

ABRIDGED ANNUAL REPORT 2011-12

IDFC Equity Fund (IDFC EF)
IDFC Sterling Equity Fund (IDFC SEF)
IDFC Arbitrage Fund (IDFC AF)
IDFC Arbitrage Plus Fund (IDFC APF)
IDFC Nifty Fund (IDFC NF)



TRUSTEE REPORT

THE TRUSTEE REPORT COVERS FOLLOWING SCHEMES.

- 1) IDFC Equity Fund (IDFC EF)
- 2) IDFC Sterling Equity Fund (IDFC SEF)
- 3) IDFC Arbitrage Fund (IDFC AF)
- 4) IDFC Arbitrage Plus Fund (IDFC APF)
- 5) IDFC Nifty Fund (IDFC NF)

TRUSTEE REPORT

Report of the Board of Directors of the IDFC AMC Trustee Company Limited to the Unit-holders of IDFC Mutual Fund.

Dear Unit-holder,

The Directors of IDFC AMC Trustee Company Limited hereby present the Twelfth Annual Report of IDFC Mutual Fund for the year ended March 31, 2012.

IDFC MUTUAL FUND

IDFC Mutual Fund ("the Mutual Fund" or "the Fund") previously known as Standard Chartered Mutual Fund (which was earlier known as ANZ Grindlays Mutual Fund) had been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a Trust Deed dated December 29, 1999. The office of the Sub-Registrar of Assurances at Mumbai had registered the Trust Deed establishing the Fund under the Registration Act, 1908. The Fund was registered with SEBI vide registration number MF/042/00/3 dated March 13, 2000. A deed of amendment to the Trust Deed has been executed and registered to recognize the change in sponsor of the Mutual Fund. The deed of variation to the Trust Deed, dated May 30th 2008, made IDFC the sponsor of the Mutual Fund and IDFC AMC Trustee Company Limited, the Trustee. The Trust has been formed for the purpose of pooling of capital from the public for collective investment in securities / any other property for the purpose of providing facilities for participation by persons as beneficiaries in such properties/ investments and in the profits / income arising there from.

IDFC / its nominees acquired 100% equity shares of the Asset Management Company and the Trustee Company and further contributed an amount of Rs.10,000/- to the corpus of the Fund (the total contribution of the sponsors till date including this contribution, stands at Rs. 30,000). Natixis Global Asset Management Asia Pte. Ltd., a Singapore Limited company, which is a 100% indirect subsidiary of Natixis Global Asset Management ("NGAM") has acquired on December 8, 2011, 25% of the total issued and paid up equity share capital plus one equity share in each of IDFC Asset Management Co. Ltd. and IDFC AMC Trustee Company Ltd. respectively.

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The trustees been discharging its duties and carrying out the responsibilities as provided in the regulations and the trust deed. The trust seeks to ensure that the fund and the schemes floated there under are managed by the AMC in accordance with the trust deed and the regulations, directions and guidelines issued by the SEBI, the stock exchanges, the association of the Mutual Funds in India.

There were Forty Seven Close-Ended schemes launched during the year 2011-2012 and Twenty One Open Ended schemes existed as on March 31, 2012.

The following are the Open-Ended schemes (Debt & Equity) as on March 31, 2012:

- 1) IDFC Super Saver Income Fund ("IDFC-SSIF") with Investment Plan, Short-Term Plan and Medium Term Plan
- 2) IDFC Cash Fund ("IDFC-CF")
- 3) IDFC Government Securities Fund ("IDFC-GSF") with Investment Plan, Short Term Plan and Provident Fund Plan
- 4) IDFC Dynamic Bond Fund ("IDFC-DBF")
- 5) IDFC Money Manager Fund ("IDFC-MMF") with Investment Plan and Treasury Plan
- 6) IDFC All Seasons Bond Fund ("IDFC-ASBF")
- 7) IDFC Ultra Short Term Fund (IDFC-USTF)
- 8) IDFC Classic Equity Fund (IDFC-CEF)
- 9) IDFC Premier Equity Fund (IDFC-PEF)
- 10) IDFC Imperial Equity Fund (IDFC-IEF)
- 11) IDFC Arbitrage Fund (IDFC-AF)
- 12) IDFC Arbitrage Plus Fund (IDFC-APF)
- 13) IDFC Strategic Sector (50-50) Equity Fund (IDFC SS(50-50)EF)
- 14) IDFC Tax Advantage (ELSS) Fund (IDFC TA (ELSS) F)

- 15) IDFC India GDP Growth Fund (IDFC-GDP)
- 16) IDFC Asset Allocation Fund of Fund with Aggressive Plan (IDFC-AAF-AP), Conservative Plan (IDFC-AAF-CP) and Moderate Plan (IDFC-AAF-MP)
- 17) IDFC Monthly Income Plan (IDFC-MIP)
- 18) IDFC Equity Fund (IDFC-EF)
- 19) IDFC Sterling Equity Fund (IDFC-SEF)
- 20) IDFC Nifty Fund (IDFC NF)
- 21) IDFC Infrastructure Fund (IDFC IF)

The following are the Close Ended schemes (Debt & Equity) as on March 31, 2012:

1. IDFC Fixed Maturity Plan 200 Days Series 1
2. IDFC Fixed Maturity Plan 200 Days Series 2
3. IDFC Fixed Maturity Plan Yearly Series 43
4. IDFC Fixed Maturity Plan Yearly Series 44
5. IDFC Fixed Maturity Plan Yearly Series 45
6. IDFC Fixed Maturity Plan Yearly Series 46
7. IDFC Fixed Maturity Plan Quarterly Series 64
8. IDFC Fixed Maturity Plan Quarterly Series 65
9. IDFC Fixed Maturity Plan Yearly Series 52
10. IDFC Fixed Maturity Plan Yearly Series 53
11. IDFC Fixed Maturity Plan Eighteen Months Series 9
12. IDFC Fixed Maturity Plan Yearly Series 54
13. IDFC Fixed Maturity Plan 2 Year Series 1
14. IDFC Fixed Maturity Plan Yearly Series 57
15. IDFC Fixed Maturity Plan Yearly Series 58
16. IDFC Fixed Maturity Plan Three Year Series 5
17. IDFC Fixed Maturity Plan Quarterly Series 66
18. IDFC Fixed Maturity Plan Yearly Series 56
19. IDFC Fixed Maturity Plan 2 Year Series 2
20. IDFC Fixed Maturity Plan Quarterly Series 67
21. IDFC Fixed Maturity Plan Yearly Series 59
22. IDFC Fixed Maturity Plan Yearly Series 60
23. IDFC Fixed Maturity Plan Yearly Series 61
24. IDFC Fixed Maturity Plan Eighteen Month Series 10
25. IDFC Fixed Maturity Plan Half Yearly Series 15
26. IDFC Fixed Maturity Plan Quarterly Series 68
27. IDFC Fixed Maturity Plan Yearly Series 47
28. IDFC Fixed Maturity Plan Yearly Series 48
29. IDFC Fixed Maturity Plan Yearly Series 49
30. IDFC Fixed Maturity Plan Quarterly Series 69
31. IDFC Fixed Maturity Plan Yearly Series 50
32. IDFC Fixed Maturity Plan Yearly Series 51
33. IDFC Fixed Maturity Plan Yearly Series 67
34. IDFC Fixed Maturity Plan Quarterly Series 70
35. IDFC Fixed Maturity Plan Yearly Series 62
36. IDFC Fixed Maturity Plan Quarterly Series 71
37. IDFC Fixed Maturity Plan Yearly Series 63
38. IDFC Fixed Maturity Plan Yearly Series 64
39. IDFC Fixed Maturity Plan Yearly Series 65
40. IDFC Fixed Maturity Plan Yearly Series 66
41. IDFC Fixed Maturity Plan Thirteen Months Series 7
42. IDFC Fixed Maturity Plan Quarterly Series 72
43. IDFC Fixed Maturity Plan Thirteen Months Series 8

TRUSTEE REPORT (Contd.)

- 44. IDFC Fixed Maturity Plan Quarterly Series 73
- 45. IDFC Fixed Maturity Plan Quarterly Series 74
- 46. IDFC Fixed Maturity Plan Thirteen Months Series 11
- 47. IDFC Tax Saver (ELSS) Fund (IDFC TS (ELSS) F)

The total Funds under Management (FuM) under all its schemes as on March 31, 2012 aggregated to Rs. 31,791.53 crores. 2011-2012 was the Twelfth year of operation of IDFCMF.

THE SPONSOR

IDFC Mutual Fund is sponsored by Infrastructure Development Finance Company Limited (IDFC). The sponsor is the settler of the Mutual Fund Trust. The sponsor has entrusted a sum of Rs. 30,000 to the Trustees as its contribution towards the corpus of the Mutual Fund.

IDFC is a leading diversified financial institution providing a wide range of financing products and fee-based services with infrastructure as its focus area. IDFC's key businesses include project finance, investment banking, asset management, principal investments and advisory services. IDFC also works closely with government entities and regulators in India to advise and assist in formulating policy and regulatory frameworks that support private investment and public-private partnerships in infrastructure development.

IDFC was established in 1997 as a private sector enterprise by a consortium of public and private investors and operates as a professionally managed commercial entity. IDFC listed its equity shares in India pursuant to an initial public offering in August 2005. As on March 31, 2012, IDFC's shareholders included the Government of India - 17.28%, FI/FDI - 49.30% and public / others [ie Resident individuals, Indian Financial Institutions, Bodies corporate, Insurance cos., mutual funds] - 31.86%. As on March 31, 2012, IDFC had an asset base of over USD 11.87billion, net worth of USD 2.37billion and market capitalization of USD 3.99billion (calculate at USD = Rs. 51.1565.)

IDFC AMC TRUSTEE COMPANY LIMITED

ANZ Trustee Company Private Limited, a company registered under the Companies Act, 1956, was established by Australia and New Zealand Banking Group (ANZ) and had been appointed as the Trustee of ANZ Grindlays Mutual Fund vide Trust Deed dated December 29, 1999, as amended from time to time. ANZ sold the mutual fund business to Standard Chartered Bank (SCB) in 2001, pursuant to which SCB held 100% stake in the equity share capital of the Trustee Company. SCB agreed to sell the business to Infrastructure Development Finance Company Limited (IDFC) in 2008. Pursuant to the transaction, IDFC/ its nominees hold 100% of the shares of the Trustee Company. The company has now been renamed as IDFC AMC Trustee Company Limited (which was earlier known as IDFC AMC Trustee Company Private Limited).

On December 8, 2011, the sponsor, IDFC Ltd which is also the shareholder of IDFC Asset Management Company Limited (AMC), sold 25% of the total issued and paid up equity share capital plus one equity share in IDFC AMC Trustee Company Limited to NGAM Asia, a Singapore Limited company, which is a 100% indirect subsidiary of NGAM. NGAM is an international asset management group with assets under management of US\$719 billion as of December 31, 2010. Headquartered in Paris, France, NGAM is a multi-boutique firm, with more than 20 independent investment affiliates offering a comprehensive range of products across all asset classes, styles and geographic zones to institutional and individual investors. In addition, NGAM possesses a proprietary distribution network to distribute its affiliate products in Europe, the Middle East, the Americas and Asia.

NGAM is owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks.

After the sale, the sponsor/shareholder shall hold 74.998% and NGAM through its wholly-owned subsidiary NGAM Asia shall hold 25.002%, of the equity share capital of the Trustee Company. The company shall through its Board of Directors discharge its obligation as Trustee of IDFC Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC. The Trustee Company through its Board of Directors discharge its obligation as Trustee of IDFC Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

The Directors of IDFC AMC Trustee Company Limited as on July 24, 2012:

- Mr. Sunil Kakar
- Mr. Dattatraya M. Sukthankar
- Mr. Jamsheed G. Kanga
- Mr. Vikram Limaye (Resigned with effect from April 27, 2011)
- Mr U. Sundararajan (Resigned with effect from August 02, 2011)
- Mr. Tara Sankar Bhattacharya (Appointed with effect from December 08, 2011)
- Mr. Venkatesan Sridar (Appointed with effect from December 08, 2011)
- Mr. Geoffroy Sartorius (Appointed with effect from December 08, 2011)

IDFC ASSET MANAGEMENT COMPANY LIMITED

IDFC Asset Management Company Limited (which was earlier known as IDFC Asset Management Company Private Limited), a company incorporated under the Companies Act, 1956 on May 27th 2008, having its Registered Office at One India Bulls Centre, 841, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone Road, (West), Mumbai 400 013 is the Asset Management Company of IDFC Mutual Fund. It had been appointed as the investment manager of the Mutual Fund vide a deed of variation to the Investment Management Agreement, dated May 30th 2008. The Deed of variation to the IMA was entered into between IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited.

The Company originally known as ANZ Grindlays Asset Management Company Private Limited, was established by Australia and New Zealand Banking Group (ANZ), and had been appointed by the Trustee to act as the Investment Manager of the ANZ Grindlays Mutual Fund vide the Investment Management Agreement dated January 3, 2000. Consequent to sale of business by ANZ to Standard Chartered Bank (SCB) in 2001, 75% stake in the equity share capital of the AMC and 100% stake in the Preference Share Capital of the AMC had been transferred to SCB. IDFC acquired the equity and preference shares held by SCB in the Asset Management Company Private Limited (AMC) on May 30th 2008. IDFC also acquired the equity shares held by minority shareholders in the AMC. On December 8, 2011, NGAM Asia, a Singapore Limited company, which is a 100% indirect subsidiary of NGAM, acquired 25% of the total issued and paid up equity share capital plus one equity share in each of IDFC Asset Management Co. Ltd. and IDFC AMC Trustee Company Ltd. respectively.

NGAM is an international asset management group with assets under management of US\$719 billion as of December 31, 2010 Headquartered in Paris, France. NGAM, is a multi-boutique firm, with more than 20 independent investment affiliates offering a comprehensive range of products across all asset classes, styles and geographic zones to institutional and individual investors. In addition, NGAM possesses a proprietary distribution network to distribute its affiliate products in Europe, the Middle East, the Americas and Asia.

NGAM is owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks.

IDFC Asset Management Company Limited through its subsidiary IDFC Investment Advisors Ltd. acts as a Portfolio Manager and is registered with SEBI under the SEBI (Portfolio Managers) Regulation Act, 1993. The SEBI registration number is INP000002064. IDFC Investment Advisors Ltd. is also Investment Manager to registered Venture Capital Fund - IDFC SPICE Fund. IDFC Asset Management Company Limited through its subsidiary, IDFC Pension Fund Management Company Ltd. acts as a pension fund manager to the New Pension Schemes. All these activities are not in conflict with the activities of the mutual fund.

Shareholding pattern of the AMC:

| Shareholder | Percentage |
|--|------------|
| IDFC / persons / entities nominated by IDFC | 74.998% |
| Natixis Global Asset Management Asia Pte. Ltd. | 25.002% |

The Directors of IDFC Asset Management Company Limited as on July 24, 2012:

- Dr. Rajiv Lall
- Mr. Pradip Madhavji
- Mrs. Bakul Patel
- Mr. Vikram Limaye (Appointed with effect from April 27, 2011)
- Mr. Eric Ward (Appointed with effect from December 08, 2011)

TRUSTEE REPORT (Contd.)

DETAILS OF THE SCHEMES

IDFC EQUITY FUND (IDFC EF)

IDFC Equity Fund is an Open Ended Equity Scheme.

The investment objective of the Scheme is to seek to generate capital growth from a portfolio of predominantly equity and equity-related instruments (including equity derivatives). The scheme may also invest in debt and money market instruments to generate reasonable income.

There is no assurance or guarantee that the objectives of the scheme will be realized and the scheme does not assure or guarantee any returns.

The Funds under Management ("FuM") of the scheme as of March 31, 2012 was Rs. 368.18 crores, the scheme delivered a CAGR of -8.05% for the last one year, 20.76% for last three years and 7.60% from its inception date (i.e. the date of allotment) of June 9, 2006 to March 31, 2012. The NAV of the growth option as of March 31, 2012 for Rs. 15.29

IDFC Sterling Equity Fund (IDFC SEF)

IDFC Sterling Equity Fund is an Open Ended Equity Scheme. (IDFC-SEF was converted into open ended equity scheme w.e.f September 11, 2009).

The investment objective of the Scheme is to seek to generate capital appreciation from a diversified portfolio of equity and equity related instruments.

The Scheme will predominantly invest in small and midcap equity and equity related instruments. Small and Midcap equity and equity related instruments will be the stocks included in the CNX Midcap index or equity and equity related instruments of such companies which have a market capitalization lower than the highest components of CNX Midcap Index.

The Scheme may also invest in stocks other than mid cap stocks (i.e. in stocks, which have a market capitalization of above the market capitalisation range of the defined small - midcap stocks) and derivatives. On defensive consideration, the Scheme may also invest in debt and money market instruments. In case of discontinuation / suspension of CNX Midcap Index, the AMC reserves the right to modify the definition of Mid cap and Small cap companies. In case of such a modification, the interest of investors will be of paramount importance.

There can be no assurance that the investment objective of the scheme will be realized.

The Funds under Management ("FuM") of the scheme as of March 31, 2012 was Rs. 1,135.96 crores, the scheme delivered a CAGR of 1.84% for the last one year, 34.67% for last three years and 15.85% from its inception date (i.e. the date of allotment) of March 7, 2008 to March 31, 2012. The NAV of the growth option as of March 31, 2012 was Rs. 18.17.

IDFC ARBITRAGE FUND (IDFC-AF)

IDFC Arbitrage Fund is an Open Ended Equity Scheme

The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.

There is no assurance or guarantee that the investment objective of the scheme will be realized.

The Funds under Management ("FuM") of the scheme as of March 31, 2012 was Rs. 50.15 crores, the scheme delivered a CAGR of 8.34% for the last one year, 6.00% for last three years and 6.78% from its inception date (i.e. the date of allotment) of December 21, 2006 to March 31, 2012. The NAV of the growth option as of March 31, 2012 was Rs. 14.12 (Plan A) and 14.50 (Plan B).

IDFC ARBITRAGE PLUS FUND (IDFC-APF)

IDFC Arbitrage Plus Fund is an Open Ended Equity Scheme

The investment objective of the scheme is to generate income (absolute to low volatility returns) by taking advantage of opportunities in the cash and the derivative segments of the equity markets including the arbitrage opportunities available within the derivative segment, by using other derivative based strategies and by investing the balance in debt and money market instruments.

However there is no assurance that the investment objective of the scheme will be realized.

The Funds under Management ("FuM") of the scheme as of March 31, 2012 was Rs. 4.76 crores, the scheme delivered a CAGR of 6.77% for last one year, 5.50% for last three years and 6.27% from its inception date (i.e. the date of allotment) of June 9, 2008 to March 31, 2012. The NAV of the growth option as of March 31, 2012 was Rs. 12.60 (Plan A) and Rs. 12.69 (Plan B).

IDFC Nifty Fund (IDFC-NF)

IDFC Nifty Fund is an Open Ended Index Linked Equity Scheme

The investment objective of the scheme is to replicate the S&P CNX Nifty index by investing in securities of the S&P CNX Nifty Index in the same proportion/weight age.

However, there is no assurance or guarantee that the objectives of the scheme will be realized and the scheme does not assure or guarantee any returns.

The Funds under Management ("FuM") of the scheme as of March 31, 2012 was Rs. 8.66 crores, the scheme delivered a CAGR of -7.40% for last one year and 1.07% since inception (i.e. date of allotment) of April 30, 2010 to March 31, 2012. The NAV of the growth option as of March 31, 2012 was Rs. 10.20.

INVESTOR SERVICES

- **The convenience of transaction has been enhanced by introducing the following facilities through our website www.idfcmf.com:**
 - a. View & Print Account Statement Online.
 - b. Purchase, Redeem & Switch online using a password which can be generated by the client on the website itself.
 - c. Investor can map multiple folio's where the investor is the Sole Holder or 1st Holder.
 - d. Option to invest online with Debit Card.
- **As a part of Go Green Initiative, the following measures have been introduced:**
 - a. Account Statements by E-mail to the investors who have given their email ids.
 - b. Regular Communications are being sent through Email.
 - c. Transaction Confirmations are sent through SMS.
 - d. SIP Maturity & Rejections are intimated to investors through SMS.
- **Introduced the option of making purchases over phone.**

UNCLAIMED DIVIDEND & REDEMPTIONS

The distribution of Dividend is made out of Net Surplus subject to availability of distributable profits, as computed in accordance with SEBI Regulations. The AMC reserves the right to change the periodicity for declaration of dividend.

Unclaimed Dividend & Redemptions

| Scheme Name | Unclaimed Dividends | | Unclaimed Redemption | |
|---------------------------|---------------------|------------------|----------------------|------------------|
| | Amount (Rs.) | No. of investors | Amount (Rs.) | No. of investors |
| IDFC Equity Fund | 1,353,834.79 | 618 | 4147723.38 | 175 |
| IDFC Sterling Equity Fund | 2,553,604.43 | 96 | 2,356,812.42 | 56 |
| IDFC Arbitrage Fund | - | - | 500,060.24 | 2 |
| IDFC Arbitrage Plus Fund | 16,000.00 | 8 | 13,299.12 | 1 |
| IDFC Nifty Fund | - | - | 22,010.43 | 1 |

STATUTORY DETAILS

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

The Sponsors are not responsible or liable for any loss resulting from the operations of the scheme of the fund beyond their total contribution of Rs. 30,000 for setting up the fund and such other accretions / additions to the same. The sponsor shall be responsible to safeguard the interests of the unit holders and ensure that the AMC functions in the interest of the investors and in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the provisions of the Trust Deed and the Scheme Information Document of the scheme

On written request and on payment of requisite fee present and prospective unit holders/investors can obtain copy of the trust deed, the annual report of the scheme and the asset management company and the text of the relevant scheme. Full Annual Report is also disclosed on the website (www.idfcmf.com) and is available for inspection at the Head Office of the Mutual Fund.

TRUSTEE REPORT (Contd.)

Redressal of Complaints received against Mutual Funds (MFs) during 2011-2012

Name of Mutual Fund : IDFC Mutual fund
 Number of Folios : 607515

| 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 |
| IB | Non receipt of Dividend on Units | 7 | 141 | 114 | 31 | 1 | 1 | | | | 1 | |
| | Interest on delayed payment of Dividend | | | | | | | | | | | |
| IE | Non receipt of Redemption Proceeds | 4 | 101 | 92 | 11 | 2 | | | | | | |
| | Interest on delayed payment of Redemption | | | | | | | | | | | |
| IC&IN | Non receipt of Statement of Account / Unit Certificate | | 165 | 160 | 5 | | | | | | | |
| | Discrepancy in Statement of Account | 4 | 97 | 89 | 12 | | | | | | | |
| 2B | Data corrections in Investor details | | 121 | 117 | 4 | | | | | | | |
| | Non receipt of Annual Report / Abridged Summary | | | | | | | | | | | |
| | Wrong switch between Schemes | | | | | | | | | | | |
| | Unauthorized switch between Schemes | | | | | | | | | | | |
| | Deviation from Scheme attributes | | | | | | | | | | | |
| | Wrong or excess charges/load | | | | | | | | | | | |
| 3E | Non updation of changes viz. address, PAN, bank details, nomination, etc | | 120 | 114 | 6 | | | | | | | |
| IG,IO & IZ & ID | Others* | 85 | 740 | 727 | 91 | 7 | | | | | | |
| Total | | 100 | 1485 | 1413 | 160 | 10 | 1 | 0 | 0 | 0 | 1 | 0 |

* If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

VOTING POLICY

BACKGROUND OF THE POLICY

IDFC Asset Management Company Ltd. (AMC) is the asset management company for IDFC Mutual Fund. The AMC while managing the schemes would be obligated to act in the best interests of the investors and would participate in meetings and exercise voting rights as shareholders in the companies wherein the scheme has invested.

This Policy lays down the broad guidelines to be adopted while considering matters in which the AMC deems necessary to participate as shareholders in companies. The AMC believes that while due diligence is exercised in the process of investment decision making; it would be the responsibility of the AMC to review performance on continual basis including matters proposed by the management for shareholders approval. The custodian shall inform the AMC upon receipt of notice from the company seeking shareholders approval, AMC shall review the impact of such matters placed for shareholders consideration and take decision on exercising its rights. In general, the AMC does not have the intention to participate directly or indirectly in the management of the companies but it will use its influence as a shareholder amongst others by exercising its voting rights in accordance with the best interests of its funds unit holders.

PROXY VOTING GUIDELINES

With respect to investments in group companies of the AMC, the AMC shall endeavour to abstain from voting for / against unless the resolution or the matter is detrimental to the interest of the investors. The AMC shall abstain from voting in any resolutions of any other companies unless

the committee believes the resolution is not in the interest of investors. On receipt of notice from the investee company the Custodian shall inform the AMC, the resolutions for voting shall be discussed at the Investment committee meeting.

With respect decision making the Investment Committee of the AMC shall review all proposals, even those that may be considered to be routine matters. Such proposals shall be considered based on the relevant facts and circumstances. Investment Manager may deviate from the general policies and procedures when it determines that the particular facts and circumstances warrant such deviation to protect the interests of the Clients. These guidelines cannot provide an exhaustive list of all the issues that may arise nor can Investment Manager anticipate all future situations.

PROCESSES TO BE ADOPTED FOR PARTICIPATING IN GENERAL MEETING

Delegation of powers to vote: The Chief Executive Officer/ Chief Investment Officer / Head - Legal & Compliance of IDFC Asset Management Co. Ltd. will represent IDFC Mutual Fund as proxy voter or shall delegate authority to the Custodian of the fund to vote on behalf of IDFC Mutual Fund.

Record keeping: The AMC shall maintain records of all notices received through the Custodian on matters placed for vote and decision (abstain/vote for or against) taken by the Investment Committee.

The voting policy followed by IDFC MF is available on www.idfcmf.com. The cases where IDFC MF had participated/voted for /against any resolutions of the companies in which IDFC MF has any investment is listed hereunder:

Company Name : VST INDUSTRIES LTD
 No. of shares held : 373997
 Scheme Name : IDFC Sterling Equity Fund

| Meeting Date | Type of Meeting | Proposal | Management Recommendation | Vote (For/ Against/Abstain) |
|------------------------------|-----------------|---|--------------------------------|-----------------------------|
| Management Proposals | | | | |
| 09 -12 -11 | Postal Ballot | Special Resolution for change in place of keeping the Register & Index of Members and copies of Annual Returns etc., at Karvy Computershare Private Limited, Hyderabad instead of being kept at the Registered Office of the Company or at the office of Sathguru Management Consultants Private limited, Hyderabad, due to change in Registrar & Share Transfer Agent. | Passed with requisite majority | FOR |
| Shareholder Proposals | | | | |
| | | NIL | | |

ACKNOWLEDGEMENT

The Board of Directors of IDFC AMC Trustee Company wish to place on record their gratitude to the unitholders for their continued support and to the Securities and Exchange Board of India, the Reserve Bank of India, the Registrars, Bankers, the Custodians, Infrastructure Development Finance Company Limited (IDFC), the present Sponsor of IDFCMF, Standard Chartered Bank, the erstwhile sponsor of the Mutual Fund, various service providers and business partners and the employees of the AMC for the support provided by them during the year.

For IDFC AMC Trustee Company Limited
 (The Trustee of IDFC Mutual Fund)
Chairman

Place: Mumbai
 Date: July 24, 2012

AUDITORS' REPORT

To The Board of Directors of
IDFC AMC Trustee Company Limited

We have audited the attached Balance Sheet of the under mentioned Open Ended Equity Schemes ("the Fund") as at March 31, 2012 and the Revenue Account of the Fund for the year ended on that date, annexed thereto.

| Scheme Name |
|---|
| IDFC Equity Fund (Formerly Enterprise Equity Fund) |
| IDFC Sterling Equity Fund (Formerly Small & Midcap Equity (SME) Fund) |
| IDFC Arbitrage Fund |
| IDFC Arbitrage Plus Fund |
| IDFC Nifty Fund |

We report thereon as follows:

- a) 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 Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. These financial statements are the responsibility of the Managements of the IDFC AMC Trustee Company Limited and IDFC Asset Management Company Limited.
- b) Our audit was conducted in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- c) 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.
- d) The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the Fund.
- e) Non - traded securities have been valued in accordance with the guidelines notified by the Securities and Exchange Board of India. In our opinion, these valuations are fair and reasonable.
- f) Without qualifying our opinion, we draw attention to Note No. 20 of Schedule 9, wherein the Managements of the IDFC AMC Trustee Company Limited and IDFC Asset Management Company Limited have explained their rationale regarding certain Accounting Standards issued by the Institute of Chartered Accountants of India as not being applicable to mutual funds.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Fund as at March 31, 2012 and
 - (ii) in the case of the Revenue Account, of the surplus/deficit of the Fund for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Z.F. Billimoria
Partner
(Membership No. 42791)

Mumbai, July 24, 2012

Abridged Balance Sheet As At March 31, 2012

Rupees in Lakhs

| | IDFC EF | | IDFC SEF | | IDFC AF | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | As at Mar 31, 2012 | As at Mar 31, 2011 | As at Mar 31, 2012 | As at Mar 31, 2011 | As at Mar 31, 2012 | As at Mar 31, 2011 |
| LIABILITIES | | | | | | |
| 1 Unit Capital | 27,133.21 | 32,379.11 | 69,980.23 | 67,059.96 | 4,010.69 | 5,692.53 |
| 2 Reserves & Surplus | 9,684.92 | 16,007.40 | 43,615.68 | 43,796.55 | 1,004.07 | 864.74 |
| 2.1 Unit Premium Reserve | (31,205.25) | (30,639.52) | 9,673.81 | 9,806.52 | (279.19) | (275.32) |
| 2.2 Unrealised Appreciation Reserve | 3,415.58 | 7,320.57 | 8,631.80 | 3,019.73 | 0.14 | - |
| 2.3 Other Reserves | 37,474.59 | 39,326.35 | 25,310.07 | 30,970.30 | 1,283.12 | 1,140.06 |
| 3 Loans & Borrowings | - | - | - | - | - | - |
| 4 Current Liabilities & Provisions | 608.56 | 4,690.50 | 518.93 | 1,985.38 | 389.54 | 424.84 |
| 4.1 Provision for doubtful Income/Deposits | - | - | - | - | - | - |
| 4.2 Other Current Liabilities & Provisions* | 608.56 | 4,690.50 | 518.93 | 1,985.38 | 389.54 | 424.84 |
| TOTAL | 37,426.69 | 53,077.01 | 114,114.84 | 112,841.89 | 5,404.30 | 6,982.11 |
| ASSETS | | | | | | |
| 1 Investments | | | | | | |
| 1.1 Listed Securities: | 34,091.58 | 34,313.24 | 107,309.84 | 99,879.92 | 3,480.82 | 4,563.34 |
| 1.1.1 Equity Shares | 34,091.58 | 34,305.11 | 107,113.48 | 99,477.90 | 3,421.00 | 4,563.34 |
| 1.1.2 Preference Shares | - | - | - | - | - | - |
| 1.1.3 Equity Linked Debentures | - | - | - | - | - | - |
| 1.1.4 Other Debentures & Bonds | - | 8.13 | 196.36 | 402.02 | 59.82 | - |
| 1.1.5 Securitised Debt securities | - | - | - | - | - | - |
| 1.2 Securities Awaited Listing: | - | - | - | - | - | - |
| 1.2.1 Equity Shares | - | - | - | - | - | - |
| 1.2.2 Preference Shares | - | - | - | - | - | - |
| 1.2.3 Equity Linked Debentures | - | - | - | - | - | - |
| 1.2.4 Other Debentures & Bonds | - | - | - | - | - | - |
| 1.2.5 Securitised Debt securities | - | - | - | - | - | - |
| 1.3 Unlisted Securities | - | - | - | 1,967.72 | - | - |
| 1.3.1 Equity Shares | - | - | - | - | - | - |
| 1.3.2 Preference Shares | - | - | - | - | - | - |
| 1.3.3 Equity Linked Debentures | - | - | - | - | - | - |
| 1.3.4 Other Debentures & Bonds | - | - | - | 1,967.72 | - | - |
| 1.3.5 Securitised Debt securities | - | - | - | - | - | - |
| 1.4 Government Securities | - | - | - | - | - | - |
| 1.5 Treasury Bills | - | - | - | - | - | - |
| 1.6 Commercial Paper | - | - | - | - | - | - |
| 1.7 Certificate of Deposits | 2,259.59 | 10,891.86 | 4,997.88 | 3,364.41 | - | - |
| 1.8 Bill Rediscounting | - | - | - | - | - | - |
| 1.9 Units of Domestic Mutual Fund | - | - | - | - | 450.14 | - |
| 1.10 Foreign Securities | - | - | - | - | - | - |
| Total Investments | 36,351.17 | 45,205.10 | 112,307.72 | 105,212.05 | 3,930.96 | 4,563.34 |
| 2 Deposits | 185.02 | 2,527.88 | 53.70 | 15.16 | 1,014.69 | 1,510.45 |
| 3 Other Current Assets | 890.50 | 5,344.03 | 1,753.42 | 7,614.68 | 458.65 | 908.32 |
| 3.1 Cash & Bank Balance | 485.17 | 2,595.71 | 267.58 | 1,384.23 | 132.75 | 396.28 |
| 3.2 CBLO/ Reverse Repo Lending | - | 2,558.63 | - | 759.59 | 20.00 | 379.80 |
| 3.3 Others | 405.33 | 189.69 | 1,485.84 | 5,470.86 | 305.90 | 132.24 |
| 4 Deferred Revenue Expenditure (to the extent not written off) | - | - | - | - | - | - |
| TOTAL | 37,426.69 | 53,077.01 | 114,114.84 | 112,841.89 | 5,404.30 | 6,982.11 |
| # Units pending allotment included in Current Liability | - | - | 0.14 | - | - | - |

Notes to Accounts - Annexure I

For IDFC Asset Management Company Limited

Sd/- **Mr. Kenneth Andrade**
Head - Investments

Sd/- **Mr. Neelotpal Sahai**
Fund Manager

Sd/- **Mr. Suyash Choudhary**
Fund Manager

Sd/- **Ms Punam Sharma**
Fund Manager

Sd/- **Mr Pradip Madhavji**
Director

For IDFC AMC Trustee Company Limited

Sd/- **Jamsheed Kanga**
Director

Place & Date : Mumbai, July 24, 2012

Abridged Balance Sheet As At March 31, 2012 (contd.)

Rupees in Lakhs

| | IDFC APF | | IDFC NF | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | As at Mar 31, 2012 | As at Mar 31, 2011 | As at Mar 31, 2012 | As at Mar 31, 2011 |
| LIABILITIES | | | | |
| 1 Unit Capital | 346.21 | 1,757.32 | 847.98 | 695.36 |
| 2 Reserves & Surplus | 130.02 | 283.95 | 18.36 | 71.87 |
| 2.1 Unit Premium Reserve | (606.49) | (602.76) | 17.68 | 37.13 |
| 2.2 Unrealised Appreciation Reserve | 0.01 | - | 0.27 | 40.85 |
| 2.3 Other Reserves | 736.50 | 886.71 | 0.41 | (6.11) |
| 3 Loans & Borrowings | - | - | - | - |
| 4 Current Liabilities & Provisions | 41.42 | 55.65 | 18.93 | 51.57 |
| 4.1 Provision for doubtful Income/Deposits | - | - | - | - |
| 4.2 Other Current Liabilities & Provisions # | 41.42 | 55.65 | 18.93 | 51.57 |
| TOTAL | 517.65 | 2,096.92 | 885.27 | 818.80 |
| ASSETS | | | | |
| 1 Investments | | | | |
| 1.1 Listed Securities: | 291.45 | 1,397.83 | 818.79 | 702.70 |
| 1.1.1 Equity Shares | 291.45 | 1,337.59 | 818.79 | 702.55 |
| 1.1.2 Preference Shares | - | - | - | - |
| 1.1.3 Equity Linked Debentures | - | - | - | - |
| 1.1.4 Other Debentures & Bonds | - | 60.24 | - | 0.15 |
| 1.1.5 Securitised Debt securities | - | - | - | - |
| 1.2 Securities Awaited Listing: | - | - | - | - |
| 1.2.1 Equity Shares | - | - | - | - |
| 1.2.2 Preference Shares | - | - | - | - |
| 1.2.3 Equity Linked Debentures | - | - | - | - |
| 1.2.4 Other Debentures & Bonds | - | - | - | - |
| 1.2.5 Securitised Debt securities | - | - | - | - |
| 1.3 Unlisted Securities | - | - | - | - |
| 1.3.1 Equity Shares | - | - | - | - |
| 1.3.2 Preference Shares | - | - | - | - |
| 1.3.3 Equity Linked Debentures | - | - | - | - |
| 1.3.4 Other Debentures & Bonds | - | - | - | - |
| 1.3.5 Securitised Debt securities | - | - | - | - |
| 1.4 Government Securities | - | - | - | - |
| 1.5 Treasury Bills | - | - | - | - |
| 1.6 Commercial Paper | - | - | - | - |
| 1.7 Certificate of Deposits | - | - | - | - |
| 1.8 Bill Rediscounting | - | - | - | - |
| 1.9 Units of Domestic Mutual Fund | 50.02 | - | - | - |
| 1.10 Foreign Securities | - | - | - | - |
| Total Investments | 341.47 | 1,397.83 | 818.79 | 702.70 |
| 2 Deposits | 50.91 | - | 0.22 | - |
| 3 Other Current Assets | 125.27 | 699.09 | 66.26 | 116.10 |
| 3.1 Cash & Bank Balance | 115.12 | 462.04 | 64.34 | 63.74 |
| 3.2 CBLO/ Reverse Repo Lending | 10.00 | 19.99 | - | 49.97 |
| 3.3 Others | 0.15 | 217.06 | 1.92 | 2.39 |
| 4 Deferred Revenue Expenditure (to the extent not written off) | - | - | - | - |
| TOTAL | 517.65 | 2,096.92 | 885.27 | 818.80 |
| # Units pending allotment included in Current Liability | - | - | - | - |

Notes to Accounts - Annexure I

For IDFC Asset Management Company Limited

Sd/- **Mr. Kenneth Andrade**
Head - Investments

Sd/- **Mr. Neelopal Sahai**
Fund Manager

Sd/- **Mr. Suyash Choudhary**
Fund Manager

Sd/- **Ms Punam Sharma**
Fund Manager

Sd/- **Mr Pradip Madhavji**
Director

For IDFC AMC Trustee Company Limited

Sd/- **Jamsheed Kanga**
Director

Place & Date : Mumbai, July 24, 2012

Abridged Revenue Account For The Year/Period Ended March 31, 2012

Rupees in Lakhs

| | | IDFC EF | | IDFC SEF | | IDFC AF | |
|-----------|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 |
| 1 | INCOME | | | | | | |
| 1.1 | Dividend | 444.73 | 698.95 | 2,027.87 | 1,024.03 | 52.27 | 139.40 |
| 1.2 | Interest | 486.23 | 568.33 | 640.15 | 630.66 | 117.37 | 263.74 |
| 1.3 | Realised Gain / (Loss) on Foreign Exchange Transactions | - | - | - | - | - | - |
| 1.4 | Realised Gains / (Losses) on Interscheme sale of investments | (2.86) | (27.58) | (19.27) | (21.25) | - | (1.37) |
| 1.5 | Realised Gains / (Losses) on External sale / redemption of investments | 1,754.87 | 8,997.62 | (3,812.29) | 10,220.47 | (552.67) | (899.49) |
| 1.6 | Realised Gains / (Losses) on Derivative Transactions | (1,730.09) | (5.61) | 159.08 | (118.22) | 535.55 | 372.59 |
| 1.7 | Other Income | 0.37 | 4.18 | - | 2.60 | 0.09 | 0.38 |
| | (A) | 953.25 | 10,235.89 | (1,004.46) | 11,738.29 | 152.61 | (124.75) |
| 2 | EXPENSES | | | | | | |
| 2.1 | Management fees | 423.96 | 584.01 | 1,131.79 | 951.03 | 27.50 | 72.80 |
| 2.2 | Service tax on Management fees | 43.67 | 60.15 | 116.57 | 97.96 | 2.83 | 7.50 |
| 2.3 | Transfer agents fees and expenses | 90.40 | 131.81 | 156.16 | 188.15 | 6.99 | 9.08 |
| 2.4 | Custodian fees | 11.24 | 16.77 | 19.44 | 21.83 | 3.27 | 14.02 |
| 2.5 | Trusteeship fees | 0.95 | 0.92 | 0.91 | 0.73 | 0.01 | 0.01 |
| 2.6 | Commission to Agents | 200.02 | 276.41 | 697.30 | 540.88 | 23.07 | 53.47 |
| 2.7 | Marketing & Distribution expenses | 65.40 | 59.65 | 40.57 | 148.87 | 0.17 | 0.60 |
| 2.8 | Audit fees | 2.24 | 2.82 | 2.15 | 2.28 | 0.02 | 0.02 |
| 2.9 | Other operating expenses | 80.84 | 116.32 | 87.76 | 73.67 | 0.94 | 2.00 |
| 2.10 | Less : Recoverable from AMC | - | 1.49 | 13.49 | 101.67 | 6.85 | 20.45 |
| | (B) | 918.72 | 1,247.37 | 2,239.16 | 1,923.73 | 57.95 | 139.05 |
| 3 | NET REALISED GAINS / (LOSSES) FOR THE YEAR (A - B = C) | 34.53 | 8,988.52 | (3,243.62) | 9,814.56 | 94.66 | (263.80) |
| 4 | Change in Unrealised Depreciation in value of investments (D) | \$0.00 | (25.71) | (8.03) | 9.33 | (391.08) | (1,187.49) |
| 5 | NET GAINS / (LOSSES) FOR THE YEAR (E = (C-D)) | 34.53 | 9,014.23 | (3,235.59) | 9,805.23 | 485.74 | 923.69 |
| 6 | Change in unrealised appreciation in the value of investments (F) | (3,904.99) | (2,396.88) | 5,612.07 | (5,829.65) | 0.14 | (75.92) |
| 7 | NET SURPLUS / (DEFICIT) FOR THE YEAR (E + F = G) | (3,870.46) | 6,617.35 | 2,376.48 | 3,975.58 | 485.88 | 847.77 |
| 7.1 | Add: Balance transfer from Unrealised Appreciation Reserve | 7,320.57 | 9,717.45 | 3,019.73 | 8,849.38 | - | 75.92 |
| 7.2 | Less: Balance transfer to Unrealised Appreciation Reserve | 3,415.58 | 7,320.57 | 8,631.80 | 3,019.73 | 0.14 | - |
| 7.3 | Add / (Less): Equalisation | (1,328.47) | (3,422.92) | 1,840.46 | 14,957.52 | (342.69) | (2,367.89) |
| 8 | Total | (1,293.94) | 5,591.31 | (1,395.13) | 24,762.75 | 143.05 | (1,444.20) |
| 9 | Dividend appropriation | - | - | - | - | - | - |
| 9.1 | Income Distributed during the year | 557.82 | 1,354.22 | 4,219.06 | 2,840.25 | - | 46.55 |
| 9.2 | Tax on income distributed during the year | - | - | - | - | - | - |
| 10 | Retained Surplus / (Deficit) carried forward to Balance sheet | (1,851.76) | 4,237.09 | (5,614.19) | 21,922.50 | 143.05 | (1,490.75) |

Notes to Accounts - Annexure I

For IDFC Asset Management Company Limited

| | | |
|--|--|---|
| Sd/- Mr. Kenneth Andrade Head - Investments | Sd/- Mr. Neelotpal Sahai Fund Manager | Sd/- Mr. Suyash Choudhary Fund Manager |
|--|--|---|

| |
|--|
| Sd/- Ms Punam Sharma Fund Manager |
|--|

| |
|---|
| Sd/- Mr Pradip Madhavji Director |
|---|

For IDFC AMC Trustee Company Limited

| |
|---|
| Sd/- Jamsheed Kanga Director |
|---|

Place & Date : Mumbai, July 24, 2012

Abridged Revenue Account For The Year/Period Ended March 31, 2012 (contd.)

Rupees in Lakhs

| | | IDFC APF | | IDFC NF | |
|-----------|--|----------------------------|----------------------------|----------------------------|------------------------------|
| | | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 | Year ended Mar 31, 2012 | Period ended Mar 31, 2011 |
| 1 | INCOME | | | | |
| 1.1 | Dividend | 10.37 | 47.12 | 11.83 | 6.07 |
| 1.2 | Interest | 17.15 | 147.40 | 2.19 | 1.51 |
| 1.3 | Realised Gain / (Loss) on Foreign Exchange Transactions | - | - | - | - |
| 1.4 | Realised Gains / (Losses) on Interscheme sale of investments | (2.27) | (2.37) | - | - |
| 1.5 | Realised Gains / (Losses) on External sale / redemption of investments | (302.35) | 147.27 | (65.93) | (5.82) |
| 1.6 | Realised Gains / (Losses) on Derivative Transactions | 156.81 | 367.99 | 4.38 | - |
| 1.7 | Other Income | 0.08 | 0.90 | - | 0.43 |
| | (A) | (120.21) | 708.31 | (47.53) | 2.19 |
| 2 | EXPENSES | | | | |
| 2.1 | Management fees | 13.86 | 91.46 | 0.87 | 0.54 |
| 2.2 | Service tax on Management fees | 1.43 | 9.42 | 0.09 | 0.06 |
| 2.3 | Transfer agents fees and expenses | 1.42 | 5.05 | 1.13 | 0.08 |
| 2.4 | Custodian fees | 0.67 | 10.96 | 0.19 | 0.16 |
| 2.5 | Trusteeship fees | - | - | - | - |
| 2.6 | Commission to Agents | 5.52 | 8.96 | - | 0.62 |
| 2.7 | Marketing & Distribution expenses | 0.05 | 15.22 | 0.06 | 0.17 |
| 2.8 | Audit fees | 0.02 | 0.42 | 0.04 | 0.04 |
| 2.9 | Other operating expenses | 0.41 | 21.88 | 0.90 | 0.23 |
| 2.10 | Less : Recoverable from AMC | - | 0.36 | 1.11 | 0.55 |
| | (B) | 23.38 | 163.01 | 2.17 | 1.35 |
| 3 | NET REALISED GAINS / (LOSSES) FOR THE YEAR (A - B = C) | (143.59) | 545.30 | (49.70) | 0.84 |
| 4 | Change in Unrealised Depreciation in value of investments (D) | (214.54) | 41.28 | 1.63 | - |
| 5 | NET GAINS / (LOSSES) FOR THE YEAR (E=(C-D)) | 70.95 | 504.02 | (51.33) | 0.84 |
| 6 | Change in unrealised appreciation in the value of investments (F) | 0.02 | (105.28) | (40.58) | 40.85 |
| 7 | NET SURPLUS / (DEFICIT) FOR THE YEAR (E + F = G) | 70.97 | 398.74 | (91.91) | 41.69 |
| 7.1 | Add: Balance transfer from Unrealised Appreciation Reserve | - | 105.28 | 40.85 | - |
| 7.2 | Less: Balance transfer to Unrealised Appreciation Reserve | 0.02 | - | 0.27 | 40.85 |
| 7.3 | Add / (Less): Equalisation | (206.37) | (1,348.83) | 57.86 | (6.96) |
| 8 | Total | (135.42) | (844.81) | 6.53 | (6.12) |
| 9 | Dividend appropriation | - | - | - | - |
| 9.1 | Income Distributed during the year | 14.74 | 110.42 | - | - |
| 9.2 | Tax on income distributed during the year | - | - | - | - |
| 10 | Retained Surplus / (Deficit) carried forward to Balance sheet | (150.16) | (955.23) | 6.53 | (6.12) |

Notes to Accounts - Annexure I

For IDFC Asset Management Company Limited

| | | |
|--|--|---|
| Sd/- Mr. Kenneth Andrade Head - Investments | Sd/- Mr. Neelotpal Sahai Fund Manager | Sd/- Mr. Suyash Choudhary Fund Manager |
|--|--|---|

| |
|--|
| Sd/- Ms Punam Sharma Fund Manager |
|--|

| |
|---|
| Sd/- Mr Pradip Madhavji Director |
|---|

For IDFC AMC Trustee Company Limited

| |
|---|
| Sd/- Jamsheed Kanga Director |
|---|

Place & Date : Mumbai, July 24, 2012

Key Statistics For The Year/Period Ended March 31, 2012

| | | IDFC EF | | IDFC SEF | | IDFC AF | |
|----|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------------|
| | | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 |
| 1. | NAV per unit (Rs.): | | | | | | |
| | Growth Option - Plan A | | | | | | |
| | Open | 16.6346 | 14.8703 | 17.8450 | 16.3053 | 13.0410 | 12.2196 |
| | High | 16.8481 | 17.9198 | 19.2689 | 21.0911 | 14.1284 | 13.0410 |
| | Low | 13.1798 | 13.6059 | 14.7784 | 15.9258 | 13.0457 | 12.2153 |
| | End | 15.2954 | 16.6346 | 18.1734 | 17.8450 | 14.1284 | 13.0410 |
| | Dividend Option - Plan A | | | | | | |
| | Open | 12.5606 | 12.1962 | 14.7243 | 14.9903 | 11.0364 | 10.3407 |
| | High | 12.7218 | 14.6972 | 15.6579 | 17.4026 | 11.9566 | 11.0364 |
| | Low | 9.9519 | 11.1592 | 11.0084 | 13.1406 | 11.0404 | 10.3371 |
| | End | 11.0565 | 12.5606 | 13.5361 | 14.7243 | 11.9566 | 11.0364 |
| | Growth Option - Plan B | | | | | | |
| | Open | 13.6728 | 12.2243 | - | - | 13.3231 | 12.4217 |
| | High | 13.8505 | 14.7316 | - | - | 14.5065 | 13.3231 |
| | Low | 10.8720 | 11.1843 | - | - | 13.3281 | 12.4175 |
| | End | 12.6172 | 13.6728 | - | - | 14.5065 | 13.3231 |
| | Dividend Option - Plan B | | | | | | |
| | Open | 11.4785 | 10.2613 | - | - | 11.2274 | 10.5075 |
| | High | 11.6258 | 12.3653 | - | - | 12.2245 | 11.2274 |
| | Low | 9.0946 | 9.3888 | - | - | 11.2316 | 10.5039 |
| | End | 10.5545 | 11.4785 | - | - | 12.2245 | 11.2274 |
| 2. | Closing Assets Under Management (Rs. in Lakhs) | | | | | | |
| | End | 36,818.13 | 48,386.51 | 113,595.91 | 110,856.50 | 5,014.76 | 6,557.27 |
| | Average (AAuM) | 39,893.47 | 57,389.67 | 110,664.06 | 93,104.31 | 5,939.42 | 14,630.17 |
| 3. | Gross income as % of AAuM1 | 2.40% | 17.84% | -0.91% | 12.61% | 2.58% | -0.85% |
| 4. | Expense Ratio: | | | | | | |
| | a. Total Expense as % of AAuM (plan wise) | | | | | | |
| | Plan A | 2.30% | 2.17% | 2.02% | 2.07% | 1.21% | 1.25% |
| | Plan B | - | - | - | - | 0.71% | 0.75% |
| | b. Management Fee as % of AAuM (plan wise) | | | | | | |
| | Plan A | 1.06% | 1.02% | 1.02% | 1.02% | 0.50% | 0.50% |
| | Plan B | - | - | - | - | 0.50% | 0.50% |
| 5. | Net Income as a percentage of AAuM2 | 0.09% | 15.66% | -2.94% | 10.54% | 1.60% | -1.80% |
| 6. | Portfolio turnover ratio ³ | 0.00 | 10.12 | 0.00 | 14.26 | 0.01 | 31.47 |
| 7. | Total Dividend per unit distributed during the year / period (plan wise) | | | | | | |
| | Dividend Plan - A | | | | | | |
| | Corporate | 0.50 | 1.00 | 1.50 | 1.60 | - | - |
| | Non- Corp | 0.50 | 1.00 | 1.50 | 1.60 | - | - |
| | Dividend Plan - B | | | | | | |
| | Corporate | - | - | - | - | - | 0.04 |
| | Non- Corp | - | - | - | - | - | 0.04 |
| 8. | Returns: | | | | | | |
| | a. Last One Year Scheme | | | | | | |
| | Plan A | -8.05% | 11.86% | 1.84% | 9.44% | 8.34% | 6.72% |
| | Plan B | -7.72% | 11.85% | - | NA | 8.88% | 7.26% |
| | Benchmark | -9.23% | 11.14% | -4.09% | 4.35% | 8.44% | 6.21% |
| | b. Since Inception Scheme | | | | | | |
| | Plan A | 7.60% | 11.15% | 15.85% | 20.77% | 6.78% | 6.40% |
| | Plan B | 4.09% | 6.71% | NA | NA | 7.32% | 6.93% |
| | Benchmark | 11.14% | 15.92% | 4.29% | 7.18% | 6.93% | 6.58% |
| | Benchmark Index | | BSE 200 | | CNX - Midcap | | Crisil Liquid Fund Index |

1. Gross income = amount against (A) in the Revenue account i.e. Income.

2. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD

3. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.

AAuM= Average daily net assets

Key Statistics For The Year/Period Ended March 31, 2012 (Contd.)

| | | IDFC APF | | IDFC NF | |
|----|--|---------------------------------|----------------------------|----------------------------|------------------------------|
| | | Year ended Mar 31, 2012 | Year ended Mar 31, 2011 | Year ended Mar 31, 2012 | Period ended Mar 31, 2011 |
| 1. | NAV per unit (Rs.): | | | | |
| | Growth Option - Plan A | | | | |
| | Open | 11.8032 | 11.0841 | 11.0212 | - |
| | High | 12.6028 | 11.8032 | 11.1650 | 11.9648 |
| | Low | 11.7986 | 11.0479 | 8.7473 | 9.1213 |
| | End | 12.6026 | 11.8032 | 10.2058 | 11.0212 |
| | Dividend Option - Plan A | | | | |
| | Open | 11.0107 | 10.5351 | 11.0911 | - |
| | High | 11.5082 | 11.0107 | 11.2358 | 11.9708 |
| | Low | 11.0064 | 10.4404 | 8.8161 | 9.1213 |
| | End | 11.5080 | 11.0107 | 10.2859 | 11.0911 |
| | Growth Option - Plan B | | | | |
| | Open | 11.8590 | 11.1096 | - | - |
| | High | 12.6939 | 11.8590 | - | - |
| | Low | 11.8544 | 11.0821 | - | - |
| | End | 12.6938 | 11.8590 | - | - |
| | Dividend Option - Plan B | | | | |
| | Open | 11.0976 | 10.5905 | - | - |
| | High | 11.6293 | 11.0976 | - | - |
| | Low | 11.0933 | 10.5047 | - | - |
| | End | 11.6293 | 11.0976 | - | - |
| 2. | Closing Assets Under Management (Rs. in Lakhs) | | | | |
| | End | 476.23 | 2,041.27 | 866.34 | 767.23 |
| | Average (AAuM) | 1,182.02 | 8,271.55 | 874.79 | 481.05 |
| 3. | Gross income as % of AAuM1 | -10.20% | 8.56% | -5.92% | 0.49% |
| 4. | Expense Ratio: | | | | |
| | a. Total Expense as % of AAuM (plan wise) | | | | |
| | Plan A | 2.02% | 2.04% | 0.25% | 0.30% |
| | Plan B | 1.77% | 1.80% | - | - |
| | b. Management Fee as % of AAuM (plan wise) | | | | |
| | Plan A | 1.25% | 1.11% | 0.10% | 0.12% |
| | Plan B | 1.25% | 1.12% | - | - |
| 5. | Net Income as a percentage of AAuM2 | -12.18% | 6.59% | 0.11% | 0.19% |
| 6. | Portfolio turnover ratio ³ | 0.02 | 29.18 | 0.00 | 13.41 |
| 7. | Total Dividend per unit distributed during the year / period (plan wise) | | | | |
| | Dividend Plan - A | | | | |
| | Corporate | 0.24 | 0.20 | - | - |
| | Non- Corp | 0.24 | 0.20 | - | - |
| | Dividend Plan - B | | | | |
| | Corporate | 0.24 | 0.20 | - | - |
| | Non- Corp | 0.24 | 0.20 | - | - |
| 8. | Returns: | | | | |
| | a. Last One Year Scheme | | | | |
| | Plan A | 6.77% | 6.49% | -7.40% | NA |
| | Plan B | 7.04% | 6.75% | NA | NA |
| | Benchmark | 8.44% | 6.21% | -9.23% | NA |
| | b. Since Inception Scheme | | | | |
| | Plan A | 6.27% | 6.08% | 1.07% | 10.21% |
| | Plan B | 0.06 | 6.25% | NA | NA |
| | Benchmark | 6.72% | 6.11% | 0.17% | 10.53% |
| | Benchmark Index | Crisil Liquid Fund Index | | S&P NIFTY | |

1. Gross income = amount against (A) in the Revenue account i.e. Income.

2. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD

3. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.

AAuM= Average daily net assets

Notes to Accounts - Annexure I to the Abridged Balance Sheet and Revenue Account for the Year ended March 31, 2012

- 1 Investments:-
- 1.1. All the investments are held in the name of the Scheme, (except for Government Securities which are held in the name of the fund) as per clause 7 of the Seventh Schedule under Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996.
 - 1.2. Refer Annexure III for open position of derivatives.
 - 1.3. Investments in Associates and Group Companies:

| Scheme Name | 2011-2012 | | | | 2010-2011 | | | |
|-------------|---|------------|--------------------------|--|--|------------|--------------------------|--|
| | Issuer | Instrument | Amount (Rs. In lakhs) | Aggregate Investments (Rs. In lakhs) | Issuer | Instrument | Amount (Rs. In lakhs) | Aggregate Investments (Rs. In lakhs) |
| IDFC EF | Infrastructure Development Finance Company Ltd. | Equity | 2.02 | 2.02 | Axis Bank Limited | Equity | 49.94 | 471.39 |
| | | | | | Infrastructure Development Finance Company Ltd | Equity | 151.37 | |
| | | | | | Tata Power Co. Ltd. | Equity | 270.08 | |
| IDFC SEF | - | - | - | - | Axis Bank Limited | Equity | 47.36 | 47.36 |
| IDFC NF | Infrastructure Development Finance Company Ltd. | Equity | 11.21 | 11.21 | - | - | - | - |

- 1.4. Open position of Securities Borrowed and / or Lend by the scheme: NIL
- 1.5. Details of NPA with Aggregate market value and provision thereof: NIL
- 1.6. Aggregate Unrealised Gain / Loss as at the end of the Financial Year / Period and percentage to net assets.

| Scheme / Category of Investment | As at March 31, 2012 | | | | | | As at March 31, 2011 | | | | | |
|---|----------------------|-----------------|---------------|-----------------|--|-----------------|----------------------|-----------------|---------------|-----------------|--|-----------------|
| | Appreciation | % of Net Assets | Depreciation | % of Net Assets | Net Unrealised Appreciation/Depreciation | % of Net Assets | Appreciation | % of Net Assets | Depreciation | % of Net Assets | Net Unrealised Appreciation/Depreciation | % of Net Assets |
| | (Rs in lakhs) | | (Rs in lakhs) | | (Rs in lakhs) | | (Rs in lakhs) | | (Rs in lakhs) | | (Rs in lakhs) | |
| IDFC EF | | | | | | | | | | | | |
| Equity Shares | 4,339.52 | 10.88% | 952.13 | 2.39% | 3,387.39 | 8.49% | 7,253.87 | 14.99% | 112.68 | 0.23% | 7,141.18 | 14.76% |
| Equity Futures | 28.20 | 0.07% | - | - | 28.20 | 0.07% | 172.51 | 0.36% | 1.25 | @0.00% | 171.26 | 0.35% |
| Equity Options | - | - | - | - | - | - | - | - | - | - | - | - |
| Debentures and bonds listed/awaiting listing on recognised stock exchange | - | - | - | - | - | - | 8.13 | 0.02% | - | - | 8.13 | 0.02% |
| Certificates of Deposits | - | - | \$0.00 | @0.00% | \$0.00 | @0.00% | \$0.00 | @0.00% | - | @0.00% | \$0.00 | @0.00% |
| IDFC SEF | | | | | | | | | | | | |
| Equity Shares | 17,045 | 15.40% | 8,413.63 | 7.60% | 8,630.88 | 7.80% | 9,819.57 | 8.86% | 6,802.41 | 6.14% | 3,017.16 | 2.72% |
| Debentures and bonds listed/awaiting listing on recognised stock exchange | 0.92 | @0.00% | - | - | 0.92 | 0.00% | - | - | 5.56 | 0.01% | (5.56) | -0.01% |
| Privately placed debentures/bonds | - | - | - | - | - | - | 2.57 | @0.00% | - | - | 2.57 | @0.00% |
| Certificates of Deposits | - | - | 1.31 | @0.00% | (1.31) | @0.00% | - | - | 3.77 | @0.00% | (3.77) | @0.00% |
| Mutual Fund Units | - | - | - | - | - | - | - | - | - | - | - | - |
| IDFC AF | | | | | | | | | | | | |
| Equity Shares | 65.84 | 1.11% | 73.43 | 1.24% | (7.59) | -0.13% | 135.82 | 2.07% | 603.76 | 9.21% | (467.94) | -7.14% |
| Equity Futures | 10.64 | 0.18% | 81.04 | 1.36% | (70.41) | -1.19% | 39.37 | 0.60% | 40.80 | 0.62% | (1.44) | -0.02% |
| Debentures and bonds listed/awaiting listing on recognised stock exchange | - | - | 0.30 | 0.01% | (0.30) | -0.01% | - | - | - | - | - | - |
| Mutual Fund Units | 0.14 | @0.00% | - | - | 0.14 | @0.00% | - | - | - | - | - | - |

Notes to Accounts - Annexure I to the Abridged Balance Sheet and Revenue Account for the Year ended March 31, 2012 (contd.)

| IDFC APF | | | | | | | | | | | | | |
|---|-------|--------|-------|-------|--------|--------|-------|-------|--------|--------|----------|--------|--|
| Equity Shares | 7.22 | 0.61% | 8.79 | 0.74% | (1.57) | -0.13% | 44.84 | 2.20% | 248.76 | 12.19% | (203.92) | -9.99% | |
| Index/Stock Futures | 1.01 | 0.09% | 5.86 | 0.50% | (4.84) | -0.41% | 6.41 | 0.31% | 21.31 | 1.04% | (14.89) | -0.73% | |
| Debentures and bonds listed/awaiting listing on recognised stock exchange | - | - | - | - | - | - | - | - | 2.15 | 0.11% | (2.15) | -0.11% | |
| Mutual Fund Units | 0.02 | @0.00% | - | - | 0.02 | @0.00% | - | - | - | - | - | - | |
| IDFC NF | | | | | | | | | | | | | |
| Equity Shares | 46.74 | 5.34% | 48.37 | 5.53% | (1.63) | -0.19% | 55.35 | 7.21% | 15.31 | 1.99% | 40.05 | 5.22% | |
| Equity Futures | 0.27 | 0.03% | - | - | 0.27 | 0.03% | 0.65 | 0.08% | - | 0.00% | 0.65 | 0.08% | |
| Debentures and bonds listed/awaiting listing on recognised stock exchange | - | - | - | - | - | 0.15 | 0.02% | - | - | 0.15 | 0.02% | - | |

1.7. Aggregate Value of Purchase and Sale with Percentage to average assets.

| | 2011-2012 | | | | 2010-2011 | | | |
|-----------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | Purchases | | Sales | | Purchases | | Sales | |
| | Amount (Rs. in lakhs) | % to average Net Assets | Amount (Rs. in lakhs) | % to average Net Assets | Amount (Rs. in lakhs) | % to average Net Assets | Amount (Rs. in lakhs) | % to average Net Assets |
| IDFC EF | 184,123.69 | 461.54% | 199,868.53 | 501.01% | 580,526.93 | 1011.55% | 606,154.16 | 1056.21% |
| IDFC SEF | 345,889.82 | 312.56% | 341,121.41 | 308.25% | 1,372,973.91 | 1474.66% | 1,327,288.22 | 1425.59% |
| IDFC AF | 399,506.49 | 6726.36% | 399,402.69 | 6724.61% | 460,468.95 | 3147.39% | 479,887.24 | 3280.12% |
| IDFC APF | 66,970.41 | 5665.77% | 67,195.21 | 5684.79% | 241,374.03 | 2918.12% | 256,766.77 | 3104.22% |
| IDFC NF | 2,494.20 | 285.12% | 2,296.58 | 262.53% | 7,157.36 | 1487.86% | 6,451.18 | 1341.06% |

1.8. Non-Traded securities in the portfolio

| Scheme Name | 2011-2012 | | 2010-2011 | |
|-----------------|----------------------|-----------------|----------------------|-----------------|
| | Amount(Rs. in lakhs) | % to Net Assets | Amount(Rs. in lakhs) | % to Net Assets |
| IDFC EF | | | | |
| Equity | | | | |
| Debt | | | | |
| Debt | - | - | 8.13 | 0.02% |
| Money Market | 2,259.59 | 6.14% | 10,891.86 | 22.51% |
| IDFC SEF | | | | |
| Equity | | | | |
| Debt | 196.36 | 0.17% | 2,369.74 | 2.14% |
| Money Market | 4,997.88 | 4.40% | 3,364.41 | 3.03% |
| IDFC AF | | | | |
| Equity | | | | |
| Debt | 59.82 | 1.19% | - | - |
| Money Market | | | - | - |
| IDFC APF | | | | |
| Debt | - | - | 60.24 | 2.95% |
| IDFC NIFTY | | | | |
| Debt | - | - | 0.15 | 0.02% |

Notes to Accounts - Annexure I to the Abridged Balance Sheet and Revenue Account for the Year ended March 31, 2012 (contd.)

| | | | | | | | |
|---|--|--|----------------|--|--------------------------------|--|-------------------------------|
| 2 | Details of Transaction with Associates under regulation 25(8) of the fund | | | | | | |
| | (a) Brokerage paid to associates/related parties/group companies of Sponsor/AMC | | | | | | |
| | | | | Value of transaction (in Rs. Lakhs & % of total value of transaction of the fund) | | Brokerage (in Lakhs and % of total Brokerage paid by the Fund) | |
| | Name of associates/related parties/group companies of Sponsor/AMC | Nature of Association / Nature of relation | Period Covered | Rs. Lakhs | % to total transaction of fund | Rs. Lakhs | % to total brokerage of fund |
| | IDFC Securities Ltd* | Associate Company | FY 2011-12 | 60,981.08 | 0.88% | 41.72 | 2.77% |
| | | | FY 2010-11 | 74,338.00 | 0.09% | 77.00 | 3.73% |
| | (b) Commission paid to associates/related parties/group companies of sponsor/AMC | | | | | | |
| | | | | Value of transaction (in Rs. Lakhs & % of total value of transaction of the fund) | | Commission (in Lakhs and % of total commission paid by the Fund) | |
| | Name of associates/related parties/group companies of Sponsor/AMC | Nature of Association / Nature of relation | Period Covered | Rs. Lakhs | % to total transaction of fund | Rs. Lakhs | % to total Commission of fund |
| | Sharekhan Ltd. | Associate Company | FY 2011-12 | 539.36 | @0.00% | 4.67 | 0.05% |
| | Axis Bank Ltd | Associate Company | FY 2010-11 | 12.47 | 0.04% | \$0.00 | @0.00% |
| 3 | Details of large holdings over 25% of net assets as on March 31, 2012:- | | | | | | |
| | Scheme Name | No. of Investors | Ratio | | | | |
| | IDFC NIFTY Fund | 1 | 25.57 | | | | |
| 4 | Refer Annexure II for unit capital movement during the period. | | | | | | |
| 5 | Prior Period Comparatives: The prior year figures have been reclassified / restated wherever necessary to conform with the current year's presentation | | | | | | |
| 6 | Contingent Liability - NIL | | | | | | |
| 7 | Expenses other than management fee is inclusive of service tax where applicable | | | | | | |

\$ Less than 0.01 Lakhs

* IDFC Securities Ltd. was formerly known as IDFC SSKI Securities Ltd.

@ Less than 0.01%

Notes to Accounts - Annexure I

 For **IDFC Asset Management Company Limited**

 Sd/-
Mr. Kenneth Andrade
 Head - Investments

 Sd/-
Mr. Neelotpal Sahai
 Fund Manager

 Sd/-
Mr. Suyash Choudhary
 Fund Manager

 Sd/-
Ms Punam Sharma
 Fund Manager

 Sd/-
Mr Pradip Madhavji
 Director

 For **IDFC AMC Trustee Company Limited**

 Sd/-
Jamsheed Kanga
 Director

Place & Date : Mumbai, July 24, 2012

Annexure II

(Rupees in Lakhs)

| Unit capital | IDFC EF | | | | IDFC SEF | | | |
|--|-------------------|------------|-------------------|------------|-----------------|-----------|-----------------|-----------|
| | Mar 31, 2012 | | Mar 31, 2011 | | Mar 31, 2012 | | Mar 31, 2011 | |
| | (Units) | Amount | (Units) | Amount | (Units) | Amount | (Units) | Amount |
| Units of Rs. 10 each fully paid | | | | | | | | |
| Growth Option Plan A | | | | | | | | |
| Units issued, initial offer | 767,839,458.513 | 76,783.95 | 767,839,458.513 | 76,783.95 | 154,761,726.804 | 15,476.17 | 154,761,726.804 | 15,476.17 |
| Units outstanding, beginning of the year | 189,121,362.736 | 18,912.14 | 274,524,450.489 | 27,452.45 | 386,729,256.700 | 38,672.93 | 196,240,812.640 | 19,624.08 |
| Add:Units issued during the year | 1,726,880.141 | 172.69 | 1,727,610.897 | 172.76 | 176,782,958.086 | 17,678.30 | 326,156,106.262 | 32,615.61 |
| Less:Units repurchased during the year | 30,278,494.439 | 3,027.85 | 87,130,698.650 | 8,713.07 | 156,601,501.945 | 15,660.15 | 135,667,662.202 | 13,566.77 |
| Units outstanding, end of the year | 160,569,748.438 | 16,056.98 | 189,121,362.736 | 18,912.14 | 406,910,712.841 | 40,691.08 | 386,729,256.700 | 38,672.92 |
| Dividend Option Plan A | | | | | | | | |
| Units issued, initial offer | 666,453,558.008 | 66,645.36 | 666,453,558.008 | 66,645.36 | 102,939,642.368 | 10,293.96 | 102,939,642.368 | 10,293.96 |
| Units outstanding, beginning of the year | 134,613,859.043 | 13,461.39 | 207,000,419.360 | 20,700.04 | 283,870,391.029 | 28,387.04 | 161,766,829.900 | 16,176.68 |
| Add:Units issued during the year | 1,451,106.352 | 145.10 | 2,173,171.729 | 217.31 | 96,418,606.328 | 9,641.85 | 221,765,160.944 | 22,176.52 |
| Less:Units repurchased during the year | 25,364,581.452 | 2,536.46 | 74,559,732.046 | 7,455.97 | 87,397,398.216 | 8,739.74 | 99,661,599.815 | 9,966.16 |
| Units outstanding, end of the year | 110,700,383.943 | 11,070.03 | 134,613,859.043 | 13,461.38 | 292,891,599.141 | 29,289.15 | 283,870,391.029 | 28,387.04 |
| Growth Option Plan B | | | | | | | | |
| Units issued, initial offer | 4,894.185 | 0.49 | 4,894.185 | 0.49 | - | - | - | - |
| Units outstanding, beginning of the year | 26,968.827 | 2.70 | 14,365.490 | 1.44 | - | - | - | - |
| Add:Units issued during the year | 10,649.108 | 1.06 | 18,048.694 | 1.79 | - | - | - | - |
| Less:Units repurchased during the year | 5,321.556 | 0.53 | 5,445.357 | 0.54 | - | - | - | - |
| Units outstanding, end of the year | 32,296.379 | 3.23 | 26,968.827 | 2.69 | - | - | - | - |
| Dividend Option Plan B | | | | | | | | |
| Units issued, initial offer | 500.000 | 0.05 | 500.000 | 0.05 | - | - | - | - |
| Units outstanding, beginning of the year | 28,949.284 | 2.89 | 14,887.239 | 1.49 | - | - | - | - |
| Add:Units issued during the year | 5,804.476 | 0.58 | 14,873.661 | 1.49 | - | - | - | - |
| Less:Units repurchased during the year | 5,039.118 | 0.50 | 811.616 | 0.08 | - | - | - | - |
| Units outstanding, end of the year | 29,714.642 | 2.97 | 28,949.284 | 2.90 | - | - | - | - |
| Total | | | | | | | | |
| Units issued, initial offer | 1,434,298,410.706 | 143,429.84 | 1,434,298,410.706 | 143,429.84 | 257,701,369.172 | 25,770.14 | 257,701,369.172 | 25,770.14 |
| Units outstanding, beginning of the year | 323,791,139.890 | 32,379.11 | 481,554,122.578 | 48,155.41 | 670,599,647.729 | 67,059.96 | 358,007,642.540 | 35,800.76 |
| Add:Units issued during the year | 3,194,440.077 | 319.44 | 3,933,704.981 | 393.37 | 273,201,564.414 | 27,320.16 | 547,921,267.206 | 54,792.13 |
| Less:Units repurchased during the year | 55,653,436.565 | 5,565.34 | 161,696,687.669 | 16,169.67 | 243,998,900.161 | 24,399.89 | 235,329,262.017 | 23,532.93 |
| Units outstanding, end of the year | 271,332,143.402 | 27,133.21 | 323,791,139.890 | 32,379.11 | 699,802,311.982 | 69,980.23 | 670,599,647.729 | 67,059.96 |

Annexure II (Contd.)

(Rupees in Lakhs)

| Unit capital | IDFC AF | | | | IDFC APF | | | |
|--|-----------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------|
| | Mar 31, 2012 | | Mar 31, 2011 | | Mar 31, 2012 | | Mar 31, 2011 | |
| | (Units) | Amount | (Units) | Amount | (Units) | Amount | (Units) | Amount |
| Units of Rs. 10 each fully paid | | | | | | | | |
| Growth Option Plan A | | | | | | | | |
| Units issued, initial offer | 45,392,642.251 | 4,539.26 | 45,392,642.251 | 4,539.26 | 13,140,231.696 | 1,314.02 | 13,140,231.696 | 1,314.02 |
| Units outstanding, beginning of the year | 6,599,216.089 | 659.92 | 23,556,251.858 | 2,355.63 | 5,457,837.489 | 545.78 | 37,706,529.451 | 3,770.65 |
| Add:Units issued during the year | 1,649,599.153 | 164.96 | 659,625.337 | 65.96 | 49,282.816 | 4.93 | 617,416.260 | 61.74 |
| Less:Units repurchased during the year | 4,466,776.690 | 446.68 | 17,616,661.106 | 1,761.67 | 3,818,451.123 | 381.85 | 32,866,108.222 | 3,286.61 |
| Units outstanding, end of the year | 3,782,038.552 | 378.20 | 6,599,216.089 | 659.92 | 1,688,669.182 | 168.86 | 5,457,837.489 | 545.78 |
| Dividend Option Plan A | | | | | | | | |
| Units issued, initial offer | 258,121,879.476 | 25,812.19 | 258,121,879.476 | 25,812.19 | 68,500,162.898 | 6,850.02 | 68,500,162.898 | 6,850.02 |
| Units outstanding, beginning of the year | 24,549,825.335 | 2,454.98 | 75,132,581.837 | 7,513.26 | 8,800,513.360 | 880.05 | 100,724,285.375 | 10,072.43 |
| Add:Units issued during the year | 2,824,116.939 | 282.41 | 3,003,651.142 | 300.37 | 18,508.822 | 1.85 | 235,758.529 | 23.58 |
| Less:Units repurchased during the year | 8,529,441.465 | 852.94 | 53,586,407.644 | 5,358.64 | 7,432,040.042 | 743.20 | 92,159,530.544 | 9,215.95 |
| Units outstanding, end of the year | 18,844,500.809 | 1,884.45 | 24,549,825.335 | 2,454.99 | 1,386,982.140 | 138.70 | 8,800,513.360 | 880.06 |
| Growth Option Plan B | | | | | | | | |
| Units issued, initial offer | 6,626,019.550 | 662.60 | 6,626,019.550 | 662.60 | 21,324,668.107 | 2,132.47 | 21,324,668.107 | 2,132.47 |
| Units outstanding, beginning of the year | 4,449,985.120 | 445.00 | 39,837,326.895 | 3,983.73 | 247,280.442 | 24.73 | 2,576,423.105 | 257.64 |
| Add:Units issued during the year | 19,973,780.057 | 1,997.38 | - | - | - | - | - | - |
| Less:Units repurchased during the year | 20,464,301.801 | 2,046.43 | 35,387,341.775 | 3,538.73 | 191,329.820 | 19.13 | 2,329,142.663 | 232.91 |
| Units outstanding, end of the year | 3,959,463.376 | 395.95 | 4,449,985.120 | 445.00 | 55,950.622 | 5.60 | 247,280.442 | 24.73 |
| Dividend Option Plan B | | | | | | | | |
| Units issued, initial offer | 149,987,039.543 | 14,998.70 | 149,987,039.543 | 14,998.70 | 70,543,675.854 | 7,054.37 | 70,543,675.854 | 7,054.37 |
| Units outstanding, beginning of the year | 21,326,284.075 | 2,132.63 | 135,528,741.437 | 13,552.87 | 3,067,556.017 | 306.75 | 52,568,807.705 | 5,256.88 |
| Add:Units issued during the year | 4,935,861.116 | 493.58 | 3,462,336.743 | 346.23 | 1,560.364 | 0.16 | 1,088,412.924 | 108.84 |
| Less:Units repurchased during the year | 12,741,237.654 | 1,274.12 | 117,664,794.105 | 11,766.48 | 2,738,611.426 | 273.86 | 50,589,664.612 | 5,058.97 |
| Units outstanding, end of the year | 13,520,907.537 | 1,352.09 | 21,326,284.075 | 2,132.62 | 330,504.955 | 33.05 | 3,067,556.017 | 306.75 |
| Total | | | | | | | | |
| Units issued, initial offer | 460,127,580.820 | 46,012.76 | 460,127,580.820 | 46,012.76 | 173,508,738.555 | 17,350.87 | 173,508,738.555 | 17,350.87 |
| Units outstanding, beginning of the year | 56,925,310.619 | 5,692.53 | 274,054,902.027 | 27,405.49 | 17,573,187.308 | 1,757.32 | 193,576,045.636 | 19,357.60 |
| Add:Units issued during the year | 29,383,357.265 | 2,938.34 | 7,125,613.222 | 712.56 | 69,352.002 | 6.94 | 1,941,587.713 | 194.16 |
| Less:Units repurchased during the year | 46,201,757.610 | 4,620.18 | 224,255,204.630 | 22,425.52 | 14,180,432.411 | 1,418.04 | 177,944,446.041 | 17,794.44 |
| Units outstanding, end of the year | 40,106,910.274 | 4,010.69 | 56,925,310.619 | 5,692.53 | 3,462,106.899 | 346.21 | 17,573,187.308 | 1,757.32 |

Annexure II (Contd.)

(Rupees in Lakhs)

| | IDFC NF | | | |
|--|----------------|----------|----------------|----------|
| | Mar 31, 2012 | | Mar 31, 2011 | |
| | (Units) | Amount | (Units) | Amount |
| Unit capital | | | | |
| Units of Rs. 10 each fully paid | | | | |
| Growth Option Plan A | | | | |
| Units issued, initial offer | 1,504,685.872 | 150.47 | 1,504,685.872 | 150.47 |
| Units outstanding, beginning of the year | 5,719,351.952 | 571.94 | - | - |
| Add:Units issued during the year | 50,401,655.188 | 5,040.16 | 8,530,102.148 | 853.01 |
| Less:Units repurchased during the year | 48,775,215.937 | 4,877.52 | 2,810,750.196 | 281.08 |
| Units outstanding, end of the year | 7,345,791.203 | 734.58 | 5,719,351.952 | 571.93 |
| Dividend Option Plan A | | | | |
| Units issued, initial offer | 2,847,841.894 | 284.78 | 2,847,841.894 | 284.78 |
| Units outstanding, beginning of the year | 1,234,206.837 | 123.42 | - | - |
| Add:Units issued during the year | 948,518.787 | 94.85 | 3,273,972.305 | 327.40 |
| Less:Units repurchased during the year | 1,048,727.234 | 104.87 | 2,039,765.468 | 203.97 |
| Units outstanding, end of the year | 1,133,998.390 | 113.40 | 1,234,206.837 | 123.43 |
| Growth Option Plan B | | | | |
| Units issued, initial offer | - | - | - | - |
| Units outstanding, beginning of the year | - | - | - | - |
| Add:Units issued during the year | - | - | - | - |
| Less:Units repurchased during the year | - | - | - | - |
| Units outstanding, end of the year | - | - | - | - |
| Dividend Option Plan B | | | | |
| Units issued, initial offer | - | - | - | - |
| Units outstanding, beginning of the year | - | - | - | - |
| Add:Units issued during the year | - | - | - | - |
| Less:Units repurchased during the year | - | - | - | - |
| Units outstanding, end of the year | - | - | - | - |
| Total | | | | |
| Units issued, initial offer | 4,352,527.766 | 435.25 | 4,352,527.766 | 435.25 |
| Units outstanding, beginning of the year | 6,953,558.789 | 695.36 | - | - |
| Add:Units issued during the year | 51,350,173.975 | 5,135.02 | 11,804,074.453 | 1,180.41 |
| Less:Units repurchased during the year | 49,823,943.171 | 4,982.39 | 4,850,515.664 | 485.05 |
| Units outstanding, end of the year | 8,479,789.593 | 847.98 | 6,953,558.789 | 695.36 |

Risk Factors:

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

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One India Bulls Centre, 841, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013.

Investment Manager

IDFC Asset Management Company Ltd. (IDFC AMC)

Registered & Corporate Office

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