



Abridged Annual Report 2020 - 2021

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SPONSOR

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

ASSET MANAGEMENT COMPANY

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

TRUSTEE COMPANY

IIFL Trustee Limited
Registered 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 Ltd. (CAMS)
"Rayala Towers", Tower I, 6th Floor,
158 Anna Salai, Chennai - 600 002
www.camsonline.com

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP
252, Veer Savarkar Marg, Shivaji Park,
Dadar (W), Mumbai - 400028

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TRUSTEE REPORT

Dear Unitholders,

We have pleasure in presenting the Tenth Annual Report of the Schemes of IIFL Mutual Fund for the period ended March 31, 2021, along with the audited financial statements of the Schemes of IIFL Mutual Fund.

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

A. Scheme Performance:

IIFL Dynamic Bond Fund:

Investment Objective: The investment objective of the scheme is to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.

The net assets of the scheme as on March 31, 2021 is Rs. 731.41 Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-20 to 31-Mar-21	31-Mar-18 to 31-Mar-21	31-Mar-16 to 31-Mar-21	Since Inception
IIFL Dynamic Bond Fund - Regular Plan – Growth Option	6.00%	6.53%	6.74%	6.93%
IIFL Dynamic Bond Fund- Direct Plan- Growth Option	6.57%	7.19%	7.36%	7.52%
Benchmark: Crisil Composite Bond Fund Index	7.69%	8.98%	8.61%	8.56%
Additional Benchmark: Crisil 10 Year Gilt Index	3.60%	8.25%	7.17%	6.86%

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

IIFL Dynamic Bond Fund is an open-ended dynamic debt scheme investing across duration with the objective to generate income and long-term gains by investing in a range of debt and money market instruments of various maturities. The scheme seeks to flexibly manage its investment(s) across the maturity spectrum with a view to optimize the risk return proposition for investors. As per investment objective of the Scheme, the scheme shall invest in Debt, Money Market Instruments with an allocation of 0-100% of net assets of the schemes and in and units of REIT/ INVITs upto 10% of the net assets of the scheme.

The scheme underperformed the benchmark for the year with strategy of lower average duration during the year. The scheme has maintained its portfolio strategy of investing in high rated papers and keeping a relatively lower average maturity, helping it maintain low volatility and high issuer quality during the year.

IIFL Liquid Fund:

Investment Objective: To provide liquidity with reasonable returns commensurate with low risk through a portfolio of money market and debt securities with residual maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be achieved.

The net assets of the scheme as on March 31, 2021 is Rs. 121.52 Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-20 to 31-Mar-21	31-Mar-18 to 31-Mar-21	31-Mar-16 to 31-Mar-21	Since Inception
IIFL Liquid Fund - Regular Plan – Growth Option	2.95%	5.06%	5.65%	6.43%
IIFL Liquid Fund- Direct Plan – Growth Option	3.00%	5.11%	5.70%	6.48%
Benchmark: CRISIL Liquid Fund Index	4.07%	6.01%	6.40%	7.14%
Additional Benchmark: CRISIL 1 Year T-Bill Index	4.66%	6.48%	6.50%	7.06%

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

IIFL Liquid Fund is an open-ended liquid scheme with the objective to provide liquidity with reasonable returns in commensuration with low risk through a portfolio of money market and debt securities with residual maturity of up to 91 days. As per investment objective of the Scheme, it shall invest in Money market and debt instruments with residual maturity up to 91 days. The scheme underperformed the benchmark marginally for the year. The scheme has maintained its portfolio strategy of low volatility and high quality during the year.

The scheme underperformed the benchmark for the year with strategy of lower average duration during the year. The scheme has maintained its portfolio strategy of investing in high rated papers and keeping a lower average maturity, helping it maintain low volatility and high issuer quality during the year.

IIFL Focused Equity Fund:

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

The net assets of the scheme as in March 31, 2021 is Rs. 1,623.06 Crore.

Performance of Scheme:

Scheme Name / Benchmark	31-Mar-20 to 31-Mar-21	31-Mar-18 to 31-Mar-21	31-Mar-16 to 31-Mar-21	Since Inception
IIFL Focused Equity Fund - Regular Plan – Growth option	76.03%	19.68%	18.65%	14.52%
IIFL Focused Equity Fund-Direct Plan- Growth option	78.19%	21.38%	20.17%	15.98%
Benchmark: S&P BSE200 TRI	76.26%	13.74%	15.50%	11.80%
Additional Benchmark: S&P BSE Sensex TRI	69.82%	15.81%	15.73%	11.05%

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

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

In FY21 IIFL Focused Equity Fund's performance was broadly in line with its Benchmark S&P BSE-200 TRI Index. During FY20-21, the scheme has given a return of 76.03% as compared to S&P BSE-200 TRI return of 76.26%. Volatility had increased due to COVID-19 and its impact on various sectors, however, market recovery was supported by high foreign inflows and anticipation of earnings recovery over the next few years. Despite the heightened volatility, the scheme was able to deliver on its objective of generating returns for its valued investors during the financial year. The scheme continues to focus on security selection based on SCDV investment framework (Secular, Cyclical, Defensives, Value Trap). Based on this framework, we invest a large proportion of the portfolio (40-60%) in high quality Secular growth companies (companies with consistent ROE & PAT growth > 15%), which are long term compounding stories. The remaining part of the portfolio is invested across quality Cyclical and Defensives while minimising exposure to Value traps. Pure bottom-up strategy across these quadrants is deployed with an aim to generate long term compounding while encashing on some quality alpha ideas in cyclical and defensive segments.

B. Future Outlook:

Overview of Mutual Fund Industry

Mutual funds' assets base was Rs 31.43 lakh crore in March 31, 2021, with a 41% YOY increase since March 31, 2020, according to data from AMFI. The mutual fund industry added more than 81 lakh investor accounts in 2020-21, taking the total count to 9.78 crore. Financialization of savings coupled with increased awareness about investments and rise in digitization contributed to the surge in the assets.

While the second wave of Covid-19 has impacted the overall economic recovery, gradual unlocking of economic activity, policy response from the government, increased pace of vaccination and the expected return to normalcy is likely to augur well for overall industry growth.

Given our continued focus on scaling up IIFL Focused Equity Fund, we were able to add net inflows of INR 379 Cr during the year. For most of the year, the fund was amongst the best performing fund in its category. Additionally, in order to increase its reach across platforms, we laid emphasis on increasing SIPs in the scheme from online channels.

Macroeconomic Overview:

Economy and markets in FY 2021

The year 2020 (CY Jan-Dec) turned out to be a challenging year for the global economy, highlighted by a -3.3% (degrowth) in global real GDP as disclosed by IMF. However, aided by massive fiscal packages, ultra-supportive monetary policies, and increase in vaccines procurement and inoculations by major economies led to a V-shaped recovery in global equities with markets closing the year in green. Many global equity indices regained their previous highs, with a few scaling new peaks as well. A fresh surge in Covid 19 related infections, rising US treasury yields, and increased mobility curbs to rein in infections by a few major economies reigned in investor exuberance in Q4FY21 (Jan-Mar'21). Although market sentiments bore the brunt of uncertainty with respect to economic recovery due to renewed

lockdowns, with roll out of vaccine, now the global economic turnaround appears a factor of “when”, rather than “if”.

In India, the sharp recovery in equity markets was supported by all-time high foreign inflows (INR terms) which followed attractive valuations and prospect of sharp earnings growth over the next few years. Few factors like favourable monetary policy stance from RBI, declining COVID cases over the second half of the financial year, vaccine inoculations and procurement, and upbeat cues from global markets upheld investor sentiments.

Going forward, implementation of various measures announced during the Union budget and efficiency and pace of vaccination along with global cues and capital flows would be amongst the key events to monitor.

The World Bank (WB) elevated its forecast of India’s GDP growth for FY22 to 10.1%, noticeably higher than the 5.4% it had projected in January, as per its South Asia Economic Focus Spring update report. There are a few risks in the near term which market participants should closely watch out for (1) Return to normalcy could take longer than anticipated given the unprecedented rise in the COVID-19 cases across the country (2) Lockdown/strict restrictions in certain states.

While the new wave of COVID-19 and the resultant lockdown in certain parts of countries will act as an overhang on the headline numbers, most state governments pushing for higher vaccination inoculations is expected to normalize the curve of patients with serious complications thereby reducing the burden on existing medical infrastructure. We believe the volatility could increase in the near term owing to inflationary pressures at global and domestic levels, however, pick up in earnings growth may auger well for Indian equities, albeit the pace could be slower than anticipated. The market polarization is likely to reverse as the recovery becomes more broad-based and hence provide ample room for wealth creation by bottom up stock selection.

Outlook for FY2021

Equity Markets

We believe that the lockdown/restrictions could have a short-term impact on most sectors, however the effect will be transient in nature. At this stage, where we anticipate delayed pick-up in the economic recovery (provided a third wave doesn’t derail the growth), we are focusing on opportunities across these defensives and cyclicals based on our ROE and PAT growth parameters. While exposure to sectors such as Financials, Industrials, and Building materials are more structural in nature to benefit from the acceleration in the growth trajectory, we would also tactically look at opportunities in the defensive segment where the impact of the short term disruptions is likely to be limited. We continue to focus on bottom up security selection while having a positive bias towards cyclical recovery and taking tactical calls based on the market dynamics.

Debt Markets

Considering the impact of the pandemic on economy, most central banks resorted to another round of monetary easing to improve liquidity and support economic growth. The Reserve Bank of India also followed suit by announcing repo cuts, reduction in CRR for a year and improving liquidity through measures like Long Term Repo Operations (LTROs) to mitigate the adverse impact of tightening financial conditions in the domestic markets. Furthermore, usage of unconventional steps like LTROs signifies RBI’s willingness to promptly act when necessary. This helped address the sudden steepening of the yield curve and a substantial spread between short term and long-term government debt securities. While the longer end of the yield curve remains attractive, a higher supply of both state and central government borrowing may offset some of the gains.

Operations of the Scheme(s):

During the Financial Year ended March 31, 2021, IIFL Mutual Fund AUM saw an increase primarily led by flows in IIFL Focused Equity Fund. Given our continued focus on scaling up IIFL Focused Equity Fund, we were able to add net inflows of INR 379 Cr during the year. For most of the year, the fund was amongst the best performing fund in its category. Additionally, in order to increase its reach across platforms, we laid emphasis on increasing SIPs in the scheme from online channels.

Towards the end of the year, we also filed for quant-based funds with SEBI (IIFL Smart Fund). We are awaiting approvals from the regulator on the same. Further, we seek to increase scale across existing products and continue to identify unique investment opportunities. We also seek to use our sales presence to reach a larger network of channel partners and investors.

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

a. Sponsor

IIFL Wealth Management Limited (IIFLW) was incorporated on 17th January 2008, a Company incorporated under the Companies Act, 1956, is registered with SEBI as a Portfolio Manager, Investment Advisor and Research Analyst. IIFLW provides wealth management services to various HNI / Ultra HNI clients. IIFLW acts as the Sponsor to IIFL Mutual Fund and Co-Sponsor to Schemes of Alternative Investment Funds. The associate/group companies of IIFLW acts as Investment Manager to schemes of Alternative Investment Funds, Real Estate Investment Trust, provides Portfolio Management Services, Trustee Services, Investment Advisory Services, Distribution Services, Non-Banking Financial Services, Housing Finance, Merchant Banking Services, Business Process Outsourcing activities. The registered

office of IIFLW is at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

b. IIFL Mutual Fund

IIFL Mutual Fund is a Trust settled by IIFL Finance Limited (formerly known as IIFL Holdings Limited) (‘Settler’) on April 29, 2010, which has entrusted a sum of Rs. 1,00,000 to the Trustee, as the initial contribution towards corpus of the Mutual Fund. The Trust Deed has been registered under the Indian Registration Act, 1908. The Trustee has entered into Investment Management Agreement (IMA) dated April 29, 2010, with IIFL Asset Management Limited (IIFL AMC) to function as the investment Manager for schemes of IIFL Mutual Fund. The Mutual Fund was registered with SEBI on March 23, 2011 under Registration Code MF/067/11/02.

c. Trustees

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

d. Asset Management Company:

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

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

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

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 2020 - 2021:

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

Redemption			
Sr. No.	Scheme Name	Number of Investors	Amount (Rs.)
1	IIFL Focused Equity Fund	5	18,374
2	IIFL Dynamic Bond Fund	1	2,663.22
	Grand Total	6	21,037

Dividend			
Sr. No.	Scheme Name	Number Investors	Amount (Rs.)
1	IIFL Focused Equity Fund	271	97,712.93
2	IIFL Dynamic Bond Fund	39	2,820.02
3	IIFL Liquid Fund	1	0.80
	Grand Total	311	1,00,533.75

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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, SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016, SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 and SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2021/029 dated March 05, 2021 the General policies and procedures for exercising voting rights (along with the relevant disclosures) in respect of the shares held by the Schemes of IIFL Mutual Fund has been hosted on www.iiflmf.com. A copy of the policy is attached as Annexure II.

During the FY 2020 - 2021, 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. 2020-2021					
F.Y.	Quarter	Total no. of resolutions	Break-up of Vote decision		
			For	Against	Abstained
2020-2021	April - June	12	11	1	0
2020-2021	July - September	160	157	0	3
2020-2021	October - December	15	15	0	0
2020-2021	January - March	13	12	1	0

For complete voting details for the period 2020-21 along with Scrutinizer's certificate, unit holders can log on to the website (<https://www.iiflmf.com/downloads/disclosures>) of the Fund.

7. Report on Compliance of Stewardship Code for F.Y. 2020-21

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

S. No.	Particulars of Principles of Stewardship Code	Status (Complied, Deviation, Partly Complied, Not Complied)	Reason for Deviation or Non - Compliance	Remarks
1	Formulation of Policy, its Disclosure and Review	Complied	N.A	The Fund has formulated a adopted Stewardship Policy, which is hosted on the website: www.iiflmf.com
2	Managing Conflict of Interest	Complied	N.A	The aspect of managing conflict of interest forms an integral part of the Policy.
3	Monitoring Investee Companies	Complied	N.A	The Fund monitors the Investee Companies regularly. The Fund may consider taking assistance of third party experts for this.
4	Intervention in Investee Companies and Collaboration with Institutional Investors	Complied	N.A	The Stewardship Policy provides for intervention in Investee Companies. During the financial year 2021, there were no instances which required intervention.

S. No.	Particulars of Principles of Stewardship Code	Status (Complied, Deviation, Partly Complied, Not Complied)	Reason for Deviation or Non - Compliance	Remarks
5	Policy on Voting	Complied	N.A	The Fund has adopted Voting Policy which governs the votes cast by the Fund. The Policy and the voting reports are made available on the website: www.iiflmf.com
6	Reporting	Complied	N.A	A report on implementation of stewardship code is made available on the website of the Fund at www.iiflmf.com

8. Scheme wise changes in Risk-o-meter

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

Scheme name	Risk-o-meter level at start of the financial year	Risk-o-meter level at end of the financial year	Number of changes in Risk-o-meter during the financial year
IIFL Dynamic Bond Fund	Moderate	Moderate	0
IIFL Focused Equity Fund	Moderately High	Very High	1
IIFL Liquid Fund	Low	Low to Moderate	3

9. Statutory Information:

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

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

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

Acknowledgement

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

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

**Sd/-
Director**

**Date: July 30, 2021
Place: Mumbai**

Annexure 1
Details of Redressal of Complaints received against IIFL Mutual Fund during FY 2020-2021
Total Folios: 64716

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

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

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of the under mentioned schemes of IIFL Mutual Fund (the "Schemes"), which comprise the Balance Sheet as at March 31, 2021 and the related Revenue Account for the year mentioned below, including a summary of significant accounting policies and other explanatory information.

Schemes	Year	Balance Sheet Date
IIFL Focused Equity Fund	April 1, 2020 to March 31, 2021	March 31, 2021
IIFL Dynamic Bond Fund	April 1, 2020 to March 31, 2021	March 31, 2021
IIFL Liquid Fund	April 1, 2020 to March 31, 2021	March 31, 2021

2. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto (the "Regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Schemes as at March 31, 2021; and
 - (b) in the case of the Revenue Account, of the net surplus for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Appropriateness of Valuation of Investments</p> <p>The Schemes hold investments in various types of securities, whose scheme wise aggregate value as at March 31, 2021 is as mentioned in Schedule 4 to the Schedules forming part of the Balance Sheet as at March 31, 2021 and the Revenue Account for the year ended March 31, 2021. The valuation of investments including equity and equity related securities, debt securities and money market securities is carried out using different valuation methodologies depending on the type of security and as required by the Securities and exchange board of India (mutual funds)(amendment) regulations, 2021 ("Regulations") and the guidelines prescribed by the Association of Mutual Funds in India (AMFI).</p> <p>This is a key audit matter due to the following reasons:</p> <ul style="list-style-type: none">• Investments constitute a significant portion of the net asset value of the Schemes and are accordingly material to the Schemes.• the computation of the net asset value of the Schemes is affected by the valuation methodology. <p>The Schemes are required to ensure strict compliance to the valuation policies and procedures for different types of securities in the portfolio of the Schemes as approved by the Trustees and Board of Directors of IIFL Asset Management Limited (the AMC) in line with the Regulations.</p>	<p>We carried out audit procedures, which included the following:</p> <ul style="list-style-type: none">• Understanding and evaluating the design and testing the operating effectiveness of controls around the valuation of securities on a sample basis.• Obtaining and assessing the valuation policies and procedures approved by the Trustee and the AMC who have determined the methodologies to be used for valuing each type of security held by the Schemes and testing that valuation of the investments is in line with the requirements of the Regulations and guidelines prescribed by AMFI.• Obtaining the prices as on March 31, 2021 for all types of securities from independent sources, including recognised stock exchanges, rating agencies such as CRISIL and ICRA as specified in the Regulations.• Reperforming the valuation of sample of securities as on March 31, 2021 using the prices obtained from independent sources and comparing the same to the values in the books of account. <p>Basis the above procedures performed, we did not note any exceptions with respect to the valuation of investments as determined by the AMC and approved by the Trustees.</p>

Other Information

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

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

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

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

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

6. The Trustee and the Management are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Schemes in accordance with the accounting policies and standards specified in the Ninth Schedule of the Regulations. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are

reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the Trustee and the Management are responsible for assessing the Schemes' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so. The Trustee and the Management are also responsible for overseeing the Schemes' financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

Other Matter

13. The financial statements of the Schemes for the year ended March 31, 2020, were audited by another firm of Chartered Accountants who, vide their report dated August 12, 2020, expressed an unmodified opinion on those financial statements.

Report on other legal and regulatory requirements

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Russell Parera
Partner
Membership Number: 042190
UDIN: 21042190AAAEN7344

Place: Mumbai
Date: July 30, 2021

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ABRIDGED BALANCE SHEET AS AT MARCH 31, 2021

Rupees in Lakhs

	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL Focused Equity Fund		
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	
LIABILITIES							
1	Unit Capital	44,074.95	16,123.99	7,749.06	24,632.68	65,331.21	48,242.17
2	Reserves & Surplus						
2.1	Unit Premium Reserves	2,101.42	524.91	(0.09)	(0.47)	37,120.59	17,763.71
2.2	Unrealised Appreciation Reserve	77.09	-	-	14.41	38,722.53	-
2.3	Other Reserves	28,947.87	9,168.07	4,402.97	12,983.76	21,296.55	1,160.58
3	Loans & Borrowings	-	-	-	-	-	-
4	Current Liabilities & Provisions						
4.1	Provision for doubtful Income/Deposits	-	-	-	-	-	-
4.2	Other Current Liabilities & Provisions	89.07	37.73	2,498.70	13,451.94	834.73	1,304.73
	TOTAL	75,290.41	25,854.70	14,650.64	51,082.33	163,305.60	68,471.19
ASSETS							
1	Investments						
1.1	Listed Securities:						
1.1.1	Equity Shares	-	-	-	-	156,439.58	61,419.26
1.1.2	Equity Options	-	-	-	-	-	-
1.1.3	Preference Shares	-	-	-	-	-	-
1.1.4	Equity Linked Debentures	-	-	-	-	-	-
1.1.5	Other Debentures & Bonds	52,574	21,763	-	-	-	-
1.1.6	Securitised Debt securities	-	-	-	-	-	-
1.2	Securities Awaited Listing:	-	-	-	-	-	-
1.2.1	Equity Shares	-	-	-	-	-	-
1.2.2	Preference Shares	-	-	-	-	-	-
1.2.3	Equity Linked Debentures	-	-	-	-	-	-
1.2.4	Other Debentures & Bonds	-	-	-	-	-	-
1.2.5	Securitised Debt securities	-	-	-	-	-	-
1.3	Unlisted Securities	-	-	-	-	-	-
1.3.1	Equity Shares	-	-	-	-	-	6.98
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	Government Securities	14,226.42	-	-	-	-	-
1.5	Treasury Bills	-	-	7,480.15	-	-	-
1.6	Commercial Paper	-	-	996.77	7,452.18	-	-
1.7	Certificate of Deposits	-	-	994.90	9,924.85	-	-
1.8	Bill Rediscounting	-	-	-	-	-	-
1.9	Units of Domestic Mutual Fund	-	-	-	-	-	-
1.10	Foreign Securities	-	-	-	-	-	-
	Total Investments	66,800.87	21,763.18	9,471.82	17,377.04	156,439.58	61,426.24
2	Deposits	55.95	29.49	376.00	430.29	62.05	80.72
3	Other Current Assets	-	-	-	-	-	-
3.1	Cash & Bank Balance	2,151.46	2.11	26.76	13,576.15	768.92	1,005.25
3.2	CBLO/ Reverse Repo Lending	4,491.34	2,882.90	4,727.25	19,642.31	5,955.80	5,678.80
3.3	Others	1,790.79	1,177.02	48.81	56.55	79.25	280.18
4	Deferred Revenue Expenditure (to the extent not written off)	-	-	-	-	-	-
	TOTAL	75,290.41	25,854.70	14,650.64	51,082.33	163,305.60	68,471.19

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

(*) Indicates less than 1 Thousand.

Rupees in Lakhs

		IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL Focused Equity Fund	
		Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
1	INCOME						
1.1	Dividend	-	-	-	-	1,078.50	603.62
1.2	Interest	3,420.28	2,455.35	943.49	3,399.09	126.67	124.93
1.3	Realised Gain / (Loss) on Foreign Exchange Transactions	-	-	-	-	-	-
1.4	Realised Gains / (Losses) on Interscheme sale of investments	-	-	-	-	-	-
1.5	Realised Gains / (Losses) on External sale / redemption of investments	(577.20)	24.57	(16.63)	9.86	4,330.00	(12.25)
1.6	Realised Gains / (Losses) on Derivative Transactions	-	-	-	-	405.94	-
1.7	Provision for depreciation in value of investments written back	-	-	-	-	-	-
1.8	Load Income	0.22	23.68	0.05	0.14	76.71	14.38
1.9	Other Income	-	-	-	-	-	-
	(A)	2,843.30	2,503.60	926.92	3,409.08	6,017.83	730.68
2	EXPENSES						
2.1	Management fees (inclusive of service tax)	235.10	181.88	31.08	73.69	858.83	253.37
2.2	Service tax on Management fees	-	-	-	-	-	-
2.3	Transfer agents fees and expenses	17.98	11.01	6.79	14.77	112.10	36.03
2.4	Custodian fees	5.32	2.90	2.94	6.11	11.66	3.81
2.5	Trusteeship fees	4.95	3.11	2.74	6.25	10.86	3.79
2.6	Marketing & Distribution expenses	182.74	155.35	2.25	4.87	709.52	372.33
	Publicity Expenses	-	-	-	-	-	-
2.7	Audit fees	4.72	3.73	1.18	3.52	5.90	3.59
2.8	Investor Education Fund	9.90	6.23	5.48	12.50	21.72	7.58
2.9	Other operating expenses	5.31	5.32	3.70	6.86	41.67	13.73
3.0	NFO Amortisation Expenses	-	-	-	-	-	-
2.1	Expenses borned by AMC	-	-	-	-	-	-
	(B)	466.01	369.54	56.15	128.58	1,772.26	694.23
3	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A-B = C)	2,377.30	2,134.07	870.77	3,280.51	4,245.57	36.44
4	Change in Unrealised Depreciation in value of investments (D)	(213.74)	(127.72)	0.24	-	(13,818.44)	13,818.44
5	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C-D))	2,591.04	2,261.79	870.52	3,280.51	18,064.01	(13,782.00)
6	Change in unrealised appreciation in the value of investments (F)	77.09	-	(14.41)	(6.36)	38,722.53	(2,777.42)
7	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	2,668.14	2,261.79	856.11	3,274.14	56,786.53	(16,559.42)
7.1	Add: Opening balance transfer from Unrealised Appreciation Reserve	-	-	-	6.36	-	2,777.42
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	(77.09)	-	14.41	-	(38,722.53)	-
7.3	Add / (Less): Equalisation	17,189.39	(3,646.45)	(9,324.10)	(3,982.40)	2,071.95	11,456.20
8	Total	19,780.43	(1,384.67)	(8,453.58)	(701.89)	20,135.96	(2,325.80)
8.1	Add : Transfer from Reserve Fund	9,168.07	10,553.36	12,983.76	14,230.41	1,160.58	3,486.38
9	Dividend appropriation						
9.1	Income Distributed during the year / period	0.63	0.45	127.21	365.64	-	-
9.2	Tax on income distributed during the year / period	-	0.17	-	179.11	-	-
10	Retained Surplus / (Deficit) carried forward to Balance sheet	28,947.87	9,168.07	4,402.97	12,983.76	21,296.55	1,160.58

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

(*) Indicates less than 1 Thousand.

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ABRIDGED NOTES TO ACCOUNTS

Schedules forming part of the Balance Sheet as at 31st March, 2021 and the Revenue Account for the year ended on 31st March, 2021

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 2020-2021 & 2019-2020:- NIL

1.3 Open Position for other than Hedging Positions through Derivatives for 2020-2021:- NIL

Following hedging transactions through futures have been squared off/expired:

Scheme	Total Number of contracts where futures were bought	Total Number of contracts where futures were sold	Gross Notional Value of contracts where futures were bought	Gross Notional Value of contracts where futures were sold	Net Profit/Loss value on all contracts combined
IIFL Focused Equity Fund	1247	1247	860,612,613	901,886,887	40594121

1.4 Investments in Associates and Group Companies for 2020-2021:-NIL & 2019-2020:-NIL

1.5 Open position of Securities borrowed and / or Lend by the Scheme for 2020-2021 & 2019-2020 :- NIL

1.6 Details of NPA: Aggregate market value and provision thereof for 2020-2021 & 2019-2020:- NIL

1.7 Aggregate Unrealized Gain / Loss: 2020-2021

(Amount in Rupees)

Scheme Name	Equity (Listed/ Awaiting Listing)	Corporate Bond	Commercial Paper	Certificate of deposits	Zero Coupon Bond	TBILL	GOVT SECURITIES	Total
IIFL Dynamic Bond Fund	-	1,08,48,453	-	-	7,48,915	-	-38,87,884	77,09,484
IIFL Liquid Fund	-	-	11,133	12,829	-	-48,410	-	-24,448
IIFL Focused Equity Fund	3,87,22,52,669	-	-	-	-	-	-	3,87,22,52,669
Grand Total	3,87,22,52,669	1,08,48,453	11,133	12,829	7,48,915	-48,410	-3887884	3,87,99,37,705

Aggregate Unrealized Gain / Loss: 2019-2020

(Amount in Rupees)

Scheme Name	Equity (Listed/ Awaiting Listing)	Corporate Bond	Commercial Paper	Certificate of deposits	Zero Coupon Bond	Total
IIFL Dynamic Bond Fund	-	-20,569,598	-	-	-804,788	-21,374,386
IIFL Liquid Fund	-	-	435,553	1,005,318	-	1,440,871
IIFL Focused Equity Fund	-1,381,844,205	-	-	-	-	-1,381,844,205
Grand Total	-1,381,844,205	-20,569,598	435,553	1,005,318	-804,788	-1,401,777,720

1.8 (a). The aggregate value of Purchase and Sale of Investments are as follows:

As at March 31, 2021

(Amount in Rupees)

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

As at March 31, 2020

(Amount in Rupees)

Scheme	Purchases*	Sales*	Purchase as % to average daily net assets	Sale as % to average daily net assets
IIFL Dynamic Bond Fund	936,383,700	30.76%	2149589382	69.01%
IIFL Liquid Fund	39,364,171,500	629.61%	41066370000	656.83%
IIFL Focused Equity Fund	8,190,776,089	216.02%	2071215349	54.62%

*excluding TREPS and Reverse Repo transactions.

b). The aggregate value of investments Future/Option purchased and sold during the year and these amounts as a percentage of average daily net assets are as follows: Futures/Option

As at March 31, 2021

(Amount in Rupees)

Scheme	Purchases	Sales	Purchase as % to average daily net assets	Sale as % to average daily net assets
IIFL Focused Equity Fund	860,612,613	901,886,887	7.93%	8.31%

1.9 Non-Traded securities in the portfolio:

Scheme Name	Particulars	As on March 31, 2021	As on March 31, 2020
IIFL Dynamic Bond Fund	Aggregate fair value of thinly traded / non traded Investment	5,09,73,02,526	2,176,317,666
IIFL Liquid Fund	Aggregate fair value of thinly traded / non traded Investment	9,96,77,000	1,489,590,000
IIFL Focused Equity	Aggregate fair value of thinly traded / non traded Investment	NIL	698,553.57

2 Details of transactions with Associates in terms of regulation 25(8):
a) Subscription by the Schemes in the issues lead managed by associate companies

For the period/year ended March 31, 2021: Nil

For the period/year ended March 31, 2020: Nil

2.1 (a) Securities transaction in the form of investments/disinvestments 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, 2021 : Nil

For the period/year ended March 31, 2020 : Nil

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

For the year ended March 31, 2021 : NIL

For the year ended March 31, 2020 : NIL

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

For the period/year ended March 31, 2021

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Value of Transaction (Rupees)	% of Total Value of Transaction of the fund	Brokerage (Rupees)	% of total Brokerage paid by the fund
IIFL Securities Limited	Associate	April 1, 2020 to March 31, 2021	469,131,588	1.66%	468,736	3.03%

For the period/year ended March 31, 2020

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Value of Transaction (Rupees)	% of Total Value of Transaction of the fund	Brokerage (Rupees)	% of total Brokerage paid by the fund
IIFL Securities Limited	Associate	April 1, 2019 to March 31, 2020	69,515,171	0.24%	69,463	0.44%

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

For the period/year ended March 31, 2021

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (in crores)	Business given (in % of total business received by the fund)	Commission paid (in crores)	% of total Commission paid by the fund
IIFL Securities Limited (ARN-47791)	Associate	01-Apr-2020 - 31st Mar-2021	32.39	1.14	1.13	13.01
IIFL WEALTH FINANCE LIMITED (ARN-168440)	Associate	01-Apr-2020 - 31st Mar-2021	673.71	23.71	5.86	67.26
IIFL PRIVATE WEALTH (MAURITIUS) LTD (ARN-OD98348)	Associate	01-Apr-2020 - 31st Mar-2021	-	-	-	-
5PAISA CAPITAL LIMITED (ARN-104096)	Associate	01-Apr-2020 - 31st Mar-2021	0.04	0.00	0.00	0.02
L & T CAPITAL MARKETS LIMITED (ARN-87977)	Associate	01-Apr-2020 - 31st Mar-2021	36.09	1.27	0.08	0.88
IIFL WEALTH FINANCE LIMITED (IIFLWF)	Associate	01-Apr-2020 - 31st Mar-2021	0.15	0.01	0.00	0.01

For the period/year ended March 31, 2020

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (in crores)	Business given (in % of total business received by the fund)	Commission paid (in crores)	% of total Commission paid by the fund
IIFL Securities Ltd.	Associate	April 1, 2019 to March 31, 2020	81.09	9.20	0.92	17.13
IIFL Wealth Management Ltd	Associate	April 1, 2019 to March 31, 2020	676.40	76.74	3.28	61.08
5Paisa Capital Limited	Associate	April 1, 2019 to March 31, 2020	0.00	0.00	0.00	0.00
IIFL Asset Management (Mauritius) Limited	Associate	April 1, 2019 to March 31, 2020	0.00	0.00	0.00	0.00

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

2020-2021

Scheme	PLAN	Face Value	Opening / Initial Issue Units	Units Pur/ Switch In	Redemption / Switch out	Closing Units
IIFL Dynamic Bond Fund	Regular Growth Option	10	124,561,534.670	289,821,754.254	112,668,569.873	301,714,719.0510
IIFL Dynamic Bond Fund	Regular Bonus Option	10	61,129.574	0	1,001.151	601,28.4230
IIFL Dynamic Bond Fund	Direct Growth Option	10	361,790,32.855	121,983,901.232	19,642,805.443	138,520,128.6440
IIFL Dynamic Bond Fund	Direct Quarterly Dividend Option	10	29,260.064	0	293,24.222	0
IIFL Dynamic Bond Fund	Regular Monthly Dividend Option	10	99,686.466	2,442.129	3,891.511	98,237.0840
IIFL Dynamic Bond Fund	Regular Half Yearly Dividend Option	10	7,692.365	0	0	7,692.3650
IIFL Dynamic Bond Fund	Regular Quarterly Dividend Option	10	121,184.425	65,671.392	18,429.177	168,426.6400
IIFL Dynamic Bond Fund	Direct Monthly Dividend Option	10	5,343.154	260.295	0	5,603.4490
IIFL Dynamic Bond Fund	Regular Half Year Dividend Option	10	96,995.786	0	0	96,995.7860
IIFL Dynamic Bond Fund	Regular Quarterly Dividend Option	10	78,008.574	563.638	1,026.104	77,546.1080
IIFL Liquid Fund	Direct Daily Dividend Option	1000	39636.710	2,308,222.496	2,326,085.993	21773.2130
IIFL Liquid Fund	Regular Weekly Dividend Option	1000	1207.622	316.210	1,322.507	201.3250
IIFL Liquid Fund	Direct Weekly Dividend Option	1000	12.480	70.777	7.152	76.1050
IIFL Liquid Fund	Regular Daily Dividend Option	1000	26592.225	247.16	24,257.84	2581.5500
IIFL Liquid Fund	Direct Weekly Dividend Option	1000	25.441	17.454	32.294	10.6010
IIFL Liquid Fund	Regular Weekly Dividend Option	1000	2006.501	135.419	2,069.213	72.7070
IIFL Liquid Fund	Regular Growth Option	1000	306773.220	909,753.657	824,106.608	392420.2690
IIFL Liquid Fund	Direct Growth Option	1000	2087014.068	4,241,194.721	5,970,438.688	357770.1010
IIFL Focused Equity Fund	Regular Dividend Option	10	1722233.057	1,304,841.522	1,494,748.522	1532326.0570
IIFL Focused Equity Fund	Regular Dividend Option	10	15181399.170	1,970,936.499	6,339,788.507	10812098.3010
IIFL Focused Equity Fund	Direct Dividend Option	10	3506849.006	728,232.598	3,984,489.273	250592.2310
IIFL Focused Equity Fund	Direct Dividend Option	10	9675343.974	693,123.830	2,495,186.406	7873281.3980
IIFL Focused Equity Fund	Regular Growth Option	10	258843307.589	125,406,298.289	80,299,183.892	303893466.2930
IIFL Focused Equity Fund	Direct Growth Option	10	193569348.899	179,528,953.123	44,128,594.805	328950307.9660

2019-2020

Scheme	PLAN	Face Value	Opening / Initial Issue Units	Units Pur/ Switch In	Redemption / Switch out	Closing Units
IIFL Dynamic Bond Fund	Growth Option	10	182,926,358.415	32,117.777	58,396,941.522	124,561,534.6700
IIFL Dynamic Bond Fund	Regular Bonus Option	10	73,538.358	0	12,408.784	61,129.570
IIFL Dynamic Bond Fund	Regular Half Yearly Dividend Option	10	105688.151	0	1,000.000	104688.151
IIFL Dynamic Bond Fund	Regular Monthly Dividend Option	10	98,200.006	1820.460	334.000	99,686.4660
IIFL Dynamic Bond Fund	Regular Quarterly Dividend Option	10	318,972.148	7,964.865	127,744.014	199,192.9990
IIFL Dynamic Bond Fund	Direct Growth Option	10	49,060,916.516	67,457.696	12,949,341.357	36,179,032.8550
IIFL Dynamic Bond Fund	Direct Monthly Dividend Option	10	5,155.669	187.455	0	5,343.1540
IIFL Dynamic Bond Fund	Direct Quarterly Dividend Option	10	29,195.589	393.094	328.619	29,260.0640
IIFL Liquid Fund	Growth Option	1000	356,751.040	2,173,467.492	2,223,445.312	306,773.2200
IIFL Liquid Fund	Regular Daily Dividend Option	1000	303,925.818	1,489,603.869	1,766,937.462	26,592.2250
IIFL Liquid Fund	Regular Weekly Dividend Option	1000	1,369.903	16,664.531	14,820.311	3214.1230
IIFL Liquid Fund	Direct Weekly Dividend Option	1000	5.200	173.188	140.467	37.9210
IIFL Liquid Fund	Direct Growth Option	1000	2,720,762.116	22,248,018.490	22,881,766.538	2,087,014.0680
IIFL Liquid Fund	Direct Daily Dividend Option	1000	4.442	8,807,681.390	8,768,049.122	39,636.7100
IIFL Focused Equity Fund	Growth Option	10	64,372,728.153	227969677.638	33,556,053.895	258786351.8960
IIFL Focused Equity Fund	Dividend Option	10	12,454,183.536	10942316.568	6,493,316.738	16903183.3660
IIFL Focused Equity Fund	Direct Growth Option	10	36,005,938.056	181078660.437	23,534,648.845	193549949.64880
IIFL Focused Equity Fund	Direct Dividend Option	10	323,568.975	12,978,669.397	120,045.392	13,182,192.9800

4 Prior Period Comparatives

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

5 Contingent Liability: -

As of March 31, 2021: NIL

As of March 31, 2020: NIL

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

7 Expenses other than management fees are inclusive of GST where applicable.

8 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 30, 2021.

Abridged Annual Report, 2020 - 2021

KEY STATISTICS FOR THE PERIOD ENDED 31.03.21

	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL Focused Equity Fund	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
1. NAV per unit (Rs.): Declared NAV excluding Load						
Open						
Regular Dividend Option	NA	NA	NA	NA	12.3015	13.9747
Regular Growth Option	13.9193	14.7713	1,365.5016	1,459.5116	13.9045	15.7958
Regular Bonus Option	15.8791	14.7713	NA	NA	NA	NA
Regular Weekly Option	NA	NA	1,005.7637	1,006.4211	NA	NA
Regular Fortnightly Option	NA	NA	NA	NA	NA	NA
Regular Monthly Dividend Option	11.7557	11.5144	NA	NA	NA	NA
Regular Quarterly Dividend Option	13.4320	14.2542	NA	NA	NA	NA
Regular Half Yearly Option	13.4320	14.2542	NA	NA	NA	NA
Regular Daily Dividend Option	NA	NA	1,000.7626	1,000.8804	NA	NA
Direct Dividend Option	NA	NA	1,000.6615	NA	14.2703	16.4640
Direct Growth Option	16.4861	15.2366	1,368.4983	1,463.4522	14.5371	16.6784
Direct Weekly Option	NA	NA	1,005.0000	1,006.3711	NA	NA
Direct Quarterly Dividend Option	15.5827	14.4016	NA	NA	NA	NA
Direct Monthly Dividend option	12.2870	11.9332	NA	NA	NA	NA
Direct Half Yearly Option	NA	NA	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	999.6516	1,000.8055	NA	NA
High						
Regular Dividend Option	NA	NA	1,000.5242	NA	21.9962	17.3489
Regular Growth Option	16.8452	15.8791	1,584.1009	1,538.6642	24.8618	19.6097
Regular Bonus Option	16.8452	15.8791	NA	NA	NA	NA
Regular Weekly Option	NA	NA	1,005.7149	1,006.6016	NA	NA
Regular Fortnightly Option	NA	NA	NA	NA	NA	NA
Regular Monthly Dividend Option	12.0155	11.7983	NA	NA	NA	NA
Regular Quarterly Dividend Option	16.2556	15.3232	NA	NA	NA	NA
Regular Half Yearly Option	16.2556	15.3232	NA	NA	NA	NA
Daily Dividend Option	NA	NA	1,000.5242	1,001.0667	21.9962	NA
Direct Dividend Option	NA	NA	NA	NA	26.6778	20.7671
Direct Growth Option	17.5698	16.4861	1,589.9656	1,543.5906	26.9530	20.9814
Direct Weekly Option	NA	NA	1,005.7042	NA	NA	NA
Direct Quarterly Dividend Option	15.7188	15.5827	NA	NA	NA	NA
Direct Monthly Dividend option	12.6311	12.3291	NA	NA	NA	NA
Direct Half Yearly Option	NA	NA	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	1,000.5242	1,000.7086	NA	NA
Low						
Regular Dividend Option	NA	NA	NA	NA	11.5281	10.9908
Regular Growth Option	15.7991	14.7841	1,538.8530	1,459.7733	13.0302	12.4230
Regular Bonus Option	15.7991	14.7841	NA	NA	NA	NA
Regular Weekly Option	NA	NA	1,004.9835	1,004.6436	NA	NA
Regular Fortnightly Option	NA	NA	NA	NA	NA	NA
Regular Monthly Dividend Option	11.6293	11.4873	NA	NA	NA	NA
Regular Quarterly Dividend Option	15.2460	14.2666	NA	NA	NA	NA
Regular Half Yearly Option	15.2460	14.2666	NA	NA	NA	NA
Regular Daily Dividend Option	NA	NA	1,000.0531	999.6763	NA	NA
Direct Weekly Option	NA	NA	1,005.0000	1,004.6430	NA	NA
Direct Dividend Option	NA	NA	NA	NA	13.8221	13.1723
Direct Growth Option	16.4141	15.2566	1,543.7843	1,463.7166	13.9647	13.3083
Direct Quarterly Dividend Option	15.5203	14.4205	NA	NA	NA	NA
Direct Monthly Dividend Option	12.1749	11.9137	NA	NA	NA	NA
Direct Half Yearly Option	NA	NA	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	1,000.0268	999.6516	NA	NA

	IIFL Dynamic Bond Fund		IIFL Liquid Fund		IIFL Focused Equity Fund	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
End **						
Regular Dividend Option	NA	NA	NA	NA	21.1272	12.3015
Regular Growth Option	16.8319	13.9193	1,584.1009	1,365.5016	23.8796	13.9045
Regular Bonus Option	16.8319	15.8791	NA	NA	NA	NA
Regular Weekly Option	NA	NA	1,005.0859	1,005.7637	NA	NA
Regular Fortnightly Option	NA	NA	NA	NA	NA	NA
Regular Monthly Dividend Option	11.8453	11.7557	NA	NA	NA	NA
Regular Quarterly Dividend Option	16.2427	13.4320	NA	NA	NA	NA
Regular Half Yearly Option	16.2427	13.4320	NA	NA	NA	NA
Regular Daily Dividend Option	NA	NA	1,000.0701	1,000.7626	NA	NA
Direct Dividend Option	NA	NA	1,000.0427	1,000.6615	25.6395	14.2703
Direct Growth Option	17.5698	16.4861	1,589.9656	1,368.4983	25.9040	14.5371
Direct Weekly Option	NA	NA	1,005.0936	1,005.0000	NA	NA
Direct Quarterly Dividend Option	NA	15.5827	NA	NA	NA	NA
Direct Monthly Dividend option	12.4772	12.2870	NA	NA	NA	NA
Direct Half Yearly Option	NA	NA	NA	NA	NA	NA
Direct Daily Dividend Option	NA	NA	1,000.0427	999.6516	NA	NA
2. Closing Assets Under Management (Rs. in Lakhs)						
End	75,201.34	25,818.94	12,151.94	37,634.06	162,470.87	66,524.70
Average (AAuM)	49,487.62	31,146.93	27,392.70	62,521.76	108,591.56	37,917.16
3. Gross income as % of AAuM	5.75%	8.45%	3.38%	5.44%	5.54%	-41.84%
4. Expense Ratio:						
a. Total Expense as % of AAuM						
Regular Plan	1.01%	1.31%	0.23%	0.22%	2.08%	2.34%
Direct Plan	0.50%	0.66%	0.18%	0.17%	0.92%	0.87%
b. Management Fee as % of AAuM						
Regular Plan	0.40%	0.49%	0.09%	0.10%	0.66%	0.57%
Direct Plan	0.40%	0.50%	0.10%	0.10%	0.68%	0.57%
5. Net Income as % of AAuM	4.80%	7.26%	3.18%	5.23%	3.91%	-43.67%
6. Portfolio turnover ratio	NA	NA	NA	NA	0.58	0.55
7. Total Dividend per unit distributed during the year / period						
Individual & HUF						
Dividend	1.20	0.86	118.10	154.77	-	-
Others						
Dividend	1.20	0.80	118.10	143.31	-	-
8. Returns:						
a. Last One Year						
Scheme	6.00%	7.50%	2.95%	5.41%	76.03%	-14.02%
Benchmark	7.69%	12.65%	4.07%	6.37%	76.26%	-25.24%
b. Since Inception						
Scheme	6.93%	7.07%	6.43%	6.98%	14.52%	5.79%
Benchmark	8.56%	8.69%	7.14%	7.63%	11.80%	2.79%
Benchmark Index	CRISIL Composite Bond Fund Index	CRISIL Composite Bond Fund Index	CRISIL Liquid Fund Index	CRISIL Liquid Fund Index	S&P BSE 200 Total Return Index	S&P BSE 200 Total Return Index

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

Returns is of regular plan

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