



# **Abridged Annual Report 2016 - 2017**

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**SPONSOR**

IIFL Wealth Management Limited  
Registered Office: IIFL House,  
Sun Infotech Park, Road No. 16 V,  
Plot No. B-23, Thane Industrial Estate  
Area, Wagle Estate, Thane - 400 604

**ASSET MANAGEMENT COMPANY**

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

**TRUSTEE COMPANY**

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

**CUSTODIAN**

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

**REGISTRAR**

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

**STATUTORY AUDITORS**

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

# Abridged Annual Report, 2016 - 2017

## TRUSTEE REPORT

Dear Unitholders,

We have pleasure in presenting the Sixth Annual Report of the Schemes of IIFL Mutual Fund for the period ended March 31, 2017, along with the audited financial statements of the Schemes of IIFL Mutual Fund.

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

#### A. Scheme Performance:

##### IIFL Dynamic Bond Fund:

The net assets of the scheme as on March 31, 2017 is Rs. 20.92 Crore.

##### Performance of Scheme:

| Scheme Name / Benchmark                                   | 31-Mar-16 to 31-Mar-17 | 31-Mar-14 to 31-Mar-17 | Since Inception |
|---|------------------------|------------------------|-----------------|
| IIFL Dynamic Bond Fund - Direct Plan – Growth Option      | 7.28                   | 10.10                  | 7.66            |
| IIFL Dynamic Bond Fund-Regular Plan Growth Option         | 6.74                   | 9.55                   | 7.13            |
| <b>Benchmark:</b><br>Crisil Composite Bond Fund Index     | 11.09                  | 11.26                  | 9.16            |
| <b>Additional Benchmark:</b><br>Crisil 10 Year Gilt Index | 11.87                  | 11.42                  | 7.75            |

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

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

During the year, interest rates broadly declined on the back of lower inflation and 50 bps policy rate cuts by the Reserve Bank of India. The scheme maintained its portfolio strategy of higher average duration during the year to take advantage of falling interest rate environment. The direct plan of the scheme underperformed the benchmark marginally for the year.

##### IIFL Liquid Fund:

The net assets of the scheme as on March 31, 2017 is Rs. 242 Crore.

##### Performance of Scheme:

| Scheme Name / Benchmark                                     | 31-Mar-16 to 31-Mar-17 | 31-Mar-14 to 31-Mar-17 | Since Inception |
|---|------------------------|------------------------|-----------------|
| IIFL Liquid Fund - Direct Plan – Growth Option              | 6.8295                 | 7.6843                 | 7.7451          |
| IIFL Liquid Fund- Regular Plan – Growth Option              | 6.7763                 | 7.6304                 | 7.6911          |
| <b>Benchmark:</b><br>CRISIL Liquid Fund Index               | 7.1141                 | 8.0392                 | 7.9700          |
| <b>Additional Benchmark :</b><br>CRISIL 91 Day T-Bill Index | 6.7003                 | 7.7812                 | 8.2335          |

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 Scheme investments pattern the scheme shall invest in Money market and debt instruments with residual maturity up to 91 days (including floating rate debt instruments and securitized debt).

During the year, interest rates broadly declined on the back of lower inflation and 50 bps policy rate cuts by the Reserve Bank of India. The scheme underperformed the benchmark marginally and outperformed the additional benchmark for the year. The scheme has maintained its portfolio strategy of low volatility and high quality during the course of the year.

##### IIFL India Growth Fund:

The net assets of the scheme as in March 31, 2017 is Rs. 362.71 Crore.

| Scheme Name / Benchmark                       | 31-Mar-16 to 31-Mar-17 | 31-Mar-14 to 31-Mar-17 | Since Inception |
|---|------------------------|------------------------|-----------------|
| IIFL India Growth Fund - Direct Plan – Growth | 31.2794                | -                      | 13.4328         |
| IIFL India Growth Fund-Regular Growth         | 30.4542                | -                      | 12.3109         |
| <b>Benchmark :</b> NIFTY 50                   | 18.5484                | -                      | 4.9108          |
| <b>Additional Benchmark:</b><br>BSE Sensex    | 16.8800                | -                      | 3.3600          |

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

IIFL India Growth Fund is an Open ended Equity Scheme with the objective generates long term capital appreciation for investors from a portfolio of equity and equity related securities. The Scheme was launched on October 30, 2014.

The fund gave a return of 30.45% as compared to its benchmark Nifty-50 return of 18.55%. The fund was able to deliver this return in spite of the last 5 months of FY2017 being extremely volatile and eventful on the back of two major events, US presidential elections surprise outcome and Demonetisation in November 2016. This has been possible because the fund continues to focus on its core investment philosophy of picking up companies which have robust earnings visibility and less volatile earnings cycle. The fund continues to identify and invest in companies which have sound management, industry leadership, strong earnings visibility and also available at attractive valuations which provides enough downside protection in a volatile market conditions. The fund would also continue to take concentrated bets in high conviction ideas and be sector and market cap agnostic in achieving consistent outperformance.

#### B. Future Outlook and Operations of the Scheme:

##### Overview of Mutual Fund Industry

India remained one of the better placed and fastest growing economy in an increasing uncertain world. Over the past 2 years India has achieved macro-economic stability and is seeing a period of high growth and low inflation

With improved economic outlook financial instruments have become investment of choice. Consequently Mutual Fund industry witnessed positive net inflow of Rs. 3.43 trillion across asset class during FY 16-17 vs 1.34 trillion last year, almost doubling over the last year.

Year 2016-17 has been good year for equity schemes and saw net inflow amounting to Rs. 700 bn. Response from retail investors have been positive and SIP registrations grew by 34.02% to 1.3cr from 97 lacs last year.

The asset based of mutual fund industry increased by 42.27% to Rs. 17.50 trillion as on March 2017.

We feel that Mutual funds products will continue to be choice of investors and FY 17-18 should be another good year for the Industry.

##### Macroeconomic Overview:

The defining feature of the Indian economy over May 2014 - May 2017 has been the achievement of macroeconomic stability. Taming of inflation (supported by benign crude oil prices) coupled with controlled twin deficits – both fiscal as well as current account deficits – and stable currency are the key achievements of the past three years, in our view. This has provided a resilient backdrop for foreign capital inflows to the Indian economy (reflected in the highest-ever FDI inflows). The stable macroeconomic backdrop augurs well from the “growth-inflation” perspective. The fiscal situation has improved over the years. India’s fiscal deficit, which was 4.1% of the GDP in FY15 and 3.9% in FY16, is estimated at 3.5% in FY17. The government’s fiscal prudence has strengthened the confidence of investors in the economy, we believe, in turn boosting capital flows. The government has avoided populist spending, despite a heavy political calendar of state elections. The fiscal deficit is budgeted to be 3.2% in FY18 – the lowest in a decade. CPI inflation decreased to 2.2% in May 2017 due to a sharp fall in food price inflation, particularly that in vegetables and pulses. Over the last 3 years since the new government came to power, while softer crude prices have aided lower inflation since 2014, subdued vegetable prices have also supported headline inflation. We believe trade policy intervention in pulses, upward revision in fuel prices on 1 June 2017, rising rural wage growth, strong consumption demand, risk of fiscal slippage due to farm loan waivers and disbursement of allowances under the 7th Central Pay Commission are upside risks to inflation. As per the RBI Monetary Policy Statement released on 7 June 2017, the CPI is projected in the range of 2.0–3.5% in 1HFY18 and 3.5–4.5% in 2HFY18.

##### Equity

FY17 has been an impressive year for equity investors in India. Indian markets gave a return of 18.5% for FY17 out of which 12.1% came in the last quarter itself as markets looked relatively attractive compared to the peers. There was no dearth of news and events that always kept markets on the tenterhooks. While the first half of the year was mainly dominated by fears of Brexit and Chinese slowdown and its fallout on global economy and trade, global markets including India saw sharp rebound in the second quarter of FY17 as the fears seemed unfounded and too premature. Things started improving on the macro front with both US and Euro reporting better than expected economic indicators and all focus shifted to the US Presidential elections. Thereafter the surprise move of not extending the tenure of RBI Governor Raghuram Rajan and replacing him with Urjit Patel also didn’t send the right signals. However hopes of rate cuts from the new governor and better than expected macro numbers helped in stemming any fall in the domestic markets. The month of November’16 had the two major surprise elements which changed the course of the markets. First was the surprise win of Donald Trump in the US Presidential elections and second was Demonetisation. However the sharp selloff seen post these events made markets look attractive and we saw sharp rally in the last quarter of FY17.

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The market rally has been devoid of concomitant earnings growth/RoE expansion, resulting in a re-rating of P/E multiples. Benign interest rates and liquidity have also been a catalyst for the underlying P/E expansion. However, we see limited room for further P/E expansion. Current period is characterized by rising pace of disruptions in various parts of the economy – be it owing to government actions like Demonetization and GST or those pertaining to developments in Technology arena. Given the above context, we believe broader market valuations have limited re-rating triggers in the near term, unless accompanied by earnings recovery. In the near term, risks to earnings could stem from the implementation of GST and strengthening of the Rupee. De-stocking in trade supply chain and implementation-related initial hurdles could pose a threat to earnings for B2C sectors in 1HFY18. That said, we believe GST will drive formalization of the economy while enhancing the tax base in the longer term.

Going forward, we believe broad-based earnings recovery will be a function of revival of private capex cycle as well as resolution of stressed assets at PSU Banks. Re-capitalization of PSU Banks will also be keenly awaited, in our view.

### Debt

Globally markets have generally been risk-on since Mr. Trump's election as president. Yet tremendous uncertainty remains over future fiscal and monetary policies, and volatility persists at high levels. Pro-growth policies in the U.S., including major infrastructure spending and tax cuts, could support riskier assets. But tougher trade policies could create foreign policy risks, triggering sharp risk-off moves. Moreover, the global economy faces three tricky transitions: a handoff from monetary to fiscal policies in developed markets; a move from globalization to de-globalization, which could create headwinds for productivity and spark inflation; and the evolution of China's foreign exchange regime toward a managed or even free float. On the domestic front in FY 16-17 RBI maintained its stance of cutting interest rates to spur the economic growth amidst sluggish credit off-take. During the year RBI cut repo rates, in 1<sup>st</sup> and 3<sup>rd</sup> quarters by 25 bps each, but after demonetization it changed monetary policy stance as 'neutral' to prioritize taming the inflation (below 4%) on sustained basis in the 4<sup>th</sup> quarter. To ensure better transmission the RBI narrowed the policy rate corridor to +/- 25 basis points from +/- 50bps.

Moving forward, the global bond yields shall track activities of central banks in advanced economies (AEs) for balance sheet reduction by shrinking the bond buyback programs. The incremental FII flows and the movement of the rupee against the greenback shall drive the rates and liquidity in the domestic markets. We believe liquidity will continue to remain easy for the next few quarters due to RBI forex intervention along with the economy becoming less cash dependent. The rise in upgrade-to-downgrade ratio suggests an improvement in the credit environment. This, along with the existing surplus liquidity could bode well for the shorter end of the yield curve. Along with the global factors the longer tenor yields shall take cues from domestic retail inflation trajectory (as GST gets levied), farm loan waivers by states, impact of 7<sup>th</sup> pay commission, adequate monsoon and RBI's perceived durability of softening inflation.

### Operations of the Scheme:

During the Financial Year ended March 31, 2017, IIFL Mutual Fund with its product offerings is continuing to grow its Assets under Management and the number of investors. Going ahead we seek to increase the number of fund offerings by providing unique fund offers to investors. We would also seek to reach deeper into the market and reach larger network of channel partners. The AMC would endeavor towards augmenting retails assets while simultaneously remaining proactive with Investor Education Campaigns. In the current financial year AMC proposes to launch open ended equity schemes and closed ended debt mutual fund schemes.

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

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

### a. Sponsor

IIFL Wealth (IIFLW) was incorporated on 17th January 2008, a Company incorporated under the Companies Act, 1956, is registered with SEBI as a Portfolio Manager, Investment Advisor, Stock Broker and Depository Participant. IIFLW is also registered with AMFI as a distributor of mutual funds. IIFLW provides wealth management services to various HNI / Ultra HNI clients and inter alia distributes various securities and financial products, including mutual funds, alternative investment funds, debentures and structured products. IIFLW acts as the Sponsor to IIFL Mutual Fund, Co-Sponsor to Schemes of Alternative Investment Funds; The associate/group companies of IIFLW acts as Investment Manager to schemes of Mutual Funds, Alternative Investment Funds, Venture Capital Funds, provides Portfolio Management Services, Trustee Services, Investment Advisory Services, Distribution Services, Non-Banking Financial Services, Housing Finance, Merchant Banking Services, Business Process Outsourcing activities.

### b. IIFL Mutual Fund

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

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

### c. Trustees

IIFL Trustee Limited (Formerly known as India Infoline 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 reviews the Trustee has undertaken, the Trustee believes AMC has operated in the interests of the Unitholders.

### d. Asset Management Company:

IIFL Asset Management Limited (formerly known as India Infoline Asset Management Company Ltd.) ("AMC") was incorporated under the Companies Act, 1956 on March 22, 2010, having its Registered Office at IIFL Centre, 6<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013. AMC has been appointed as the Investment Manager to IIFL Mutual Fund by the Trustee vide Investment Management Agreement (IMA) April 29, 2010, executed between IIFL Trustee Limited (Formerly known as India Infoline Trustee Company Ltd.) and AMC. The Board of Directors of the AMC comprises of eminent personalities with varied experience.

### 3. Significant Accounting Policies

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

### 4. Unclaimed Dividends & Redemptions of Current Schemes for the financial year 2016-2017:

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 Dynamic Bond Fund | 1                   | 2663.22          |
| 2          | IIFL FMP Series 1      | 1                   | 11.45            |
| 3          | IIFL FMP Series 3      | 1                   | 5000             |
| 4          | IIFL FMP Series 6      | 1                   | 6133.25          |
| 5          | India Growth Fund      | 974                 | 828767.92        |
|            | <b>Grand Total</b>     | <b>978</b>          | <b>842575.84</b> |
| Dividend   |                        |                     |                  |
| Sr. No.    | Scheme Name            | Number Investor     | Amount (Rs.)     |
| 1.         | IIFL Dynamic Bond Fund | 124                 | 9250.91          |
|            | <b>Grand Total</b>     | <b>124</b>          | <b>9250.91</b>   |

Also, an amount of Rs. 490196.55 remains outstanding on account of unclaimed refund under IIFL Nifty ETF.

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## TRUSTEE REPORT

### 5. Investor Grievances

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

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

As per the requirements of the referred SEBI Circular No. SEBI/IMD/CIR No.18/198647/2010 dated March 15, 2010 and SEBI Circular No. CIR/IMD/DF/05/2014 dated March 24, 2014, the General policies and procedures for exercising voting rights (along with the relevant disclosures) in respect of the shares held by the Schemes of IIFL Mutual Fund has been hosted on [www.iiflmf.com](http://www.iiflmf.com).

During the FY 2016-2017, the proxy voting was exercised by IIFL Asset Management Limited for and on behalf of IIFL Mutual Fund ('the Fund'). The summary of proxy votes cast by IIFL Mutual Fund/AMC across all the investee companies is as follows:

| Summary of Votes cast during the F.Y. 2016-2017 |                    |                          |                           |         |           |
|---|--------------------|--------------------------|---------------------------|---------|-----------|
| F.Y.  | Quarter            | Total no. of resolutions | Break-up of Vote decision |         |           |
|   |                    |                          | For                       | Against | Abstained |
| 2016-2017                                       | April – June       | 27                       | 26                        | 1       | -         |
| 2016-2017                                       | July - September   | 152                      | 122                       | 7       | 23        |
| 2016-2017                                       | October - December | 11                       | 9                         | -       | 2         |
| 2016-2017                                       | January - March    | 8                        | 8                         | -       | -         |

For complete voting details for the period 2016-17, unit holders can log on to the website ([www.iiflmf.com](http://www.iiflmf.com)) of the Fund. Further the said details are also available in the Annual Report for the period 2016-2017. A copy thereof is available on the said website of the Fund and shall be sent / emailed to the unit holders free of cost on demand.

### 7. Statutory Information:

(i) The Sponsors are not responsible or liable for any loss resulting from the operations of the Schemes of IIFL Mutual Fund beyond their initial contribution of an amount of Rs. 1 lakhs towards setting up IIFL Mutual Fund, and such other accretions/ additions to the same.

(ii) The price and redemption value of the units, and income from them, can go up as well down with fluctuations in the market value of its underlying investment.

(iii) Full Annual Report shall be disclosed on the website [www.iiflmf.com](http://www.iiflmf.com) and shall also be available for inspection at the Registered Office of IIFL Mutual Fund. Present and prospective unitholder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

### Acknowledgement

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

### For IIFL Trustee Limited

Sd/-  
R. Mohan  
Director

Date: July 19, 2017

Place: Mumbai

### Annexure I

Details of Redressal of Complaints received against IIFL Mutual Fund during FY 2016-2017

Total Folios: 18826

| Complaint Code | Type of Complaint#   | (a) No. of complaints pending at the beginning of the year | (b) No. of Complaints received during the year | Action on (a) and (b) |            |             |                 |                  |            |            |            |             |  |  |
|----------------|--|--|--|-----------------------|------------|-------------|-----------------|------------------|------------|------------|------------|-------------|--|--|
|                |  |  |  | Resolved              |            |             |                 | Non Actionable * | Pending    |            |            |             |  |  |
|                |  |  |  | Within 30 days        | 30-60 days | 60-180 days | Beyond 180 days |                  | 0-3 months | 3-6 months | 6-9 months | 9-12 months |  |  |
| I A            | Non receipt of Dividend on Units   |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| I B            | Interest on delayed payment of Dividend                                  |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| I C            | Non receipt of Redemption Proceeds                                       |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| I D            | Interest on delayed payment of Redemption                                |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| II A           | Non receipt of Statement of Account/ Unit Certificate                    |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| II B           | Discrepancy in Statement of Account                                      |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| II C           | Data corrections in Investor details                                     |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| II D           | Non receipt of Annual Report/Abridged Summary                            |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| III A          | Wrong switch between Schemes   |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| III B          | Unauthorized switch between Schemes                                      |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| III C          | Deviation from Scheme attributes   |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| III D          | Wrong or excess charges/load   |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| III E          | Non updation of changes viz. address, PAN, bank details, nomination, etc |  |  |                       |            |             |                 |                  |            |            |            |             |  |  |
| IV             | Others   |  | 1  |                       |            |             |                 | 1                |            |            |            |             |  |  |
| <b>Total</b>   |  |  | <b>1</b>                                       |                       |            |             |                 | <b>1</b>         |            |            |            |             |  |  |

## INDEPENDENT AUDITOR'S REPORT

To the Trustees of IIFL Mutual Fund

### Report on the Financial Statements

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

| Name of Scheme                      | Period covered by Revenue Account and Cash Flow Statement (as applicable) | Balance Sheet Date |
|-------------------------------------|---|--------------------|
| IIFL Fixed Maturity Plan – Series 6 | April 1, 2016 to April 6, 2016  | April 6, 2016      |
| IIFL Dynamic Bond Fund              | April 1, 2016 to March 31, 2017   | March 31, 2017     |
| IIFL Liquid Fund                    | April 1, 2016 to March 31, 2017   | March 31, 2017     |
| IIFL India Growth Fund              | April 1, 2016 to March 31, 2017   | March 31, 2017     |

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

### Opinion

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

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

### Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

**per Jayesh Gandhi**

Partner

Membership Number: 037924

Place: Mumbai

Date: July 19, 2017

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## ABRIDGED BALANCE SHEET AS AT MARCH 31, 2017

Rupees in Lakhs

|                    |   | IIFL Fixed Maturity Plan - Series 6 |                     | IIFL Dynamic Bond Fund |                     |
|--------------------|---|-------------------------------------|---------------------|------------------------|---------------------|
|                    |   | As at<br>06.04.2016                 | As at<br>31.03.2016 | As at<br>31.03.2017    | As at<br>31.03.2016 |
| <b>LIABILITIES</b> |   |                                     |                     |                        |                     |
| 1                  | <b>Unit Capital</b>   | 8,975.78                            | 8,975.78            | 1,615.67               | 4,275.36            |
| 2                  | <b>Reserves &amp; Surplus</b>                                   |                                     |                     |                        |                     |
| 2.1                | Unit Premium Reserves   | (730.04)                            | (730.04)            | 56.60                  | 71.21               |
| 2.2                | Unrealised Appreciation Reserve                                 | -                                   | -                   | 4.09                   | 0.08                |
| 2.3                | Other Reserves  | 3,367.79                            | 3,351.87            | 415.83                 | 892.22              |
| 3                  | <b>Loans &amp; Borrowings</b>                                   | -                                   | -                   | -                      | -                   |
| 4                  | <b>Current Liabilities &amp; Provisions</b>                     |                                     |                     |                        |                     |
| 4.1                | Provision for doubtful Income/Deposits                          | -                                   | -                   | -                      | -                   |
| 4.2                | Other Current Liabilities & Provisions                          | 4.81                                | 1,154.24            | 2.12                   | 59.00               |
|                    | <b>TOTAL</b>  | <b>11,618.34</b>                    | <b>12,751.85</b>    | <b>2,094.31</b>        | <b>5,297.87</b>     |
| <b>ASSETS</b>      |   |                                     |                     |                        |                     |
| 1                  | <b>Investments</b>  |                                     |                     |                        |                     |
| 1.1                | <b>Listed Securities:</b>                                       |                                     |                     |                        |                     |
| 1.1.1              | Equity Shares   | -                                   | -                   | -                      | -                   |
| 1.1.2              | Preference Shares   | -                                   | -                   | -                      | -                   |
| 1.1.3              | Equity Linked Debentures  | -                                   | -                   | -                      | -                   |
| 1.1.4              | Other Debentures & Bonds  | -                                   | 2,056.42            | 406.47                 | 515.43              |
| 1.1.5              | Securitised Debt securities                                     | -                                   | -                   | -                      | -                   |
| 1.2                | <b>Securities Awaited Listing:</b>                              |                                     |                     |                        |                     |
| 1.2.1              | Equity Shares   | -                                   | -                   | -                      | -                   |
| 1.2.2              | Preference Shares   | -                                   | -                   | -                      | -                   |
| 1.2.3              | Equity Linked Debentures  | -                                   | -                   | -                      | -                   |
| 1.2.4              | Other Debentures & Bonds  | -                                   | -                   | -                      | -                   |
| 1.2.5              | Securitised Debt securities                                     | -                                   | -                   | -                      | -                   |
| 1.3                | <b>Unlisted Securities</b>                                      |                                     |                     |                        |                     |
| 1.3.1              | Equity Shares   | -                                   | -                   | -                      | -                   |
| 1.3.2              | Preference Shares   | -                                   | -                   | -                      | -                   |
| 1.3.3              | Equity Linked Debentures  | -                                   | -                   | -                      | -                   |
| 1.3.4              | Other Debentures & Bonds  | -                                   | -                   | -                      | -                   |
| 1.3.5              | Securitised Debt Securities                                     | -                                   | -                   | -                      | -                   |
| 1.4                | <b>Government Securities</b>                                    | -                                   | -                   | 1,512.47               | -                   |
| 1.5                | <b>Treasury Bills</b>   | -                                   | -                   | -                      | -                   |
| 1.6                | <b>Commercial Paper</b>   | -                                   | 499.36              | -                      | 229.41              |
| 1.7                | <b>Certificate of Deposits</b>                                  | -                                   | 8,216.84            | -                      | 2,790.23            |
| 1.8                | <b>Bill Rediscounting</b>                                       | -                                   | -                   | -                      | -                   |
| 1.9                | <b>Units of Domestic Mutual Fund</b>                            | -                                   | -                   | -                      | -                   |
| 1.10               | <b>Foreign Securities</b>                                       | -                                   | -                   | -                      | -                   |
|                    | <b>Total Investments</b>  | <b>-</b>                            | <b>10,772.62</b>    | <b>1,918.94</b>        | <b>3,535.06</b>     |
| 2                  | <b>Deposits</b>   | 8.50                                | 8.50                | 11.39                  | 15.95               |
| 3                  | <b>Other Current Assets</b>                                     |                                     |                     |                        |                     |
| 3.1                | Cash & Bank Balance   | 4.76                                | 549.89              | 1.59                   | 3.53                |
| 3.2                | CBLO/ Reverse Repo Lending                                      | 11,605.00                           | 1,226.02            | 136.96                 | 1,742.61            |
| 3.3                | Others  | 0.08                                | 194.81              | 25.43                  | 0.71                |
| 4                  | Deferred Revenue Expenditure<br>(to the extent not written off) | -                                   | -                   | -                      | -                   |
|                    | <b>TOTAL</b>  | <b>11,618.34</b>                    | <b>12,751.85</b>    | <b>2,094.31</b>        | <b>5,297.87</b>     |

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



Rupees in Lakhs

|       |   | IIFL Liquid Fund    |                     | IIFL India Growth Fund |                     |
|-------|---|---------------------|---------------------|------------------------|---------------------|
|       |   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>31.03.2017    | As at<br>31.03.2016 |
|       | <b>LIABILITIES</b>  |                     |                     |                        |                     |
| 1     | <b>Unit Capital</b>   | 22,380.71           | 14,908.81           | 27,793.99              | 15,269.36           |
| 2     | <b>Reserves &amp; Surplus</b>                                   |                     |                     |                        |                     |
| 2.1   | Unit Premium Reserves   | 0.45                | (0.16)              | 3,794.35               | 413.46              |
| 2.2   | Unrealised Appreciation Reserve                                 | 1.53                | 1.08                | 3,493.38               | -                   |
| 2.3   | Other Reserves  | 1,817.07            | 1,958.53            | 1,189.02               | (161.23)            |
| 3     | <b>Loans &amp; Borrowings</b>                                   | -                   | -                   | -                      | -                   |
| 4     | <b>Current Liabilities &amp; Provisions</b>                     |                     |                     |                        |                     |
| 4.1   | Provision for doubtful Income/Deposits                          | -                   | -                   | -                      | -                   |
| 4.2   | Other Current Liabilities & Provisions                          | 1,031.11            | 9.10                | 1,328.89               | 481.37              |
|       | <b>TOTAL</b>  | <b>25,230.87</b>    | <b>16,877.35</b>    | <b>37,599.63</b>       | <b>16,002.96</b>    |
|       | <b>ASSETS</b>   |                     |                     |                        |                     |
| 1     | <b>Investments</b>  |                     |                     |                        |                     |
| 1.1   | <b>Listed Securities:</b>                                       |                     |                     |                        |                     |
| 1.1.1 | Equity Shares   | -                   | -                   | 33,746.71              | 13,450.60           |
| 1.1.2 | Preference Shares   | -                   | -                   | -                      | -                   |
| 1.1.3 | Equity Linked Debentures  | -                   | -                   | -                      | -                   |
| 1.1.4 | Other Debentures & Bonds  | -                   | 2,056.25            | -                      | -                   |
| 1.1.5 | Securitised Debt securities                                     | -                   | -                   | -                      | -                   |
| 1.2   | <b>Securities Awaited Listing:</b>                              |                     |                     |                        |                     |
| 1.2.1 | Equity Shares   | -                   | -                   | -                      | -                   |
| 1.2.2 | Preference Shares   | -                   | -                   | -                      | -                   |
| 1.2.3 | Equity Linked Debentures  | -                   | -                   | -                      | -                   |
| 1.2.4 | Other Debentures & Bonds  | -                   | -                   | -                      | -                   |
| 1.2.5 | Securitised Debt securities                                     | -                   | -                   | -                      | -                   |
| 1.3   | <b>Unlisted Securities</b>                                      |                     |                     |                        |                     |
| 1.3.1 | Equity Shares   | -                   | -                   | -                      | -                   |
| 1.3.2 | Preference Shares   | -                   | -                   | -                      | -                   |
| 1.3.3 | Equity Linked Debentures  | -                   | -                   | -                      | -                   |
| 1.3.4 | Other Debentures & Bonds  | -                   | -                   | -                      | -                   |
| 1.3.5 | Securitised Debt Securities                                     | -                   | -                   | -                      | -                   |
| 1.4   | <b>Government Securities</b>                                    | -                   | -                   | -                      | -                   |
| 1.5   | <b>Treasury Bills</b>   | -                   | -                   | -                      | -                   |
| 1.6   | <b>Commercial Paper</b>   | 12,857.03           | 4,237.52            | -                      | -                   |
| 1.7   | <b>Certificate of Deposits</b>                                  | 8,412.48            | 7,437.02            | -                      | -                   |
| 1.8   | <b>Bill Rediscounting</b>                                       | -                   | -                   | -                      | -                   |
| 1.9   | <b>Units of Domestic Mutual Fund</b>                            | -                   | -                   | -                      | -                   |
| 1.10  | <b>Foreign Securities</b>                                       | -                   | -                   | -                      | -                   |
|       | <b>Total Investments</b>  | <b>21,269.51</b>    | <b>13,730.79</b>    | <b>33,746.71</b>       | <b>13,450.60</b>    |
| 2     | <b>Deposits</b>   | 182.53              | 15.00               | 311.58                 | 5.05                |
| 3     | <b>Other Current Assets</b>                                     |                     |                     |                        |                     |
| 3.1   | Cash & Bank Balance   | 107.35              | 11.58               | 1,537.70               | 1,726.51            |
| 3.2   | CBLO/ Reverse Repo Lending                                      | 3,665.92            | 2,997.61            | 1,965.42               | 428.66              |
| 3.3   | Others  | 5.56                | 122.38              | 38.22                  | 392.14              |
| 4     | Deferred Revenue Expenditure<br>(to the extent not written off) | -                   | -                   | -                      | -                   |
|       | <b>TOTAL</b>  | <b>25,230.87</b>    | <b>16,877.35</b>    | <b>37,599.63</b>       | <b>16,002.96</b>    |

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

# Abridged Annual Report, 2016 - 2017

## ABRIDGED REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED MARCH 31, 2017

Rupees in Lakhs

|  | IIFL Fixed Maturity Plan - Series 6 |                          | IIFL Dynamic Bond Fund   |                          |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------|
|  | Year ended<br>06.04.2016            | Year ended<br>31.03.2016 | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| <b>1 INCOME</b>  |                                     |                          |                          |                          |
| 1.1 Dividend   | -                                   | -                        | -                        | -                        |
| 1.2 Interest   | 13.84                               | 1,034.18                 | 159.21                   | 394.48                   |
| 1.3 Realised Gain / (Loss) on Foreign Exchange Transactions                | -                                   | -                        | -                        | -                        |
| 1.4 Realised Gains / (Losses) on Interscheme sale of investments           | -                                   | -                        | (0.00)*                  | (0.10)                   |
| 1.5 Realised Gains / (Losses) on External sale / redemption of investments | (9.04)                              | (43.89)                  | 6.90                     | 29.30                    |
| 1.6 Realised Gains / (Losses) on Derivative Transactions                   | -                                   | -                        | -                        | -                        |
| 1.7 Provision for depreciation in value of investments written back        | -                                   | -                        | -                        | -                        |
| 1.8 Load Income  | -                                   | -                        | -                        | -                        |
| 1.9 Other Income   | 0.04                                | 0.12                     | -                        | 0.04                     |
| <b>( A )</b>   | <b>4.84</b>                         | <b>990.42</b>            | <b>166.11</b>            | <b>423.72</b>            |
| <b>2 EXPENSES</b>  |                                     |                          |                          |                          |
| 2.1 Management fees ( inclusive of service tax )                           | 0.06                                | 27.66                    | 7.63                     | 16.46                    |
| 2.2 Service tax on Management fees   | -                                   | -                        | -                        | -                        |
| 2.3 Transfer agents fees and expenses                                      | 0.01                                | 1.06                     | 0.77                     | 1.44                     |
| 2.4 Custodian fees   | 0.04                                | 2.67                     | 0.56                     | 0.81                     |
| 2.5 Trusteeship fees   | 0.02                                | 1.24                     | 0.23                     | 0.42                     |
| 2.6 Marketing & Distribution expenses                                      | -                                   | 3.15                     | 9.68                     | 5.93                     |
| 2.7 Audit fees   | 0.04                                | 2.50                     | 0.41                     | 0.79                     |
| 2.8 Investor Education Fund  | 0.04                                | 2.49                     | 0.45                     | 0.83                     |
| 2.9 Other operating expenses   | 0.03                                | 1.07                     | 0.50                     | 0.52                     |
| 2.10 Expenses borned by AMC  | (0.05)                              | -                        | (0.65)                   | -                        |
| <b>( B )</b>   | <b>0.19</b>                         | <b>41.84</b>             | <b>19.58</b>             | <b>27.20</b>             |
| <b>3 NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A-B =C)</b>      | <b>4.65</b>                         | <b>948.58</b>            | <b>146.53</b>            | <b>396.52</b>            |
| 4 Change in Unrealised Depreciation in value of investments (D)            | -                                   | -                        | -                        | -                        |
| <b>5 NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C-D))</b>              | <b>4.65</b>                         | <b>948.58</b>            | <b>146.53</b>            | <b>396.52</b>            |
| 6 Change in unrealised appreciation in the value of investments (F)        | 11.27                               | 13.84                    | 4.01                     | (59.31)                  |
| <b>7 NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD ( E + F = G )</b>       | <b>15.92</b>                        | <b>962.42</b>            | <b>150.54</b>            | <b>337.21</b>            |
| 7.1 Add: Opening balance transfer from Unrealised Appreciation Reserve     | 3,351.87                            | 2,395.04                 | 892.22                   | 53.10                    |
| 7.2 Less: Balance transfer to Unrealised Appreciation Reserve              | -                                   | -                        | (4.01)                   | 59.31                    |
| 7.3 Add / (Less): Equalisation   | -                                   | -                        | (621.58)                 | 446.59                   |
| <b>8 Total</b>   | <b>3,367.79</b>                     | <b>3,357.46</b>          | <b>417.17</b>            | <b>896.21</b>            |
| <b>9 Dividend appropriation</b>  |                                     |                          |                          |                          |
| 9.1 Income Distributed during the year / period                            | -                                   | 4.04                     | 0.94                     | 2.85                     |
| 9.2 Tax on income distributed during the year / period                     | -                                   | 1.55                     | 0.40                     | 1.14                     |
| <b>10 Retained Surplus / (Deficit) carried forward to Balance sheet</b>    | <b>3,367.79</b>                     | <b>3,351.87</b>          | <b>415.83</b>            | <b>892.22</b>            |

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

(\*) Indicates less than 1 Thousand.

Rupees in Lakhs

|  | IIFL Liquid Fund         |                          | IIFL India Growth Fund   |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| <b>1 INCOME</b>  |                          |                          |                          |                          |
| 1.1 Dividend   | -                        | -                        | 196.96                   | 148.54                   |
| 1.2 Interest   | 1,308.94                 | 695.99                   | 109.05                   | 59.26                    |
| 1.3 Realised Gain / (Loss) on Foreign Exchange Transactions                | -                        | -                        | -                        | -                        |
| 1.4 Realised Gains / (Losses) on Interscheme sale of investments           | 0.13                     | (0.56)                   | -                        | -                        |
| 1.5 Realised Gains / (Losses) on External sale / redemption of investments | (30.11)                  | (11.87)                  | 901.56                   | 495.55                   |
| 1.6 Realised Gains / (Losses) on Derivative Transactions                   | -                        | -                        | 36.78                    | -                        |
| 1.7 Provision for depreciation in value of investments written back        | -                        | -                        | -                        | -                        |
| 1.8 Load Income  | -                        | -                        | -                        | -                        |
| 1.9 Other Income   | -                        | 0.16                     | -                        | 0.00 *                   |
| <b>( A )</b>   | <b>1,278.96</b>          | <b>683.72</b>            | <b>1,244.35</b>          | <b>703.35</b>            |
| <b>2 EXPENSES</b>  |                          |                          |                          |                          |
| 2.1 Management fees ( inclusive of service tax )                           | 22.38                    | 10.36                    | 187.27                   | 172.04                   |
| 2.2 Service tax on Management fees   | -                        | -                        | -                        | -                        |
| 2.3 Transfer agents fees and expenses                                      | 4.34                     | 2.04                     | 20.73                    | 15.91                    |
| 2.4 Custodian fees   | 4.55                     | 1.07                     | 5.45                     | 3.21                     |
| 2.5 Trusteeship fees   | 1.89                     | 0.89                     | 2.24                     | 1.73                     |
| 2.6 Marketing & Distribution expenses                                      | 8.83                     | 3.75                     | 130.16                   | 203.53                   |
| 2.7 Audit fees   | 3.47                     | 0.25                     | 4.13                     | 3.18                     |
| 2.8 Investor Education Fund  | 3.78                     | 1.78                     | 4.49                     | 3.45                     |
| 2.9 Other operating expenses   | 2.63                     | 1.08                     | 4.51                     | 7.04                     |
| 2.10 Expenses borned by AMC  | (5.56)                   | -                        | (3.05)                   | -                        |
| <b>( B )</b>   | <b>46.31</b>             | <b>21.21</b>             | <b>355.93</b>            | <b>410.09</b>            |
| <b>3 NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A-B = C)</b>     | <b>1,232.65</b>          | <b>662.50</b>            | <b>888.42</b>            | <b>293.26</b>            |
| 4 Change in Unrealised Depreciation in value of investments (D)            | -                        | -                        | -                        | -                        |
| <b>5 NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C-D))</b>              | <b>1,232.65</b>          | <b>662.50</b>            | <b>888.42</b>            | <b>293.26</b>            |
| 6 Change in unrealised appreciation in the value of investments (F)        | 0.45                     | 1.15                     | 4,359.70                 | (1,476.11)               |
| <b>7 NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD ( E + F = G )</b>       | <b>1,233.10</b>          | <b>663.65</b>            | <b>5,248.12</b>          | <b>(1,182.85)</b>        |
| 7.1 Add: Opening balance transfer from Unrealised Appreciation Reserve     | 1,958.54                 | 229.44                   | (161.23)                 | 368.53                   |
| 7.2 Less: Balance transfer to Unrealised Appreciation Reserve              | (0.45)                   | (1.08)                   | (3,493.38)               | 609.79                   |
| 7.3 Add / (Less): Equalisation   | (1,095.86)               | 1,076.39                 | 248.69                   | 43.31                    |
| <b>8 Total</b>   | <b>2,095.33</b>          | <b>1,968.41</b>          | <b>1,842.20</b>          | <b>(161.23)</b>          |
| <b>9 Dividend appropriation</b>  |                          |                          |                          |                          |
| 9.1 Income Distributed during the year / period                            | 187.46                   | 6.80                     | 653.18                   | -                        |
| 9.2 Tax on income distributed during the year / period                     | 90.80                    | 3.06                     | -                        | -                        |
| <b>10 Retained Surplus / (Deficit) carried forward to Balance sheet</b>    | <b>1,817.07</b>          | <b>1,958.54</b>          | <b>1,189.02</b>          | <b>(161.23)</b>          |

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

(\*) Indicates less than 1 Thousand.

# Abridged Annual Report, 2016 - 2017

## ABRIDGED NOTES TO ACCOUNTS

### Schedules forming part of the Balance Sheet as at 31st March, 2017 and the Revenue Account for the year ended on 31st March, 2017

#### Annexure I: ABRIDGED NOTES TO ACCOUNTS

#### 1. INVESTMENTS

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

1.2 Open Position of derivatives for 2016-2017 & 2015-2016:- NIL

1.3 Other than Hedging Positions through Futures for 2016-2017

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

Other than Hedging Positions through Futures for 2015-2016:-Nil

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

Investments in Associates and Group Companies for 2015-2016:

| Scheme            | Security                               | Type | Purchase |       | Sale/Matured |             | Outstanding |       |
|-------------------|--|------|----------|-------|--------------|-------------|-------------|-------|
|                   |  |      | Quantity | Value | Quantity     | Value       | Quantity    | Value |
| IIFL FMP Series 6 | India Infoline Finance Limited         | NCD  | -        | -     | 150,000,000  | 150,000,000 | -           | -     |
| IIFL FMP Series 6 | India Infoline Housing Finance Limited | NCD  | -        | -     | 100,000,000  | 100,000,000 | -           | -     |

1.5 Open position of Securities borrowed and / or Lend by the Scheme for 2016-2017 & 2015-2016:- NIL

1.6 Details of NPA: Aggregate market value and provision thereof for 2016-2017 & 2015-2016:- NIL

1.7 Aggregate Unrealized Gain / Loss:2016-2017

Rupees in Lakhs

| Scheme Name                         | Equity shares  | Debentures (Listed on recognised stock exchange) | Government securities | Certificate of deposits | Commercial Paper |
|-------------------------------------|----------------|--|-----------------------|-------------------------|------------------|
| IIFL Fixed Maturity Plan - Series 6 | -              | -  | -                     | -                       | -                |
| IIFL Dynamic Bond Fund              | -              | 0.94   | 3.15                  | -                       | -                |
| IIFL Liquid Fund                    | -              | -  | -                     | 1.22                    | 0.31             |
| IIFL India Growth Fund              | 3493.38        | -  | -                     | -                       | -                |
| <b>Grand Total</b>                  | <b>3493.38</b> | <b>0.94</b>                                      | <b>3.15</b>           | <b>1.22</b>             | <b>0.31</b>      |

2015-2016

Rupees in Lakhs

| Scheme Name                         | Equity shares   | Debentures (Listed on recognised stock exchange) | Government securities | Certificate of deposits | Commercial Paper |
|-------------------------------------|-----------------|--|-----------------------|-------------------------|------------------|
| IIFL Fixed Maturity Plan - Series 6 | -               | (9.06)   | -                     | (2.13)                  | (0.08)           |
| IIFL Dynamic Bond Fund              | -               | 0.32   | -                     | (0.19)                  | (0.04)           |
| IIFL Liquid Fund                    | -               | (0.07)   | -                     | 0.43                    | 0.71             |
| IIFL India Growth Fund              | (866.32)        | -  | -                     | -                       | -                |
| <b>Grand Total</b>                  | <b>(866.32)</b> | <b>(8.80)</b>                                    | <b>-</b>              | <b>(1.89)</b>           | <b>0.59</b>      |

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

Rupees in Lakhs

| Scheme                              | Purchases | Sales     | Purchase as % to average daily net assets | Sale as % to average daily net assets |
|-------------------------------------|-----------|-----------|---|---------------------------------------|
|                                     | 2016-2017 | 2016-2017 | 2016-2017                                 | 2016-2017                             |
| IIFL Fixed Maturity Plan - Series 6 | -         | 10781.85  | -   | 92.88%                                |
| IIFL Dynamic Bond Fund              | 12910.23  | 14603.96  | 573.50%                                   | 648.74%                               |
| IIFL Liquid Fund                    | 151924.89 | 144589.45 | 804.50%                                   | 765.66%                               |
| IIFL India Growth Fund              | 33549.44  | 18514.57  | 149.48%                                   | 82.49%                                |

Rupees in Lakhs

| Scheme                              | Purchases  | Sales     | Purchase as % to average daily net assets | Sale as % to average daily net assets |
|-------------------------------------|------------|-----------|---|---------------------------------------|
|                                     | 2015-2016  | 2015-2016 | 2015-2016                                 | 2015-2016                             |
| IIFL Fixed Maturity Plan - Series 6 | 45,606.28  | 48,641.95 | 366.85%                                   | 391.27%                               |
| IIFL Dynamic Bond Fund              | 31,960.26  | 29,595.60 | 770.15%                                   | 713.17%                               |
| IIFL Liquid Fund                    | 107,612.76 | 94,719.30 | 1211.71%                                  | 1066.53%                              |
| IIFL India Growth Fund              | 16,104.71  | 16,190.43 | 93.34%                                    | 93.83%                                |

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

### 1.9 Non-Traded securities in the portfolio:

Rupees in Lakhs

| Scheme                              | As of March 31, 2017 |                 |        |                 |                          |                 |
|-------------------------------------|----------------------|-----------------|--------|-----------------|--------------------------|-----------------|
|                                     | Equity               | % to net assets | Debt   | % to net assets | Money Market Instruments | % to net assets |
| IIFL Fixed Maturity Plan - Series 6 | N.A.                 | N.A.            | N.A.   | N.A.            | N.A.                     | N.A.            |
| IIFL Dynamic Bond Fund              | N.A.                 | N.A.            | 406.47 | 19.42%          | N.A.                     | N.A.            |
| IIFL Liquid Fund                    | N.A.                 | N.A.            | N.A.   | N.A.            | 13,348.95                | 55.16%          |
| IIFL India Growth Fund              | N.A.                 | N.A.            | N.A.   | N.A.            | N.A.                     | N.A.            |

Rupees in Lakhs

| Scheme                              | As of March 31, 2016 |                 |          |                 |                          |                 |
|-------------------------------------|----------------------|-----------------|----------|-----------------|--------------------------|-----------------|
|                                     | Equity               | % to net assets | Debt     | % to net assets | Money Market Instruments | % to net assets |
| IIFL Fixed Maturity Plan - Series 6 | N.A.                 | N.A.            | 2,056.42 | 17.73%          | 8,716.20                 | 75.16%          |
| IIFL Dynamic Bond Fund              | N.A.                 | N.A.            | 515.43   | 9.84%           | 3019.64                  | 57.63%          |
| IIFL Liquid Fund                    | N.A.                 | N.A.            | 2,056.25 | 12.19%          | 11,674.54                | 69.21%          |
| IIFL India Growth Fund              | N.A.                 | N.A.            | N.A.     | N.A.            | N.A.                     | N.A.            |

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

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

For the period/year ended March 31, 2017

| Scheme                 | Lead Manager          | Name of Issuer                       | Amount (in Rupees) |
|------------------------|-----------------------|--------------------------------------|--------------------|
| IIFL India Growth Fund | IIFL Holdings Limited | Ujjivan Financials Services Limited. | 5,122,320          |
|                        |                       | Qess Corp Limited                    | 2,065,889          |
|                        |                       | RBL Bank Limited                     | 1,993,725          |

For the period/year ended March 31, 2016

| Scheme                 | Lead Manager          | Name of Issuer                          | Amount (in Rupees) |
|------------------------|-----------------------|---|--------------------|
| IIFL India Growth Fund | IIFL Holdings Limited | Talwalkars Better Value Fitness Limited | 49,999,870         |
|                        |                       | Power Mech Projects Limited             | 4,119,040          |
|                        |                       | HealthCare Global Enterprises Limited   | 31,928,934         |

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

For the period/year ended March 31, 2017

| Name of associate /related parties/ group companies of Sponsor/ AMC | Nature of Association/ Nature of relation | Period covered                  | Value of Transaction (Rupees) | % of Total Value of Transaction of the fund | Brokerage (Rupees) | % of total Brokerage paid by the fund |
|---|---|---------------------------------|-------------------------------|---|--------------------|---------------------------------------|
| India Infoline Limited  | Associate                                 | April 1, 2016 to March 31, 2017 | 485,443,945                   | 3.68%                                       | 436,715            | 8.74%                                 |

For the period/year ended March 31, 2016

| 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 |
|---|---|---------------------------------|-------------------------------|---|--------------------|---------------------------------------|
| India Infoline Limited  | Associate                                 | April 1, 2015 to March 31, 2016 | 257,102,612                   | 2.23%                                       | 257,091            | 8.20%                                 |

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

For the period/year ended March 31, 2017

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

For the period/year ended March 31, 2016

| Name of associate /related parties/ group companies of Sponsor/ AMC | Nature of Association/ Nature of relation | Period covered                  | Business given (in crores) | Business given ( in % of total business received by the fund) | Commission paid (in crores) | % of total Commission paid by the fund |
|---|---|---------------------------------|----------------------------|---|-----------------------------|--|
| India Infoline Limited  | Associate                                 | April 1, 2015 to March 31, 2016 | 89.47                      | 9.18%   | 0.18                        | 8.97%                                  |
| IIFL Wealth Management Limited                                      | Sponsor                                   | April 1, 2015 to March 31, 2016 | 871.25                     | 89.44%  | 1.80                        | 89%                                    |
| IIFL Private Wealth (Mauritius) Limited                             | Associate                                 | April 1, 2015 to March 31, 2016 | 5.69                       | 0.58%   | 0.03                        | 1.23%                                  |

### 3 Large Holdings in the Scheme (i.e. in excess of 25% of the net assets). Provide details of No. of Investors and total holdings by them in percentage terms.

| Name of the Scheme     | As of March,31 2017 |           | As of March,31 2016 |           |
|------------------------|---------------------|-----------|---------------------|-----------|
|                        | No. of Investors    | % Holding | No. of Investors    | % Holding |
| IIFL Liquid Fund       | 1                   | 28.23%    | 1                   | 31.43%    |
| IIFL Dynamic Bond Fund | 1                   | 25.42%    | 1                   | 69.06%    |

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

2016-2017

| Scheme                              | PLAN                                | Face Value | Opening / Initial Issue Units | Units Sold / Switch In | Redemption / Switch out | Closing Units |
|-------------------------------------|-------------------------------------|------------|-------------------------------|------------------------|-------------------------|---------------|
| IIFL Fixed Maturity Plan - Series 6 | Growth Option                       | 10         | 89257271.573                  | 0.000                  | 0.000                   | 89257271.573  |
| IIFL Fixed Maturity Plan - Series 6 | Direct Growth Option                | 10         | 500500.000                    | 0.000                  | 0.000                   | 500500.000    |
| IIFL Dynamic Bond Fund              | Growth Option                       | 10         | 11577450.421                  | 7465803.104            | 4545239.230             | 14498014.295  |
| IIFL Dynamic Bond Fund              | Regular Bonus Option                | 10         | 142130.303                    | 0.000                  | 18101.666               | 124028.637    |
| IIFL Dynamic Bond Fund              | Regular Half Yearly Dividend Option | 10         | 183563.200                    | 0.000                  | 10323.889               | 173239.311    |
| IIFL Dynamic Bond Fund              | Regular Monthly Dividend Option     | 10         | 231559.720                    | 957.139                | 107725.960              | 124790.899    |
| IIFL Dynamic Bond Fund              | Regular Quarterly Dividend Option   | 10         | 305522.994                    | 4938.769               | 919.436                 | 309542.327    |
| IIFL Dynamic Bond Fund              | Direct Growth Option                | 10         | 30306412.552                  | 0.000                  | 29384370.029            | 922042.523    |
| IIFL Dynamic Bond Fund              | Direct Monthly Dividend Option      | 10         | 5000.000                      | 0.000                  | 0.000                   | 5000.000      |
| IIFL Dynamic Bond Fund              | Direct Quarterly Dividend Option    | 10         | 1930.423                      | 0.000                  | 1930.423                | 0.000         |
| IIFL Liquid Fund                    | Growth Option                       | 1000       | 440837.455                    | 9782315.439            | 9597394.662             | 625758.232    |
| IIFL Liquid Fund                    | Regular Daily Dividend Option       | 1000       | 530696.090                    | 8023868.059            | 6992754.416             | 1561809.733   |
| IIFL Liquid Fund                    | Regular Weekly Dividend Option      | 1000       | 822.492                       | 87623.768              | 53333.386               | 35112.874     |
| IIFL Liquid Fund                    | Direct Weekly Dividend Option       | 1000       | 0.000                         | 4.975                  | 0.000                   | 4.975         |
| IIFL Liquid Fund                    | Direct Growth Option                | 1000       | 518524.555                    | 3036857.903            | 3544081.414             | 11301.044     |
| IIFL Liquid Fund                    | Direct Daily Dividend Option        | 1000       | 0.000                         | 19520.289              | 15436.232               | 4084.057      |
| IIFL India Growth Fund              | Growth Option                       | 10         | 96091318.101                  | 111156960.674          | 37352622.272            | 169895656.503 |
| IIFL India Growth Fund              | Dividend Option                     | 10         | 44914416.298                  | 25430604.482           | 22920500.470            | 47424520.310  |
| IIFL India Growth Fund              | Direct Growth Option                | 10         | 11523226.489                  | 53396382.014           | 8179399.886             | 56740208.617  |
| IIFL India Growth Fund              | Direct Dividend Option              | 10         | 164617.823                    | 4828008.576            | 1113113.003             | 3879513.396   |

**2015-2016**

| Scheme                              | PLAN                                | Face Value | Opening / Initial Issue Units | Units Sold / Switch In | Redemption / Switch out | Closing Units |
|-------------------------------------|-------------------------------------|------------|-------------------------------|------------------------|-------------------------|---------------|
| IIFL Fixed Maturity Plan - Series 6 | Growth Option                       | 10         | 121467166.500                 | 0.000                  | 32209894.927            | 89257271.573  |
| IIFL Fixed Maturity Plan - Series 6 | Dividend Option                     | 10         | 246500.000                    | 0.000                  | 246500.000              | 0.000         |
| IIFL Fixed Maturity Plan - Series 6 | Direct Growth Option                | 10         | 500500.000                    | 0.000                  | 0.000                   | 500500.000    |
| IIFL Dynamic Bond Fund              | Growth Option                       | 10         | 6837311.808                   | 44601060.735           | 39860922.122            | 11577450.421  |
| IIFL Dynamic Bond Fund              | Regular Bonus Option                | 10         | 170360.917                    | 1539.815               | 29770.429               | 142130.303    |
| IIFL Dynamic Bond Fund              | Regular Half Yearly Dividend Option | 10         | 202897.431                    | 796.285                | 20130.516               | 183563.200    |
| IIFL Dynamic Bond Fund              | Regular Monthly Dividend Option     | 10         | 277997.039                    | 955.296                | 47392.615               | 231559.720    |
| IIFL Dynamic Bond Fund              | Regular Quarterly Dividend Option   | 10         | 403686.716                    | 3985.966               | 102149.688              | 305522.994    |
| IIFL Dynamic Bond Fund              | Direct Growth Option                | 10         | 1797593.473                   | 166396693.174          | 137887874.095           | 30306412.552  |
| IIFL Dynamic Bond Fund              | Direct Monthly Dividend Option      | 10         | 5000.000                      | 0.000                  | 0.000                   | 5000.000      |
| IIFL Dynamic Bond Fund              | Direct Quarterly Dividend Option    | 10         | 1881.756                      | 48.667                 | 0.000                   | 1930.423      |
| IIFL Liquid Fund                    | Growth Option                       | 1000       | 162856.764                    | 5973010.614            | 5695029.923             | 440837.455    |
| IIFL Liquid Fund                    | Regular Daily Dividend Option       | 1000       | 689.971                       | 638498.984             | 108492.865              | 530696.090    |
| IIFL Liquid Fund                    | Regular Weekly Dividend Option      | 1000       | 654.656                       | 72403.646              | 72235.810               | 822.492       |
| IIFL Liquid Fund                    | Direct Growth Option                | 1000       | 33090.212                     | 3385123.156            | 2899688.813             | 518524.555    |
| IIFL Liquid Fund                    | Direct Daily Dividend Option        | 1000       | 10532.942                     | 10.853                 | 10543.795               | 0.000         |
| IIFL India Growth Fund              | Growth Option                       | 10         | 83789543.757                  | 70640950.744           | 58339176.400            | 96091318.101  |
| IIFL India Growth Fund              | Dividend Option                     | 10         | 54206044.503                  | 14955349.724           | 24246977.929            | 44914416.298  |
| IIFL India Growth Fund              | Direct Growth Option                | 10         | 907499.855                    | 11840511.011           | 1224784.377             | 11523226.489  |
| IIFL India Growth Fund              | Direct Dividend Option              | 10         | 113500.000                    | 72004.768              | 20886.945               | 164617.823    |

5 **Prior Period Comparatives**

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

6 **Contingent Liability: -**

As of March 31, 2017: NIL

As of March 31, 2016: NIL

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

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

9 The annual financials of the scheme(s) have been approved by the Board of Directors of IIFL Asset Management Limited and IIFL Trustee Limited at their Board Meeting(s) held on July 19<sup>th</sup>, 2017.

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## KEY STATISTICS FOR THE PERIOD ENDED 31.03.17

|  | IIFL Fixed Maturity Plan - Series 6 |                        | IIFL Dynamic Bond Fund   |                          |
|--|-------------------------------------|------------------------|--------------------------|--------------------------|
|  | Year Ended<br>06.04.16              | Year Ended<br>31.03.16 | Period Ended<br>31.03.17 | Period Ended<br>31.03.16 |
| 1. NAV per unit (Rs.): Declared NAV excluding Load |                                     |                        |                          |                          |
| <b>Open</b>  |                                     |                        |                          |                          |
| Dividend Option                                    | NA                                  | 11.9749                | NA                       | NA                       |
| Growth Option                                      | 12.9209                             | 11.9749                | 12.1440                  | 11.4678                  |
| Bonus Option                                       | NA                                  | NA                     | 12.1440                  | 11.4678                  |
| Weekly Option                                      | NA                                  | NA                     | NA                       | NA                       |
| Fortnightly Option                                 | NA                                  | NA                     | NA                       | NA                       |
| Monthly Dividend Option                            | NA                                  | NA                     | 11.0956                  | 11.0671                  |
| Quarterly Dividend Option                          | NA                                  | NA                     | 11.7188                  | 11.4678                  |
| Half Yearly Option                                 | NA                                  | NA                     | 11.7188                  | 11.4678                  |
| Daily Dividend Option                              | NA                                  | NA                     | NA                       | NA                       |
| Direct Dividend Option                             | NA                                  | NA                     | NA                       | NA                       |
| Direct Growth Option                               | 12.9471                             | 11.9965                | 12.3137                  | 11.5708                  |
| Direct Quarterly Dividend Option                   | NA                                  | NA                     | 11.8855                  | 11.5708                  |
| Direct Monthly Dividend option                     | NA                                  | NA                     | 11.2612                  | 11.1700                  |
| Direct Half Yearly Option                          | NA                                  | NA                     | NA                       | NA                       |
| Direct Daily Dividend                              | NA                                  | NA                     | NA                       | NA                       |
| <b>High</b>  |                                     |                        |                          |                          |
| Dividend Option                                    | NA                                  | 12.2606                | NA                       | NA                       |
| Growth Option                                      | 12.9386                             | 12.9209                | 12.9627                  | 12.1440                  |
| Bonus Option                                       | NA                                  | NA                     | 12.9627                  | 12.1440                  |
| Weekly Option                                      | NA                                  | NA                     | NA                       | NA                       |
| Fortnightly Option                                 | NA                                  | NA                     | NA                       | NA                       |
| Monthly Dividend Option                            | NA                                  | NA                     | 11.4427                  | 11.1375                  |
| Quarterly Dividend Option                          | NA                                  | NA                     | 12.5089                  | 11.7188                  |
| Half Yearly Option                                 | NA                                  | NA                     | 12.5089                  | 11.7188                  |
| Daily Dividend Option                              | NA                                  | NA                     | NA                       | NA                       |
| Direct Dividend Option                             | NA                                  | NA                     | NA                       | NA                       |
| Direct Growth Option                               | 12.9649                             | 12.9471                | 13.2100                  | 12.3137                  |
| Direct Weekly Option                               | NA                                  | NA                     | NA                       | NA                       |
| Direct Quarterly Dividend Option                   | NA                                  | NA                     | 11.9518                  | 11.8855                  |
| Direct Monthly Dividend option                     | NA                                  | NA                     | 11.6573                  | 11.3025                  |
| Direct Half Yearly Option                          | NA                                  | NA                     | NA                       | NA                       |
| Direct Daily Dividend Option                       | NA                                  | NA                     | NA                       | NA                       |
| <b>Low</b>   |                                     |                        |                          |                          |
| Dividend Option                                    | NA                                  | 10.0000                | NA                       | NA                       |
| Growth Option                                      | 12.9342                             | 11.9749                | 12.1557                  | 11.2184                  |
| Bonus Option                                       | NA                                  | NA                     | 12.1557                  | 11.2184                  |
| Weekly Option                                      | NA                                  | NA                     | NA                       | NA                       |
| Fortnightly Option                                 | NA                                  | NA                     | NA                       | NA                       |
| Monthly Dividend Option                            | NA                                  | NA                     | 11.1022                  | 10.7283                  |
| Quarterly Dividend Option                          | NA                                  | NA                     | 11.7301                  | 10.8256                  |
| Half Yearly Option                                 | NA                                  | NA                     | 11.7301                  | 10.8256                  |
| Daily Dividend Option                              | NA                                  | NA                     | NA                       | NA                       |
| Direct Weekly Option                               | NA                                  | NA                     | NA                       | NA                       |
| Direct Dividend Option                             | NA                                  | NA                     | NA                       | NA                       |
| Direct Growth Option                               | 12.9605                             | 11.9749                | 12.3262                  | 11.3295                  |
| Direct Quarterly Dividend Option                   | NA                                  | NA                     | 11.8976                  | 10.9363                  |
| Direct Monthly Dividend Option                     | NA                                  | NA                     | 11.2726                  | 10.8389                  |
| Direct Half Yearly Option                          | NA                                  | NA                     | NA                       | NA                       |
| Direct Daily Dividend Option                       | NA                                  | NA                     | NA                       | NA                       |



|   | IIFL Fixed Maturity Plan - Series 6 |   | IIFL Dynamic Bond Fund                 |  |
|---|-------------------------------------|---|--|--|
|   | Year Ended<br>06.04.16              | Year Ended<br>31.03.16                  | Period Ended<br>31.03.17               | Period Ended<br>31.03.16               |
| <b>End **</b>   |                                     |   |  |  |
| Dividend Option   | NA                                  | NA                                      | NA                                     | NA                                     |
| Growth Option   | 12.9386                             | 12.9209                                 | 12.9627                                | 12.1440                                |
| Bonus Option  | NA                                  | NA                                      | 12.9627                                | 12.1440                                |
| Weekly Option   | NA                                  | NA                                      | NA                                     | NA                                     |
| Fortnightly Option  | NA                                  | NA                                      | NA                                     | NA                                     |
| Monthly Dividend Option   | NA                                  | NA                                      | 11.2259                                | 11.0956                                |
| Quarterly Dividend Option   | NA                                  | NA                                      | 12.5089                                | 11.7188                                |
| Half Yearly Option  | NA                                  | NA                                      | 12.5089                                | 11.7188                                |
| Daily Dividend Option   | NA                                  | NA                                      | NA                                     | NA                                     |
| Direct Dividend Option  | NA                                  | NA                                      | NA                                     | NA                                     |
| Direct Growth Option  | 12.9649                             | 12.9471                                 | 13.2100                                | 12.3137                                |
| Direct Weekly Option  | NA                                  | NA                                      | NA                                     | NA                                     |
| Direct Quarterly Dividend Option  | NA                                  | NA                                      | NA                                     | 11.8855                                |
| Direct Monthly Dividend option  | NA                                  | NA                                      | 11.4612                                | 11.2612                                |
| Direct Half Yearly Option   | NA                                  | NA                                      | NA                                     | NA                                     |
| Direct Daily Dividend Option  | NA                                  | NA                                      | NA                                     | NA                                     |
| 2. Closing Assets Under Management (Rs. in Lakhs)                                   |                                     |   |  |  |
| End   | 11,613.53                           | 11,597.61                               | 2,092.19                               | 5,292.14                               |
| Average (AAuM)  | 11,607.83                           | 12,431.89                               | 2,251.14                               | 4,149.86                               |
| 3. Gross income as % of AAuM  | 2.54%                               | 7.97%                                   | 7.38%                                  | 10.21%                                 |
| 4. Expense Ratio:   |                                     |   |  |  |
| a. Total Expense as % of AAuM   |                                     |   |  |  |
| Regular Plan  | 0.10%                               | 0.34%                                   | 0.94%                                  | 1.12%                                  |
| Direct Plan   | 0.09%                               | 0.27%                                   | 0.44%                                  | 0.47%                                  |
| b. Management Fee as % of AAuM  |                                     |   |  |  |
| Regular Plan  | 0.03%                               | 0.22%                                   | 0.34%                                  | 0.48%                                  |
| Direct Plan   | 0.03%                               | 0.19%                                   | 0.34%                                  | 0.36%                                  |
| 5. Net Income as % of AAuM  | 2.44%                               | 7.63%                                   | 6.51%                                  | 9.56%                                  |
| 6. Portfolio turnover ratio   | NA                                  | NA                                      | NA                                     | NA                                     |
| 7. Total Dividend per unit distributed during the year / period<br>Individual & HUF |                                     |   |  |  |
| Dividend  | -                                   | 1.63698783                              | 0.86776112                             | 2.52887010                             |
| Others  |                                     |   |  |  |
| Dividend  | -                                   | -                                       | 0.36804064                             | 0.40149888                             |
| 8. Returns:   |                                     |   |  |  |
| a. Last One Year  |                                     |   |  |  |
| Scheme  | -                                   | 8.02%                                   | 6.74%                                  | 6.06%                                  |
| Benchmark   | -                                   | 8.44%                                   | 11.09%                                 | 8.22%                                  |
| b. Since Inception  |                                     |   |  |  |
| Scheme  | -                                   | 8.86%                                   | 7.12%                                  | 7.26%                                  |
| Benchmark   | -                                   | 9.17%                                   | 9.15%                                  | 8.46%                                  |
| Benchmark Index   | -                                   | CRISIL Short<br>Term Bond Fund<br>Index | CRISIL<br>Composite Bond<br>Fund Index | CRISIL<br>Composite Bond<br>Fund Index |

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

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## KEY STATISTICS FOR THE PERIOD ENDED 31.03.17

|  | IIFL Liquid Fund         |                          | IIFL India Growth Fund   |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | Period Ended<br>31.03.17 | Period Ended<br>31.03.16 | Period Ended<br>31.03.17 | Period Ended<br>31.03.16 |
| 1. NAV per unit (Rs.): Declared NAV excluding Load |                          |                          |                          |                          |
| <b>Open</b>  |                          |                          |                          |                          |
| Dividend Option                                    | NA                       | NA                       | 10.1513                  | 11.0171                  |
| Growth Option                                      | 1,203.4253               | 1,118.2295               | 10.1513                  | 11.0171                  |
| Bonus Option                                       | NA                       | NA                       | NA                       | NA                       |
| Weekly Option                                      | 1,005.6177               | 1,006.1723               | NA                       | NA                       |
| Fortnightly Option                                 | NA                       | NA                       | NA                       | NA                       |
| Monthly Dividend Option                            | NA                       | NA                       | NA                       | NA                       |
| Quarterly Dividend Option                          | NA                       | NA                       | NA                       | NA                       |
| Half Yearly Option                                 | NA                       | NA                       | NA                       | NA                       |
| Daily Dividend Option                              | 1,000.0640               | 1,000.0000               | NA                       | NA                       |
| Direct Dividend Option                             | NA                       | NA                       | 10.3330                  | 11.0753                  |
| Direct Growth Option                               | 1,204.8678               | 1,119.0144               | 10.3330                  | 11.0753                  |
| Direct Quarterly Dividend Option                   | NA                       | NA                       | NA                       | NA                       |
| Direct Monthly Dividend option                     | NA                       | NA                       | NA                       | NA                       |
| Direct Half Yearly Option                          | NA                       | NA                       | NA                       | NA                       |
| Direct Daily Dividend                              | NA                       | 1,000.0003               | NA                       | NA                       |
| <b>High</b>  |                          |                          |                          |                          |
| Dividend Option                                    | NA                       | NA                       | 13.1343                  | 11.4402                  |
| Growth Option                                      | 1,284.9729               | 1,203.4253               | 13.3483                  | 11.4402                  |
| Bonus Option                                       | NA                       | NA                       | NA                       | NA                       |
| Weekly Option                                      | 1,006.5976               | 1,007.5854               | NA                       | NA                       |
| Fortnightly Option                                 | NA                       | NA                       | NA                       | NA                       |
| Monthly Dividend Option                            | NA                       | NA                       | NA                       | NA                       |
| Quarterly Dividend Option                          | NA                       | NA                       | NA                       | NA                       |
| Half Yearly Option                                 | NA                       | NA                       | NA                       | NA                       |
| Daily Dividend Option                              | 1,000.2496               | 1,000.1023               | NA                       | NA                       |
| Direct Dividend Option                             | NA                       | NA                       | 13.4932                  | 11.5054                  |
| Direct Growth Option                               | 1,287.1548               | 1,204.8678               | 13.6679                  | 11.5054                  |
| Direct Weekly Option                               | 1,005.9496               | NA                       | NA                       | NA                       |
| Direct Quarterly Dividend Option                   | NA                       | NA                       | NA                       | NA                       |
| Direct Monthly Dividend option                     | NA                       | NA                       | NA                       | NA                       |
| Direct Half Yearly Option                          | NA                       | NA                       | NA                       | NA                       |
| Direct Daily Dividend Option                       | 1,000.0880               | 1,000.0008               | NA                       | NA                       |
| <b>Low</b>   |                          |                          |                          |                          |
| Dividend Option                                    | NA                       | NA                       | 10.0023                  | 9.2038                   |
| Growth Option                                      | 1,204.2671               | 1,118.2295               | 10.0023                  | 9.2038                   |
| Bonus Option                                       | NA                       | NA                       | NA                       | NA                       |
| Weekly Option                                      | 1,005.0000               | 1,005.0000               | NA                       | NA                       |
| Fortnightly Option                                 | NA                       | NA                       | NA                       | NA                       |
| Monthly Dividend Option                            | NA                       | NA                       | NA                       | NA                       |
| Quarterly Dividend Option                          | NA                       | NA                       | NA                       | NA                       |
| Half Yearly Option                                 | NA                       | NA                       | NA                       | NA                       |
| Daily Dividend Option                              | 1,000.0246               | 1,000.0000               | NA                       | NA                       |
| Direct Weekly Option                               | 1,005.0011               | NA                       | NA                       | NA                       |
| Direct Dividend Option                             | NA                       | NA                       | 10.1837                  | 9.3574                   |
| Direct Growth Option                               | 1,205.7156               | 1,119.0144               | 10.1837                  | 9.3574                   |
| Direct Quarterly Dividend Option                   | NA                       | NA                       | NA                       | NA                       |
| Direct Monthly Dividend Option                     | NA                       | NA                       | NA                       | NA                       |
| Direct Half Yearly Option                          | NA                       | NA                       | NA                       | NA                       |
| Direct Daily Dividend Option                       | 1,000.0246               | 1,000.0003               | NA                       | NA                       |

|   | IIFL Liquid Fund         |                          | IIFL India Growth Fund   |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Period Ended<br>31.03.17 | Period Ended<br>31.03.16 | Period Ended<br>31.03.17 | Period Ended<br>31.03.16 |
| <b>End **</b>   |                          |                          |                          |                          |
| Dividend Option   | NA                       | NA                       | 11.7143                  | 10.1513                  |
| Growth Option   | 1,284.9729               | 1,203.4253               | 13.2428                  | 10.1513                  |
| Bonus Option  | NA                       | NA                       | NA                       | NA                       |
| Weekly Option   | 1,005.6410               | 1,005.6177               | NA                       | NA                       |
| Fortnightly Option  | NA                       | NA                       | NA                       | NA                       |
| Monthly Dividend Option   | NA                       | NA                       | NA                       | NA                       |
| Quarterly Dividend Option                                       | NA                       | NA                       | NA                       | NA                       |
| Half Yearly Option  | NA                       | NA                       | NA                       | NA                       |
| Daily Dividend Option   | 1,000.0879               | 1,000.0640               | NA                       | NA                       |
| Direct Dividend Option  | NA                       | NA                       | 13.3918                  | 10.3330                  |
| Direct Growth Option  | 1,287.1548               | 1,204.8678               | 13.5651                  | 10.3330                  |
| Direct Weekly Option  | 1,005.6474               | NA                       | NA                       | NA                       |
| Direct Quarterly Dividend Option                                | NA                       | NA                       | NA                       | NA                       |
| Direct Monthly Dividend option                                  | NA                       | NA                       | NA                       | NA                       |
| Direct Half Yearly Option                                       | NA                       | NA                       | NA                       | NA                       |
| Direct Daily Dividend Option                                    | 1,000.0880               | NA                       | NA                       | NA                       |
| 2. Closing Assets Under Management (Rs. in Lakhs)               |                          |                          |                          |                          |
| End   | 24,197.70                | 16,867.25                | 36,232.61                | 14,148.99                |
| Average (AAuM)  | 18,884.38                | 8,881.05                 | 22,444.16                | 17,254.24                |
| 3. Gross income as % of AAuM                                    | 6.77%                    | 7.70%                    | 5.54%                    | 4.08%                    |
| 4. Expense Ratio:   |                          |                          |                          |                          |
| a. Total Expense as % of AAuM                                   |                          |                          |                          |                          |
| Regular Plan  | 0.25%                    | 0.25%                    | 1.69%                    | 2.45%                    |
| Direct Plan   | 0.20%                    | 0.20%                    | 1.00%                    | 1.20%                    |
| b. Management Fee as % of AAuM                                  |                          |                          |                          |                          |
| Regular Plan  | 0.12%                    | 0.12%                    | 0.83%                    | 1.00%                    |
| Direct Plan   | 0.12%                    | 0.12%                    | 0.83%                    | 1.00%                    |
| 5. Net Income as % of AAuM                                      | 6.53%                    | 7.46%                    | 3.96%                    | 1.70%                    |
| 6. Portfolio turnover ratio                                     | NA                       | NA                       | 0.42                     | 0.93                     |
| 7. Total Dividend per unit distributed during the year / period |                          |                          |                          |                          |
| Individual & HUF  |                          |                          |                          |                          |
| Dividend  | 119.28644338             | 120.84475270             | 1.67000000               | -                        |
| Others  |                          |                          |                          |                          |
| Dividend  | 47.60651350              | 30.54003018              | 1.67000000               | -                        |
| 8. Returns:   |                          |                          |                          |                          |
| a. Last One Year  |                          |                          |                          |                          |
| Scheme  | 6.78%                    | 7.72%                    | 30.45%                   | -6.53%                   |
| Benchmark   | 7.11%                    | 8.04%                    | 18.55%                   | -8.84%                   |
| b. Since Inception  |                          |                          |                          |                          |
| Scheme  | 7.69%                    | 8.08%                    | 12.30%                   | 1.06%                    |
| Benchmark   | 8.23%                    | 8.70%                    | 4.91%                    | -3.74%                   |
| Benchmark Index   | CRISIL Liquid Fund Index | CRISIL Liquid Fund Index | CNX Nifty Index          | CNX Nifty Index          |

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

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