)

Schedule	YY05										
	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>		<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>	<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2013	
Sources of Funds											
Unit capital	1	2,074,870	3,624,870	315,883,190	315,883,190	650,355,700	650,355,700	479,390,700	479,390,700	311,726,834	1,222,141,665
Reserves and surplus	2	117,376,852	188,287,653	35,728,806	4,174,923	71,129,891	6,258,282	48,390,967	-	17,325,477	10,763,963
Current liabilities and provisions	3	232,071	63,766,006	133,305	125,906	507,950	143,061	79,307	224,350	32,144,356	131,312
		119,683,793	255,678,529	351,745,301	320,184,019	721,993,541	656,757,043	527,860,974	479,615,050	361,196,667	1,233,036,940
Application of Funds											
Investments	4	119,120,018	255,114,411	338,721,540	309,057,936	719,612,000	655,658,100	526,645,820	272,519,300	325,835,502	982,892,680
Current assets	5	563,775	564,118	13,023,761	11,126,083	2,381,541	1,098,943	1,215,154	206,868,600	35,361,165	250,144,260
Net Deficit	2	-	-	-	-	-	-	-	227,150	-	-
		119,683,793	255,678,529	351,745,301	320,184,019	721,993,541	656,757,043	527,860,974	479,615,050	361,196,667	1,233,036,940

Significant accounting policies and Notes to Accounts

8

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

As per our attached report of even date.

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

For India Infoline Trustee Company Limited

per Shrawan Jalan
Partner
Membership No: 102102

A. K. Shukla
Chairman

Nirmal Jain
Director

For India Infoline Asset Management Company Limited

Manish Bandi
Fund Manager

Rahul Aggarwal
Fund Manager

Homai Daruwalla
Chairman

R. Venkataraman
Director

Place: Mumbai
Date :

Place: Mumbai
Date :

IIFL Mutual Fund

Revenue account for the year/period ended March 31, 2013

(Amount in Rupees)

Schedule	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>		<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>	<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>
	Year ended	Period from	Year ended	Period from	Year ended	Period from	Year ended	Period from	Period from	Period from
	April 01, 2012 to March 31, 2013	October 18, 2011 to March 31, 2012	April 01, 2012 to March 31, 2013	January 20, 2012 to March 31, 2012	April 01, 2012 to March 31, 2013	March 07, 2012 to March 31, 2012	April 01, 2012 to March 31, 2013	March 30, 2012 to March 31, 2012	June 06, 2013 to March 31, 2013	March 18, 2013 to March 31, 2013
INCOME AND GAINS										
Dividend income	2,998,389	958,351	-	-	-	-	-	-	4,665,602	-
Interest and discount income	-	-	32,019,794	6,100,801	69,215,018	4,297,653	48,456,446	139,928	144,455	1,657,710
Profit on sale / redemption of investments (other than inter-scheme transfer / sale of investments) (Net) (Refer note 3.12 to Schedule 8)	17,449,107	1,356,476	-	-	168,331	-	75,541	-	5,705,228	-
Provision for depreciation in value of investments written back	-	-	831,926	-	-	-	313,868	-	-	-
Load income (Refer note 2.1 and 2.8 to Schedule 8)	-	-	-	-	-	-	-	-	281,926	-
	20,447,496	2,314,827	32,851,720	6,100,801	69,383,349	4,297,653	48,845,855	139,928	10,797,212	1,657,710
EXPENSES AND LOSSES										
Loss on sale/redemption of investments (other than inter-scheme transfer/sale of investments) (Net)	-	-	-	-	-	3,243	-	-	-	-
Management fees (inclusive of service tax)	90,700	67,179	1,162,721	259,615	2,110,377	129,649	35,022	-	1,227,296	80,909
Registrar and transfer agent's fees and expenses (inclusive of service tax)	59,966	44,596	26,082	5,268	53,350	3,696	39,074	218	189,306	1,661
Custodian fees and transaction charges (inclusive of service tax)	38,838	23,113	26,356	5,161	55,331	3,569	40,508	269	56,870	1,763
Trusteeship fees (inclusive of service tax)	18,140	13,436	33,602	6,181	69,131	4,471	50,490	-	18,536	2,023
Marketing and Selling expenses (including agents commission)	-	-	-	-	-	-	-	-	894,849	-
Audit fees	6,180	-	4,194	-	8,607	-	6,296	-	37,079	-
Investor Education Fund (Refer note 2.10 to Schedule 8)	17,140	-	34,310	-	70,532	-	51,559	-	25,620	4,045
Other operating expenses (inclusive of service tax)	222,535	187,573	10,573	1,933	20,973	1,676	4,790	563	584,087	40,910
Provision for depreciation in value of investments	-	-	-	1,647,720	16,506	-	-	366,028	-	-
	453,498	335,897	1,297,837	1,925,878	2,404,807	146,304	227,738	367,078	3,033,643	131,312
Surplus / (deficit) for the year/period	19,993,999	1,978,930	31,553,883	4,174,923	66,978,542	4,151,349	48,618,117	(227,150)	7,763,568	1,526,398
Add/(less): Transfer from / (to) equalisation reserve	(6,269,413)	(491,744)	-	-	-	-	-	-	3,018,451	-
Surplus / (deficit)	13,724,585	1,487,186	31,553,883	4,174,923	66,978,542	4,151,349	48,618,117	(227,150)	10,782,019	1,526,398
Appropriation										
Income distributed (including distribution tax)	-	-	-	-	-	-	-	-	-	-
Retained surplus/(deficit) beginning of year	1,487,186	-	4,174,923	-	4,151,349	-	(227,150)	-	-	-
Surplus/(deficit) for the year/period	13,724,585	1,487,186	31,553,883	4,174,923	66,978,542	4,151,349	48,618,117	(227,150)	10,782,019	1,526,398
Retained surplus / (deficit) carried forward to the balance sheet	15,211,771	1,487,186	35,728,806	4,174,923	71,129,890	4,151,349	48,390,967	(227,150)	10,782,019	1,526,398

Significant accounting policies and Notes to Accounts

8

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

As per our attached report of even date.

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

For India Infoline Trustee Company Limited

per Shrawan Jalan
Partner
Membership No: 102102

A. K. Shukla
Chairman

Nirmal Jain
Director

For India Infoline Asset Management Company Limited

Place: Mumbai
Date :

Manish Bandi
Fund Manager
Place: Mumbai
Date:

Rahul Aggarwal
Fund Manager

Homai Daruwalla
Chairman

R. Venkataraman
Director

IIFL Mutual Fund

Schedules to the financial statements as at March 31, 2013

(Amount in Rupees)

	<u>IIFL NIFTY ETE</u>				<u>IIFL Fixed Maturity Plan - Series 1</u>				<u>IIFL Fixed Maturity Plan - Series 2</u>			
	As at March 31, 2013		As at March 31, 2012		As at March 31, 2013		As at March 31, 2012		As at March 31, 2013		As at March 31, 2012	
	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts	(Units)	Amounts
1 UNIT CAPITAL												
Initial capital issued and subscribed:												
Units of Rs. 10 each fully paid up	662,487,000	6,624,870	662,487,000	6,624,870	31,588,319,000	315,883,190	31,588,319,000	315,883,190	65,035,570,000	650,355,700	65,035,570,000	650,355,700
Dividend Option												
Units outstanding, beginning of the year / period	-	-	-	-	57,440,000	574,400	-	-	105,490,000	1,054,900	-	-
Units issued, initial offer	-	-	-	-	-	-	57,440,000	574,400	-	-	105,490,000	1,054,900
Units issued during the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	-	-	-	-	57,440,000	574,400	57,440,000	574,400	105,490,000	1,054,900	105,490,000	1,054,900
Growth Option												
Units outstanding, beginning of the the year / period	362,487,000	3,624,870	-	-	31,530,879,000	315,308,790	-	-	64,930,080,000	649,300,800	-	-
Units issued, initial offer	-	-	662,487,000	6,624,870	-	-	31,530,879,000	315,308,790	-	-	64,930,080,000	649,300,800
Units issued during the the year / period	85,000,000	850,000	120,000,000	1,200,000	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	(240,000,000)	(2,400,000)	(420,000,000)	(4,200,000)	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	207,487,000	2,074,870	362,487,000	3,624,870	31,530,879,000	315,308,790	31,530,879,000	315,308,790	64,930,080,000	649,300,800	64,930,080,000	649,300,800
Direct Dividend Option												
Units outstanding, beginning of the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Direct Growth Option												
Units outstanding, beginning of the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-	-	-	-	-	-	-
Units issued during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Total												
Units outstanding, beginning of the the year / period	362,487,000	3,624,870	-	-	31,588,319,000	315,883,190	-	-	65,035,570,000	650,355,700	-	-
Units issued, initial offer	-	-	662,487,000	6,624,870	-	-	31,588,319,000	315,883,190	-	-	65,035,570,000	650,355,700
Units issued during the the year / period	85,000,000	850,000	120,000,000	1,200,000	-	-	-	-	-	-	-	-
Units repurchased during the the year / period	(240,000,000)	(2,400,000)	(420,000,000)	(4,200,000)	-	-	-	-	-	-	-	-
Units outstanding, end of the year / period	207,487,000	2,074,870	362,487,000	3,624,870	31,588,319,000	315,883,190	31,588,319,000	315,883,190	65,035,570,000	650,355,700	65,035,570,000	650,355,700

IIFL Mutual Fund

Schedules to the financial statements as at Mar

(Amount in Rupees)

	<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>		<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>	
	As at March 31, 2013 (Units)	Amounts	As at March 31, 2012 (Units)	Amounts	As at March 31, 2013 (Units)	Amounts
1 UNIT CAPITAL						
Initial capital issued and subscribed:						
Units of Rs. 10 each fully paid up	47,939,070.000	479,390,700	47,939,070.000	479,390,700	21,272,320.000	212,723,200
Dividend Option						
Units outstanding, beginning of the year / period	2,500.000	25,000	-	-	-	-
Units issued, initial offer	-	-	2,500.000	25,000	3,302,890.000	33,028,900
Units issued during the year / period	-	-	-	-	1,911,653.915	19,116,539
Units repurchased during the year / period	-	-	-	-	(867,527.956)	(8,675,280)
Units outstanding, end of the year / period	2,500.000	25,000	2,500.000	25,000	4,347,015.959	43,470,159
Growth Option						
Units outstanding, beginning of the the year / period	47,936,570.000	479,365,700	-	-	-	-
Units issued, initial offer	-	-	47,936,570.000	479,365,700	17,969,430.000	179,694,300
Units issued during the the year / period	-	-	-	-	13,732,746.098	137,327,461
Units repurchased during the the year / period	-	-	-	-	(5,159,323.118)	(51,593,231)
Units outstanding, end of the year / period	47,936,570.000	479,365,700	47,936,570.000	479,365,700	26,542,852.980	265,428,530
Direct Dividend Option						
Units outstanding, beginning of the the year / period	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-
Units issued during the the year / period	-	-	-	-	13,239.897	132,399
Units repurchased during the the year / period	-	-	-	-	(461,144)	(4,611)
Units outstanding, end of the year / period	-	-	-	-	12,778.753	127,788
Direct Growth Option						
Units outstanding, beginning of the the year / period	-	-	-	-	-	-
Units issued, initial offer	-	-	-	-	-	-
Units issued during the the year / period	-	-	-	-	272,024.531	2,720,245
Units repurchased during the the year / period	-	-	-	-	(1,988.821)	(19,888)
Units outstanding, end of the year / period	-	-	-	-	270,035.710	2,700,357
Total						
Units outstanding, beginning of the the year / period	47,939,070.000	479,390,700	-	-	-	-
Units issued, initial offer	-	-	47,939,070.000	479,390,700	21,272,320.000	212,723,200
Units issued during the the year / period	-	-	-	-	15,929,664.441	159,296,644
Units repurchased during the the year / period	-	-	-	-	(6,029,301.039)	(60,293,010)
Units outstanding, end of the year / period	47,939,070.000	479,390,700	47,939,070.000	479,390,700	31,172,683.402	311,726,834

122,214,166.500 1,222,141,665

IIFL Mutual Fund

Schedules to the financial statements as at March 31, 2013

(Amount in Rupees)

	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>		<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>	<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2013
2 RESERVES AND SURPLUS										
Unit premium reserve										
Opening balance	172,388,340	-	-	-	-	-	-	-	-	-
On issue / redemption during the year / period	(76,377,915)	172,880,084	-	-	-	-	-	-	2,971,792	-
Transfer from / (to) equalisation account	(6,269,413)	(491,744)	-	-	-	-	-	-	3,018,451	-
Closing balance	89,741,012	172,388,340	-	-	-	-	-	-	5,990,243	-
Unrealised appreciation reserve										
Opening balance	14,412,127	-	-	-	2,106,933	-	-	-	-	-
Reversed during the year / period	(14,412,127)	-	-	-	(2,106,933)	-	-	-	-	-
Additions during the year / period	12,424,069	14,412,127	-	-	-	2,106,933	-	-	553,215	9,237,565
Closing balance	12,424,069	14,412,127	-	-	-	2,106,933	-	-	553,215	9,237,565
Retained surplus / (deficit) at beginning of the year / period	1,487,186	-	4,174,923	-	4,151,349	-	(227,150)	-	-	-
Surplus / (deficit) for the year / period	13,724,585	1,487,186	31,553,883	4,174,923	66,978,542	4,151,349	48,618,117	(227,150)	10,782,019	1,526,398
Retained surplus / (deficit) at end of the year / period	15,211,771	1,487,186	35,728,806	4,174,923	71,129,891	4,151,349	48,390,967	(227,150)	10,782,019	1,526,398
	117,376,852	188,287,653	35,728,806	4,174,923	71,129,891	6,258,282	48,390,967	(227,150)	17,325,477	10,763,963

IIFL Mutual Fund

Schedules to the financial statements as at March 31, 2013

(Amount in Rupees)

	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
3 CURRENT LIABILITIES AND PROVISIONS						
Management fees payable	5,536	9,751	66,912	102,475	348,768	116,684
Contracts for purchase of investments	-	-	-	-	-	-
Payable for units repurchased	-	63,532,527	-	-	-	-
Load	-	-	-	-	-	-
Tax deducted at source payable	852	20,483	7,732	11,984	39,363	13,802
Audit fees payable	-	-	-	-	-	-
Payable for excess subscription received	-	-	-	-	-	-
Investor Education Awareness Payable	17,140	-	34,310	-	70,532	-
Other liabilities	208,543	203,245	24,351	11,447	49,287	12,575
	<u>232,071</u>	<u>63,766,006</u>	<u>133,305</u>	<u>125,906</u>	<u>507,950</u>	<u>143,061</u>
4 INVESTMENTS						
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value
Equity shares	106,695,949	119,120,018	240,702,284	255,114,411	-	-
Privately placed debentures/bonds	-	-	-	-	310,705,656	309,057,936
Debentures and bonds						
Listed on recognised stock exchange	-	-	-	-	326,542,672	325,726,880
Private placement / unlisted	-	-	-	-	-	-
Certificate of deposits	-	-	-	-	12,994,662	12,994,660
	<u>106,695,949</u>	<u>119,120,018</u>	<u>240,702,284</u>	<u>255,114,411</u>	<u>339,537,334</u>	<u>338,721,540</u>
					<u>310,705,656</u>	<u>309,057,936</u>
					<u>719,628,506</u>	<u>719,612,000</u>
					<u>653,551,167</u>	<u>655,658,100</u>
5 OTHER CURRENT ASSETS						
Balances with banks in current account **	478,285	515,596	2,023,843	100,646	2,381,541	1,098,943
Subscription money receivable	-	-	-	-	-	-
Interest accrued but not due	-	-	10,999,918	11,025,437	-	-
Application Money - Non Convertible Debenture	-	-	-	-	-	-
Other assets	85,490	48,522	-	-	-	-
	<u>563,775</u>	<u>564,118</u>	<u>13,023,761</u>	<u>11,126,083</u>	<u>2,381,541</u>	<u>1,098,943</u>

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

IIFL Mutual Fund

Schedules to the financial statements as at March 31, 2013

(Amount in Rupees)

	<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES</u>		<u>IIFL FIXED MATURITY PLAN -</u>	
	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>	<u>INDEX FUND</u>		<u>SERIES 6</u>	
			<u>As at March 31, 2013</u>		<u>As at March 31, 2013</u>	
3 CURRENT LIABILITIES AND PROVISIONS						
Management fees payable	1,608	-	131,774		72,818	
Contracts for purchase of investments	-	-	30,564,736		-	
Payable for units repurchased	-	-	457,217		-	
Load	-	-	252,892		-	
Tax deducted at source payable	626	69	14,886		8,293	
Audit fees payable	-	-	-		-	
Payable for excess subscription received	-	205,000	-		-	
Investor Education Awareness Payable	51,559	-	25,620		4,045	
Other liabilities	25,514	19,281	697,231		46,156	
	<u>79,307</u>	<u>224,350</u>	<u>32,144,356</u>		<u>131,312</u>	
4 INVESTMENTS						
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value
Equity shares	-	-	-	-	325,282,287	325,835,502
Privately placed debentures/bonds	-	-	-	-	-	-
Debentures and bonds						
Listed on recognised stock exchange	-	-	-	-	-	705,542,423
Private placement / unlisted	-	-	-	-	-	208,133,200
Certificate of deposits	526,697,980	526,645,820	272,885,328	272,519,300	-	59,979,492
	<u>526,697,980</u>	<u>526,645,820</u>	<u>272,885,328</u>	<u>272,519,300</u>	<u>325,282,287</u>	<u>325,835,502</u>
					<u>973,655,115</u>	<u>982,892,680</u>
5 OTHER CURRENT ASSETS						
Balances with banks in current account **	1,215,154	206,868,600	34,274,894		15,089,301	
Subscription money receivable	-	-	383,565		-	
Interest accrued but not due	-	-	-		35,054,959	
Application Money - Non Convertible Debenture	-	-	-		200,000,000	
Other assets	-	-	702,706		-	
	<u>1,215,154</u>	<u>206,868,600</u>	<u>35,361,165</u>		<u>250,144,260</u>	

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

IIFL Mutual Fund

Schedules to the financial statements as at March 31, 2013

(Amount in Rupees)

	<u>IIFL NIFTY ETF</u>		<u>IIFL Fixed Maturity Plan - Series 1</u>		<u>IIFL Fixed Maturity Plan - Series 2</u>		<u>IIFL Fixed Maturity Plan - Series 3</u>		<u>IIFL DIVIDEND OPPORTUNITIES INDEX FUND</u>	<u>IIFL FIXED MATURITY PLAN - SERIES 6</u>
	Year ended April 01, 2012 to March 31, 2013	Period from October 18, 2011 to March 31, 2012	Year ended April 01, 2012 to March 31, 2013	Period from January 20, 2012 to March 31, 2012	Year ended April 01, 2012 to March 31, 2013	Period from March 07, 2012 to March 31, 2012	Year ended April 01, 2012 to March 31, 2013	Period from March 30, 2012 to March 31, 2012	Period from June 06, 2013 to March 31, 2013	Period from March 18, 2013 to March 31, 2013
6 INTEREST AND DISCOUNT INCOME										
Debtentures and bonds	-	-	31,074,194	6,054,880	-	-	-	-	-	1,576,535
Certificate of deposits	-	-	945,600	-	69,215,018	4,146,600	48,319,611	139,928	-	81,175
Reverse repos	-	-	-	45,921	-	151,053	136,835	-	144,455	-
	-	-	32,019,794	6,100,801	69,215,018	4,297,653	48,456,446	139,928	144,455	1,657,710
7 OTHER OPERATING EXPENSES										
10 Bank charges	-	-	-	-	-	-	-	-	9,421	-
10 Communication expenses	27	-	-	-	-	-	-	-	71,075	-
10 CDSL Annual fees	-	-	-	289	-	1,676	-	563	-	-
10.1 Transaction processing charges	-	-	-	-	-	-	-	-	152,635	-
10.1 Internal Audit Fees	-	108,657	-	1,644	-	-	-	-	-	-
10.1 Licence Fees	222,508	78,916	-	-	-	-	-	-	93,274	-
10.1 Other Expenses	-	-	10,573	-	20,973	-	4,790	-	257,682	40,910
	222,535	187,573	10,573	1,933	20,973	1,676	4,790	563	584,087	40,910

HFL Mutual Fund
CASH FLOW STATEMENT FOR THE YEAR/PERIOD ENDED MARCH 31, 2013

Schedule	(Amount in Rupees)										
	HFL NIFTY ETF		HFL Fixed Maturity Plan - Series 1		HFL Fixed Maturity Plan - Series 2		HFL Fixed Maturity Plan - Series 3		HFL DIVIDEND OPPORTUNITIES INDEX FUND	HFL FIXED MATURITY PLAN - SERIES 6	
	for the year ended March 31, 2013	for the period ended March 31, 2012	for the year ended March 31, 2013	for the period ended March 31, 2012	for the year ended March 31, 2013	for the period ended March 31, 2012	for the year ended March 31, 2013	for the period ended March 31, 2012	for the year ended March 31, 2013	for the year ended March 31, 2013	
A. Cashflow from Operating Activity											
Surplus/(deficit) for the year/period	13,724,585	1,487,186	31,553,883	4,174,923	66,978,542	4151349	48,618,117	(227,150)	10,782,019	1,526,398	
Adjustments for:-											
(Increase)/Decrease in Investments at cost	134,006,335	(240,702,284)	(28,831,678)	(310,705,656)	(66,077,339)	(653,551,167)	(253,812,652)	(272,885,328)	(325,282,287)	(973,655,115)	
(Increase)/Decrease in Other current assets	(36,968)	(48,522)	25,519	(11,025,437)	-	-	-	-	(1,086,270)	(235,054,959)	
Increase/(Decrease) in Current liabilities	(1,408)	233,479	7,399	125,906	364,889	143061	(145,043)	224,350	32,144,356	131,312	
Change in provision for net unrealised loss in value of investments	-	-	(831,926)	1,647,720	16,506	-	(313,868)	366,028	-	-	
Net cash generated from/(used in) operations	(A)	147,692,545	(239,030,141)	1,923,197	(315,782,544)	1,282,598	(649,256,757)	(205,653,446)	(272,522,100)	(283,442,183)	(1,207,052,364)
B. Cashflow from Financing Activities											
Increase/(Decrease) in Unit capital	(1,550,000)	3,624,870	-	315,883,190	-	650,355,700	-	479,390,700	311,726,834	1,222,141,665	
Increase/(Decrease) in Unit premium	(82,647,329)	172,388,340	-	-	-	-	-	-	5,990,243	-	
Adjustments for:-											
Increase/(Decrease) in Sundry creditors for units redeemed by investors	(63,532,527)	63,532,527	-	-	-	-	-	-	-	-	
Net cash (used in)/generated from financing activities	(B)	(147,729,856)	239,545,737	-	315,883,190	-	650,355,700	-	479,390,700	317,717,077	1,222,141,665
Net Increase/(Decrease) in Cash and cash equivalents	(A+B)	(37,311)	515,596	1,923,197	100,646	1,282,598	1,098,943	(205,653,446)	206,868,600	34,274,894	15,089,301
Cash and Cash Equivalents as at the beginning of the year	515,596	-	100,646	-	1,098,943	-	206,868,600	-	-	-	
Cash and Cash Equivalents as at the close of the year	478,285	515,596	2,023,843	100,646	2,381,541	1,098,943	1,215,154	206,868,600	34,274,894	15,089,301	
Components of cash and cash equivalents											
Balances with banks in current accounts (Refer Schedule 5)	478,285	515,596	2,023,843	100,646	2,381,541	1,098,943	1,215,154	206,868,600	34,274,894	15,089,301	

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

8

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

For India Infoline Trustee Company Limited

per Shrawan Jalan
Partner
Membership No: 102102

A. K. Shukla
Chairman

Nirmal Jain
Director

For India Infoline Asset Management Company Limited

Manish Bandi
Fund Manager

Rahul Aggarwal
Fund Manager

Homai Daruwalla
Chairman

R. Venkataraman
Director

Place: Mumbai
Date :

Place: Mumbai
Date :

IIFL MUTUAL FUND

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013 AND THE REVENUE ACCOUNT FOR THE PERIOD FROM APRIL 01, 2012 / LAUNCH DATE TO MARCH 31, 2013

Schedule 8: NOTES TO ACCOUNTS

1 Organisation

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

List of Schemes of IIFL Mutual Fund

Scheme Name	Date of Launch	NFO period	Date of Allotment	Investment Objective
IIFL NIFTY ETF	September 28, 2011	September 28, 2011 to October 12, 2011	October 18, 2011	The investment objective of the scheme is to provide returns (before fees and expenses) that closely correspond to the total return of the S&P CNX Nifty Index subject, to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
IIFL Fixed Maturity Plan - Series 1	January 13, 2012	January 13, 2012 to January 19, 2012	January 20, 2012	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved.
IIFL Fixed Maturity Plan - Series 2	March 06, 2012	March 06, 2012 to March 06, 2012	March 07, 2012	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved. Date of planned closure (April 03, 2013)
IIFL Fixed Maturity Plan - Series 3	March 28, 2012	March 28, 2012 to March 29, 2012	March 30, 2012	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved. Date of planned closure (April 03, 2013)
IIFL Dividend Opportunities Index Fund	June 06, 2012	June 06, 2012 to June 19, 2012	June 26, 2012	The investment objective of the scheme is to provide returns (before fees and expenses) that closely correspond to the total return of the S&P CNX Dividend Opportunities Index subject, to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
IIFL Fixed Maturity Plan - Series 6	March 18, 2013	March 18, 2013 to March 25, 2013	March 26, 2013	The investment objective of each Scheme is to generate returns through investments in debt and money market instruments. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme. There is no assurance that the investment objective of the Scheme will be achieved

2 Significant Accounting Policies

2.1 Basis of Accounting

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

Change in accounting policy

Pursuant to SEBI Circular Number CIR/IMD/DF/21/2012 dated September 13, 2012 and SEBI (Mutual Funds) (Second Amendment) Regulations, 2012 notified vide Notification dated September 26, 2012, with effect from 1 October 2012, the exit load (net of service tax) charged (if any), shall be credited to the scheme. Further brokerage and transaction costs, not exceeding 0.12 per cent in case of cash market transactions which are incurred for the purpose of execution of trade are included in the cost of investment, the balance being charged to the expenses.

In compliance with the said amendments additional exit load (net of service tax) credited to Revenue Account of IIFL Dividend Opportunities Index Fund is Rs. 281,926.

2.2 Determination of Net asset value ('NAV')

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

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

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

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

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

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

2.4 Investments

a) Accounting for investment transactions

- i. Investments are accounted on the date of the transaction at cost after including transaction costs as applicable excluding custodian transaction charges. The front end fee receivable, if any, is reduced from the cost of such investment. Bonus entitlements are recognised as investments on the 'exbonus date'. Rights entitlements are recognised as investments on the 'ex-rights date'.
- ii. 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 and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions. Remaining portion is charged to expenses, within total expense ratio in line with Regulations.

b) Valuation of investments

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

(i) Traded Equity Securities:

	Traded	Non Traded	Thinly Traded
Equity Shares	Investments in equity shares which at the last quoted closing price on the National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) or another stock exchange.	<p>When on a valuation day, a security listed on the NSE, does not trade then price at which it is traded on another stock exchange is used.</p> <p>When a security does not trade on any exchange on a valuation day then previous closing price on NSE / Any other SE is used as long as date of the previous closing price is less than 30 days.</p> <p>If trading in an equity security is suspended for more than 30 days, then the Asset Management Company/Trustees decide the valuation norms to be followed and such norms are documented and recorded.</p>	As per the SEBI Regulation
Unlisted / Illiquid / Rights Equity Securities	In accordance with guidelines prescribed by the SEBI		

Note: Thinly Traded Equity/Equity related Security - When trading in an equity/equity related security in a month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it is considered as a thinly traded security.

(ii) Investments in fixed income securities (other than government securities) are valued as follows:

	Traded (in market lot of Rs. 5 crores on the valuation day on stock exchange)	Non Traded/Thinly Traded	
		Residual Maturity upto 91* days (60 days from September 30, 2012)	Residual Maturity over 91* days (60 days from September 30, 2012)
Certificate of Deposits	Weighted average price at which it is traded on the valuation day.	On straight line amortization from the last traded price / purchase price /cost. The amortised price may be used for valuation as long as it is within $\pm 0.10\%$ of the reference price. In case the variance exceeds $\pm 0.10\%$, the valuation shall be adjusted to bring it within the $\pm 0.10\%$ band. Spread between Purchase Yield and Benchmark Yield as fixed by Fund Manager at the time of purchase would be fixed throughout the life of instruments and would be changed only if there is justification for the change.	When such securities are not traded on a particular valuation day they shall be valued at benchmark yield/matrix of spread over risk free benchmark yield obtained from agency(ies) entrusted for the said purpose by The Association of Mutual Funds in India (AMFI). Where required suitable mark up / mark down shall be applied to bench mark yield to value the security at fair value.
Government Securities	At the prices provided by the agency nominated by AMFI (currently CRISIL & ICRA) on a daily basis. In the event of non availability of the prices from such agency, prices provided by FIMMDA is used.		
Fixed Rate/Zero Coupon Debt Securities/Money Market Instrument	Weighted average price at which it is traded on the valuation day.	On straight line amortization from the last traded price / purchase price /cost.	As per SEBI Regulation and based on Credit Rating/Duration Matrix provided by agency(ies) entrusted for the said purpose by AMFI.

* Effective September 30, 2012 vide Cir/IMD/DF/6/2012 dated February 28, 2012 “91 days” shall be replaced with “60 days”

Note: Thinly Traded Debt Security -A debt security (other than Government Security) is considered as a thinly traded security if on the valuation date, there is no individual trade in that security in marketable lot (currently Rs. 15 Crore) on the principal stock exchange or any other stock exchange.

- (iii) The unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in the net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and the change in net unrealised gain, if any, is adjusted in an unrealised appreciation reserve.

2.6 Revenue recognition

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

2.7 Expenses

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

2.8 Entry Load / Exit Load

In accordance with SEBI circular dated June 30, 2009 no entry load is charged in any of the Schemes. Up to September 30, 2012, exit load collected in excess of 1% of the redemption proceeds was credited to the scheme as income. Pursuant to SEBI (Mutual Funds) (Second Amendment) Regulations, 2012, w.e.f October 1, 2012 the exit load net of service tax collected is credited to Revenue Account.

2.9 Cash and cash equivalents

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

2.10 Investor Education and Awareness

As required by SEBI circular No CIR/IMD/DF/21/2012 dated September 13, 2012, with effect from October 1, 2012, 0.02% of daily net assets within overall expenses ratio have been kept aside for investor education and awareness initiatives. Unutilized amount, if any, is carried to subsequent years.

2.11 Dividend Distribution

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

3. Notes to accounts

3.1. Investments

- a) Investments of the Schemes are registered in the name of the Schemes for the benefits of the Schemes Unit holders.
- b) Investment made in foreign securities as at March 31, 2013: Nil (March 31, 2012: Nil)
- c) Investments made in Companies which have invested more than five percent of the net asset value of the Schemes of IIFL Mutual Fund in terms of Regulation 25 (11)
- Investment in Companies includes investment in subsidiaries.
 - Purchases represents purchases (including derivatives transactions and inter scheme transactions) made during the period prescribed under regulation 25(11).

Closing market value of investments as at March 31, 2013.

(Amount in Rupees)

Company Name	Schemes invested in by the Company	Investment made by schemes of IIFL Mutual Fund in the company/subsidiary	Aggregate cost of acquisition during the period ended 31 March 2013	Outstanding as at 31 March 2013 (At Market / Fair Value)
India Infoline Limited (Includes following subsidiaries: India Infoline Finance Limited India Infoline Housing Finance Limited)	IIFL NIFTY ETF	IIFL Dividend Opportunities Index Fund	794,903	-
		IIFL Fixed Maturity Plan - Series 6	250,470,300	259,594,000

Closing market value of investments as at March 31, 2012.

(Amount in Rupees)

Company Name	Schemes invested in by the Company	Investment made by schemes of IIFL Mutual Fund in the company/subsidiary	Aggregate cost of acquisition during the period ended 31 March 2012	Outstanding as at 31 March 2012 (At Market / Fair Value)
NIL				

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

d) Unrealised Gain / (Loss) as at March 31, 2013:

(Amount in Rupees)

Scheme Name	Certificate Of Deposit	Equity	Fixed rates bonds – Corporate	Zero Coupon Bonds - Corporate
		Listed or awaiting listing	Listed or awaiting listing	Listed or awaiting listing
IIFL NIFTY ETF	-	12,424,069	-	-
IIFL Fixed Maturity Plan - Series 1	(2)	-	(416,200)	(399,592)
IIFL Fixed Maturity Plan - Series 2	(16,506)	-	-	-
IIFL Fixed Maturity Plan - Series 3	(52,160)	-	-	-
IIFL Dividend Opportunities Index Fund		5,53,215		
IIFL Fixed Maturity Plan - Series 6	(12)	-	5,29,700	8,707,877
Grand Total	(68,680)	12,977,284	113,500	8,308,285

Unrealised Gain / (Loss) as at March 31, 2012:

(Amount in Rupees)

Scheme Name	Certificate Of Deposit	Equity	Fixed rates bonds – Corporate	Zero Coupon Bonds – Corporate
		Listed or awaiting listing	Listed or awaiting listing	Listed or awaiting listing
IIFL NIFTY ETF	-	14,412,127	-	-
IIFL Fixed Maturity Plan - Series 1	-	-	(612,700)	(1,035,020)
IIFL Fixed Maturity Plan - Series 2	2,106,933	-	-	-
IIFL Fixed Maturity Plan - Series 3	(366,028)	-	-	-
Grand Total	1,740,905	14,412,127	(612,700)	(1,035,020)

3.2 Investment Management and Trusteeship fees:

- a) Investment management fees (excluding service tax and education cess) have been charged by the Schemes pursuant to an agreement with India Infoline Asset Management Limited (AMC), as under:

Scheme	Management fees ratio for the year/period ended March 31, 2013		Management fees ratio for the period ended March 31, 2012	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan
IIFL NIFTY ETF	0.04%	-	0.05%	-
IIFL Fixed Maturity Plan - Series 1	0.31%	-	0.42%	-
IIFL Fixed Maturity Plan - Series 2	0.27%	-	0.29%	-
IIFL Fixed Maturity Plan - Series 3	0.01%	-	-	-
IIFL Dividend Opportunities Index Fund	0.59%	0.55%	-	-
IIFL Fixed Maturity Plan - Series 6	0.36%	0.36%	-	-

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

b) Trusteeship fees:

Scheme	Trustee fees ratio for the year/period ended March 31, 2013		Trustee fees ratio for the period ended March 31, 2012	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan
IIFL NIFTY ETF	0.01%	-	0.01%	-
IIFL Fixed Maturity Plan - Series 1	0.01%	-	0.01%	-
IIFL Fixed Maturity Plan - Series 2	0.01%	-	0.01%	-
IIFL Fixed Maturity Plan - Series 3	0.01%	-	0.01%	-
IIFL Dividend Opportunities Index Fund	0.01%	0.01%	-	-
IIFL Fixed Maturity Plan - Series 6	0.01%	0.01%	-	-

3.3 Details of Transactions with Associates in terms of Regulation 25(8):

Name of Associate: **India Infoline Limited.**

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

For the year/period ended March 31, 2013		Amount (in Rupees)
Scheme Name	Lead Manager	2012-2013
NIL	NIL	NIL

For the period ended March 31, 2012		Amount (in Rupees)
Scheme Name	Lead Manager	2011-2012
NIL	NIL	NIL

Brokerage paid to associates/related parties/group companies of Sponsor/AMC:**For the period/year ended March 31, 2013**

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered	Yearly 2012-2013			
			Value of Transaction (in Rupees)	% of Total Value of Transaction of the fund	Brokerage (in Rupees)	% of total Brokerage paid by the fund
		01 April 2012 to 31 March 2013	Nil	Nil	Nil	Nil

For the period ended March 31, 2012

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered	Yearly 2011-2012			
			Value of Transaction (in Rupees)	% of Total Value of Transaction of the fund	Brokerage (in Rupees)	% of total Brokerage paid by the fund
INDIA INFOLINE LIMITED (Nifty ETF)	Associate Broker	Launch Date to 31 March 2012	13,907,817	4.08%	6,942	4.08%

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

For the period/year ended March 31, 2013

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

For the period ended March 31, 2012

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (Rupees)	Business given (in % of total business received by the fund)	Commission paid (Rupees)	% of total Commission paid by the fund
NIL	NIL	Launch Date to 31 March 2012	NIL	NIL	NIL	NIL

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

For the period/year ended March 31, 2013

Scheme	Purchases (Amount in Rupees)	Sales(Amount in Rupees)	Purchase as % to average daily net assets	Sale as % to average daily net assets	Average Asset Under Management (AUM in Rupees)
	2012-2013	2012-2013	2012-2013	2012-2013	
IIFL NIFTY ETF	58,185,048	209,640,487	32.04%	115.43%	181,624,773
IIFL Fixed Maturity Plan - Series 1	27,249,062	15,200,000	8.11%	4.52%	335,936,886
IIFL Fixed Maturity Plan - Series 2	757,781,390	761,087,400	109.64%	110.12%	691,141,388
IIFL Fixed Maturity Plan - Series 3	732,538,700	527,121,200	145.12%	104.43%	504,780,231
IIFL Dividend Opportunities Index Fund	388,422,591	68,845,533	160.50%	28.45%	242,006,923
IIFL Fixed Maturity Plan - Series 6	973,158,117	-	79.11%	0.00%	1,230,167,513

For the period ended March 31, 2012

Scheme	Purchases (Amount in Rupees)	Sales(Amount in Rupees)	Purchase as % to average daily net assets	Sale as % to average daily net assets	Average Asset Under Management (AUM in Rupees)
	2011-2012	2011-2012	2011-2012	2011-2012	
IIFL NIFTY ETF	393,378,942	153,292,028	132%	52%	297,533,163
IIFL Fixed Maturity Plan - Series 1	307,649,792	-	97%	0%	317,699,627
IIFL Fixed Maturity Plan - Series 2	1,449,293,810	799,886,000	222%	123%	652,565,634
IIFL Fixed Maturity Plan - Series 3	272,745,400	-	57%	0%	479,128,812

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

3.5 Segment Information

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

3.6 Summary of Net Asset value ('NAV') per unit, Income and Expense ratio

NAV per unit:

Scheme	Option	*As at March 31, 2013 (in Rupees)	*As at March 31, 2012 (in Rupees)
IIFL NIFTY ETF	Growth	575.7070	529.4328
IIFL Fixed Maturity Plan - Series 1	Growth	11.1311	10.1322
IIFL Fixed Maturity Plan - Series 1	Dividend	11.1311	10.1322
IIFL Fixed Maturity Plan - Series 2	Growth	11.0937	10.0962
IIFL Fixed Maturity Plan - Series 2	Dividend	11.0937	10.0962
IIFL Fixed Maturity Plan - Series 3	Growth	11.0094	9.9953
IIFL Fixed Maturity Plan - Series 3	Dividend	11.0094	9.9953
IIFL Dividend Opportunities Index Fund	Growth	10.5558	-
IIFL Dividend Opportunities Index Fund	Dividend	10.5558	-
IIFL Dividend Opportunities Index Fund	Direct Growth	10.5571	-
IIFL Dividend Opportunities Index Fund	Direct Dividend	10.5571	-
IIFL Fixed Maturity Plan - Series 6	Growth	10.0881	-
IIFL Fixed Maturity Plan - Series 6	Dividend	10.0881	-
IIFL Fixed Maturity Plan - Series 6	Direct Growth	10.0884	-

* NAV disclosed above is computed NAV and not a declared NAV as March 31, 2013 & March 31, 2012 was not business day.

Income Ratio:

Scheme	Total Income Ratio	Total Income Ratio
	For the year/period ended March 31, 2013	For the period ended March 31, 2012
IIFL NIFTY ETF	10.16%	1.72%
IIFL Fixed Maturity Plan - Series 1	9.53%	7.13%

IIFL Fixed Maturity Plan - Series 2	9.73%	9.63%
IIFL Fixed Maturity Plan - Series 3	9.68%	-13.98%
IIFL Dividend Opportunities Index Fund	6.14%	-
IIFL Fixed Maturity Plan - Series 6	54.03%	-

Expense Ratio:

Scheme	Total Expense Ratio For the year/period ended March 31, 2013		Total Expense Ratio (Year 2011 – 2012) For the period ended March 31, 2012	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan
IIFL NIFTY ETF	0.25%	-	0.25%	-
IIFL Fixed Maturity Plan - Series 1	0.39%	-	0.45%	-
IIFL Fixed Maturity Plan - Series 2	0.35%	-	0.32%	-
IIFL Fixed Maturity Plan - Series 3	0.05%	-	0.04%	-
IIFL Dividend Opportunities Index Fund	1.64%	0.94%	-	-
IIFL Fixed Maturity Plan - Series 6	0.65%	0.45%	-	-

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

As at March 31, 2013

Scheme	Percentage of Holding	No. of Investors
NIL	NIL	NIL

As at March 31, 2012

Scheme	Percentage of Holding	No. of Investors
NIL	NIL	NIL

3.8 Open position as at March 31, 2013

Future :

Name of the Company	Scheme	Number of Units Long / (Short)	Number of Contracts Long / (Short)
NIL	NIL	NIL	NIL

Options :

Name of the Company	Scheme	Number of Units Long / (Short)	Number of Contracts Long / (Short)
NIL	NIL	NIL	NIL

As at March 31, 2012

Future :

Name of the Company	Scheme	Number of Units Long / (Short)	Number of Contracts Long / (Short)
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NIL	NIL	NIL	NIL
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Options :

Name of the Company	Scheme	Number of Units Long / (Short)	Number of Contracts Long / (Short)
NIL	NIL	NIL	NIL

3.9 Industry wise Classification of Investments

Total value of investments falling under each major industry group and within each major classification the percentage thereof in relation to the total investment within the classification as on March 31, 2013 and March 31, 2012. **Annexure A**

3.10 Funds have entered into transactions with certain related parties. 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.

Related party disclosure pursuant to accounting standard 18 issued by The Institute of Chartered Accountants of India is applicable for the following schemes and disclosures are made as under:

- IIFL Nifty ETF
- IIFL Fixed Maturity Plan - Series 1
- IIFL Fixed Maturity Plan - Series 2
- IIFL Fixed Maturity Plan - Series 3
- IIFL Dividend Opportunities Index Fund
- IIFL Fixed Maturity Plan - Series 6

The following are the related parties by control:

- a. India Infoline Asset Management Company Limited(AMC)
- b. India Infoline Limited (Sponsor)
- c. India Infoline Trustee Company Limited (Trustee)

d. Associates

S.No.	Group Company & Associates	S.No.	Group Company & Associates
1	India Infoline Finance Limited	18	IIFL Capital Pte. Limited
2	India Infoline Commodities Limited	19	IIFL Securities Pte. Limited
3	India Infoline Insurance Brokers Limited	20	IIFL Inc
4	India Infoline Insurance Services Limited.	21	IIFL Private Wealth (Mauritius) Limited
5	India Infoline Housing Finance Limited.	22	IIFL Wealth (UK) Limited
6	India Infoline Media and Research Services Limited	23	IIFL Securities Ceylon (Pvt) Limited
7	India Infoline Distribution Company Limited	24	IIFL Capital Ceylon Limited
8	IIFL Capital Limited	25	IIFL Private Wealth Hong Kong Limited
9	IIFL Wealth Management Limited	26	IIFL Private Wealth Management (Dubai) Limited
10	IIFL Realty Limited	27	IIFL Private Wealth (Suisse) SA
11	Indian Infoline Trustee Company Limited	28	India Infoline Limited
12	India Infoline Asset Management Company Limited	29	IIFL Capital Inc
13	IIFL Trustee Services Limited	29	IIFL Capital Inc
14	IIFL Distribution Services Private Limited	30	Gammon Infrastructure Projects Limited
15	IIFL Alternate Asset Advisors Limited.	31	Jai Prakash Associates Limited
16	India Infoline Commodities DMCC	32	National Thermal Power Company
17	IIFL (Asia) Pte. Limited	33	Shriram City Union Finance Limited
18	IIFL Capital Pte. Limited	34	Meliora Asset Reconstruction Company Limited

List of Directors and Key Managerial Personnel ('KMP'):

Name	Description of Relationship
Ms. Homai Daruwalla	AMC's- Chairman
Mr. Pranab Pattanayak	AMC's-Director
Mr. R. Venkataraman	AMC's-Director
Mr. A K Shukla	Trustee Company's –Chairman
Mr. R.S. Loona	Trustee Company's –Director
Mr. J.H. Mehta	Trustee Company's –Director
Mr. Nirmal Jain	Trustee Company's –Director
Mr. Gopinath Natrajan	AMC 's – CEO (KMP)

3.10.1 Nature of transactions : Subscription and Redemption Units:

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

2011-2012		Schemes (Amount in Rupees)			
Related party	Transaction	IIFL NIFTY ETF	IIFL Fixed Maturity Plan - Series 1	IIFL Fixed Maturity Plan - Series 2	IIFL Fixed Maturity Plan - Series 3
India Infoline Limited	Subscription	70,000,000	-	-	-
India Infoline Limited	Redemption	213,680,348	-	-	-
Mr. R. Venkataraman	Subscription	50,000	500,000	-	-
Mr. Nirmal Jain	Subscription	500,000	1,000,000	-	-
IIFL Wealth Management Ltd	Subscription	-	-	50,000,000	-
India Infoline Limited	Year End Outstanding	13,060,169	20,159	-	-
Mr. Nirmal Jain	Year End Outstanding	525,202	-	50,468,500	-
Mr. R. Venkataraman	Year End Outstanding	376,960	-	-	-
India Infoline Limited	Redemption Payable	63,532,527	-	-	-

Investment Security Purchases & Sales :

For the year/period ended March 31, 2013 (For the period ended March 31, 2012 : Nil)

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

Counter Party :

For the year/period ended March 31, 2013 (For the period ended March 31, 2012 : Nil)

Name of Associate	Scheme	Security Name	Purchase / Sale	Quantity	Value (Amount in Rs.)	Type of Security
India Infoline Limited.	IIFL FMP Series 1	0% Canara Bank-CD - 28-Mar-2013	Purchase	15,200,000	14,271,770	DEBT
India Infoline Limited.	IIFL FMP Series 3	0% Canara Bank-CD - 28-Mar-2013	Purchase	25,000,000	24,511,695	DEBT
India Infoline Limited.	IIFL FMP Series 6	India Infoline Finance Ltd. - NCD - 27-Jul-2015	Purchase	150,000,000	110,920,201	DEBT
India Infoline Limited.	IIFL FMP Series 6	India Infoline Housing Finance Ltd.- NCD - 27-Jul-2015	Purchase	100,000,000	100,212,400	DEBT
India Infoline Finance Limited.	IIFL FMP Series 6	10.20% Tata Steel Ltd - NCD - 07-May-2015	Purchase	150,000,000	166,406,897	DEBT

India Infoline Finance Limited.	IIFL FMP Series 6	9.57% Infrastructure Development Finance Company Ltd.- NCD - 11-Jul-2015	Purchase	50,000,000	215,529,173	DEBT
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Commission paid :

For the year/period ended March 31, 2013 (For the period ended March 31, 2012 : Nil)

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

3.10.2 Nature of transactions : Management Fees and Trustee Fees:

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

2011-12	Scheme (Amount in Rupees)			
	IIFL NIFTY ETF	IIFL Fixed Maturity Plan - Series 1	IIFL Fixed Maturity Plan - Series 2	IIFL Fixed Maturity Plan - Series 3
Management Fees	67,179	259,615	129,649	Nil
Trustee fee	13,436	6,181	4,471	Nil
As at March 31, 2012				

AMC	9,751	102,475	116,684	Nil
Trustee	1,950	2,440	4,024	Nil

3.11 With reference to SEBI Circular CIR/IMD/DF/11/2010 dated August 18, 2010 there is Nil holding in derivative.

3.12 Profit and Loss from Investments

Profit and Loss from investments for the year/period ended March 31, 2013 includes a credit of Rs. Nil (Previous year: Rs. 741,106/-) received from India Infoline Asset Management Company Limited ('AMC') towards obligations and /or losses of IIFL Nifty ETF.

3.13 Custodian Fees

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

3.14 Prior period comparatives:

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

Signatories to financial statements in capacity as Fund Managers:

Fund Managers	Scheme Name
Mr. Manish Bandi	IIFL NIFTY ETF
Mr. Rahul Aggarwal	IIFL Fixed Maturity Plan - Series 1
Mr. Rahul Aggarwal	IIFL Fixed Maturity Plan - Series 2
Mr. Rahul Aggarwal	IIFL Fixed Maturity Plan - Series 3
Mr. Manish Bandi	IIFL Dividend Opportunities Index Fund
Mr. Rahul Aggarwal	IIFL Fixed Maturity Plan - Series 6

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E

per Shrawan Jalan

Partner

Membership No: 102102

For India Infoline Trustee Company Limited

A. K. Shukla

Chairman

Nirmal Jain

Director

For India Infoline Asset Management Company Limited

Homai Daruwalla

Chairman

R. Venkataraman

Director

Manish Bandi

Fund Manager

Rahul Aggarwal

Fund Manager

Place: Mumbai

Date :

Place: Mumbai

Date: