

**Sahara Mutual Fund**



**STATEMENT OF ADDITIONAL INFORMATION (SAI)**

This Statement of Additional Information (SAI) contains details of Sahara Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).

This SAI is dated 19 May, 2015

## Sahara Mutual Fund

<b>TABLE OF CONTENTS</b>		<b>Page</b>
<b>I.</b>	<b>INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES</b>	<b>3</b>
A.	Constitution of the Mutual Fund	3
B.	Sponsor	3
C.	The Trustee	3
i.	Details of Trustees	4
ii.	Duties And Responsibilities Of The Trustees	4
iii.	Trustees - Fees And Expenses	8
D.	Asset Management Company	8
i.	Details of AMC Directors.	9
ii.	Duties And Responsibilities Of The Asset Management Company	9
iii.	Information on Key Personnel	15
iv.	Fund Management & Investment Process	16
E.	Service providers	17
i.	Custodian	17
ii.	Transfer Agents/Dividend paying agent.	17
iii.	Statutory Auditor	17
iv.	Fund Accountant	17
v.	Collecting Bankers	17
F.	Condensed Financial Information (CFI)	18
<b>II.</b>	<b>HOW TO APPLY</b>	<b>22</b>
<b>III.</b>	<b>RIGHTS OF UNITHOLDERS OF THE SCHEME</b>	<b>23</b>
<b>IV.</b>	<b>INVESTMENT VALUATION NORMS AND ACCOUNTING POLICIES</b>	<b>24</b>
a.	Valuation Norms	24
b.	Accounting Policies and Standards	32
c.	Calculation of NAV	34
d.	Suspension of Repurchase / Switching Options of the Units	34
e.	Unclaimed Redemption / Dividend Amount	34
<b>V.</b>	<b>TAX &amp; LEGAL &amp; GENERAL INFORMATION</b>	<b>35</b>
A.	Taxation on investing in Mutual Funds	35
B.	Legal Information	39
i.	Nomination facility	39
ii.	Know Your Customer (KYC)	39
iii.	Transfer facility	41
iv.	Transmission	41
v.	Duration of the Scheme / Winding Up	41
C.	General Information	42
i.	Underwriting by the Fund	42
ii.	Borrowing by the Fund	42
iii.	Inter-Scheme Transfer of Investments:	42
iv.	Associate Transactions	42f
v.	Documents available for Inspection	44
vi.	Investor Grievances Redressal Mechanism	45
vii.	List of Addenda to the Statement of Additional Information(SAI)	50

## Sahara Mutual Fund

### I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

#### A. Constitution of the Mutual Fund

Sahara Mutual Fund (the "Mutual Fund") has been constituted as a trust on 18/07/1996 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Sahara India Financial Corporation Limited, as the Sponsor and Board of Trustees as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on 1/10/1996 under Registration Code MF/030/96/0.

#### B. Sponsor

##### GENERAL

Sahara India Financial Corporation Limited, (SIFCL) is a part of the Sahara India Group. The company was incorporated on August 7, 1987 with the Registrar of Companies, Kanpur, Uttar Pradesh. The Registered Office of the company is situated at Sahara India Bhawan, 1, Kapoorthala Complex, Lucknow-226024, Uttar Pradesh, India.

The company is a Residuary Non-Banking Company (RNBC) duly registered with Reserve Bank of India (RBI). The Company is carrying on its business in conformity with Residuary Non Banking Companies (Reserve Bank) Directions, 1987 and is regulated by the Reserve Bank of India.

##### MANAGEMENT

The following persons constitute the Board of Directors of the company as on date:

1. Mr. Om.Prakash Srivastava	Director
2. Sri Madhukar	Director
3. Sri Subrata Roy Sahara	Director
4. Ms Samreen Zaidi	Director

The company has professionals as heads at all operational levels to manage its day-to-day affairs.

Financial Performance of the Sponsor (past three years):

Particulars	₹. in crs)		
	31/03//2013	31/03//2012	31/03/2011
Net Worth	1611.53	1,609.25	1668.20
Total Income	197.44	383.50	765.29
Profit after tax	2.28	(92.70)	(38.83)
Assets Under Management (if applicable)	-	-	-

Sahara India Financial Corporation Limited, became the sponsor of the Sahara Mutual Fund (Formerly First India Mutual Fund) on acquiring the major equity shares of the Asset Management Company from Dr. A C Muthiah, the erstwhile sponsor after obtaining approval from SEBI (vide their letter no. IMD/SP/21516/03 dated November 13, 2003), unit holders and other necessary formalities. Consequent to the same, the powers, duties and initial contribution of ₹1 (One) Lakh vested in the erstwhile sponsor to the Trust gets transferred in the name of Sahara India Financial Corporation Limited. The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of ₹1,00,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

#### C. The Trustee

The Board of Trustees shall discharge its obligations as trustee of Sahara 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.

## **Sahara Mutual Fund**

### **i. Details of Trustees**

<b>Name</b>	<b>Age/Qualification</b>	<b>Brief Experience</b>
S R Hegde Independent Trustee,	72 years, B.A, L.L B, L.L.M.	Shri Hegde has a long and distinguished career in the field of Law and was associated with the Reserve Bank of India for nearly 3 decades. He retired in the position of Legal Adviser-in-Charge, Legal Division, DNBS. At present he is practicing as an Advocate in Bangalore besides being a Panel Advocate and Retainer for several Banks and National level institutions.
P V Rao Independent Trustee,	73 years, B A (Hons) , L L B , PGDA, University of Cambridge, UK	Shri Rao has had a distinguished career in the Administrative Services. He has held various important posts at the State and Central Government levels during his tenure of service.
Dr P P Shastri Independent Trustee	67 years. MA (Economics) Ph.D	Dr Shastri has more than two decades of experience in the Indian Mutual Fund Industry. He joined Unit Trust of India in 1979 and went on to head Western Zone - UTI, Department of Research, Investor Relations Cell, Policy Planning and subsequently as the Chief General Manager was in charge of the Research, Board and Conference Departments. He was deputed as an Officer on Special Duty to the UTI Institute of Capital Markets in October 2002 and from February 2003 was Director, UTI Institute of Capital Markets till May 2006,overseeing the academic, financial and administrative responsibilities. He also serves as a Director on the Board of few Companies.

### **ii. Duties and Responsibilities of the Trustees**

(1) The Trustees and the asset management company shall with the prior approval of the SEBI enter into an investment management agreement.

(2) The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.

(3) The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.

(4) The trustees shall ensure before the launch of any scheme that the asset management company, has,—

(a) systems in place for its back office, dealing room and accounting;

(b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustees, within 15 days of their appointment;

(c) appointed auditors to audit its accounts;

(d) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the SEBI or the Central Government and for redressal of investors grievances;]

(e) appointed registrars and laid down parameters for their supervision;

## **Sahara Mutual Fund**

(f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;

(g) specified norms for empanelment of brokers and marketing agents;

(h) obtained, wherever required under these regulations, prior in principle approval from the recognised stock exchange(s) where units are proposed to be listed.

[(4A) The Compliance Officer appointed under clause (d) of sub-regulation (4) shall immediately and independently report to SEBI any non-compliance observed by him.]

(5) The trustees shall ensure that an asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.

(6) The trustees shall ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unit holders.

(7) The trustees shall ensure that the transactions entered into by the asset management company are in accordance with these regulations and the scheme.

(8) The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.

(9) The trustees shall ensure that all the activities of the asset management company are in accordance with the provisions of these regulations.

(10) Where the trustees have reason to believe that the conduct of business of the mutual fund is not in accordance with these regulations and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the SEBI of the violation and the action taken by them.

(11) Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund on a quarterly basis.]

(12) The trustees shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unit holders in accordance with these regulations and the provisions of trust deed.

(13) The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed

(14) The trustees shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with these regulations and the trust deed.

(15) The trustees shall obtain the consent of the unit holders—

(a) whenever required to do so by the SEBI in the interest of the unit holders; or

(b) whenever required to do so on the requisition made by three-fourths of the unit- holders of any scheme; or

## **Sahara Mutual Fund**

(c) when the majority of the trustees decide to wind up or prematurely redeem the units.

[(15A) The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unit holders, shall be carried out unless,—

(i) a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the mutual fund is situated; and

(ii) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.]

(16) The trustees shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to the SEBI, as and when required.

(17) The trustees shall quarterly review all transactions carried out between the mutual funds, asset management company and its associates.

(18) The trustees shall [quarterly] review the networth of the asset management company and in case of any shortfall, ensure that the asset management company make up for the shortfall as per clause (f) of sub-regulation (1) of regulation 21.

(19) The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unitholders.

(20) The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unit- holders.

(21) The trustees shall periodically review the investor complaints received and the redressal of the same by the asset management company.

(22) The trustees shall abide by the Code of Conduct as specified in the Fifth Schedule.

(23) The trustees shall furnish to the Board on a half-yearly basis,—

(a) a report on the activities of the mutual fund;

(b) a certificate stating that the trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the asset management company;

(c) a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in sub-regulation (2) of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interests of the unitholders are protected.

(24) The independent trustees referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the sponsor.

(25) Trustees shall exercise due diligence as under:

A. General Due Diligence :

(i) The Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.

(ii) Trustees shall review the desirability or continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management company to float new schemes.

(iii) The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.

## **Sahara Mutual Fund**

- (iv) The Trustee shall ensure that all service providers are holding appropriate registrations from the SEBI or concerned regulatory authority.
- (v) The Trustees shall arrange for test checks of service contracts.
- (vi) Trustees shall immediately report to the SEBI of any special developments in the mutual fund.

### **B. Specific due diligence:**

The Trustees shall :

- (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees,
- (ii) obtain compliance certificates at regular intervals from the asset management company,
- (iii) hold meeting of trustees more frequently,
- (iv) consider the reports of the independent auditor and compliance reports of asset management company at the meetings of trustees for appropriate action,
- (v) maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings,

(vi) prescribe and adhere to a code of ethics by the Trustees, asset management company and its personnel,

(vii) communicate in writing to the asset management company of the deficiencies and checking on the rectification of deficiencies.

(26) Notwithstanding anything contained in sub-regulations (1) to (25), the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.

(27) The independent directors of the trustees or asset management company shall pay specific attention to the following, as may be applicable, namely:—

- (i) the Investment Management Agreement and the compensation paid under the agreement,
- (ii) service contracts with affiliates—whether the asset management company has charged higher fees than outside contractors for the same services,
- (iii) selections of the asset management company's independent directors,
- (iv) securities transactions involving affiliates to the extent such transactions are permitted,
- (v) selecting and nominating individuals to fill independent directors vacancies,
- (vi) code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions,
- (vii) the reasonableness of fees paid to sponsors, asset management company and any others for services provided,
- (viii) principal underwriting contracts and their renewals,
- (ix) any service contract with the associates of the asset management company.

## **Sahara Mutual Fund**

- No amendment to the Trust Deed shall be carried out without the prior approval of the SEBI and unit holders is obtained: **Provided** however that in case a Board of trustees is converted into a trustee company subsequently such conversion shall not require the approval of unit holders
- Disclosures to the investors: - The Trustees shall be bound to make such disclosure to the Unit holders as are essential in order to keep them informed about any information which may have an adverse bearing on their investments.
- As per SEBI Circular MFD/CIR/16/400/02 & MFD/CIR/01/071/02 dated 26.03.02 & 15.04.02 respectively the trustees will compare the performance of the scheme with the specified benchmark at their meetings.
- As per SEBI Circular MFD/CIR/03/526/2002 dated May 9, 2002 about investment in unlisted equity shares, if any, the trustees would report compliance of the regulations in their reports to SEBI.
- The Trustees shall meet at least once in two calendar months and at least six such meetings shall be held in every year to review the information / reports submitted by the AMC in accordance with the Regulations. During F.Y 2012-13 and F.Y 2013-14, F Y 2014-15 seven, six and seven meetings of the Board of Trustees of Sahara Mutual Fund were held respectively.
- The trustees' supervisory role is discharged by reviewing the information and the operation of fund based on the reports submitted at the Trustee meeting. The Trustees also review the Internal Audit Report, Statutory Audit Report and the Annual Accounts of the Fund and review the reports sent to SEBI periodically by the AMC. There is a three member Audit Committee appointed by the Trustees and the quorum for the meeting will be two members. The Chairman of the Committee is an Independent Trustee.

### **iii. Trustees - Fees and Expenses**

In accordance with the Trust Deed constituting the Mutual Fund, the Trustees are entitled to receive, in addition to fee of ₹12,000/- per meeting the reimbursement of all costs, charges and out of pocket expenses, a quarterly fee computed at a rate not exceeding 0.05% per annum of the daily average net assets of the Scheme or a sum of ₹ One lakh per annum whichever is higher. Such fee shall be paid to the Trustees within seven working days from the end of each quarter every year, namely, within 7 working days from June 30, September 30, December 31 and March 31 of each year. The Trustees may charge further fees as permitted from time to time under the Trust Deed and SEBI Regulations. In case Board of Trustees form a Trustee Company with the prior approval of the Board the Trustees/ Trustee Company will be eligible to be paid a sum of ₹ 3,00,000/- per annum or as may be agreed by the Sponsor and Trustee company from time to time.

### **D. Asset Management Company**

Sahara Asset Management Company Private Limited (Formerly known as First India Asset Management Company Limited) is a Private Limited Company incorporated under the Companies Act, 1956 on 31/08/1995, having its Registered Office at 97-98, 9<sup>th</sup> Floor, Atlanta, Nariman Point, Mumbai-400021. Sahara Asset Management Company Private Limited has been appointed as the Asset Management Company of the Sahara Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 18/07/1996, and executed between the Board of Trustees and Sahara Asset Management Company Private Limited (Formerly known as First India Asset Management Company Limited)

In terms of the Investment Management Agreement dated July 18, 1996 and as amended by the Supplementary deed dated 24<sup>th</sup> March 2004 the Trustees has appointed Sahara Asset Management Company Private Limited to manage the Mutual Fund. The Share holding pattern of the AMC as on 31<sup>st</sup> March 2015 is as mentioned below:



## **Sahara Mutual Fund**

<b>Name of the Shareholder</b>	<b>Type of Holding</b>	<b>Holding (%)</b>
Sahara India Financial Corporation Limited	Equity	40.13
Sahara India Corp Investment Limited	Equity	9.99
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	9.99
Sahara Care Limited (SCL)	Equity	27.89
<b>Name of the Shareholder</b>	<b>Type of Holding</b>	<b>Holding (%)</b>
Sahara India Commercial Corporation Ltd	Preference	10.84
Sahara Care Ltd	Preference	1.16
<b>Total</b>		<b>100.00</b>

The AMC shall not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund, with the prior approval of the Trustee and SEBI and such other activities as may be permitted under the SEBI Regulations from time to time and to do all acts, deeds, matters and things incidental thereto including opening of bank accounts abroad, entering into an agency agreement with any agency incorporated outside India or otherwise incidental thereto.

Securities and Exchange Board of India (SEBI) vide its order dated 27<sup>th</sup> February, 2015, passed an order for cancellation of the registration of the Company as a Portfolio Manager (Registration no INP000001868). The Company filed an application for re-consideration of the order to SEBI Board on 30<sup>th</sup> March, 2015. The decision in the matter by SEBI Board is awaited.

### **i. Details of AMC Directors.**

<b>Name</b>	<b>Age/Qualification</b>	<b>Brief Experience</b>
Mr O P Srivastava Associate Director	59 years, Graduate In Law and Post Graduate in Political Science	Shri Srivastava has been associated with the Sahara India Group of Companies since its inception. Presently, he is Whole Time Director of Sahara India Financial Corporation Limited, a flagship company of the Group. He is also involved with the group various business activities, namely Finance, Infrastructure & Housing, Media & Entertainment, Commodity Sales with Services and Retail Chain, Consumer Products, Manufacturing and Information Technology etc
Shri Ramesh Joshi Independent Director	72 years, B.A , L L B	Shri R.M.Joshi is a graduate in Economics and Law from University of Nagpur. He started his career as a Central Banker and held various important positions in RBI since 1972.He was a member of various committees formed by GOI, RBI & SEBI. He was a regular visiting faculty to various Banker's training college and other professional Institutes. He retired as an Executive Director from SEBI. He is also practicing as a Senior Corporate Consultant and a Director on the Boards of couple of companies.
Shri S C Gupta Independent Director	68 years B.A , L L B	Shri S.C. Gupta has over 3 decades of extensive experience in areas of law in different capacity with the Reserve Bank of India (RBI). He retired as the Head of the Legal Department, RBI. During his stint with RBI, he was associated with various Committees and was actively associated with drafting of various Banking Regulations

### **ii. Duties and Responsibilities of the Asset Management Company**

Under the SEBI Regulations and the Investment Management Agreement, the AMC has, inter-alia, the following duties and responsibilities:

## **Sahara Mutual Fund**

(1) The asset management company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.

(2) The asset management company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.

[2A) The asset management company shall obtain, wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.]

(3) The asset management company shall be responsible for the acts of commission or omission by its employees or the persons whose services have been procured by the asset management company.

(4) The asset management company shall submit to the trustees quarterly reports of each year on its activities and the compliance with these regulations.

(5) The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time:

**Provided** that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.

(6) Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omission, while holding such position or office.

[(6A) The Chief Executive Officer (whatever his designation may be) of the asset management company shall ensure that the mutual fund complies with all the provisions of these regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.

*Explanation.*—For the purpose of this sub-regulation, the words “these regulations” shall mean and include the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.

(6B) The fund managers (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unit holders.]

(7)(a) An asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes :

**Provided** that for the purpose of this sub-regulation, the aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund :

**Provided further** that the aforesaid limit of 5 per cent shall apply for a block of any three months.

(b) An asset management company shall not purchase or sell securities through any broker [other than a broker referred to in clause (a) of sub-regulation (7)] which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the asset management company has recorded in writing the justification for exceeding the limit of 5 per cent and reports of all such investments are sent to the trustees on a quarterly basis : **Provided** that the aforesaid limit shall apply for a block of three months.]

## **Sahara Mutual Fund**

(8) An asset management company shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities :

**Provided** that an asset management company may utilise such services if disclosure to that effect is made to the unitholders and the brokerage or commission paid is also disclosed in the half-yearly annual accounts of the mutual fund :

**[Provided further** that the mutual funds shall disclose at the time of declaring half-yearly and yearly results :

- (i) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities associate companies,
- (ii) devolvement, if any,
- (iii) subscription by the schemes in the issues lead managed by associate companies,
- (iv) subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.]

(9) The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to the SEBI, as and when required by the SEBI.

(10) In case the asset management company enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees [at its next meeting].

(11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the asset management company and be disclosed in the half-yearly and annual accounts of the respective schemes with justification for such investment [provided the latter investment has been made within one year of the date of the former investment calculated on either side].

(12) The asset management company shall file with the trustees and the SEBI—

- (a) detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
- (b) any change in the interests of directors every six months; and
- (c) a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company, as the case may be, by the mutual fund during the said quarter.

(13) Each director of the asset management company shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with guidelines issued by the SEBI.

(14) The asset management company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.

(15) The asset management company shall appoint registrars and share transfer agents who are registered with the SEBI:

**Provided** if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

## **Sahara Mutual Fund**

(16) The asset management company shall abide by the Code of Conduct as specified in the Fifth Schedule.

(17) The asset management company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011:

Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme

(18) The asset management company shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India:

Provided that the asset management company having any of its operations outside India shall wind up and bring them within the territory of India within a period of one year from the date of notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011:

Provided further that the SEBI may grant a further period of one year if it is satisfied that there was sufficient cause for not winding up of the operation outside India within that period

(19) The asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule, and shall publish the same.

(20) The asset management company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.

(21) The asset management company shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by the SEBI

### **Restrictions on business activities of the asset management company**

The asset management company shall, -

(a) not act as a trustee of any mutual fund;

(b) not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund: Provided that the asset management company may itself or through its subsidiaries undertake such activities, as permitted under clause (b), if, -

(i) it satisfies the SEBI that bank and securities accounts are segregated activity wise;

(ii) it meets with the capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations;

(iii) it ensures that there is no material conflict of interest across different activities;

(iv) the absence of conflict of interest shall be disclosed to the trustees and unit holders in scheme information document and statement of additional information;

(v) there are unavoidable conflict of interest situations, it shall satisfy itself that disclosures are made of source of conflict, potential 'material risk or damage' to investor interests and detailed parameters for the same;

(vi) it appoints separate fund manager for each separate fund managed by it unless the investment objectives and asset allocation are same and the portfolio is replicated across all the funds managed by the fund manager, within a period of six months from the date of notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011;

(vii) it ensures fair treatment of investors across different products that shall include, but not limited to, simultaneous buy and sell in the same equity security only through market mechanism and a written trade order management system; and

## **Sahara Mutual Fund**

(viii) it ensures independence to key personnel handling the relevant conflict of interest is provided through removal of direct link between remuneration to relevant asset management company personnel and revenues generated by that activity:

Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the SEBI, subject to compliance with the following additional conditions:-

(i) it satisfies the SEBI that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;

(ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.

*Explanation:—* For the purpose of this regulation, the term 'broad based fund' shall mean the fund which has at least twenty investors and no single investor account for more than twenty five percent of corpus of the fund.

### **Appointment of an asset management company**

(1) The sponsor or, if so authorized by the trust deed, the trustee, shall appoint an asset management company, which has been approved by the SEBI under sub-regulation (2) of regulation 21.

(2) The appointment of an asset management company can be terminated by majority of the trustees or by seventy-five per cent of the unit holders of the scheme.

(3) Any change in the appointment of the asset management company shall be subject to prior approval of the SEBI and the unit holders.

### **General Obligations**

- To maintain proper books of account and records etc.:
  - ✓ Every asset management company for each Scheme shall keep and maintain proper books of account, records and documents, for each Scheme so as to explain its transactions and to disclose at any point of time the financial position of each Scheme and in particular give a true and fair view of the state of affairs of the fund and intimate to the SEBI the place where such books of account, records and documents are maintained.
  - ✓ Every asset management company shall maintain and preserve for a period of eight years its books of accounts, records and documents.
  - ✓ The asset management company shall follow the accounting policies and standards as specified in the Ninth Schedule so as to provide appropriate details of the scheme wise disposition of the assets of the fund at the relevant accounting date and the performance during that period together with information regarding distribution or accumulation of income accruing to the Unit holder in a fair and true manner.
- Publication of annual report and summary thereof: -
  - ✓ The scheme wise annual report of a mutual fund or an abridged summary thereof shall be mailed to all Unit holders as soon as may be but not later than four months from the date of closure of the relevant accounts year “.”
  - ✓ “Provided that the scheme wise annual report or abridged summary thereof may be sent to investors in electronic form on their registered e-mail address in the manner specified by the SEBI.”;
  - ✓ The annual report and abridged summary thereof shall contain details as specified in the Eleventh Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund:  
Provided that the abridged scheme wise annual report mailed to Unit holders need not contain full portfolio disclosure but must contain details on group company investments such

## **Sahara Mutual Fund**

as the name of the company, the amount of investment made in each company of the group by each scheme and the aggregate investments made by all schemes in the group companies of the sponsor.

Provided further that full portfolio disclosure is not required if full accounts are published in newspapers.

As per the circular MFD/CIR/15/041/2002 dated 14<sup>th</sup> March 2001, the Mutual Fund is not required to publish the scheme wise annual report or abridged annual report in the newspapers. However the Mutual fund shall continue to send the annual report or abridged annual report to the unit holders. Further, all mutual funds are advised to display the scheme-wise annual reports on their web sites. These web sites should also be linked with AMFI web site.

- ✓ The report if published in summary form shall carry a note that (for Unit holders of a scheme) the full annual report shall be available for inspection at the head office of the mutual fund and a copy thereof shall be made available to the Unit holder on payment of such nominal fees as may be specified by the mutual fund.
- ✓ The asset management company shall display the link of the full scheme wise annual reports prominently on their website.
- Annual report to be forwarded to the SEBI: - Every mutual fund shall within four months from the date of closure of each financial year forward to the SEBI a copy of the annual report and other information including details of investments and deposits held by the mutual fund so that the entire scheme wise portfolio of the mutual funds is disclosed to the SEBI.
- Periodic and continual disclosures:
  - ✓ The mutual fund, the asset management company, the trustees, custodian, sponsor of the mutual fund shall make such disclosures or submit such documents as they may be called upon to do so by the SEBI.
  - ✓ Without prejudice to the generality of sub-regulation (1) the mutual fund shall furnish the following periodic reports to the SEBI, namely: -
    - ✓ Copies of the duly audited annual statements of accounts including the balance sheet and the profit and loss account for the fund and in respect of each scheme, once a year:
  - ✓ No sale of units of any scheme of a mutual fund shall be made by the trustees or an asset management company unless accompanied by documents, which contain information, which is adequate for the investors to take an informed decision.

### **Half-yearly disclosures: -**

(1) A mutual fund and asset management company shall within one month from the close of each half year that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website:

Provided that the half-yearly unaudited report shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund.

(2) A mutual fund and asset management company, shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.

- A mutual fund shall before the expiry of one month from the close of each half year (*i.e.*, 31st March and 30th September), send to all unit holders a complete statement of its scheme portfolio :

**Provided** that statement of scheme portfolio may not be sent to the unit holders, if the statement is published, by way of an advertisement, in one English daily circulating in the whole of India and in a newspaper published in the language of the region where the head office of the mutual fund is situated

## Sahara Mutual Fund

- The Mutual fund shall also disclose the portfolio on their websites in the prescribed format before the expiry of one month from the close of each half-year. A copy of the portfolio shall also be filed with SEBI.

### iii. Information on Key Personnel:

Name/Designation	Age/Qualification	Brief Experience
Mr. Naresh Kumar Garg, Chief Executive Officer	55 Years, is a qualified Chartered Financial Analyst (CFA), M.B.A (Finance), CAIIB (UTI), Chartered Engineer, M.I.E (Electrical Engineer) and has also completed Investment advice certificate I & II exams of the Securities Institute, London under FSA, U K Regulations.	He has over two decades of experience in the Mutual Fund Industry. He has worked in Key Functional Areas and contributed significantly in the management of Offshore Funds, Domestic Equity Fund and Debt Funds. He is a winner of the prestigious British "Chevening- Manchester Business School Scholarship 2002" for Senior Executives sponsored by the Foreign and Commonwealth office, U.K Government and Manchester Business School. He is the winner of the "Young Manager Competition" 1993(Western Region) conducted by All India Management Association.
Mr. A N Sridhar, Fund Manager	50 years, BE(Electronics), CAIIB (UTI), MFM	He has over two decades of experience in Banking and Mutual Fund Industry. He served Central Bank of India from March 1985 to October 1989. He held various responsibilities including equity dealing at UTI Mutual Fund (erstwhile Unit Trust of India) from October 1989 till October 2003. From November 2003 to September 2004, he was a Consultant for Institutional dealing at Dalal & Broacha Stock Broking Pvt Ltd. He has extensive experience in the dealing of equities.
Mr.Ashwini Kumar Fund Manager	37 years MMS.	He holds a degree in Economics. He has over ten years of experience in the Fixed Income/Capital Market segments. His previous work experience includes working in a Mutual Fund and debt segment.
Ms Vidya S Manjrekar Head – Operations	50 years. B Com , CAIIB –Part 1.	She has over two decades of experience in the Mutual Fund Industry. She has worked in various departments including Department of Accounts in UTI Mutual Fund (erstwhile UTI) prior to joining Sahara AMC Ltd.
Mr M D Naik, Head – Investor Relations	58 years BSc (Hons), BGL, MA (Economics), CAIIB	He has over two decades of experience in the Mutual Fund Industry having worked in various capacities. He was Deputy General manager in UTI MF (erstwhile UTI) prior to joining Sahara AMC Ltd.
Mr. Sudhir Kaup Compliance Officer	48 years, B Com, CAIIB (UTI)	He has over two decades of experience in the Operations & Compliance areas in the Mutual Fund Industry.
Mr Akshay Dani Dealer	23 years, B Com	He has done his Graduation In Commerce
Mr Mukul Saigal Choubey	24 years, BE (Electronics and Electrical Engineering)	He has done his B. Tech (Electrical & Electronics Engineering)

## **Sahara Mutual Fund**

### **iv. FUND MANAGEMENT & INVESTMENT PROCESS**

#### **The team:**

The Investment operations of the Sahara Mutual Fund scheme(s) are managed by Sahara Asset Management Company Private Limited, company's fund management team. The team comprises of Mr. Naresh Kumar Garg, Chief Executive Officer, Mr. A.N. Sridhar, Fund Manager (Equity) and Mr. Ashwini Kumar, Fund Manager (Debt) and a group of research / investment personnel (excluding dealing personnel), possessing collectively with them a vast and varied knowledge base relating to financial markets and systems. The key personnel have experience in advising / managing funds in Indian financial markets.

**The Investment Committee:** The committee will lay down the investment policy and philosophy, review performance with regard to the objectives of the schemes on a regular basis. It would lay down the broad framework for investment management by the fund manager while the day to day management of the fund would rest with the fund Manager. The investment committee reviews the portfolios periodically, assess the liquidity positions and make suggestions to the fund manager. The Investment Committee comprises of Mr. Naresh Kumar Garg, Chief Executive Officer, Mr. A.N. Sridhar- Fund Manger (Equity) and Mr. Ashwini Kumar, Fund Manager (Debt).

#### **The Investment Process:**

The Fund Manager in accordance with the policies formulated by the Investment Committee handles the day-to-day investment management. The focus of the Fund Manager is to ensure that the objectives of each Fund are kept foremost whilst taking decisions regarding asset allocation and selection.

Careful attention is at all times paid to SEBI guidelines regarding restriction on investments / investment limits as prescribed from time to time. These restrictions relate to single company / group investments, investments in associate companies, investments in unrated debt instruments etc. Typically, wherever any investment in unrated paper is involved, prior approval of the Trustees and the Board of the AMC is sought.

There is a daily meeting of the Fund Management Team which discusses issues on the various information available. The research analysts give their inputs. These meetings help the fund manager in taking investment decisions.

The Fund Manager relies extensively on research provided by external agencies that are used to formulate a view on the likely trends and impact on the markets. This is supplemented by in-house research.

The hierarchical structure is typically vertical, with the Fund Managers reporting to the Chief Executive Officer.

The Board of Directors of the AMC and the Trustees are presented regular reports on the portfolio performance on a stand-alone basis as well as a comparison with relevant benchmarks and with peer group from the industry.

Based on a comprehensive review of credit, macro economic factors, external and internal inputs, the Investment Committee decide the portfolio balance to arrive at a suitable mix of risk and return. The key objective is to optimize returns vis-à-vis risk.

Depending on the needs, derivatives may be used with a view to minimizing risk and protecting the returns of the portfolio.

The buy/sell decisions would be recorded by the fund manager in the form of a Fund wise requisition slips keeping in mind the investment objectives, investment restrictions and the applicable guidelines. These sheets would contain details such as quantity of scrip/security, indicative price, reasons for buy/sell etc. The requisition slip would be sent to the Dealers for execution.

The risk manager/ mid office would review all buying and selling transactions to check that they are inline with the stated fund objectives, investment restrictions, stipulated guidelines and suggest



## **Sahara Mutual Fund**

corrective action to the fund manager wherever required. It would also check the portfolio risks periodically and suggests corrective action wherever required.

The Fund Manager shall review the portfolio on a daily basis, in conjunction with the expected cash flows in to and out of the various Funds and in line with the investment objectives and guidelines.

The complete portfolio statement elaborating classifications, limits and valuations would be placed for scrutiny before the Trustees and the Board of Directors of the AMC at their meetings, which would be typically at least bimonthly / once in a quarter.

### **E. SERVICE PROVIDERS**

#### **i. Custodian**

##### **HDFC Bank Ltd.,**

I Think Techno Campus, Office 8, Kanjurmarg (East), Mumbai - 400 042, Tel: (022) 30752841.

#### **ii. Transfer Agents /Dividend Paying Agent.**

##### **KARVY Computershare Private Limited**

SEBI Registration No.: INR000000221

#59,'SKANDA', Puttanna Road, Basavangudi, Bengaluru-560004

Tel:080-26600785/26602852;Fax:080-26600786;Email:service\_smf@karvy.com

KARVY Computershare Private Limited, a SEBI Registered Registrar and Transfer agent has been appointed as Registrar and Transfer Agent. Their Registration No. is INR 000000221. The Trustees and the AMC have satisfied themselves that the Registrar has adequate capacity to discharge responsibility with regard to processing of application and dispatching unit certificate to unit holders within the time limit prescribed in the Regulation and also has sufficient capacity to handle investor compliance.

The Board of the Trustees and the AMC has ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

#### **iii. STATUTORY AUDITOR**

##### **Chaturvedi & Company**

Chartered Accountants

81, Mittal Chambers

Nariman Point, Mumbai – 400021

#### **iv. FUND ACCOUNTANT**

##### **HDFC Bank Ltd**

Custody - Fund Accounting Services

I Think Techno Campus, Office 8,

Kanjurmarg (East), Mumbai - 400 042

Phone Number : (022) 30752841

#### **v. Collecting Bankers: Not Applicable for ongoing schemes.**

**Sahara Mutual Fund**

**F. CONDENSED FINANCIAL INFORMATION (CFI)**

PER UNIT STATISTICS	SAHARA INCOME FUND			SAHARA MID CAP FUND			SAHARA LIQUID FUND		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
<b>Date of Allotment</b>	<b>21.02.02</b>			<b>31.12.2004</b>			<b>19.02.2002</b>		
<b>NAV at the beginning of the year/period (₹)</b>									
Growth	24.3301	22.4385	20.5780	36.6408	27.3897	28.9895	2297.3449	2118.0089	1945.3411
Dividend	20.0379	18.4800	16.9479	16.1842	12.1171	12.8263	1037.9064	1030.9842	1024.9637
Bonus	NA	NA	NA	36.6408	27.3897	28.9895	NA	NA	
Growth Auto payout	NA	NA	NA	36.6408	27.3897	28.9895	NA	NA	
Growth (VPO)	NA	NA	NA	NA	NA	NA	2321.3641	2137.1592	1961.5246
Dividend (VPO)	NA	NA	NA	NA	NA	NA	1037.9580	1031.0038	1024.9803
Dividend –Weekly FPO	NA	NA	NA	NA	NA	NA	1027.4373	1027.4373	1027.4373
Dividend Monthly- FPO	NA	NA	NA	NA	NA	NA	1045.7998	1029.5842	1024.4833
Dividend –Weekly VPO	NA	NA	NA	NA	NA	NA	1044.5740	1033.2897	1026.1480
Dividend Monthly- VPO	NA	NA	NA	NA	NA	NA	1049.9825	1034.1871	1027.3761
Growth –Direct	24.3450	22.4393	NA	36.6899	27.4096	NA	2298.0254	2118.2967	NA
Dividend- Direct	20.0379	18.4873	NA	16.2274	12.1253	NA	1037.9064	1030.9842	NA
Bonus-Direct	NA	NA	NA	36.6899	27.4096	NA	NA	NA	NA
Growth Auto Payout-Direct	NA	NA	NA	36.6899	27.4096	NA	NA	NA	NA
Growth (VPO)- Direct	NA	NA	NA	NA	NA	NA	2229.6140	2137.4154	NA
Dividend (VPO)- Direct	NA	NA	NA	NA	NA	NA	1037.9850	1031.0038	NA
Dividend –Weekly FPO- Direct	NA	NA	NA	NA	NA	NA	1027.4373	1027.4373	NA
Dividend Monthly- FPO- Direct	NA	NA	NA	NA	NA	NA	1045.7998	1029.5842	NA
Dividend –Weekly VPO- Direct	NA	NA	NA	NA	NA	NA	1044.5740	1033.2897	NA
Dividend Monthly- VPO- Direct	NA	NA	NA	NA	NA	NA	1053.5286	1034.1871	NA
<b>NAV at the end of the year /period (₹)</b>									
Growth	26.3173	24.3301	22.4385	53.7440	36.6408	27.3897	2484.2658	2297.3449	2118.0089
Dividend	21.6746	20.0379	18.4800	23.7068	16.1842	12.1171	1038.5713	1037.9064	1030.9842
Bonus	NA	NA	NA	53.7440	36.6408	27.3897	NA	NA	NA
Growth Auto payout	NA	NA	NA	53.7440	36.6408	27.3897	NA	NA	NA
Growth (VPO)	NA	NA	NA	NA	NA	NA	2515.3224	2321.3641	2137.1592
Dividend (VPO)	NA	NA	NA	NA	NA	NA	1038.6443	1037.9580	1031.0038
Dividend –Weekly FPO	NA	NA	NA	NA	NA	NA	1027.4373	1027.4373	1027.4373
Dividend Monthly- FPO	NA	NA	NA	NA	NA	NA	1043.3721	1045.7998	1029.5842
Dividend –Weekly VPO	NA	NA	NA	NA	NA	NA	1045.2918	1044.5740	1033.2897
Dividend Monthly- VPO	NA	NA	NA	NA	NA	NA	1046.6514	1049.9825	1034.1871
Growth –Direct	26.3443	24.3450	22.4393	53.8736	36.6899	27.4096	2485.2411	2298.0254	2118.2967
Dividend- Direct	21.9137	20.0379	18.4873	23.8145	16.2274	12.1253	1038.5713	1037.9064	1030.9842
Bonus-Direct	NA	NA	NA	53.8736	36.6899	27.4096	NA	NA	NA
Growth Auto Payout-Direct	NA	NA	NA	53.8736	36.6899	27.4096	NA	NA	NA
Growth (VPO)- Direct	NA	NA	NA	NA	NA	NA	2517.1139	2229.6140	2137.4154

## Sahara Mutual Fund

Dividend (VPO)- Direct	NA	NA	NA	NA	NA	NA	1038.8267	1037.9850	1031.0038
Dividend –Weekly FPO-Direct	NA	NA	NA	NA	NA	NA	1027.4373	1027.4373	1027.4373
Dividend Monthly- FPO-Direct	NA	NA	NA	NA	NA	NA	1043.3721	1045.7998	1029.5842
Dividend –Weekly VPO-Direct	NA	NA	NA	NA	NA	NA	1045.2918	1044.5740	1033.2897
Dividend Monthly- VPO-Direct	NA	NA	NA	NA	NA	NA	1055.8972	1053.5286	1034.1871
Dividends (₹)	-	-	-	-	-	-	-	-	-
Annualized return (%) Since inception	7.6587	7.62	7.54	17.8250	15.07	13.00	7.8991/ 7.1832	7.85 / 7.11	7.74/ 6.97
Bench mark returns	***	***	***	15.4351	12.14	11.65	7.4025/^^	7.2150/ ^^	6.92/***
Net Assets end of period (₹ Lakhs)	290.38	306.78	7397.78	1012.86	850.86	853.65	6468.81	11097.27	8028.13
Ratio of Recurring Expenses to Net Assets (%)	0.31	0.33	0.34	2.69	2.67	2.59	0.27	0.27	0.25

\*\*\*\* Base date of index 31 3 2002

PER UNIT STATISTICS	SAHARA GILT FUND			SAHARA GROWTH FUND			SAHARA TAX GAIN FUND		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
<b>Date of allotment</b>	<b>21.02.02</b>			<b>03.09.02</b>			<b>01.04.97</b>		
<b>NAV at the beginning of the year/ Period (₹)</b>									
Growth	21.5905	19.9930	18.5302	94.2413	77.5872	77.0210	46.1172	36.2470	36.4590
Dividend	18.0127	16.6848	15.4642	27.3411	22.5169	22.3563	12.7211	11.68556	13.6836
Growth - Direct	21.5936	19.9970	NA	97.7438	77.6915	NA	46.3192	36.3099	NA
Dividend - Direct	18.0127	16.6848	NA	27.4784	22.5414	NA	12.7692	11.6939	NA
<b>NAV at the end of the year /Period (₹)</b>									
Growth	23.3247	21.5905	19.9930	118.3958	94.2413	77.5872	59.4728	46.1172	36.2470
Dividend	19.4523	18.0127	16.6848	34.3475	27.3411	22.5169	16.4049	12.7211	11.68556
Growth - Direct	23.3256	21.5936	19.9970	120.2649	97.7438	77.6915	59.8815	46.3192	36.3099
Dividend - Direct	19.4523	18.0127	16.6848	34.6525	27.4784	22.5414	16.5092	12.7692	11.6939
Dividend (₹)	-	-	-	-	-	-	2.50	2.00	2.00
Annualized return (%) Since inception	6.6722	6.56	6.43	21.6861	21.35	21.36	23.9216	23.63	23.42
Benchmark returns	***	***	***	18.4163	17.73	17.72	14.0248	13.05	12.80
Net Assets end of period (₹ Lakhs)	4.09	5.51	5.68	770.14	791.21	839.34	1127.36	1050.94	1021.35
Ratio of Recurring Expenses to Net Assets (%)	0.32	0.32	0.34	2.57	2.69	2.62	2.69	2.69	2.63

## Sahara Mutual Fund

Historical Per Unit Statistics (Audited)	Sahara Wealth Plus Fund			Sahara Infrastructure Fund		
	2015	2014	2013	2015	2014	2013
<b>Date of allotment</b>	01/09/2005			03/04/2006		
<b>NAV at the beginning of the year (₹)</b>						
Growth – (FPO)	26.8015	20.8354	19.6804	13.5605	12.3006	13.8075
Dividend –(FPO)	19.0911	14.8422	16.3019	9.9134	8.9940	10.0959
Growth – ( VPO)	19.6674	22.0766	20.6572	14.4557	12.9892	14.4435
Dividend – ( VPO)	20.7828	16.0073	17.2426	10.6211	9.5443	10.6128
Growth – (FPO)- Direct	26.9234	12.3080	NA	13.6040	12.3080	NA
Dividend –(FPO)- Direct	19.1485	8.9952	NA	9.9405	8.9952	NA
Growth – ( VPO) - Direct	28.7581	12.9979	NA	14.4999	12.9979	NA
Dividend – ( VPO)- Direct	20.8517	9.5501	NA	10.6548	9.5501	NA
<b>NAV at the end of the year (₹)</b>						
Growth – (FPO)	37.6055	26.8015	20.8354	18.6260	13.5605	12.3006
Dividend –(FPO)	26.7854	19.0911	14.8422	13.6148	9.9134	8.9940
Growth – ( VPO)	40.6185	19.6674	22.0766	20.0429	14.4557	12.9892
Dividend – ( VPO)	29.4450	20.7828	16.0073	14.7449	10.6211	9.5443
Growth – (FPO)- Direct	37.8682	26.9234	12.3080	18.6728	13.6040	12.3080
Dividend –(FPO)- Direct	26.9348	19.1485	8.9952	13.6851	9.9405	8.9952
Growth – ( VPO) - Direct	40.8611	28.7581	12.9979	20.0905	14.4999	12.9979
Dividend – ( VPO)- Direct	29.6165	20.8517	9.5501	14.8114	10.6548	9.5501
Dividend (₹)		-	2.50		-	-
Return (%) VPO / FPO (since inception)	15.7491/ 14.8219	13.05/ 12.17	11.02/ 10.18	8.0342/ 7.1575	4.72/ 3.88	3.81/ 3.01
Benchmark returns	13.1064	10.94	10.08	10.4456	8.57	7.30
Net Assets (₹ in lakhs)	1122.18	1036.83	891.48	512.54	475.34	535.71
Ratio of recurring expenses (%)	1.96	2.00	1.86	2.19	2.17	2.04

FPO – Fixed Pricing Option VPO – Variable Pricing Option

Historical Per Unit Statistics (Audited)	Sahara R. E. A. L Fund			Sahara Classic Fund		
	27/11/2007			01/02/2008		
<b>NAV at the beginning of the year (₹)</b>		<b>2014</b>	<b>2013</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Growth	9.1355	7.2350	7.4950	17.4636	16.1080	14.8074
Dividend	9.1355	7.2350	7.4950	17.4636	16.1075	14.8068
Growth - Direct	9.1715	7.2408	NA	17.4660	16.1085	NA
Dividend - Direct	9.1704	7.2425	NA	17.4636	16.1075	NA
<b>NAV at the end of the year (₹)</b>						
Growth	14.5394	9.1355	7.2350	18.8390	17.4636	16.1080
Dividend	14.5394	9.1355	7.2350	18.8406	17.4636	16.1075
Growth - Direct	14.8144	9.1715	7.2408	18.8439	17.4660	16.1085
Dividend - Direct	14.6385	9.1704	7.2425	18.8406	17.4636	16.1075
Return (%) since inception	5.2276	(1.41)	(5.88)	9.2427	9.4793	9.67
Benchmark returns	5.5804	2.60	(0.05)	7.7500	6.3970	6.39
Net Assets (₹ in lakhs)	439.69	370.02	376.51	19.73	18.78	19.05
Ratio of recurring expenses (%)	2.70	2.70	2.62	0.35	0.35	0.36

## Sahara Mutual Fund

Historical Per Unit Statistics (Audited)	Sahara Power & NR Fund			Sahara Banking & FS Fund		
Date of Allotment	17/06/2008			16/09/2008		
NAV at the beginning of the year (₹)	2015	2014	2013	2015	2014	2013
Growth	12.3029	10.0789	11.5134	32.8543	29.8674	27.8344
Dividend	10.4951	8.5980	9.8215	11.6327	10.5807	11.8583
Growth - Direct	12.3326	10.0855	NA	32.9742	29.8907	NA
Dividend - Direct	10.5362	8.6098	NA	11.6846	10.5887	NA
NAV at the end of the year (₹)						
Growth	14.7779	12.3029	10.0789	45.5059	32.8543	29.8674
Dividend	12.6045	10.4951	8.5980	16.0986	11.6327	10.5807
Growth - Direct	14.8477	12.3326	10.0855	45.8125	32.9742	29.8907
Dividend - Direct	12.6859	10.5362	8.6098	16.2326	11.6846	10.5887
Dividend (₹)	-	-	-	-	-	2.50
Return (%) since inception	5.9213	3.64	0.17	26.0742	23.95	27.31
Benchmark returns	9.2641	6.51	4.27	18.1028	14.11	14.58
Net Assets (₹ in lakhs)	252.14	218.65	245.34	1131.67	1444.09	1724.97
Ratio of recurring expenses (%)	2.68	2.70	2.62	2.67	2.67	2.62

Historical Per Unit Statistics (Audited)	Sahara Star Value Fund			Sahara Super 20 Fund		
Date of Allotment	14/09/2009			31/07/2009		
NAV at the beginning of the year (₹)	2015	2014	2013	2015	2014	2013
Growth	12.4430	9.6781	11.3058	13.4456	11.3051	11.3993
Dividend	11.3361	8.8539	10.3502	13.4359	11.3043	11.3999
Growth - Direct	12.5208	9.6926	NA	13.5044	11.3160	NA
Dividend - Direct	11.4959	8.9103	NA	13.5082	11.3175	NA
NAV at the end of the year (₹)						
Growth	16.7810	12.4430	9.6781	16.2127	13.4456	11.3051
Dividend	13.1757	11.3361	8.8539	16.1972	13.4359	11.3043
Growth - Direct	18.1539	12.5208	9.6926	16.3453	13.5044	11.3160
Dividend - Direct	13.2823	11.4959	8.9103	16.3503	13.5082	11.3175
Dividend (₹)	-	-	-	-	-	-
Return (%) since inception	9.7849	4.93	(0.92)	8.8984	6.55	3.41
Benchmark returns	11.0020	6.86	4.13	11.2646	8.22	(0.92)
Net Assets (₹ in lakhs)	178.98	114.31	110.31	67.10	75.71	4.13
Ratio of recurring expenses (%)	2.41	2.43	2.40	2.67	2.69	2.40

Historical Per Unit Statistics (Audited)	Sahara Interval Fund			Sahara Short Term Bond Fund		
Date of Allotment	03/10/2008			13/04/2009		
NAV at the beginning of the year (₹)	2015	2014	2013	2015	2014	2013
Growth	15.2245	14.0817	12.9707	15.2860	14.0729	12.9387
Dividend	15.2245	14.0815	12.9705	10.4485	10.3472	10.1952
Growth - Direct	15.2277	14.0818	NA	15.3001	14.0736	NA

## Sahara Mutual Fund

Dividend - Direct	15.2245	14.0815	NA	10.4508	10.3474	NA
<b>NAV at the end of the year (₹)</b>						
Growth	16.4374	15.2245	14.0817	16.5490	15.2860	14.0729
Dividend	16.4376	15.2245	14.0815	10.5306	10.4485	10.3472
Growth - Direct	16.4446	15.2277	14.0818	16.5777	15.3001	14.0736
Dividend - Direct	16.4376	15.2245	14.0815	10.5424	10.4508	10.3474
Return (%) since inception	7.9543	7.9645	7.91	8.8085	8.9342	8.99
Benchmark returns	7.6427	7.3984	6.94	7.4488	7.1398	6.56
Net Assets (₹ in lakhs)	8.84	10.50	18.17	226.72	1369.00	734.88
Ratio of recurring expenses (%)	0.34	0.34	0.36	0.26	0.27	0.27

### II. HOW TO APPLY.

- The application form for the sale of units will be available and accepted at the office of the AMCs office / Collection Centers / `ISCs during business hours on their respective business days.
- Applications must be completed in **BLOCK LETTERS** in English.
- Signatures should be in English or in any Indian Language.
- All cheques and bank drafts must be drawn in favour of the respective scheme eg “**Sahara Growth Fund**” / “**Sahara Tax Gain Fund**” , **Sahara Liquid Fund -Fixed Pricing Option – Monthly Dividend Option – Direct** and in the respective schemes/ options as applicable. All cheques and bank drafts accompanying the application form should contain the application form number on its reverse.
- In order to protect the interest of investors from fraudulent encashment of cheques, the current SEBI Regulations, has made it mandatory for Investors to mention in their Application / Redemption request, the bank name and account number (in full).

Further in line with SEBI Circular dated April 3, 2008, it has been decided to exempt investors residing in the state of Sikkim from the mandatory requirement of PAN for their investments in mutual funds. However, this would be subject to the mutual funds verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence.

In line with SEBI circular no MRD/DoP/Cir-20/2008 dated June 30, 2008, it is clarified that PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. However, the aforementioned clarification would be subject to the intermediaries verifying the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption.

Applications without this information and documents will be deemed to be incomplete and liable to be rejected.

- Under Power of Attorney: If any application or any request for transmission is signed by a person holding a valid Power of Attorney, the original Power of Attorney or a certified copy duly notarized should be submitted with the application or the transmission request, as the case may be, unless the Power of Attorney has already been registered with the Fund / Registrar.

In case of applications by limited company or a corporate body or an eligible institution or a registered society or a trust or a fund or a FII, a certified true copy of the Board resolution of the Managing Body authorizing investments in Units including authority granted in favour of the officials signing the application for Units and their specimen signature etc., along with a certified copy of the Memorandum and Articles of Association and/or bye-laws and/or trust deed and/or partnership deed and Certificate of Registration should be submitted. The officials should sign

## **Sahara Mutual Fund**

the application under the official designation. In the case of a Trust/Fund, it shall produce a resolution from the Trustee(s) authorizing such purchases. The above mentioned documents or duly certified copy thereof must be lodged separately at the office of the Registrar to the Offer, quoting the serial number of the application.

In case of non submission of the above mentioned documents, the Trust is entitled, in its sole and absolute discretion, to reject or accept any application.

7. Pursuant to Securities and Exchange Board of India (SEBI) circular number CIR/IMD/DF/21/2012 dated September 13, 2012, investor/s shall have the provision in the application / transaction form to specify the unique identity number (EUIN) of the employee/relationship manager/sales person (sales person) of the distributor interacting with the investor/s for the sale of mutual fund products, along with the Association of Mutual Fund in India (AMFI) Registration Number (ARN) of the distributor. Investors are hereby requested to note the following with respect to EUIN:

- a. AMFI has allotted EUIN to all the sales person of AMFI registered distributors.
- b. Investor/s shall specify the valid ARN code, and the valid EUIN of the sales person in the application/transaction form. This will assist in handling the complaints of mis-selling, if any, even if the sales person on whose advice the transaction was executed leaves the employment of the distributor.
- c. Investors are requested to use the new application /transaction forms which have space for sub-broker ARN code and EUIN.

8. Investors may undertake applicable transactions in respect of equity schemes in online mode through the website [www.saharamutual.com](http://www.saharamutual.com). Accordingly, the website maintained for the purpose will be the "Official Point of Acceptance" for all such applicable online transactions offered by the AMC.

9. Applications not complete in any respect are liable to be rejected.

• **Additional facilities for transaction of Units:**

**Facility to purchase / redeem units of the Scheme(s) through Stock Exchange(s):** A Unit holder may purchase / redeem units of eligible schemes through the Stock Exchange infrastructure (currently, all existing schemes except Sahara Liquid Fund Variable Pricing Option – Daily Dividend, Sahara Liquid Fund Fixed Pricing Option – Daily Dividend, Sahara Liquid Fund Variable Pricing Option - Weekly Dividend, Sahara Liquid Fund Fixed Pricing Option - Weekly Dividend and Sahara Interval Fund) through BSE StAR MF platform by submitting the applications to stock brokers registered for this facility. All trading members of BSE who are registered with AMFI / NISM as Mutual Fund Advisors & Clearing members who are registered with BSE will be eligible to offer this facility to Investors. The units of eligible Schemes are not listed on BSE and the same cannot be traded on the Stock Exchange. The details are available in the Scheme Information Document (SID) / Key Information Memorandum (KIM) and the website [www.saharamutual.com](http://www.saharamutual.com)

### **III. RIGHTS OF UNITHOLDERS OF THE SCHEME**

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. **When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend.** Account Statement reflecting the new or additional subscription shall be dispatched in 5 working days Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 30 days of the receipt of request for the certificate.
3. The asset management company shall ensure that consolidated account statement for each calendar month is issued, on or before tenth day of succeeding month, detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month:

Provided that the asset management company shall ensure that a consolidated account statement every half yearly (September/ March) is issued, on or before tenth day of

## **Sahara Mutual Fund**

succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period:

Provided further that the asset management company shall identify common investor across fund houses by their permanent account number for the purposes of sending consolidated account statement.

*Explanation:-* For the purpose of this regulation, the word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

4. The Mutual Fund shall dispatch redemption proceeds within 10 Business Days of receiving the redemption request.
  5. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unit holders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
  6. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
  7. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
  8. The Trustee shall obtain the consent of the Unit holders:
    - whenever required to do so by SEBI, in the interest of the Unit holders.
    - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
    - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
- The Trustees shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders shall be carried out unless:
    - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
    - (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
  - In specific circumstances, where the approval of unit holders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

## **IV. INVESTMENT VALUATION NORMS and ACCOUNTING POLICIES**

### **VALUATION NORMS**

#### **Principles of Fair Valuation**

The Mutual Fund shall value its investments in accordance with the following overarching principles as outlined in the Eight Schedule of SEBI (Mutual Funds) Regulations, 1996 so as to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units in all schemes at all points of time:

The valuation guidelines have been outlined within the parameters of prevailing Regulations and are subject to changes from time to time by AMC and/or Trustees. However such changes would be in conformity with the Regulations.



**Sahara Mutual Fund**

**A: VALUATION OF DEBT INSTRUMENTS**

**A (I) - The Valuation Policy of Debt and Money Market Instruments is given below:**

Sr. No.	Instrument	Valuation applicable on the day of valuation
1	CBLO, REPO, Fixed Deposit, Call Money , etc and such Similar Instruments	On Amortization basis / Accrual basis.
2	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc. where Scrip wise values are available from CRISIL/ ICRA	The aggregated average price provided by CRISIL / ICRA for the given security or any other agencies as may be indicated from time to time by SEBI/AMFI for that day
3	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc where Scrip wise values are not available from CRISIL/ ICRA	
	i) Same security traded and reported on public platforms.	On Weighted Average Yield of all trades (excluding abnormal and retail trades) on Public platforms, for that Securities on that day irrespective of settlement day.
	ii) If Same Security not traded and reported on any of the public platforms.	The aggregated average matrices of CRISIL/ ICRA for the respective category or any other agencies as may be indicated from time to time by SEBI/AMFI for that day
4	Central Government Securities / State Government Securities / Treasury Bills/Cash Management Bill etc	The Aggregated average valuation as provided by CRISIL/ ICRA or any other agencies as may be indicated from time to time by SEBI/AMFI for that day

**A (II) Pricing of Inter -Scheme Transfer of Debt Instruments (ISTs):**

Sr. No.	Instrument	Valuation applicable on the day of valuation
1.	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc.	

**Sahara Mutual Fund**

	i)	Same security traded and reported on FTRAC/CBRICS up to the time of IST.	Pricing will be based on Weighted Average Yield of all trades in same security on FTRAC/CBRICS (Excluding abnormal and retail trades) irrespective of settlement day plus accrual/amortization, if any, based on settlement day of the IST. Example: If settlement is T+0 then no accrual/amortization and if the settlement is other than T+0, then appropriate accrual/amortization.
	ii)	If Same security is not traded but similar Security/securities are traded and reported up to the time of IST on FTRAC/CBRICS	Pricing will be based on Weighted Average Yield of all trades in similar security/securities on FTRAC/CBRICS (excluding abnormal and retail trades) irrespective of settlement day plus accrual/amortization, if any, based on settlement day of the IST. Example : If settlement is T+0 then no accrual/amortization and if the settlement is other than T+0, then appropriate accrual/amortization
	iii)	If Same or similar Security/securities are not traded and reported up to the time of IST on FTRAC/CBRICS	Previous end of the day valuation plus accrual, if any, based on settlement day of the IST shall be taken. example: if settlement is T+0 then no accrual/amortization and if the settlement is other than T+0 then appropriate accrual/amortization.
2.		Central Government Securities / State Government Securities / Treasury Bills/ Cash Management Bill etc	
	i)	Same security traded and reported on NDS-OM section of CCIL website.	On last traded price as given on NDS-Section of CCIL Website (Excluding abnormal trade).
	ii)	Same security not traded and reported on NDS-OM section of CCIL website	Previous end of the day valuation price plus accrual/amortization shall be taken

AMC may take screen shot/ downloaded excel file from FTRAC / NDS-OM for the same purpose.

**Similar Security:**

Similar security here shall mean those securities which are same nature security [Commercial Paper (CP), Certificate of Deposit (CD), Non-Convertible Debentures (NCD), etc ] of different issuers having same or equivalent credit rating for Similar maturity profile (For both Short term rating and Long term rating), and falling in same "Maturity Bucket" as defined below. Further the instruments Commercial Paper (CP), Bonds and Non-Convertible Debentures (NCDs) etc are categorized into following sub-categories:—

- 1) NBFC
- 2) Real Estate,
- 3) PTC
- 4) Others

## **Sahara Mutual Fund**

### **Maturity Bucket:**

- For Debt Security having remaining maturity upto 91 days

<b>Maturity date of securities falling between</b>	<b>Time Bucket</b>
1st and 7th of the month	1-7 of the same month
8th and 15th of the month	8-15 of the same month
16th and 23rd of the month	16-23 of the same month
24th to end of the month	24- end of the month

- For Debt Securities having remaining maturities more than 91 days  
“Time Bucket” for maturity profile of “Similar Securities” shall be same calendar month of that year.

### **A (III) Notes:**

1. For the purpose of Valuation of securities and for Inter Scheme Transfer, Weighted average of all trades of 5 crs and above, excluding abnormal trades and retail trades shall be taken. Since retail trades are of small value and generally may deviate materially from the yield at which the market lots in WDM is traded, it would be appropriate to exclude the retail trades for the more realistic valuation of the security.
2. Abnormal Trade is defined as those transaction/s which is/are over +/- 250 Basis Point compared to the previous day valuation yield of the security in question

For the Valuation/Inter-scheme transfer, the available trades of various public platform shall be considered where the face value of trade per transaction is Rs. 5 crs and above. If in any given day in same/ similar security, the value of total trade is less than minimum market lot of 5 Crs, the same shall be ignored for the valuation purpose.

3. CRISIL and ICRA provide the valuation matrices for various maturity bucket. Scrip wise value for various debt instruments are also provided by CRISIL and ICRA. Trades are also reported and settled on various public platform.
4. Public platform for the purpose of valuation of security shall mean FIMMDA managed FTRAC, NSE, BSE, (except NSER- NSE retail and BSER- BSE Retail), RBI managed NDS-OM or any other Public platform for Debt market launched from time to time. Market trades from different Platforms are usually collected by BILAV Information LLP, which may be used for the purpose of Valuation of traded security for which scrip wise values are not available from CRISIL/ICRA
5. The data on yield and prices are generally provided upto 4 decimal point which shall be considered. Price upto 4 decimal points shall be considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded security where scrip wise values are not available by CRISIL/ICRA, price derived from (corresponding to) Weighted Average yield of all available trades excluding abnormal and retail trades on any public platform for the same security on t+1 settlement basis shall be taken.

In case, on any other day because of technical and other reason, if the Required Bilav file is not sent by 7.30 PM, FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security for which scrip wise values are not available .

7. For non traded security where scrip wise values are not available, the valuation shall be done on the price derived from (corresponding to) the aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.

## **Sahara Mutual Fund**

8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation shall be done on aggregated scrip wise pricing as provided by CRISIL/ICRA and as applicable for that day.

In the absence of scrip wise values the valuation shall be based on aggregated matrices if available from CRISIL/ICRA on T+1 settlement and as applicable for that day.

9. In case the valuation matrices/script wise value is available either from CRISIL/ICRA upto a reasonable time limit, the same shall be considered for arriving at valuation
10. In case on any given day neither the script wise value nor the valuation Matrices is available from CRISIL/ICRA within the reasonable time limit, the Valuation shall be done based on accrual/amortization based on last valuation.

### **B: VALUATION OF EQUITY INSTRUMENTS**

#### **1. Traded Equity Securities**

When an equity security is not traded on any Stock Exchange on a particular valuation day, the value at which it was traded on the selected Stock Exchange, as the case may be, on the earliest previous day would be used provided such date is not more than thirty days prior to valuation date.

#### **2. Thinly Traded Equity / Equity Related Securities**

- (a) When trading in an equity and/or equity related security (such as convertible debentures, equity warrants etc.) in a month is both less than Rs.5 lacs in value and the total volume is less than 50,000 shares, the security would be considered as thinly traded security
- (b) In order to determine whether a security is thinly traded or not, the volumes traded in all recognized Stock Exchanges in India would be taken into account.
- (c) Where a Stock Exchange identifies the thinly traded securities by applying the above parameters for the preceding calendar month and publishes or provides the required information along with the daily quotations, the same would be used for valuation.
- (d) If the shares are not listed on the Stock Exchanges which provide such information, then we would make our own analysis in line with the above criteria to check whether such securities are thinly traded or not.

#### **3. Non-traded / Suspended Securities**

When an equity security is not traded on any Stock Exchange for a period of thirty days prior to the valuation date, the scrip would be treated as a non traded security.

When an equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the AMC or Trustees would decide the valuation norms to be followed and such norms would be documented and recorded.

The valuation methodology for thinly traded equity securities, Non-traded equity securities would be as follows:

Based on the latest available Balance Sheet, net worth would be calculated as follows:

## **Sahara Mutual Fund**

- (a) Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- (b) Average capitalization rate (P/E ratio) for the industry based upon NSE prices or BSE prices and discounted by 75% i.e. only 25% of the Industry average P/E would be taken as capitalization rate (P/E ratio). Earnings per Share (EPS) of the latest audited annual accounts would be considered for this purpose.
- (c) The value as per the net worth value per share and the capital earning value calculated as above would be averaged and further discounted by 10% for illiquidity so as to arrive at the fair value per share.
- (d) In case the EPS is negative, EPS value for that year would be taken as zero for arriving at capitalized earning.
- (e) In case, where the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies would be valued at zero.
- (f) In case, an individual security accounts for more than 5% of the total assets of the scheme, an Independent Valuer would be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent of the total assets of the scheme, it would be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs will be compared on the date of valuation.

### **4.Unlisted Equity**

Methodology for Valuation - unlisted equity shares of a company would be valued "in good faith" as below:

- a) Based on the latest available Balance Sheet, net worth would be calculated as follows:
  - 1. Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
  - 2. After taking into account the outstanding warrants and options, Net Worth per share would again be calculated and shall be = [Share Capital + consideration on exercise of Option and/or Warrants received/receivable by the Company + Free Reserves (excluding Revaluation Reserves) – Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares plus Number of Shares that would be obtained on conversion and/or exercise of Outstanding Warrants and Options.
  - 3. The lower of (1) and (2) above would be used for calculation of Net Worth per share and for further calculation in (c) below.
- b) Average capitalization rate (P/E ratio) for the industry based upon NSE prices or BSE prices and discounted by 75% i.e. only 25% of the Industry average P/E would be taken as capitalization rate (P/E ratio). Earnings per Share (EPS) of the latest audited annual accounts would be considered for this purpose.

## **Sahara Mutual Fund**

- c) The value as per the net worth value per share and the capital earning value calculated as above would be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above valuation methodology would be subject to the following conditions:

- a) All calculations would be based on audited accounts.
- b) If the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies would be valued at zero.
- c) If the Net Worth of the company is negative, the share would be marked down to zero.
- d) In case the EPS is negative, EPS value for that year would be taken as zero for arriving at capitalised earning.
- e) In case an individual security accounts for more than 5 per cent of the total assets of the scheme, an Independent Valuer would be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent of the total assets of the scheme, it shall be valued in accordance with the procedure as mentioned above on the date of valuation.

### **5. Demerger**

Generally on demerger, a listed security gets bifurcated into two or more shares. The valuation of these de-merged companies would depend on the following scenarios:

a. Both the shares are traded immediately on de-merger: In this case both the shares would be valued at respective traded prices.

b. Shares of only one company continued to be traded on de-merger: Traded shares would be valued at traded price and the other security would be valued at traded value on the day before the de merger less value of the traded security post de merger. In case value of the share of de-merged company is equal or in excess of the value of the pre de-merger share, then the non traded share would be valued at zero, till the date it is listed.

c. Both the shares are not traded on de-merger: Shares of de-merged companies would be valued equal to the pre de merger value up to a period of 30 days from the date of de merger till the date it is listed. The market price of the shares of the de-merged company one day prior to ex-date would be bifurcated over the de-merged shares. The market value of the shares would be bifurcated on a fair value basis, based on available information on the de-merger scheme.

d. In case shares of either of the companies are not traded for more than 30 days: Then it would be treated as unlisted security, and valued accordingly till the date these are listed.

### **6. Preference Shares**

Preference Shares valuation guidelines would be as follows:

a. Traded preference shares would be valued as per traded prices.

b. Non traded Preference Shares

(I). Redeemable Preference Shares

i. Convertible preference share would be valued like convertible debentures\*.

\* If a convertible preference share does not pay dividend then it would be treated like non convertible debentures.

ii. Non-Convertible preference share would be valued like a debt instrument.

## **Sahara Mutual Fund**

(II). Irredeemable preference shares would be valued on perpetual basis. It is like a constant dividend equity share.

\*In general in respect of convertible debentures and bonds, the non-convertible and convertible components would be valued separately. The non-convertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component would be valued on the same basis as would be applicable to an equity instrument.

### **7. Warrants**

a. In respect of warrants to subscribe for shares attached to instruments, the warrants would be valued at the value of the share which would be obtained on exercise of the warrants as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect on convertible debentures shall be deducted to account for the period, which must elapse before the warrant can be exercised.

b. In case the warrants are traded separately they would be valued as per the valuation guidelines applicable to Equity Shares.

### **8. Rights**

Until they are traded, the value of "rights" shares would be calculated as:

$$V_r = n \div m \times (P_{ex} - P_{of})$$

Where

$V_r$  = Value of rights

$n$  = no. of rights offered

$m$  = no. of original shares held

$P_{ex}$  = Ex-rights price

$P_{of}$  = Rights Offer Price

Where the rights are not treated pari passu with the existing shares, suitable adjustment would be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights would be valued at the renunciation value.

### **9. Derivatives**

Market values of traded open futures and option contracts would be determined with respect to the exchange on which contracted originally, i.e., a future or an option contracted on the National Stock Exchange (NSE) would be valued at the closing price on the NSE.

The price of the same futures and option contract on the Bombay Stock Exchange (BSE) cannot be considered for the purpose of valuation, unless the futures or option itself has been contracted on the BSE.

The same will be valued at closing price if the contract is traded on the valuation day. In case there is no trade on valuation day then the same would be valued at Settlement prices.

However, the contracts which are going to expire on valuation date would be valued at Settlement prices only.

### **10. Mutual Fund Units**

a. In case of traded Mutual Fund schemes, the units would be valued at closing price on the stock exchange on which they are traded like equity instruments. In case the units are not traded for more than 7 days, last declared Repurchase Price (the price at which Mutual Fund schemes buys its units back) would be considered for valuation.

b. If the last available Repurchase price is older than 7 days, the valuation will be done at the last available NAV reduced by illiquidity discount. The illiquidity discount will be 10% of NAV or as decided by the Valuation Committee.

## **Sahara Mutual Fund**

c. In case of non-traded Mutual Fund scheme, the last declared Repurchase Price (the price at which Mutual Fund schemes buys its units back) would be considered for valuation.

d. In case of Investments made by a scheme into the other scheme of Sahara Mutual Fund, if valuation date being the last day of the financial year falling on a non-business day, then the computed NAV would be considered for valuation on March 31.

### **Related matters**

- i) In case the income accrued on debt instruments is not received even after 90 days past the due date, the asset shall be termed as Non Performing Assets (NPAs) and all provisions/guidelines with respect to income accrual, provisioning etc as contained in SEBI circulars/guidelines issued from time to time shall apply and the valuation of such securities will be done accordingly. In case the company starts servicing the debt, re-schedulement is allowed, the applicable provision in SEBI circulars shall apply for provisioning and reclassification of the asset
- ii) In case of any other instruments not mentioned above and not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- iii) In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- iv) For non– business day the valuation shall be done on aggregated Scrip wise prices as provided by CRISIL/ICRA. In absence of Scrip wise prices the valuation shall be done on accrual basis/amortization basis based on last valuation
- v) In case of exceptional circumstances like, exceptional policy announcements by government/regulatory bodies, natural disasters, public disturbances, extreme volatility in capital market, shut down of market, war etc and on those days if scrip- wise value or valuation matrices are not available from CRISIL/ICRA and if security is not traded, the valuation for the day shall be done based on last valuation plus accrual/amortization or as may decided by the Investment and Valuation Committee.
- vi) The Valuation Policy shall be reviewed by the Statutory Auditor at least once in a financial year.
- vii) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees shall be applicable for the schemes of Sahara Mutual Fund.

### **b. ACCOUNTING POLICIES & STANDARDS**

#### **For Investment in Securities**

1. For the purposes of the financial statements, mutual funds shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealised gain arising out of appreciation on investments cannot be distributed, provision has to be made for exclusion of this item when arriving at distributable income.

2. Dividend income earned by a scheme should be recognised, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments which are not quoted on the stock exchange, dividend income must be recognised on the date of declaration.

3. In respect of all interest-bearing investments, income must be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase must not be treated as a cost of purchase but must be



## ***Sahara Mutual Fund***

debited to Interest Recoverable Account. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale must not be treated as an addition to sale value but must be credited to Interest Recoverable Account.

4. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method must be followed.

5. Transactions for purchase or sale of investments should be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

6. Bonus shares to which the scheme becomes entitled should be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements should be recognised only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

7. Where income receivable on investments has accrued but has not been received for the period specified in the guidelines issued by SEBI, provision shall be made by debiting to the revenue account the income so accrued in the manner specified by guidelines issued by the SEBI.

8. When in the case of an open-ended scheme units are sold, the difference between the sale price and the face value of the unit, if positive, should be credited to reserves and if negative be debited to reserves, the face value being credited to Capital Account. Similarly, when in respect of such a scheme, units are repurchased, the difference between the purchase price and face value of the unit, if positive should be debited to reserves and, if negative, should be credited to reserves, the face value being debited to the capital account.

9. In the case of an open-ended scheme, when units are sold and appropriate part of the sale proceeds should be credited to an Equalisation Account and when units are repurchased an appropriate amount should be debited to Equalisation Account. The net balance on this account should be credited or debited to the Revenue Account. The balance on the Equalisation Account debited or credited to the Revenue Account should not decrease or increase the net income of the fund but is only an adjustment to the distributable surplus. It should, therefore, be reflected in the Revenue Account only after the net income of the fund is determined.

In a close-ended scheme launched prior to the commencement of the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2009] which provide to the unitholders the option for an early redemption or repurchase their own units, the par value of the unit has to be [debited] to Capital Account and the difference between the purchase price and the par value, if positive, should be [credited] to reserves and, if negative, should be [debited] to reserves. A proportionate part of the unamortized initial issue expenses should also be transferred to the reserves so that the balance carried forward on that account is proportional to the number of units remaining outstanding.

10. The cost of investments acquired or purchased should include brokerage, stamp charges and any charge customarily included in the broker's brought note. In respect of privately placed debt instruments any front-end discount offered should be reduced from the cost of the investment.

11. Underwriting commission should be recognized as revenue only when there is no devolvement on the scheme. Where there is devolvement on the scheme, the full underwriting commission received and not merely the portion applicable to the devolvement should be reduced from the cost of the investment.

## **Sahara Mutual Fund**

The accounting policies and standards as mentioned above are in accordance with the Ninth Schedule of SEBI Regulations and are subject to change as per any changes in the SEBI Regulations. All other policies and standards as specified therein, as well as any additions / modifications thereto as may be specified by SEBI from time to time shall be adhered to while preparing the books of accounts and financial statements of the Mutual Fund.

### **c. Calculation of NAV**

NAV of units under the Scheme may be calculated as shown below:

$$\text{NAV (₹)} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets - Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}}$$

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

NAV upto 4 decimal places and the repurchase prices of the units will be calculated on all business days and published in terms of SEBI regulations.

**Note:** Computation of NAV will be done after taking into account dividends paid, if any and the distribution tax thereon, if required. Therefore once dividends are declared under the Dividend option of the scheme, the NAV of the units under the Dividend Option would always remain lower than the NAV of the units issued under the Growth Option. The income earned and the profits realized in respect of the units issued under the Growth Option. The income earned and the profits realized in respect of the units issued under the Growth Option of the scheme remain invested and are reflected in the NAV of the units.

### **d. Suspension of Repurchase / Switching Options of the Units**

The Mutual Fund at its sole discretion reserves the right to withdraw repurchase or Switching of the Units in the Scheme (including any one of the Plan of the Scheme) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favorable and / or suitable investment opportunities are not available for deployment of funds. However, the suspension of Repurchase / Switching either temporarily or indefinitely will be with the approval of the Trustees & AMC and the same to be notified to SEBI in advance giving details of circumstances and justification for the proposed action.

The Repurchase and Switching of the Units may be temporarily suspended under the following conditions:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays.
2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.
3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated.
4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the scheme.
5. In case of natural calamities, war, strikes, riots and bandhs.
6. In the event of any force measure or disaster that affects the normal functioning of the AMC or the ISC.
7. During the period of Book Closure.
8. If so directed by SEBI.

The AMC reserves the right in its sole discretion to withdraw the facility of Switching Option of Units out of the Scheme (including any one option of the scheme/fund), temporarily or indefinitely.

### **e. UNCLAIMED REDEMPTION / DIVIDEND AMOUNT**

The unclaimed redemption amount and dividend amounts may be deployed by the Mutual Fund in call money market or money market instruments only and the investors who claim these amounts during a

## **Sahara Mutual Fund**

period of three years from the due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The Income earned on such funds will be used for the purpose of investor education. The AMC will make continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investments management fee charged by the AMC for managing unclaimed amount shall not exceed 50 basis points.

Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions. No person(s) receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this Scheme Information Document or such application form as constituting an invitation to subscribe for Units. It is the responsibility of any person(s) in possession of this Scheme Information Document and any persons wishing to apply for Units pursuant to this Scheme Information Document to inform them of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

### **V. TAX & LEGAL & GENERAL INFORMATION**

The information given is only for general purpose and is based on the laws and practices currently in force in India and the Investors/Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor / Unit holder is advised to consult his / her own professional tax advisor.

#### **A. TAXATION ON INVESTING IN MUTUAL FUNDS**

a. Tax Benefits to the Mutual Fund - Sahara Mutual Fund is a Mutual Fund registered with the SEBI and hence the entire income of the Mutual Fund will be exempt from income-tax in accordance with the provisions of section 10(23D) of the Income-tax Act, 1961 (the Act). The Mutual Fund will receive all income without any deduction of tax at source under the provisions of section 196(iv) of the Act.

#### **Taxation on investing in Equity Schemes of Mutual Fund**

##### **1) Tax on Income distribution by the Mutual Fund (applicable for all Unit holders)**

Income (other than income arising from transfer of units) received by unit holders in respect of the units of the Mutual Fund, is exempt from tax under section 10(35) of the Act. Income distribution, if any, made by the Mutual Fund to the unit holders attracts distribution tax under the provisions of section 115R of the Act. Proviso (b) to section 115R(2) of the Act provides exemption to equity oriented mutual funds from paying distribution tax on income distributed to unit holders.

##### **2) Long-term Capital Gains**

Section 10(38) of the Act grants exemption to any income arising from the transfer of a long-term capital asset, being units of an equity oriented fund, held for a period of more than 12 months, provided the transaction giving rise to the capital gains, attracts Securities Transaction Tax (STT) and is made on or after October 1, 2004 i.e. the date on which Chapter VII of the Finance (No. 2) Act, 2004 has come into force.

The income by way of long-term capital gains of a company would be taken into account in computing the book profits and Minimum Alternate Tax payable, if any, under section 115JB of the Act (irrespective of whether or not it is exempt under section 10(38) of the Act).

##### **3) Short-term Capital Gains**

Under section 111A, where the total income of an assessee includes any income chargeable under the head "Capital Gains", arising from the transfer of a short-term capital asset, being a unit of an equity oriented fund held for a period not more than 12 months and (a) the transaction of sale of such unit is entered into on or after October 1, 2004, i.e. the date on which Chapter VII of the Finance (No. 2) Act, 2004 has come into force; and (b) such transaction is chargeable to STT under

## **Sahara Mutual Fund**

that Chapter, the tax payable by the assessee on such short-term capital gains is at the rate of 15 per cent.

In case of resident individuals and Hindu Undivided Families ('HUFs'), where the total income as reduced by the short-term capital gains, is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to the 15 per cent tax rate.

### **4) Foreign Institutional Investors**

Long-term capital gains arising on sale/ transfer of equity oriented mutual fund units, held for a period of more than twelve months, would be exempt from income-tax.

Short-term capital gains arising on sale/ transfer of equity oriented mutual fund units would be taxed at 15 per cent

### **5) Securities Transaction Tax**

<b>Taxable Securities Transaction</b>	<b>Tax Rate (%)</b>
Delivery based purchase transaction in Nil units of equity oriented fund entered in a recognized stock exchange.	Nil
Delivery based sale transaction in units of equity oriented fund entered in a recognized stock exchange	0.001
Sale of equity shares, units of equity oriented mutual fund (non-delivery based)	0.025%
Sale of unit of an equity oriented fund to the Mutual Fund	0.001%

### **6) Dividend Stripping (All Unit holders)**

As per section 94(7) of the Act, loss arising on sale of units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the unit holders to receive dividend) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such units.

### **7) Tax Deduction at Source on Capital Gains**

**i. Domestic unit holders:** No income-tax is deductible at source from income by way of capital gains under the provisions of the Act.

**ii. Foreign Institutional Investors :** Under section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of units referred to in section 115AD of the Act.

**iii. Other Non-resident Unit holders:** In the case of a non-resident other than a company: No income tax is deductible on long-term capital gains arising on sale/transfer on units of equity oriented mutual funds exempt under section 10(38) of the Act.

Income tax is deductible on short-term capital gains arising on sale/ transfer of units of equity oriented mutual funds (as defined under above) at the rate of 15 per cent.

In the case of a foreign company: No income-tax is deductible on long-term capital gains arising on sale/ transfer on units of equity oriented mutual funds as defined under section 10(38) of the Act.

Income tax is deductible on short-term capital gains arising on sale/ transfer of units of equity oriented mutual funds (as defined above) at the rate of 15 per cent.

## **Sahara Mutual Fund**

### **(b) Tax Treaty**

Income-tax is required to be deducted at source from capital gains chargeable to tax under section 195 of the Act at the applicable rates. In the case of an assessee resident of a country with which a Double Taxation Avoidance Agreement ('DTAA') is

in force, the tax should be withheld as per provisions in the Act or as per the provisions in the DTAA whichever is more beneficial to the non-resident holder. However, such a non-resident unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

As per Finance Act, 2012 a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') from their home country, containing such particulars as specified in notification no. 39/2012 dated September 17, 2012.

### **8) Exemptions from long-term capital gains**

Deductions are available from Long-term Capital Gains arising on sale of Mutual Fund units, if the sale proceeds are invested in eligible avenues as per : Section 54 EC and Section 54F.

### **9) Other Benefits**

Investments in Units of the Mutual Fund will rank as an eligible form of investment under Section 11 (5) of the Act read with Rule 17C of the Income-tax Rules, 1962, for Religious and Charitable Trusts.

### **10) Wealth-tax**

Units held under the respective Plans are not treated as assets within the meaning of section 2(ea) of the Wealth-tax Act, 1957 and are, therefore, not liable to wealth-tax.

### **11) Gift-tax**

The Gift –Tax Act, 1958 has been repealed since October 1, 1998. Gift of units of Mutual fund units would be subject to Income Tax in the hands of the donor. As per section 56(2)(vii), receipts of securities, fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs. (Subject to certain exemptions)

## **TAXATION ON INVESTING IN DEBT SCHEMES OF MUTUAL FUND**

### **1) Tax on Income Distribution by a Non-Equity Oriented Mutual Fund / Liquid Fund)**

Income distribution, if any, made by a non-equity oriented mutual fund not being a Money Market Mutual Fund or a Liquid Fund will attract distribution tax under section 115R of the Act at the following rates:

in case income is distributed to individuals and HUFs : 28.84%

in case of income distributed to persons other than individuals and HUFs :34.608%

### **2) Income distributed by the Mutual Fund (applicable to all unit holders)**

Income (other than income arising from transfer of units) received by unit holders in respect of the units of the Mutual Fund, is exempt from tax under section 10(35) of the Act.

### **3) Tax on Capital Gains - Long-term Capital Gains**

Long-term capital gains in respect of units, held for a period of more than 36 months, will be chargeable to tax under section 112 of the Act, at the rate of 20 per cent and 10% without Indexation whichever is more beneficial for investor. In case of resident individuals and HUFs, where the total income as reduced by capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the 20 per cent tax or the 10 per cent as the case may be.

## **Sahara Mutual Fund**

### **4) Short-term Capital Gains**

Short-term capital gains in respect of units held for not more than 36 months is added to the total income of the assessee and taxed at the applicable slab rates specified by the Act.

### **5) Foreign Institutional Investors**

Long-term capital gains arising on sale/ transfer of units, held for a period of more than twelve months, would be taxed at the rate of 10 per cent under Section 115AD of the Act. Such gains would be calculated without inflation index and currency fluctuations. Short-term capital gains arising on sale/ transfer of units would be taxed at 30 per cent.

### **6) Securities Transaction Tax**

Securities Transaction Tax (STT) is not applicable in the case of non equity-oriented mutual fund Schemes.

### **7) Dividend Stripping**

As per Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive the dividend) and sold within 9 months after the record date shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

### **8) Tax Deduction at Source on Capital Gains**

- i. Domestic Unit holders: No income tax is deductible at source from income by way of capital gains under the provisions of the Act.
- ii. Foreign Institutional Investors : Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of units referred to in Section 115AD of the Act.
- iii. Other Non-resident Unit holders  
Income tax is deductible on short-term capital gains arising on sale/ transfer of units of equity oriented mutual funds (as defined under above) at the rate of 15 per cent.  
In the case of a foreign company: No income-tax is deductible on long-term capital gains arising on sale/ transfer on units of equity oriented mutual funds as defined under section 10(38) of the Act.  
Income tax is deductible on short-term capital gains arising on sale/ transfer of units of equity oriented mutual funds (as defined above) at the rate of 15 per cent.

### **9) Exemptions from long-term capital gains:**

Deductions are available from Long-term Capital Gains arising on sale of Mutual Fund units, if the sale proceeds are invested in eligible avenues as per : Section 54 EC and Section 54F.

### **10) Other Benefits**

Investments in Units of the Mutual Fund will rank as an eligible form of investment under Section 11 (5) of the Act read with Rule 17C of the Income-tax Rules, 1962, for Religious and Charitable Trusts.

### **11) Wealth-tax**

Units held under the respective Plans are not treated as assets within the meaning of section 2(ea) of the Wealth-tax Act, 1957 and are, therefore, not liable to wealth-tax.

### **12) Gift-tax**

The Gift –Tax Act, 1958 has been repealed since October 1, 1998. Gift of units of Mutual fund units would be subject to Income Tax in the hands of the donor. As per section 56(2)(vii), receipts of securities, fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs subject to certain exemption.

**B. Legal Information**

**i. NOMINATION FACILITY**

The AMC has provided the nomination facility as an additional feature. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee.

Nomination will be maintained at the folio or account level and will be applicable for investments in all schemes in the folio or account. Where a folio has joint holders, all joint holders should sign the request for Nomination/cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of Attorney (PoA) holders. Every new nomination for a folio/account will overwrite the existing nomination. Nomination is mandatory for new /folios/accounts opened with single holding. Investors who do not wish to nominate must sign separately confirming their non-intention to nominate.

Nomination form/section in the application form will have a provision for the signature of the nominee (or guardian of the nominee), though this may not be mandatory. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee shall receive the units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominee under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination. If a nomination is made by a single/joint Unit holder(s) or a surviving Unit holders not being persons:

- a. holding the Units as holder of an office
- b. acting for a trust
- c. acting in any other capacity for any other person with a beneficial interest in Units, the same shall be recognized by the AMC.

The nomination facility extended under the Scheme is subject to existing laws. The single/joint/surviving Unit holders can subsequently write to the ISC requesting for a Nomination Form in order to nominate any person to receive the Units upon his/her/their death, subject to completion of necessary formalities. Payment to the nominee of the sums shall discharge the Mutual Fund of all liability towards the estate of the deceased Unit holder and his/her/their successors/legal heirs.

**ii. KNOW YOUR CUSTOMER (KYC):**

KYC is now mandatory for all classes of Investors. In the case of investors who do not possess PAN card, the Investors in addition to photo identification ( as applicable for KYC ) will be required to provide proof of address which shall be duly attested by the investor or by the ARN holder mentioning the ARN number or attested by a competent authority.

1. Investors are requested to use the common KYC Application Form and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The KYC Application forms are also available on our website [www.saharamutual.com](http://www.saharamutual.com)

2. The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). Karvy Computershare Pvt Ltd {Registrar & Transfer Agent (RTA)} may also undertake the KYC of the investors on behalf of the Mutual Fund. The KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund, confirming the details thereof.

3. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.

4. It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors from the Effective Date. The IPV carried out by any SEBI registered intermediary

## **Sahara Mutual Fund**

can be relied upon by the Mutual Fund / Sahara Asset Management Company Limited and NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors.

5. Existing KYC compliant investors of the Mutual Fund can continue to invest as per the current practice. However, existing investors are also urged to comply with the new KYC requirements including IPV as mandated by SEBI.

The additional information pertaining to the investor specific to the area of activity of the AMC has been made part of the Key Information Memorandum and is mandatory at the time of investment

Investors could complete the formalities by submitting the KYC form (Individual KYC Form) / (Non-Individual KYC Form) and relevant documents at the AMC offices / Karvy Offices/ Related Offices of the intermediaries. Investors could contact offices of Mutual Funds, Registrars And Mutual Fund Distributors (ARN Holders) for further details and assistance. The above procedure is as per the current guidelines issued by SEBI in this regard. Sahara Mutual Fund reserves the right to modify/enhance the KYC norms & procedures, points of acceptance etc. as may be modified/revised/changed by SEBI from time to time.

### **Prevention of Money Laundering**

To ensure appropriate identification of the investor and with a view to monitor transactions for the prevention of money laundering, the AMC reserves the right to: (a) scrutinize and verify the identity of the investor, unit holder, person making the payment on behalf of the investor and the source of the funds invested, to be invested in Sahara Mutual Fund; (b) reject any application, prevent further transactions by a unit holder and (c) to mandatorily redeem the units held by the unit holder at the applicable NAV prevalent at the time of such redemption.

In furtherance of the 'Know Your Customer' policy, the AMC shall have absolute discretion to reject any application, prevent further transactions by an investor / unit holder, including mandatory redemption of units, if the unit holder / investor does not satisfy the 'Know Your Customer' requirements of the AMC or the AMC believes that the transaction is suspicious in nature as regards money laundering.

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

**Non Acceptance of Third Party Instrument: Definition** of third-party instrument payment:

a) When payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as Third-Party payment; b) It is clarified that in case of payments from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made.

### **Exceptions:**

Third-Party payments shall be rejected except in the following exceptional situations but adherence to certain formalities:

a) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding ₹ 50,000/- (each regular purchase or per SIP installment); However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio b) Payment by Employer on behalf of employee under Systematic Investment Plans through Payroll deductions; c) Custodian on behalf of an FII or a client.



## **Sahara Mutual Fund**

### **iii. TRANSFER FACILITY**

The Mutual Fund will be repurchasing Units on an ongoing basis and hence the transfer facility is generally found redundant. However, if a transferee becomes a holder of the Units by operation of law or upon enforcement of a pledge, then the AMC shall, subject to production of such evidence, which in their opinion is sufficient, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units.

In line with SEBI Circular No. CIR/IMD/DF/10/2010 dated 18<sup>th</sup> August, 2010 the Board of Trustees has approved transferability of units of schemes of Sahara Mutual Fund held in Dematerialized Form. This facility of transferability of units will not be available for units of Sahara Tax gain Fund (An open ended ELSS scheme) during the lock-in period.

### **iv. TRANSMISSION**

For transmission of units under various situations which may be either transmission of units to surviving unit holders, transmission of units to the registered nominee in case of death of sole or all unit holders, transmission of units to claimant/s, where nominee is not registered, in case of death of sole or all unit holders, transmission of units in case of HUF, due to death of Karta or any such other circumstances, the claimants/s of units will be required to submit the prescribed documents as may be applicable. Investors may refer to our website ([www.saharamutual.com](http://www.saharamutual.com)) for a ready reckoner matrix of various documents required under different transmission scenarios.

### **v. DURATION OF THE SCHEME / WINDING UP**

The AMC, the Mutual Fund and Trustees reserve the right to make changes alterations to the Scheme (including the charging of fees and expenses) offered under this Scheme Information Document to the extent permitted by the SEBI Regulations. However, in terms of the SEBI Regulations, the Scheme may be wound up after repaying the amount due to the Unit holders:

- ✓ on the happening of any event which, in the opinion of the Trustee, requires the scheme to be wound up; or
- ✓ Seventy five percent of the Unit holder of the scheme pass a resolution that the scheme be wound up; or
- ✓ SEBI directs the scheme to be wound up in the interest of the Unit holder; or

where a scheme is to be wound up pursuant to the above SEBI Regulations, the Trustee shall give notice of the circumstances leading to the winding up of the scheme

1. to SEBI; and
2. in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at the place where the Mutual Fund is established.

### **EFFECT OF WINDING UP**

On and from the date of the publication of the notice as stated above, the Trustees or the AMC as the case maybe, shall

- cease to carry on any business activities in respect of the Scheme so wound up;
- cease to create or cancel Units in the Scheme;
- cease to issue or redeem Units in the Scheme.

### **PROCEDURE AND MANNER OF WINDING UP**

In the event of the Fund/ Scheme being wound up, the AMC shall proceed as follows:

1. The Trustees shall call a meeting of the Unit holders of the Scheme to consider and pass necessary resolutions by simple majority of Unit holders present and voting at the meeting for authorizing the AMC or any other person/agency to take the steps for winding up of the Scheme. Provided that a meeting shall not be necessary if the Scheme is wound up at the end of the maturity period.

## **Sahara Mutual Fund**

The Trustees or the person authorized as above shall dispose the assets of the Scheme concerned in the best interests of the Unit holders of the Scheme.

2. The proceeds of the sale made in pursuance of the above, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unit holders in proportion to their respective interests in the assets of the Scheme as on the date when the decision for the winding up was taken.
3. On the completion of the winding up, the Trustees shall forward to SEBI and the Unit holders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the Mutual Fund.
4. Notwithstanding anything contained herein, the application of the provisions of SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until the winding up is completed or the Scheme ceases to exist.
5. After the receipt of report referred to the above under "Procedure and Manner of Winding up" if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

### **C. General Information**

#### **i. UNDERWRITING BY THE FUND**

Subject to SEBI Regulations, the Scheme may enter into underwriting agreements after the Mutual Fund obtains a certificate of registration in terms of the Securities and Exchange Board of India (Underwriters) Rules, 1993 and Securities and Exchange Board of India (Underwriters) Regulations, 1993 authorizing it to carry on activities as underwriters. The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the underwriting obligation of the Scheme shall not at any time exceed the total net asset value of the Scheme.

#### **ii. BORROWING BY THE MUTUAL FUND**

Under the SEBI Regulations, the Mutual Fund is allowed to borrow to meet the temporary liquidity requirements of its Scheme for the purpose of Repurchase or Redemption of Units or the payment of interest or dividend to the Unit holders. Further, as per the SEBI Regulations, the Mutual Fund shall not borrow more than 20% of the Net Assets of the Scheme and the duration of such borrowing shall not exceed a period of six months.

The Mutual Fund may raise such borrowings, after approval by the Trustee, from Sponsor or any of its Associate / Group Companies or Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee.

#### **iii. Inter-Scheme Transfer of Investments:**

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if -

- (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.  
*Explanation: "spot basis" shall have same meaning as specified by stock exchange for spot transactions.*
- (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

#### **iv. ASSOCIATE TRANSACTIONS**

##### **Investment in Group Companies –**

As at April 30, 2015 there are no investments made in any of the Group Companies of the Sponsor.

## **Sahara Mutual Fund**

### **Underwriting Obligations with respect to issues of Associate Companies –**

The AMC has, till date not entered into any Underwriting contracts in respect of any public issue made by any of its associate companies.

### **Subscription in issues lead managed by the Sponsor or any of its associates –**

The Mutual Fund has not subscribed for allotments in any issues lead managed by the Sponsor or any of its associates.

### **Dealing with Associate Companies –**

The AMC may, from time to time, for the purpose of conducting its normal business, use the services (including Brokerage services and securities transactions) of the Sponsor, subsidiaries, and group companies, associates of its Sponsor and their employees or relatives.

The AMC may utilize the services of Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date, in case such a company (including their employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations, after evaluation of the competitiveness of the pricing offered by the Sponsor, associate companies (including their employees or relatives) and the services to be provided by them.

Associate transactions, if carried out, will be as per the SEBI Regulations and the limits prescribed there under. The Scheme(s) shall not make any investments in –

- any unlisted security of an associate or group company of the Sponsor; or
- any security issued by way of private placement by an associate or group company of the Sponsor; or
- the listed securities of group companies of the Sponsor, which is in excess of 25% of the net assets.

Brokerage paid to Associate SIFCL A/c CMSD. The payment is towards distribution expenses for sale of units of schemes of the mutual fund. (As of 31<sup>st</sup> Mar 2015 (audited))

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the current year ended 31st March 2015.

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond
0.17	0.03	0.003	0.05	0.005	0.001

Star Value Fund	Super 20 Fund	Banking & Financial Services Fund	Income Fund	Infrastructure Fund
0.002	0.005	0.11	0.005	0.03

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the current year ended 31st March 2014.

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.42	0.13	0.03	0.14	0.02	0.01	0.07

## Sahara Mutual Fund

(Rs. In lakhs)

Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Income Fund
0.01	0.02	0.00	0.76	0.01

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the previous year ended 31<sup>st</sup> March 2013.

(Rs. In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.40	0.24	0.04	0.25	0.05	0.01	0.11

(Rs. in lakhs)

Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Income Fund
0.04	0.08	0.00	0.58	0.00

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

Name of associate / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period Covered	Business given (₹ cr and % of total business received by the fund)	Commission paid (₹ & % of total commission paid by the fund)
(1)	(2)	(3)	(4)	(5)
SIFCL A/c CMSD	Sponsor / Mutual Fund Distributor	April 14- March 15	(0.29 & 0.36%)	(Rs.93537.78 ; 8.80%)
SIFCL A/c CMSD	Sponsor / Mutual Fund Distributor	April 13- March 14	(1.29 & 0.45%)	(Rs.1,60,398.82 ; 13.57% )
SIFCL A/c CMSD	Sponsor / Mutual Fund Distributor	April 11- March12	(0.81 & 0.24%)	(Rs.1,80,802.67 ; 8.82% )

In column No 4, the total business includes business through ARNs & also direct business.  
In column No 5, the amount includes the upfront and the trail.

### v. Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund at 97-98 , 9<sup>th</sup> Floor, Atlanta Nariman Point Mumbai-400021 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882

## Sahara Mutual Fund

### vi. Investor Grievances Redressal Mechanism

Investors may contact the offices of the AMC for any queries / clarifications. Sahara Mutual Fund will endeavor to provide the investor/ unit holder with the highest standards of service. The Mutual Fund is committed to put in place and upgrade on a continuous basis, systems and procedures that will enable effective investor servicing. The Head Office of the AMC will follow up with the respective ISCs to ensure timely redressal and prompt investor services. Shri M D Naik, Head - Investor Relations can be contacted at the office of the AMC at 97-98, 9<sup>th</sup> Floor, Nariman Point Mumbai-400021. Telephone nos.(022) 22047197 Fax no. (022) 2204 7199. E-mail: saharamutual@saharamutual.com.

The data on complaints for the period 01/04/2012 to 31/03/2015 are as under:

Consolidated report for all schemes during the period 01/04/2012-31/03/2013

Nature of Grievances/ Complaints / Services	Opening	Received	Redressed	Pending
	2	3068	3068	2

Consolidated report (Requests/Services) for all schemes during the period 01/04/2013-31/03/2014

PARTICULARS	Opening	Received	Redressed	Pending
<b>Grand Total</b>	2	3164	3166	0

Consolidated report (Complaints) for all schemes during the period 01/04/2013-31/03/2014

Sr no	PARTICULARS	Opening balance as on 1 <sup>st</sup> April 2013	Total Received during the period 1 <sup>st</sup> April 2013 to 31st March 2014	Total Received during the period 1 <sup>st</sup> April 2013 to 31st March 2014	Closing balance as on 31st March 2014
1	Complaints received directly by AMC (A)	0	19	19	0
2	SCORES Complaints -Ref By SEBI (B)	0	13	13	0
3	Grand Total(A+B)	0	32	32	0

Consolidated report (Requests/Services) for all schemes during the period 01/04/2014-31/03/2015

PARTICULARS	Opening	Received	Redressed	Pending
ACKNOWLEDGEMENT OF DOCUMENTS	0	2	2	0
ADDITION / DELETION OF JOINT HOLDERS NAME	0	20	20	0
CHANGE / UPDATION OF NOMINEE DETAILS	0	51	51	0
CHANGE IN MODE OF DIVIDEND PAYMENT	0	10	10	0
CHANGE IN MODE OF REDEMPTION PAYMENT	0	4	4	0
CHANGE IN SIGNATURE	0	24	24	0
CHANGE OF ADDRESS	0	92	92	0
CHANGE OF ADDRESS & BANK DETAILS	0	35	35	0
CHANGE OF ADDRESS / BANK DETAILS / REDEMPTION PROCEDURE	0	5	5	0

**Sahara Mutual Fund**

CHANGE OF BANK DETAILS	0	914	914	0
CHANGE OF BROKER CODE	0	62	62	0
CHANGE OF CATEGORY / STATUS / OCCUPATION	0	18	18	0
CHANGE OF DIVIDEND OPTION	0	38	38	0
CHANGE OF EMAIL ADDRESS	0	130	130	0
Change of General Details	0	108	108	0
CHANGE OF MODE OF HOLDING	0	12	12	0
CHANGE OF NAME	0	18	18	0
CONSOLIDATION OF UNITS	0	11	11	0
CORRECTION / REVALIDATION OF REFUND ORDER	0	1	1	0
CORRECTION OF BANK DETAILS	0	6	6	0
CORRECTION OF DIVIDEND WARRANT	0	4	4	0
CORRECTION OF NAME	0	6	6	0
CORRECTION OF REDEMPTION WARRANT	0	17	17	0
DIVIDEND RELATED QUERIES	0	260	260	0
DUPLICATE ACCOUNT STATEMENT	0	6	6	0
EUIN Remediation	0	0	0	0
EUIN Remediation	0	15	15	0
ISSUE OF DUPLICATE WARRANT	0	54	54	0
Know Your Client(KYC)	0	77	77	0
MULTIPLE BANK MANDATE REGISTRATION	0	109	109	0
NON-RECEIPT OF DIVIDEND WARRANT	0	9	9	0
NON-RECEIPT OF REDEMPTION WARRANT	0	5	5	0
POSTAL RETURN OF BROKERAGE / DIVIDEND / REDEMPTION WARRANT	0	137	137	0
QUERY REGARDING UNDELIVERED DOCUMENT	0	6	6	0
RECEIPT OF MEMORANDUM OF ARTICLES OF ASSOCIATION / BOARD RESOLUTION	0	1	1	0
RECEIPT OF TORN WARRANT FOR ISSUANCE OF FRESH WARRANT	0	4	4	0
Receipt of Redemption/Dividend warrant for cancellation	0	3	3	0
REDEMPTION / SUBSCRIPTION / SWITCH RELATED QUERIES	0	89	89	0
REDEMPTION PROCEDURE	0	2	2	0
RE-DISPATCH OF RETURNED DOCUMENT	0	3	3	0
REGISTRATION OF ECS	0	12	12	0
REJECTION OF PURCHASE / REDEMPTION / SWITCH	0	1	1	0

**Sahara Mutual Fund**

REQUEST FOR ANNUAL A/C STATEMENT	0	4	4	0
REQUEST FOR APPLICATION FORM	0	1	1	0
Request for Demat	0	25	25	0
Request for E. Mail Account statement	0	7	7	0
REQUEST FOR PIN NUMBER (PIN AGREEMENT)	0	55	55	0
Request for Remat	0	2	2	0
RETURN UNDELIVERED - LETTERS/DOCUMENTS	0	14	14	0
RETURN UNDELIVERED ACCOUNT STATEMENT	0	24	24	0
REVALIDATION OF DIVIDEND WARRANT/DD	0	34	34	0
REVALIDATION OF REDEMPTION WARRANT/DD	0	53	53	0
TRANSFER OF UNITS	0	1	1	0
TRANSMISSION OF UNITS	0	83	83	0
UPDATION OF PAN DETAILS	0	61	61	0
<b>Grand Total</b>	<b>0</b>	<b>2745</b>	<b>2745</b>	<b>0</b>

Consolidated report (Complaints) for all schemes during the period 01/04/2014 - 31/03/2015

Sr no	PARTICULARS	Opening balance as on 1 <sup>st</sup> April 2014	Total Received during the period 1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015	Total Received during the period 1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015	Closing balance as on 31 <sup>st</sup> March 2015
1	Complaints received directly by AMC (A)	0	8	8	0
2	SCORES Complaints -Ref By SEBI (B)	0	16	16	0
3	Grand Total(A+B)	0	24	24	0

**Notes:** Notwithstanding anything contained in the Scheme Information Document, the provisions of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

## Sahara Mutual Fund

### Sahara Mutual Fund

#### Corporate Address:

97-98, 9th Floor, Atlanta, Nariman Point, Mumbai - 400021.Ph - 022 - 22047197/ 98

<b>AHMEDABAD</b> :No - 1, Ground Floor, Narnarayan Complex, Swastik Cross Road, Navrangpura, Ahmedabad - 380 009	079 - 32942935
<b>BANGALORE</b> : No. 41, 3rd Cross, Ulsoor Road, Bangalore – 560 042	080 - 25327891
<b>BHUBANESHWAR</b> : Plot No.617/D, Kharvel Nagar, Unit-3, In front of Giridurga Temple, Bhubaneshwar -751001	0674-2391372 / 3257998
<b>CHANDIGARH</b> : SCO -364-366, Cabin-304, Sec-34/A, 3rd Floor, above Tata Motors Office, Chandigarh - 160 034.	0172-3244010 / 4636359
<b>CHENNAI</b> : Flat No. - J, 2nd Floor, Mount Chambers, No - 758, Anna Salai, Chennai-600 002	044 -32979232 / 43546336
<b>COIMBATORE</b> : Door No. 196/8,Gr Flr, Aiswarya Commercial Centre, T.VSamy Rd. (W), R. S. Puram, Coimbatore - 641 002.	0422-3296379
<b>GURGAON</b> : Office No. 110, Upper Ground Floor, Aap ka Bazar, Main Gurudwara Road, Gurgaon – 122001	0124-3224746
<b>GORAKHPUR</b> : Shop No.23, Upper Ground Floor, Cross Roads, “The Mall”, Bank Road, Gorakhpur - 273001.	0551-3247171.
<b>HYDERABAD</b> : Sahara Manzil, 2nd Floor, Opp. Secretariat, Basheerbagh, Hyderabad - 500004..	040 - 32936958
<b>INDORE</b> : Flat No. 315, 3rd Floor, President Tower, 6/2, South Tukoganj, Indore – 452001	0731 - 3255735
<b>JAIPUR</b> : Office No. 305 - A, 3rd flr, Shyam Anukampa, Opp. HDFC Bank, C Scheme, Ashok Marg, Jaipur - 302 001.	0141 - 3269923 / 4013634
<b>JAMMU</b> : Kiosk -5, (B-1), North Block, Ground Floor, Bahu Plaza, Jammu - 180012	0191-2100485 / 9797366142
<b>KOLKATA</b> : Sahara India Pariwar, 101, 1st Floor, Mangal Jyoti, 227/2, A. J. C Bose Road, Kolkata - 700020.	033 - 40032420 / 32977674
<b>KOLKATA (Salt Lake)</b> : B D-16 (Ground Floor), Sector - 1, Salt Lake City, Kolkata - 700 064.	033-40041617
<b>LUCKNOW</b> : Office No. 8, Ground Floor, Saran Chamber - 1, V Park Road. Lucknow - 226001.	0522 - 3242899 / 4015702
<b>MUMBAI</b> : 97-98, 9th Floor, Atlanta, Nariman Point, Mumbai - 400021	022 - 22047197/ 98
<b>NEW DELHI</b> : 701, 7th Floor, Deep Shikha Building no. 8, Rajendra Place, New Delhi - 110008.	011 - 25755783
<b>NOIDA</b> : C-1, Sahara India Complex, Sector 11, Noida - 201301.	0120 - 3100209
<b>PATNA</b> : C/o Sahara India Pariwar, Sahara India Vihar, Boring Road Chauraha, Boring Road. Patna - 800001.	0612 - 3255280
<b>PUNE</b> : Office No.71,Shrinath Plaza, Office F.C. Road,Dnyaneshwar Paduka Chowk, Shivaji Nagar,Pune-411005	020 - 32934114
<b>THANE</b> :Shop No.-1,Santoshi Bhavan,Shivaji Path,Behind Punjab National Bank,Thane-400 601.	022 - 25441993



**Sahara Mutual Fund**

**REGISTRAR AND TRANSFER AGENT: Karvy Computershare Private Limited,**  
(Unit: Sahara Mutual Fund) #59, 'SKANDA', Puttanna Road, Basavangudi, Bengaluru-560004  
Tel: 080-26600785/26602851; Fax: 080-26600786; Toll Free No.: 18004254034 / 35  
Email: service\_smf@karvy.com.

**Sahara Mutual Fund**

**LIST OF ADDENDA TO STATEMENT OF ADDITIONAL INFORMATION (SAI)**

<b>Addendum No.</b>	<b>Date of Addendum</b>	<b>Particulars</b>	<b>Page</b>
1.	May 25 <sup>th</sup> , 2015	Appointment of Fund Manager (Debt)	51

## **Sahara Mutual Fund**

### **ADDENDUM NO. 1**

**Appointment of Fund Manager (Debt):** Mr. Manish Jaitley is being appointed as Fund Manager (Debt) w.e.f. 26<sup>th</sup> May, 2015 in place of Mr. Ashwini Kumar for Debt oriented Schemes of Sahara Mutual Fund viz. Sahara Gilt Fund, Sahara Income Fund, Sahara Classic Fund, Sahara Liquid Fund, Sahara Short Term Bond Fund, and Sahara Interval Fund Quarterly Plan- Series 1. Mr. Manish Jaitley, aged 45 years is a Science Graduate. He has over 19 years of experience in the Debt Segment.

This Notice cum addendum forms an integral part of the Statement of Additional Information (SAI) issued under the schemes of Sahara Mutual Fund as amended from time to time. All other contents of the SAI will remain unchanged.

**This notice cum addendum is dated 25<sup>th</sup> May, 2015**

Mutual Fund Investments Are Subject To Market Risks, Read All Scheme Related Documents Carefully.