



Annual Report 2014-15

SAHARA
TAX-GAIN Fund

SAHARA
GROWTH Fund

SAHARA
MIDCAP Fund

SAHARA
WEALTH PLUS Fund

SAHARA
INFRASTRUCTURE Fund

SAHARA MUTUAL FUND

sms
MUTUAL
to 59090

www.saharamutual.com

ANNUAL REPORT 2014-15

BOARD OF TRUSTEES

Mr. S. R. Hegde - Independent Trustee

Mr. P. V. Rao - Independent Trustee

Dr P P Shastri - Independent Trustee

SAHARA MUTUAL FUND

97-98 , 9th Floor,

Atlanta

Nariman Point

Mumbai-400 021

SPONSOR

Sahara India Financial Corporation Limited

Sahara India Bhavan

Kapoorthala Complex

Lucknow-226 024

INVESTMENT MANAGER

Sahara Asset Management Company Private Limited

97-98 , 9th Floor,

Atlanta

Nariman Point

Mumbai-400 021

REGISTRAR AND TRANSFER AGENT

Karvy Computer Share Private Limited

59, SKANDA, Puttana Road

Basavangudi,,

Bengaluru-560004

CUSTODIAN

HDFC BANK LTD

Lodha - I Think Techno Campus,

Building - Alpha, 8th Floor,

Near Railway Station,

Kanjur Marg (E),

Mumbai – 400 042

STATUTORY AUDITORS

Chaturvedi & Co

Chartered Accountants

81, Mittal Chambers

Nariman Point, Mumbai- 400021

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Note: Auditors Report, Balance Sheet, Revenue, Schedules, Historical per Unit Statistics and Notes to Accounts form part of each scheme.

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REPORT OF THE TRUSTEES

We are pleased to present before you the **ANNUAL REPORT** of **SAHARA MUTUAL FUND** for the year ended March 31, 2015.

Overview of Debt Markets in 2014-15

Last year, debt market witnessed rally with 10Y bond yield softening to 7.68% in the month of March 2015. Volley of factors contributed to the lasting rally. First the formation of stable government and the initiation of structural reforms undertaken sent the positive signal attracting over Bn. 25 dollar inflow in fixed income. Second the reiteration of fiscal consolidation and fiscal discipline along with softening global crude and commodity prices had the positive effect on inflation containment. Inflation, both on CPI and WPI moved lower m-o-m with WPI moving in the negative trajectory giving room to RBI to cut policy rates by 50 bps for growth momentum to pick. IIP growth, however, remained poor and capital investment registered below par growth.

Other important issues which remained the highlight of the by-gone year were Ukraine crisis, Greek election and anti austerity party coming to power leading to deadlock and default situation and possibility of Greek exit, turmoil in Syria and middle East, steep and steady US dollar strength, sluggish growth in EU and its QE program, China slowing economy and the fear of creation of asset bubble etc. All these issues kept the bond market largely cautious, reacting only on rate cut announcements.

Overview of Equity Markets in 2014-15

From being called one of the fragile five economies in 2013-14, India has improved its economic growth outlook in 2014-15 to emerge as one of the strongest economies amongst the EMs. The landslide majority for the BJP led NDA in the May 2014 elections was welcomed enthusiastically by investors. Expectations are high that a strong government, not constrained by coalition politics, will usher in significant economic reforms that can accelerate growth in the medium term. The stock markets ended the year with gains with Sensex and Nifty moving up by 26.65% & 24.89% respectively & making a new all time high, whereas CNX Midcap gave a return of 50.96%.

Inflation has been one of the key factors which impacted growth and consumption over the last three years. Although the decline in inflation in recent months could partly be attributed to the favourable base effect, the sharp fall (50% fall since June 2014) in crude oil prices and the steps taken by the new government to contain inflation has certainly helped. The sharp fall in crude oil and other commodity prices will help a net importing country like India on the inflation and twin deficit front. 2015 has started on a good note with the central bank shifting its monetary policy stance and going in for an inter-meeting repo rate cut in mid-January 2015, followed by a SLR cut and a similar monetary policy stance in the February 3 meeting. Lower inflation will lead to higher disposable incomes, in turn spurring domestic consumption, which has always been a strong driver of economic growth.

On the policy front, announcements relating to sectors such as energy (diesel deregulation and gas price increase), construction (easing FDI in the sector) and coal (re-allocation of coal blocks) have been welcomed by investors. In the infrastructure and mining sectors, the government has proposed various changes to accelerate the investment cycle. The road and transport ministry has already started approving various stalled projects.

Although the new government has taken some decisive steps in its first six months after assuming office, there are some areas where legislative reforms will be required. These reforms will need the support of the upper house (Rajya Sabha) of the Parliament, where the government does not have a majority. However, showing their commitment to implement tough reforms with or without the support of the opposition, the government took the ordinance route for raising the cap on FDI in insurance from 26% to 49%, easing the land acquisition act and re-promulgation of coal block allocation after failing to pass these bills in the upper house, in the recently concluded winter session. The much awaited GST Bill was approved by the cabinet and made its debut in the lower house (Lok Sabha)

The Budget continued with its thrust on nation building through increased impetus on infrastructure and capital investments, while maintaining the overall fiscal restraint and discipline. The highlight of the budget was the significant increase in allocation of capital by the government directly or indirectly and through innovative financing schemes to ensure sufficiently large additional resources are provided for capital investment in the economy.

• **Scheme Performance, Future Outlook and Operations**

Returns

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Tax Gain Fund (%)	28.9601	23.9216	April 1, 1997
S & P BSE 200 (%)	31.9317	14.0248	

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

As on March 31, 2015, the scheme had invested 97 % of its net assets in equities and the balance 3% in cash and cash receivables. The scheme has declared a dividend of Rs 2.50 per unit (on face value of Rs.10/- per unit) during the year 2014-15 under the scheme.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Growth Fund (%)	25.6305	21.6861	Aug 30, 2002
CNX Nifty (%)	26.6520	18.4163	

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

As on March 31, 2015, the scheme had invested 94% of its net assets in equities and the balance in other cash and cash receivables.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Midcap Fund (%)	46.6780	17.8250	31 st December , 2004
CNX Midcap Index (%)	50.9588	15.4351	

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

As on March 31, 2015, the scheme had invested 98% of its net assets in equities and the balance in cash and cash receivables.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Wealth Plus Fund (%) – Variable Pricing Option	41.6888	15.7491	01/09/2005
Fixed Pricing Option	40.3112	14.8219	
S & P CNX 500 (%)	33.5569	13.1064	

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

As on March 31, 2015, the scheme had invested 96 % of its net assets in equities and the balance in cash and cash receivables.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Infrastructure Fund (%) Variable Pricing Option	38.6505	8.0342	April 3, 2006
Fixed Pricing Option	37.3548	7.1575	
S & P CNX 500 (%)	26.6520	26.6520	

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

As on March 31, 2015, the scheme had invested 98 % of its net assets invested in equities and the balance in cash and cash receivables.

DEBT MARKETS

Financial year 2015-2016 has started on positive note especially from macroeconomic dimensions. Fiscal deficit has been subdued, WPI inflation has stepped into negative territory, stable currency on relative term, subdued global crude oil and other commodities, rating upgradation by Moody etc, but the growth factor including export has been still lagging. Financial year 2015-2016 is expected to hinge and focus on this factor. With necessary condition in place RBI is expected to further reduce the policy rate by 50-75 Bps, even though the timing may not be on expected lines. WPI and CPI may remain within RBI comfort zone and projected trajectory. GDP is expected to be in the range of 7.3%-7.8% even though Union budget 2015 expects in the range of 8.5%-8.9%. Events like Greek exit, US rate hike, EU and China policy intervention, domestic monsoon, and other geo political factors may be very keenly watched by market including RBI as these events may have knee jerk reaction in the financial market across the globe. Currency and risk of dollar outflow may keep the capital market in cautious mode in second half the year. Overall debt market is expected to be data driven but positively biased for FY 15-16.

EQUITY MARKETS

With the twin deficits well contained, inflation well under control, bottomed out growth, a stable currency and an extremely strong political mandate, every point of volatility would be an opportunity to buy India. Also, steps taken by the new government bodes well for a revival of the investment cycle. The “Make In India” campaign and focus of the government on “ease of doing business” will help in improving the investment climate in the country and attract more investments from domestic and international firms. This will also ensure that the share of manufacturing in India’s GDP improves from the current 15%. Therefore with every turn of the markets, the India-differentiation story gathers more interest, momentum and conviction in that order. This would get louder in the coming quarters and a stable rupee would give comfort to the inflows.

2. Brief Background of Sponsor, Trust, and AMC Company

a. Sahara Mutual Fund

Sahara Mutual Fund (SMF) has been established as a Trust by the Trust Deed (amended from time to time) dated 18th July, 1996 in accordance with the Indian Trusts Act, 1882, and duly registered under the Indian Registration Act, 1908, sponsored by Sahara India Financial Corporation Limited (“SIFCL”).

The Trustees have appointed Sahara Asset Management Company Private Limited as the Investment Manager to Sahara Mutual Fund to function as the Investment Manager for all the Schemes of Sahara Mutual Fund. Sahara Mutual Fund was registered with SEBI on 1st October, 1996.

b. Board of Trustees

The Board of Trustees as on date comprises Mr. S. R Hegde, Independent Trustee, Mr. P.V Rao, Independent Trustee and Dr. P.P Shastri, Independent Trustee.

The Board of Trustees is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unit holders. The Board of Trustees has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Board of Trustees seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

3. Investment Objective of the Scheme.

Sahara Tax Gain Fund: The basic objective of is to provide immediate tax relief and long term capital gains to investors.

Sahara Growth Fund: The basic objective is to achieve capital appreciation by investing in equity and equity related instruments.

Sahara Midcap Fund: The objective to achieve long term capital growth at medium level of risks by investing primarily in mid-cap stocks.

Sahara Wealth Plus Fund: The objective is to invest in equity and equity related instruments of companies that would be wealth builders in the long run.

Sahara Infrastructure Fund: The investment objective is to provide income distribution and/or medium to long term capital gains by investing in equity/equity related instruments of companies mainly in the Infrastructure sector.

4. Significant Accounting Policies:

The Balance Sheet and the Revenue Account together with the notes thereon have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.

5. Unclaimed Dividends and Redemptions

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Tax Gain Fund	1803	2,012,806.69	45	309,084.26
Sahara Growth Fund	21	70,632.92	9	157,171.99
Sahara Midcap Fund	655	734,098.80	94	616,688.91
Sahara Wealthplus Fund	980	1,034,252.55	109	898,047.01
Sahara Infrastructure Fund	33	153,575.30	67	732,804.50

6. Disclosure of investor complaints for the year 2014-15

Total Number of Folios under all schemes: 25894

Complaint Code	Type of Complaint#	(a) No. of Complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)								
				Resolved				*Non Actionable	Pending			
				Within 30 Days	30-60 Days	60-180 Days	Beyond 180 days		0-3 mths	3 - 6 mths	6-9 mths	9-12 mths

I A	Non receipt of Dividend on Units	0	3	3	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	4	4	0	0	0	0	0	0	0	0
I D	Interest on delayed Payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	1	1	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	10	10	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report /Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or Excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz.address, PAN,bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0
IV	Others**	0	6	6	0	0	0	4	0	0	0	0

including against its authorized persons/ distributors/ employees etc

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

** Not pertaining to Sahara Mutual Fund

7. Role of Mutual Funds in Corporate Governance of Public Listed Companies

Policy for voting at AGM/EOGM/through E-voting/through Postal Ballot on resolutions recommended by investee companies

Introduction

Sahara Asset Management Company Private Limited acts as an Investment Manager (“The AMC”) to the schemes of Sahara Mutual Fund (“Fund”). The general voting policy and procedures being followed by the AMC in exercising the voting rights (“Voting Policy”) is given hereunder.

Philosophy and Guidelines of Voting Policy:

The AMC has a dual responsibility of a prudent Fund Manager investing investors’ money as well as of an entity performing the responsibility of protecting the investors’ interest. As part of the management of

funds, irrespective of the scheme, the AMC ensures that investments are made in companies that meet investment norms. It is expected that the investee company adheres to proper corporate governance standards. The voting policy for the investee companies by the AMC is as under:

The AMC shall deal with voting on case to case basis. For this purpose, the AMC shall review various notices of AGM/EOGM/Postal Ballot received from the investee companies from time to time and take appropriate voting decision (for, against, abstain) with respect to the each resolution recommended by the management/ shareholders of the companies. The AMC would generally agree with the management of the Investee Company on routine matters, but may object by voting against or abstain, if it believes that it has insufficient information or there is conflict of interests or the interest of the shareholders and /or the unit holders' interests are prejudiced in any manner.

As regards non-routine items, the Fund Manager (Equity) with assistance of the Equity Research Department and in consultation with the Chief Investment Officer shall review each of such cases and make specific recommendations to the Chief Executive Officer. In case the AMC is against any non routine item, it may decide to attend the meeting and vote against that item. In some other such cases, it may decide to abstain based on one or more of the factors like our small holding in the company, location of the venue of meeting, time/cost involved etc. For these instances, the reasons for non attendance will be recorded.

As per the decision taken by the AMC, it may depute an authorized person to attend and vote at AGM/EOGM/through E-Voting/ through Postal Ballot appropriately keeping in mind the interest of unit holders. AMC would maintain a record on the AGM/EOGM voting related matters.

Disclosure of Voting policy and Maintenance of Records:

This Policy on voting at AGM/EOGM/ through e-voting/ through postal ballot and suitable disclosure thereof is available on the website (www.saharamutual.com) of the Mutual Fund.

Note: For details of voting in the AGMs of the investee companies for the financial year 2014-15, unit holders can log on to the website (www.saharamutual.com) of the Fund. The details of voting shall be emailed/sent as and when requested by the unit holders free of cost.

8. Statutory Information.

- a. The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution of Rs.1 lakh for setting up the Fund.
- b. The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- c. Full Annual Report is disclosed on the website (www.saharamutual.com) and shall be available for inspection at the Head Office of the Mutual Fund. Present and prospective unit holders can obtain copy of the trust deed, the full Annual Report of the Fund / AMC free of cost.

Acknowledgements

The Trustees would like to thank all the investors for reposing their faith and trust in Sahara Mutual Fund. The Trustees thank the Securities and Exchange Board of India, the Reserve Bank of India, the Sponsor, the Board of the Sahara Asset Management Company Private Limited, and Association of Mutual Funds in India for their support, co-operation and guidance during the period.

We are also thankful to the Auditors, Registrar and Transfer Agents, Custodian, Banks, Depositories, AMFI/NISM Certified Distributors, KYC Registration Agencies and other service providers for their continuous support. The Trustees also appreciate the efforts made by the employees of Sahara Asset Management Company Private Limited and place on record their contribution in good performance of the schemes.

We look forward for your continued support and assure you of our commitment at all times in managing the schemes of Sahara Mutual Fund.

For and on behalf of Sahara Mutual Fund

S R Hegde
Trustee

Place: Mumbai
Date: 19th May 2015.

INDEPENDENT AUDITORS' CERTIFICATE ON QUARTERLY DISCLOSURE OF VOTES CAST

We, Chaturvedi & Co, Chartered Accountants, Mumbai, the statutory auditors of Sahara Mutual Fund, have for the purpose of issuing this certificate, examined the quarterly disclosure statements of votes cast during each of the quarters of FY 2014-15.

The Sahara Asset Management Company Private Limited (the "AMC") is responsible for preparation and maintenance of records of voting reports in accordance with the provisions of SBEI circulars as amended from time to time and for ensuring compliance with SEBI Regulations and relevant guidelines' issued to the Asset Management Companies.

Our responsibility for the purpose of the certificate is limited to certifying the particulars of the disclosures in the quarterly voting reports by examining relevant records and documents maintained by the AMC and produced before us and explanations and representations given to us.

On the basis of our verification of the records and information produced before us, we certify to the best of our knowledge and information provided to us that the details mentioned in the quarterly reports of the disclosure statement on the votes cast, are in agreement with the record s/documents maintained by the AMC and the quarterly Voting reports are in line with the requirements of the SEBI circulars.

This certificate is being issued at the request of the management of the AMC for submission to the Board of Trustees of Sahara Mutual Fund in terms of SEBI circular date March 24, 2014.

For Chaturvedi & Co
Chartered Accountants
(Firm Registration No.302137E)

Sd/-
(D S R Murthy)
Partner
M.No 018295

Place : Mumbai
Date : 8th May 2015

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Tax Gain Fund** (“the Scheme”), which comprise the Balance Sheet as at March 31, 2015, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Trustees of Sahara Mutual Fund and the Board of Directors of Sahara Asset Management Company Private Limited (the “Directors”) are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the “Regulations”) and amendments thereto, as applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the Regulations, the applicable accounting standards and the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Scheme’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Scheme has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2015;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account dealt with by this Report are in agreement with the books of account of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- d) We have reviewed the Valuation Policy being followed for the schemes of Sahara Mutual Fund. The Valuation Policy implemented for the scheme is in line with the SEBI guidelines issued in this regard.

For Chaturvedi & Co.

Chartered Accountants

(Firm's Registration No. 302137E)

(SN Chaturvedi)

(Partner)

Mem. No. 040479

Place : Mumbai

Date : 19TH May 2015

BALANCE SHEET AS AT MARCH 31, 2015

SAHARA TAX GAIN FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	109,481,998	99,712,010
Other Current Assets	2	6,174,760	16,959,500
Total Assets		115,656,758	116,671,510
LIABILITIES			
Unit Capital	3	48,731,004	59,310,317
Reserves & Surplus	4	64,004,713	45,784,009
Current Liabilities & Provisions	5	2,921,041	11,577,184
Total Liabilities		115,656,758	116,671,510

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Growth Option	59.4728	46.1172
Dividend Option	16.4049	12.7211
Direct Growth Option	59.8815	46.3912
Direct Dividend Option	16.5092	12.7692

Significant Accounting Policies and Notes to the accounts

8

Schedules 1 to 5 and 8 form an integral part of the Balance Sheet

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E

**For Sahara Asset Management Company
Private Ltd**

For Sahara Mutual Fund

S.N.Chaturvedi
Partner
Mem.No: 040479

O P Srivastava
Director

R M Joshi
Director

S R Hegde
Trustee

P V Rao
Trustee

Naresh Kumar Garg
Chief Executive Officer

A.N.Sridhar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

SAHARA TAX GAIN FUND	Schedule	For the year ended March 31, 2015 (Rs)	For the year ended March 31, 2014 (Rs)
INCOME			
Dividend Income		1,337,660	1,537,873
Interest & Discount Income	6	257,192	469,720
Profit on Sale / Redemption of Investments(Net) (Other than Inter Scheme Transfer / Sale)		42,333,669	9,632,932
Total Income		43,928,521	11,640,525
EXPENSES & LOSSES			
Management Fees		1,510,372	1,283,794
ST on Management Fees		186,684	158,679
Investor Education & Awareness Fees		24,160	20,534
STT Fees on Equity Transactions		-	-
Registrar & Transfer Agent Charges		560,763	421,148
Custodian Fees		306,943	256,042
Fees & Expenses of Trustees		136,790	171,658
Statutory Audit Fees		136,586	113,516
Internal Audit Fees		228,754	191,766
Insurance		-	46,361
Costs related to Investor Communication		156,023	118,276
Transaction cost		43,861	66,279
Marketing & Selling Exps. Including agents Commission		142,403	77,729
Total Expenses		3,433,339	2,925,782
Net Surplus for the Year		40,495,182	8,714,743
Provision/ Write Back for diminution in the value of Investment	7	(7,532,531)	5,258,551
Net Surplus for the Year (excluding unrealised appreciation)		32,962,651	13,973,294
Transfer from Income Equalisation Reserve		(16,431,637)	(8,948,369)

Sahara Mutual Fund – Equity Schemes – Vol 1 - 2014-15

Dividend paid including dividend distribution tax		-	(10,210,994)
Net : Transferred to Revenue Reserve		16,531,014	(5,186,069)
Significant Accounting Policies and Notes to the accounts	8		
Schedules 6 to 8 form an integral part of the Revenue Account			

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E

**For Sahara Asset Management Company
Private Ltd**

For Sahara Mutual Fund

S.N.Chaturvedi
Partner
Mem.No: 040479

O P Srivastava
Director

R M Joshi
Director

S R Hegde
Trustee

P V Rao
Trustee

Naresh Kumar Garg
Chief Executive Officer

A.N.Sridhar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

SCHEDULES FORMING PART OF THE BALANCE SHEET

SAHARA TAX GAIN FUND		As at March 31, 2015 (Rs)		As at March 31, 2014 (Rs)
SCHEDULE 1				
Investments				
(Refer Note 8.14 of Schedule 8 for detailed Portfolio Statement)				
Equity Shares		109,481,998		99,712,010
		109,481,998		99,712,010
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current accounts		1,337,722		7,539,028
Outstanding and Accrued Income		109		3,561
Reverse Repo arrangements		-		674,380
Collateralised Borrowing		404,345		1,996,472
Receivable on Issue of Units / Dividend / Switches		-		23,000
Investment - Liquid MF Units		2,311,296		1,836,982
Receivable from Brokers / Contracts for Investments		2,121,288		4,886,077
		6,174,760		16,959,500
SCHEDULE 3				
Unit Capital				
Growth Option 709887.698 units of Rs.10 each		7,098,881		8,527,007
(For 2013-2014 - 852700.303 units of Rs.10 each				
Dividend Option 3817151.574 units of Rs.10 each		38,171,516		48,423,057
(For 2013-2014 - 4842305.717 units of Rs.10 each				
Direct Growth Option 50342.456 units of Rs.10 each		503,424		344,878
(For 2013-2014 - 34487.890 units of Rs.10 each				
Direct Dividend Option 295718.295 units of Rs.10 each		2,957,183		2,015,375
(For 2013-2014 - 201537.472 units of Rs.10 each				

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Total		48,731,004		59,310,317
(Refer Note 8.10 of Schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	74,253,279		79,439,348	
Transferred from Revenue Account	16,531,014		(5,186,069)	
Balance as at end of the year		90,784,293		74,253,279
Income Equalisation Reserve				
Balance as at beginning of the year				
Additions during the year	(16,431,637)		(8,948,369)	
Transferred to Revenue Account	16,431,637		8,948,369	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	15,729,170		4,592,272	
Additions/(Deletions) during the year	(3,179,622)		11,136,898	
Balance as at end of the year		12,549,548		15,729,170
Unit Premium Reserve				
Balance as at beginning of the year	(44,198,440)		(48,229,379)	
(Deletions)/Additions during the year	4,869,312		4,030,939	
Balance as at end of the year		(39,329,128)		(44,198,440)
Balance carried to the Balance Sheet		64,004,713		45,784,009
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		460,843		141,661
Management Fees Payable		7,688		21,280
ST on Management Fees Payable		950		2,630

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STT Payable		40		50
Payable - Transaction Fees		125		450
Payable - Fee on Investor Education		19,931		22,339
Payable - Load Subscription		20		44
Contract for Purchase of Investments		-		9,183,738
Unclaimed Distributed Income		2,012,807		1,655,760
Payable on Redemption of Units		418,637		549,232
		2,921,041		11,577,184
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the year ended March 31, 2015 (Rs)		For the year ended March 31, 2014 (Rs)
SCHEDULE 6				
Interest & Discount Income				
CBLO		233,192		85,409
Reverse Repo		24,000		384,311
		257,192		469,720
SCHEDULE 7				
Provision/ Write Back for dimunition in the value of Investment				
At the beginning of the year		(29,141)		(5,287,692)
At the end of the year		(7,561,672)		(29,141)
		(7,532,531)		5,258,551

SCHEDULE - 8**ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015.****1. INTRODUCTION****1.1 About the Scheme**

Sahara Tax Gain Fund (the “Scheme”) was launched as a close ended scheme on April 1, 1997 of Sahara Mutual Fund (the “Fund”) and the units allotted under the scheme were subject to a mandatory three-year lock-in-period till March 31, 2000. The basic objective of the scheme is to provide immediate tax relief and long term growth of capital to investors. The Scheme opened for redemptions at Net Asset Value with effect from April 1, 2000. The Scheme has subsequently become open ended from November 7, 2002 and opened for continuous purchase and redemptions at prevailing NAV from November 11, 2002. In line with SEBI Circular for providing separate options for direct investments, the scheme has now four options (1) Growth Option (ii) Dividend Option (iii) Growth Option – Direct and (iv) Dividend Option – Direct. The scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value.

1.2 Asset Management Company

Sahara Mutual Fund (SMF) has been established as a Trust in accordance with the Indian Trusts Act, 1882, and is sponsored by Sahara India Financial Corporation Limited.

Sahara Asset Management Company Private Limited (“SAMCPL”), a company incorporated under the Companies Act, 1956, has been appointed as the Asset Management Company (“Investment Manager”) to Sahara Mutual Fund.

The shareholding of Sahara Asset Management Company Private Limited as on March 31, 2015 is as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.60 %
Sahara India Corp Investment Limited	Equity	11.36 %
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	11.36 %
Sahara Care Limited	Equity	31.68 %
Name of the Shareholder	Type of Holdings	Holding
Sahara India Commercial Corporation Ltd	Preference	90.32 %
Sahara Care Ltd	Preference	9.68 %

2. SIGNIFICANT ACCOUNTING POLICIES**2.1. Basis of Accounting**

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the Accounting Policies and Standards specified in the Ninth Schedule of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (the “Regulation”), and amendments thereto, as applicable.

2.2. Accounting for Investments

- 2.2.1 Investments are accounted on trade dates at cost including brokerage, stamp duty and other charges which are included in the acquisition of investments.
- 2.2.2 Profit or loss on sale of investments is determined on the respective trade date by adopting the “Weighted Average Cost” method.
- 2.2.3 Bonus/Rights entitlements on equity holdings are recognized only when the original shares on which the entitlement accrues are traded on the Principal stock exchange on ex-bonus/ex-rights basis respectively. In respect of unlisted/ non- traded securities, the Bonus/Rights on equity holdings are recognised only on the receipt of the Bonus/Rights.
- 2.2.4 Primary Market Investments are recognized on the basis of allotment advice.

2.3. Valuation of Investments

Valuation Policy as on 31.03.2015 is as under:

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 Script 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 Script 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.	
	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

Similar Security:

Similar security here shall mean those securities which are of same nature [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

Maturity Bucket:

- For Debt Security having remaining maturity upto 91 days

Maturity date of securities falling between	Time Bucket
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. Script 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 script 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 and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where script wise values are not available by CRISIL/ICRA, price derived from the corresponding 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 is taken.

In case, the Bilav file is not received by 7.30 PM and script wise values are not available, then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.

7. For non traded securities where script wise values are not available, the valuation is done on the price derived from the corresponding aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.
8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation is done on aggregated script wise pricing as provided by CRISIL/ICRA and as applicable for that day. In the absence of script wise values the valuation is 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 respect of any day neither the script wise value nor the valuation Matrices is available from CRISIL/ICRA within the reasonable time limit, the Valuation is done on the basis of accrual/amortization based on the 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 is 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 securities (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 is 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 script 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:

- (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 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.

- 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. 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.

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.

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

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.

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 of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- ii) In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- iii) For non– business day the valuation shall be done on aggregated script wise prices as provided by CRISIL/ICRA. In absence of script wise prices the valuation shall be done on accrual basis/amortization basis based on last valuation
- iv) In case of exceptional circumstances like, 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 script-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.
- v) The Valuation Policy shall be reviewed by the Statutory Auditor at least once in a financial year.
- vi) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees shall be applicable for the schemes of Sahara Mutual Fund

2.3.1 Valuation of securities not covered under the above valuation policy:

The total exposure in securities, which do not fall under above valuation norms, shall not exceed 5% of the total AUM of the scheme.

In case of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.

Investment in such securities is to be valued by a method approved by the Investment and Valuation Committee and the same will be reported to the Board of Trustees.

2.3.2 Unrealised Appreciation/Depreciation.

In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India, the unrealized appreciation determined separately for each individual investment is directly transferred to the “Unrealized Appreciation Reserve Account” i.e. without routing it through the revenue account.

The provision for depreciation in value of investments determined separately for each individual investment is recognized in the revenue account. The loss (realized) on investments sold / transferred during the year is charged to revenue account, instead of being first adjusted against the provision for depreciation, if already created in the prior year, as recommended by the said Guidance Note.

However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets or results for the year.

2.4 Revenue Recognition

- 2.4.1 Income and Expenses are recognized on accrual basis.
- 2.4.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.
- 2.4.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.

Proportionate realized gains on investments out of sales / repurchase proceeds at the time of sale / repurchase of units are transferred to revenue Account from Unit Premium Reserve.

3. Net Asset Value for Growth/Dividend Options:

The net asset value of the units is determined separately for units issued under the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option – Direct. For reporting the net asset value of the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option - Direct, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the scheme are allocated to the options in proportion to the value of the net assets.

4. Unit Premium Reserve Account

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve account of the Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the income equalization account.

5. Income Equalisation Account

An appropriate part of the sale proceeds or the redemption amount, as the case may be, is transferred to income equalization account. The total distributable surplus (without considering unrealized appreciation) upto the date of issue/ redemption of units has been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account on a daily basis. The net balance in this account is transferred to the Revenue Account at the end of the year.

6. Load Charges

The Entry load charges collected, if any are used to meet expenses as per the stipulated SEBI guidelines from time to time. Service tax on exit load , if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme.

7. Unclaimed Redemption.

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000, the unclaimed redemption and dividend amounts may be deployed by the mutual funds in call money market or money market instruments only and the investors who claim these amounts during a 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 can be transferred to a pool account and the investors can claim the unclaimed redemption amount at NAV prevailing at the end of the third year. The income earned on such funds can be used for the purpose of investor education. The AMC should make continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

8. NOTES ON ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees

Management Fees

Management Fees (inclusive of service tax) has been computed at 1.40 % (P.Y.1.40%) on average net assets calculated on a daily basis.

Trusteeship Fees & Expenses

In accordance with Deed of Trust dated 18th July 1996 between the Settler and the Trustees, the fund has paid or provided an annual fee of Rs.1,00,000/- per Trustee. Trusteeship fees & Expenses are allocated to the schemes on the basis of their daily average net assets.

Custodian Charges

HDFC Bank Ltd provides Custodial Services to the scheme for which fees is paid as per the agreement.

- 8.2** Provision for tax has not been made since the income of the scheme is exempt from tax under Section 10(23D) of the Income Tax Act, 1961.
- 8.3** Transactions with Brokers in excess of 5% or more of the aggregate purchases and sale of securities made by the Fund have been reported to the Trustees on a Bimonthly basis.
- 8.4** Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities under Sahara Tax Gain Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.6,75,119.46) and investment in CBLO is Rs.4,04,454.41 (PY: Rs.1999294.40)
- 8.5** During Year Ended 31.03.2015 the Registrar and Transfer Agent expenses amounting Rs.5,60,763.00 (P.Y. 4,21,148.00) constitutes 16.33% (P.Y.14.39%) of the total schemes expenses.

8.6 Transactions with Associates

Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8):

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	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Income Fund
0.01	0.01	-	0.33	0.01

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the previous 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
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(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 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 (Rs cr and % of total business received by the fund)	Commission paid (Rs & % 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%)

In column No 4, the total business received by the fund includes business through ARNs & also direct business.

In column No 5, the amount includes the upfront and the trail.

Brokerage 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	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

There are no associate brokers, hence not applicable for the period April – Mar 2015 & April – Mar 2014.

8.7 The Aggregate value of Investments purchased and sold (Including Redemption) during the year as a percentage of daily average net asset value;**Purchases**

Year	Amount in Rs.	% of Daily Average
2014-15	24,46,69,825	202.50
2013-14	444,610,406	432.92

Sales

Year	Amount in Rs.	% of Daily Average
2014-15	26,65,21,353	220.58
2013-14	462,233,597	450.08

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Asset Class	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Equity Shares	125.50	75.62	157.29	0.29

8.9 Income and Expense Ratio

	2014-15	2013-14
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	40.49%	26.62%
Total Expenditure to average net assets calculated on a daily basis	2.84%	2.85%

8.10 Movements in Unit Capital: Face Value of Units: Rs. 10/- per unit.**8.10.1 Growth Option**

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	653,500.000	6,535,000.00	653,500.000	6,535,000.00
Opening Balance	852700.303	8527003.03	986,655.618	9,866,556.18
Units Sold during the year	37211.178	372111.78	61,428.622	614,286.22
Units Repurchased during the year	(180023.783)	(1800237.83)	(195,383.937)	(1,953,839.37)
Closing Balance	709887.698	7098876.98	852,700.303	8,527,003.03

8.10.2 Growth Option(Direct)

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	-	-	-	-
Opening Balance	34487.890	344878.90	15,571.033	155,710.33
Units Sold during the year	15854.566	158545.66	19,153.312	191,533.12
Units Repurchased during the year	0.000	0.00	(236.455)	(2,364.55)
Closing Balance	50342.456	503424.56	34,487.890	344,878.90

8.10.3 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	-	-	-	-
Opening Balance	4842305.717	48423057.17	5,556,609.896	55,566,098.96
Units Sold during the period	159820.691	1598206.91	453,537.867	4,535,378.67
Units Repurchased during the period	(1184974.834)	(11849748.34)	(1,167,842.046)	(11,678,420.46)
Closing Balance	3817151.574	38171515.74	4,842,305.717	48,423,057.17

8.10.4 Dividend Option(Direct)

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	-	-	-	-
Opening Balance	201537.472	2015374.72	74,751.397	747,513.97
Units Sold during the period	94180.823	941808.23	126,786.075	1,267,860.75
Units Repurchased during the period	0.000	0.00	-	-
Closing Balance	295718.295	2957182.95	201,537.472	2,015,374.72

8.11 The scheme has declared dividend of Rs. 2.50 per unit during the year ended March 31, 2015 (PY: Rs. 2.00 per unit). No bonus (PY: Nil) was declared during the year ended March 31, 2015.

8.12 Unclaimed Amounts (beyond three months)

Unclaimed Redemption and Dividend amounts as of March 31, 2015 are given below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Tax Gain Fund	1803	2,012,806.69	45	309,084.26

8.13 Investments made by the Schemes of Sahara Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net asset value of any scheme, pursuant to Regulation 25(11):**NIL**

8.14 Portfolio Statement as on 31st March, 2015:

Name of the Instrument	ISIN	Quantity	Market Value (Rs. in Lakhs)	% to NAV	% to Category Total
1) Equity & Equity Related					
(a) Listed/awaiting Listing on Stock Exchange					
EQUITY SHARES					
BANKS				15.99	16.46
ICICI BANK LTD	INE090A01021	10000	31.55		
AXIS BANK LIMITED	INE238A01034	5000	28.01		
HDFC BANK LTD	INE040A01026	2550	26.08		
SYNDICATE BANK	INE667A01018	25000	25.30		
BANK OF BARODA	INE028A01039	15000	24.53		
STATE BANK OF INDIA	INE062A01020	8400	22.43		
UCO BANK	INE691A01018	35000	22.37		
INDUSTRIAL CAPITAL GOODS				13.82	14.23
CROMPTON GREAVES LTD	INE067A01029	22000	36.52		
BHARAT ELECTRONICS LTD	INE263A01016	900	30.15		
BHARAT HEAVY ELECTRICALS LTD	INE257A01026	11000	25.89		
ABB INDIA LIMITED	INE117A01022	2000	25.20		
BEML LTD	INE258A01016	1800	19.75		
WALCHANDNAGAR INDUSTRIES LTD	INE711A01022	9800	18.28		
CONSTRUCTION PROJECT				8.78	9.04
TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED	INE286K01024	9370	36.58		
LARSEN AND TOUBRO LIMITED	INE018A01030	2000	34.39		
VOLTAS LTD.	INE226A01021	10000	27.99		
CONSUMER NON DURABLES				7.03	7.24
HINDUSTAN UNILEVER LTD	INE030A01027	4200	36.69		
CCL PRODUCTS (INDIA) LTD.	INE421D01022	18000	32.18		
ITC LTD	INE154A01025	3200	10.43		
INDUSTRIAL PRODUCTS				6.58	6.77
BHARAT FORGE LTD	INE465A01025	2200	28.09		
SINTEX INDUSTRIES LIMITED	INE429C01035	22000	26.55		
MAHINDRA CIE AUTOMOTIVE LIMITED	INE536H01010	9000	19.48		

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POWER				5.88	6.05
POWER GRID CORPORATION OF INDIA LTD.	INE752E01010	29000	42.12		
CESC LTD	INE486A01013	4000	24.15		
SOFTWARE				5.19	5.35
MASTEK LTD	INE759A01021	8000	34.13		
INFOSYS LIMITED	INE009A01021	1100	24.40		
CONSUMER DURABLES				4.05	4.17
HSIL LTD.	INE415A01038	6500	29.29		
BATA INDIA LTD	INE176A01010	1500	16.36		
MINERALS/MINING				3.87	3.99
NMDC LIMITED	INE584A01023	17000	21.89		
COAL INDIA LTD	INE522F01014	6000	21.77		
FINANCE				3.73	3.85
HDFC LTD	INE001A01036	3200	42.10		
PETROLEUM PRODUCTS				3.66	3.77
RELIANCE INDUSTRIES LTD	INE002A01018	5000	41.30		
CEMENT				3.06	3.15
ULTRATECH CEMENT LTD.	INE481G01011	1200	34.53		
OIL				2.72	2.80
OIL & NATURAL GAS CORP LTD	INE213A01029	10000	30.64		
AUTO				2.63	2.71
MAHINDRA & MAHINDRA LTD	INE101A01026	2500	29.70		
PHARMACEUTICALS				2.30	2.37
GLENMARK PHARMACEUTICALS LTD	INE935A01035	3300	25.94		
AUTO ANCILLARIES				2.28	2.35
KESORAM INDUSTRIES LTD	INE087A01019	22000	25.70		
PAPER				2.01	2.07
TAMIL NADU NEWSPRINT & PAPERS LTD	INE107A01015	18000	22.71		
GAS				1.93	1.98
GAIL (INDIA) LTD	INE129A01019	5600	21.72		
FERROUS METALS				1.59	1.64
TATA METALIKS LIMITED	INE056C01010	15000	17.93		
(b) Unlisted		Nil	Nil	Nil	Nil
Equity Total (a+b)		387320	1094.82	97.11	100.00
2) Debt Instruments					
(a) Listed/awaiting Listing on Stock Exchange		Nil	Nil	Nil	Nil
(b) Privately Placed/Unlisted		Nil	Nil	Nil	Nil
(c) Securitised Debt		Nil	Nil	Nil	Nil
3) Money Market					

Instruments					
Collateralized Borrowing and Lending Obligation (CBLO)			4.04	0.36	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets		Nil	28.50	2.53	100.00
Grand Total		387320	1127.36	100.00	100.00

Note : The market Value of Rs.4.04 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.001 lakhs. This accretion of discount is disclosed in the schedule 2 – Other Current Assets under the head – “Outstanding & Accrued Income” of the Balance sheet . The balance , being cost , of Rs.4.04 Lakhs is shown in Schedule 2 of the Balance Sheet under CBLO Placement.

8.15 Investments made by the Scheme in shares of Group Companies of the Sponsor – **NIL**.

8.16 Holdings over 25% of the NAV of the scheme

Particulars	As on March 31, 2015	As on March 31, 2014
Number of Investors	0	0
Percentage of Holdings	N/A	N/A

8.17 Contingent Liability: Nil

8.18 The Mutual Fund was issued a notice by SEBI vide letter No. OW/31990/2014 dated 11th November, 2014 under Regulation No. 28(1) of the SEBI (Intermediaries) Regulations, 2008. The Mutual Fund and Trustees submitted reply to the Regulator on 27th December, 2014 followed by a personal hearing on 9th February 2015 wherein the management has given explanations and clarifications in the matter to the Regulator.

8.19 Previous year figures have been reclassified/regrouped, wherever necessary, to conform to the current year’s classification.

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E

**For Sahara Asset Management Company
Private Ltd**

For Sahara Mutual Fund

S.N.Chaturvedi
Partner
Mem.No: 040479

O P Srivastava
Director

R M Joshi
Director

S R Hegde
Trustee

P V Rao
Trustee

Naresh Kumar Garg
Chief Executive Officer

A.N.Sridhar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

Historical Per Unit Statistics

SAHARA TAX GAIN FUND	As at	As at	As at
Particulars	31-Mar-15	31-Mar-14	31-Mar-13
(A) Gross Income			
(i) Income other than Profit on sale of Investments	0.33	0.34	0.35
(ii) Income from Profit (net of loss) on inter-scheme sales/ transfer of Investments	0.00	0.00	0.00
(iii) Income from Profit (net of Loss) on sale other than Inter scheme	8.69	1.62	0.12
(iv) Transfer to revenue account from past year's reserve	0.00	0.00	0.00
(B) Aggregate of expenses, write off, amortisation and charges	0.70	0.49	0.47
(c) Net Income	8.31	1.47	0.00
(d) Net unrealised appreciation/(dimunition) in value of Investments	1.02	2.65	-0.10
(e) Net Asset Value			
Growth Plan	59.4728	46.1172	36.2470
Dividend Plan	16.4049	12.7211	11.6856
Direct Growth Plan	59.8815	46.3192	36.3099
Direct Dividend Plan	16.5092	12.7692	11.6939
(f) Repurchase Price during the year**			
(i) Highest			
Growth Plan	64.0055	45.6560	41.4376
Dividend Plan	17.6553	13.9696	15.5520
Direct Growth Plan	64.4257	45.8560	41.4376
Direct Dividend Plan	17.7599	14.0051	15.5527
(ii) Lowest			
Growth Plan	45.5663	33.8998	33.7438
Dividend Plan	12.5691	10.9295	11.4459
Direct Growth Plan	45.7662	33.9954	35.5638
Direct Dividend Plan	12.6168	10.9473	11.4536
(g) Resale Price during the year**			
(i) Highest			

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Growth Plan	66.1067	46.1172	42.7980
Dividend Plan	18.2349	14.1107	16.0626
Direct Growth Plan	65.0765	46.3192	41.8562
Direct Dividend Plan	17.9393	14.1466	15.7098
(ii) Lowest			
Growth Plan	47.0622	34.2422	34.8515
Dividend Plan	12.9818	11.0399	11.8216
Direct Growth Plan	46.2285	34.3388	35.9230
Direct Dividend Plan	12.7442	11.0579	11.5693
(h) Ratio of expenses to average daily net assets by Percentage	2.84%	2.85%	2.63%
(i) Ratio of income to average daily net assets by Percentage (excluding transfer to revenue account from past year's reserve but including net change in unrealized appreciation / depreciation in value of Investments and adjusted for net loss on sale / redemption of investments)	40.49%	26.62%	2.05%

**Based on the maximum load during the year
Per unit calculations based on number of units in issue at the end of the year

INDEPENDENT AUDITOR’S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Growth Fund** (“the Scheme”), which comprise the Balance Sheet as at March 31, 2015, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Trustees of Sahara Mutual Fund and the Board of Directors of Sahara Asset Management Company Private Limited (the “Directors”) are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the “Regulations”) and amendments thereto, as applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the Regulations, the applicable accounting standards and the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Scheme’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Scheme has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2015;

(b) in the case of the Revenue Account, of the surplus for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account dealt with by this Report are in agreement with the books of account of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- d) We have reviewed the Valuation Policy being followed for the schemes of Sahara Mutual Fund. The Valuation Policy implemented for the scheme is in line with the SEBI guidelines issued in this regard.

For Chaturvedi & Co.

Chartered Accountants

(Firm's Registration No. 302137E)

(SN Chaturvedi)

(Partner)

Mem. No. 040479

Place : Mumbai

Date : 19th May 2015

BALANCE SHEET AS AT 31st MARCH, 2015

SAHARA GROWTH FUND	Schedule	As at March 31, 2015	As at March 31, 2014
		(Rs)	(Rs)
ASSETS			
Investments	1	72,411,236	77,242,820
Other Current Assets	2	5,143,249	6,661,978
Total Assets		77,554,485	83,904,798
LIABILITIES			
Unit Capital	3	11,577,095	20,108,111
Reserves & Surplus	4	65,436,471	59,012,411
Current Liabilities & Provisions	5	540,919	4,784,276
Total Liabilities		77,554,485	83,904,798

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Growth Option	118.3958	94.2413
Dividend Option	34.3475	27.3411
Direct Growth Option	120.2649	94.7438
Direct Dividend Option	34.6525	27.4787

Significant Accounting Policies and
Notes to the accounts

8

Schedules 1 to 5 and 8 form an integral part of the
Balance Sheet

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E

**For Sahara Asset Management Company
Private Ltd**

For Sahara Mutual Fund

S.N.Chaturvedi
Partner
Mem.No: 040479

O P Srivastava
Director

R M Joshi
Director

S R Hegde
Trustee

P V Rao
Trustee

Naresh Kumar Garg
Chief Executive Officer

A.N.Sridhar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

SAHARA GROWTH FUND	Schedule	For the year ended March 31, 2015 (Rs)	For the year ended March 31, 2014 (Rs)
INCOME			
Dividend		1,060,384	1,329,197
Interest & Discount Income	6	214,661	435,809
Profit on Sale / Redemption of Investments(Net) (Other than Inter Scheme Transfer / Sale)		23,313,865	2,885,317
Total Income		24,588,910	4,650,323
EXPENSES & LOSSES			
Loss on sale / Redemption of Investments(Net) (Other than Inter Scheme Transfer / Sale)		-	-
Management Fees		899,850	989,645
ST on Management Fees		111,222	122,322
Investor Education & Awareness Fees		15,504	15,887
Registrar & Transfer Agent Charges		354,390	326,934
Custodian Fees		193,798	197,994
Fees & Expenses of Trustees		105,676	135,082
Statutory Audit Fees		86,182	87,925
Internal Audit Fees		137,914	144,768
Insurance		-	32,985
Costs related to Investor Communication		90,986	79,949
Transaction cost		28,128	50,890
Marketing & Selling Expenses including Agents commission		82,418	76,140
Total Expenses		2,106,068	2,260,521
Net Surplus for the Year		22,482,842	2,389,802
Provision/ Write Back for diminution in the value of Investment	7	(3,051,727)	6,818,756
Net Surplus for the Year (excluding unrealised appreciation)		19,431,115	9,208,558
Transfer from Income Equalisation Reserve		(17,772,391)	(21,275,681)
Dividend paid including dividend distribution tax		-	-

Net : Transferred to Revenue Reserve	1,658,724	(12,067,123)
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Significant Accounting Policies and Notes to the accounts

8

Schedules 6 to 8 form an integral part of the Revenue Account

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E

**For Sahara Asset Management Company
Private Ltd**

For Sahara Mutual Fund

S.N.Chaturvedi
Partner
Mem.No: 040479

O P Srivastava
Director

R M Joshi
Director

S R Hegde P V Rao
Trustee Trustee

Naresh Kumar Garg A.N.Sridhar
Chief Executive Officer Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

SCHEDULES FORMING PART OF THE BALANCE SHEET

SAHARA GROWTH FUND		As at March 31, 2015 (Rs)	As at March 31, 2014 (Rs)
SCHEDULE 1			
Investments			
(Refer note 8.14 of Schedule 8 for detailed Portfolio statement)			
Equity Shares		72,411,236	77,242,820
		72,411,236	77,242,820
SCHEDULE 2			
Other Current Assets			
Balances with Banks in Current accounts		1,251,325	2,555,362
Contracts for sale of Investments		-	1,056,593
Outstanding and Accrued Income		997	66,061
Reverse Repo arrangements			674,380
Investment - Liquid MF Units for Dividend		197,907	313,110
CBLO Investments		3,693,020	1,996,472
		5,143,249	6,661,978
SCHEDULE 3			
Unit Capital			
Growth Option:311569.139 units of Rs.10 each (For 2013-2014: 348739.110 units of Rs.10 each)		3,115,690	3,487,390
Dividend Option:704509.544 units of Rs.10 each (For 2013-2014: 1635126.996 units of Rs.10 each)		7,045,096	16,351,270
Direct Growth Option: 128708.685 units of Rs.10 each (For 2013-2014: 12015.355 units of Rs.10 each)		1,287,087	120,154
Direct Dividend Option: 12922.168 units of Rs.10 each (For 2013-2014: 14929.644 units of Rs.10 each)		129,222	149,297
Total		11,577,095	20,108,111

(Refer note 8.10 of Schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	77,690,956		89,758,079	
Transfer from Revenue Account	1,658,724		(12,067,123)	
Balance as at end of the year		79,349,680		77,690,956
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the year	(17,772,391)		(21,275,681)	
Transfer to Revenue Account	17,772,391		21,275,681	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	8,652,551		2,298,779	
Additions During the year	251,642		6,353,772	
Balance as at end of the year		8,904,193		8,652,551
Unit Premium Reserve				
Balance as at beginning of the year	(27,331,096)		(34,826,712)	
Additions During the year	4,513,694		7,495,616	
Balance as at end of the year		(22,817,402)		(27,331,096)
		65,436,471		59,012,411
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		291,864		106,077
Management Fees Payable		4,346		16,059
ST on Management Fees Payable		537		1,985
Payable Fees on Investor Education		16,296		18,082

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Contracts for Purchase of Investments		-		4,223,297
Payable on redemption of units		157,172		343,093
STT Payable		12		38
Unclaimed Distributed Income		70,633		75,469
Load Charges on Subscription		59		176
		540,919		4,784,276
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the period ended		For the period ended
		March 31, 2015		March 31, 2014
SCHEDULE 6		(Rs)		(Rs)
Interest & Discount Income				
Collateralised Borrowing & Lending		186,528		63,009
Reverse Repo		17,667		358,390
Net Income from Exit load on Redemptions		10,466		14,410
		214,661		435,809
SCHEDULE 7				
Provision/ Write Back for dimunition in the value of Investment				
At the beginning of the year		(1,626,641)		(8,445,397)
At the end of the year		(4,678,368)		(1,626,641)
		(3,051,727)		6,818,756

SCHEDULE - 8**ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015.****1. INTRODUCTION****1.1 About the Scheme**

Sahara Growth Fund (the “Scheme”) is an open ended growth scheme of Sahara Mutual Fund (the “Fund”). The objective is to achieve capital appreciation by investing in equity and equity related instruments. In line with SEBI Circular for providing separate options for direct investments , the scheme has now four options (1) Growth Option (ii) Dividend Option (iii) Growth Option – Direct and (iv) Dividend Option – Direct. The scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value. The initial issue period of the scheme was from July 22, 2002 to August 12, 2002 and the scheme was reopened for continuous purchase and redemption at prevailing NAV from August 30, 2002.

1.2 Asset Management Company

Sahara Mutual Fund (SMF) has been established as a Trust in accordance with the Indian Trusts Act, 1882, and is sponsored by Sahara India Financial Corporation Limited .

Sahara Asset Management Company Private Limited (“SAMCPL”), a company incorporated under the Companies Act, 1956, has been appointed as the Asset Management Company (“Investment Manager”) to Sahara Mutual Fund.

The Shareholding of Sahara Asset Management Company Private Limited as on March 31, 2015 is as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.60%
Sahara India Corp Investment Limited	Equity	11.36%
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	11.36%
Sahara Care Limited	Equity	31.68%
Name of the Shareholder	Type of Holdings	Holding
Sahara India Commercial Corporation Ltd	Preference	90.32 %
Sahara Care Ltd	Preference	9.68

2. SIGNIFICANT ACCOUNTING POLICIES**2.1. Basis of Accounting.**

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the Accounting Policies and Standards specified in the Ninth Schedule of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (the “Regulation”), and amendments thereto, as applicable.

2.2. Accounting for Investments

2.2.1 Investments are accounted on trade dates at cost including brokerage, stamp duty and other charges which are included in the acquisition of investments.

2.2.2 Profit or loss on sale of investments is determined on the respective trade date by adopting the “Weighted Average Cost” method.

- 2.2.3 Bonus/Rights entitlements on equity holdings are recognized only when the original shares on which the entitlement accrues are traded on the Principal stock exchange on ex-bonus/ex-rights basis respectively. In respect of unlisted/ non- traded securities, the Bonus/Rights on equity holdings are recognised only on the receipt of the Bonus/Rights.
- 2.2.4 Primary Market Investments are recognized on the basis of allotment advice.

2.3. Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

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 Script 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 Script 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.		
	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

Similar Security:

Similar security here shall mean those securities which are of same nature [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

Maturity Bucket:

- For Debt Security having remaining maturity upto 91 days

Maturity date of securities falling between	Time Bucket
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. Script 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 script 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 and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where script wise values are not available by CRISIL/ICRA, price derived from the corresponding 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 is taken.

In case, the Bilav file is not received by 7.30 PM and script wise values are not available, then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.

7. For non traded securities where script wise values are not available, the valuation is done on the price derived from the corresponding the aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.

8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation is done on aggregated script wise pricing as provided by CRISIL/ICRA and as applicable for that day. In the absence of script wise values the valuation is 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 respect of any day neither the script wise value nor the valuation Matrices is available from CRISIL/ICRA within the reasonable time limit, the Valuation is done on the basis of accrual/amortization based on the 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 is 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 securities (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 is 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 script 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:

- (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 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.
- 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. 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.

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.

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

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.

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 of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- ii) In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- iii) For non– business day the valuation shall be done on aggregated script wise prices as provided by CRISIL/ICRA. In absence of script wise prices the valuation shall be done on accrual basis/amortization basis based on last valuation
- iv) In case of exceptional circumstances like, 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 script-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.
- v) The Valuation Policy shall be reviewed by the Statutory Auditor at least once in a financial year.
- vi) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees shall be applicable for the schemes of Sahara Mutual Fund

2.3.1 Valuation of securities not covered under the above valuation policy:

The total exposure in securities, which do not fall under above valuation norms, shall not exceed 5% of the total AUM of the scheme.

In case of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.

Investment in such securities is to be valued by a method approved by the Investment and Valuation Committee and the same will be reported to the Board of Trustees.

2.3.2 Unrealised Appreciation/Depreciation.

In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India, the unrealized appreciation determined separately for each individual investment is directly transferred to the “Unrealized Appreciation Reserve Account” i.e. without routing it through the revenue account.

The provision for depreciation in value of investments determined separately for each individual investment is recognized in the revenue account. The loss (realized) on investments sold / transferred during the year is charged to revenue account, instead of being first adjusted against the provision for depreciation, if already created in the prior year, as recommended by the said Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme’s net assets or results for the year.

2.5 Revenue Recognition

- 2.5.1 Income and Expenses are recognized on accrual basis.
- 2.5.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.
- 2.5.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.

Proportionate realized gains on investments out of sales / repurchase proceeds at the time of sale / repurchase of units are transferred to revenue Account from Unit Premium Reserve.

3. Net Asset Value for Growth/Dividend Options:

The net asset value of the units is determined separately for units issued under the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option – Direct. For reporting the net asset value of the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option - Direct, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the scheme are allocated to the options in proportion to the value of the net assets.

4. Unit Premium Reserve Account

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve account of the Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the income equalization account.

5. Income Equalisation Account

An appropriate part of the sale proceeds or the redemption amount, as the case may be, is transferred to income equalization account. The total distributable surplus (without considering unrealized appreciation) upto the date of issue/ redemption of units has been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account on a daily basis. The net balance in this account is transferred to the Revenue Account at the end of the year.

6. Load Charges

The Entry load charges collected, if any are used to meet expenses as per the stipulated SEBI guidelines from time to time. Service tax on exit load , if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme.

7. Unclaimed Redemption.

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000, the unclaimed redemption and dividend amounts may be deployed by the mutual funds in call money market or money market instruments only and the investors who claim these amounts during a 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 can be transferred to a pool account and the investors can claim the unclaimed redemption amount at NAV prevailing at the end of the third year. The income earned on such funds can be used for the purpose of investor education. The AMC should make continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

8. NOTES TO THE ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees

Management Fees

Management Fees (inclusive of service tax) has been computed at 1.30 % (PY : 1.40 %) on average net assets calculated on a daily basis.

Trusteeship Fees & Expenses

In accordance with Deed of Trust dated 18th July 1996 between the Settler and the Trustees, the fund has paid or provided an annual fee of Rs.1,00,000/- per Trustee. Trusteeship fees & expenses are allocated to the schemes on the basis of their daily average net assets.

Custodian Charges

HDFC Bank provides Custodial services to the scheme for which fees is paid as per the agreement.

8.2 Provision for tax has not been made since the income of the scheme is exempt from tax under Section 10(23D) of the Income Tax Act, 1961.

8.3 Transactions with Brokers in excess of 5% or more of the aggregate purchases and sale of securities made by the Fund have been reported to the Trustees on a Bimonthly basis.

8.4 Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities under Sahara Growth Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.675119.46) and investment in CBLO is Rs.3694016.95. (PY: Rs.1999294.40)

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs. 3,54,390.00 (PY: Rs.326935.00) constitutes 16.83 % (PY : 14.46 %)of the total schemes expenses.

8.6 Transactions with Associates

Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8):

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	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Income Fund
0.01	0.01	-	0.33	0.01

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the previous 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

(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 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 (Rs cr and % of total business received by the fund)	Commission paid (Rs & % of total commission paid by the fund)
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(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%)

In column No 4, the total business received by the fund includes business through ARNs & also direct business.

In column No 5, the amount includes the upfront and the trail.

Brokerage 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	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

There are no associate brokers, hence not applicable for the period April – Mar 2015 & April – Mar 2014.

8.7 The aggregate value of Investment purchased and sold(Including Redemption) during the year as a percentage of daily average net asset value;

Purchases

Year	Amount (Rs)	% of Daily average
2014-15	157,226,216	202.74
2013-14	344,711,732	433.77

Sales

Year	Amount (Rs)	% of Daily average
2014-15	182,571,580	235.42
2013-14	353,809,724	445.22

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Asset Class	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Equity Shares	89.04	46.78	86.53	16.27

8.9 Income and Expense Ratio

	2014-15	2013-14
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	37.16%	14.69%
Total Expenditure to average net assets calculated on a daily basis	2.72%	2.84%

8.10 Movements in Unit Capital: Face Value of Units : Rs. 10/- per unit.**8.10.1 Growth Option**

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	1256545.617	12565456.17	1256545.617	12,565,456.17
Opening Balance	348739.110	3487391.10	428046.340	4,280,463.40
Units Sold during the year	13814.396	138143.96	20340.553	203,405.53
Units Repurchased during the year	(50984.367)	(509843.67)	(99647.783)	(996,477.83)
Closing Balance	311569.139	3115691.39	348739.110	3,487,391.10

8.10.2 Growth Option –Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	12015.355	120153.55	4,215.962	42,159.62
Units Sold during the year	241777.114	2417771.14	15,034.314	150,343.14
Units Repurchased during the year	(125083.784)	(1250837.84)	(7,234.921)	(72,349.21)
Closing Balance	128708.685	1287086.85	12,015.355	120,153.55

8.10.3 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	308657.065	3086570.65	308,657.065	3,086,570.65
Opening Balance	1635126.996	16351269.96	2,224,308.516	22,243,085.16
Units Sold during the year	3458.077	34580.77	9,101.695	91,016.95
Units Repurchased during the year	(934075.529)	(9340755.29)	(598,283.215)	(5,982,832.15)
Closing Balance	704509.544	7045095.44	1,635,126.996	16,351,269.96

8.10.4 Dividend Option-Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital			-	-
Opening Balance	14929.644	149296.44	13,779.226	137,792.26
Units Sold during the year	3708.948	37089.48	8,425.456	84,254.56
Units Repurchased during the year	(5716.424)	(57164.24)	(7,275.038)	(72,750.38)
Closing Balance	12922.168	129221.68	14,929.644	149,296.44

8.11 The scheme has declared Nil dividend for the year ended March 31, 2015 (PY: Nil). There was no bonus declared during the year ended March 31, 2015 (PY: Nil).

8.12 Unclaimed Amounts (beyond three months) :

Unclaimed Redemption and Dividend during the year ended March 31, 2015 are as below:

Scheme name	No of Investors	Unclaimed Dividend (Rs)	No. of Investors	Unclaimed Redemption (Rs)
Sahara Growth Fund	21	70,632.92	9	157,171.99

8.13 Investments made by the Schemes of Sahara Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net asset value of any scheme, pursuant to Regulation 25(11): **NIL**

8.14 Portfolio Statement as on March 31, 2015

Name of the Instrument	ISIN	Quantity	Market Value (Rs. in Lakhs)	% to NAV	% to Category Total
1) Equity & Equity Related					
(a) Listed/awaiting Listing on Stock Exchange					
EQUITY SHARES					
BANKS				22.60	24.04
AXIS BANK LIMITED	INE238A01034	7000	39.21		
ICICI BANK LTD	INE090A01021	12000	37.86		
STATE BANK OF INDIA	INE062A01020	9500	25.37		
HDFC BANK LTD	INE040A01026	2465	25.21		
UNION BANK OF INDIA	INE692A01016	13000	20.35		
BANK OF BARODA	INE028A01039	8000	13.08		
PUNJAB NATIONAL BANK	INE160A01022	9000	13.00		
SOFTWARE				11.32	12.04
TECH MAHINDRA LTD	INE669C01036	4000	25.19		
WIPRO Ltd	INE075A01022	4000	25.15		
MASTEK LTD	INE759A01021	5000	21.33		
INFOSYS LIMITED	INE009A01021	700	15.53		
FINANCE				7.88	8.38
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	INE001A01036	3400	44.73		
CAPITAL FIRST LIMITED	INE688I01017	4000	15.98		
PETROLEUM PRODUCTS				6.71	7.13
RELIANCE INDUSTRIES LTD	INE002A01018	3500	28.91		
HINDUSTAN PETROLEUM CORPORATION LTD	INE094A01015	3500	22.74		
AUTO ANCILLARIES				5.35	5.69
KESORAM INDUSTRIES LTD	INE087A01019	14000	16.35		
EXIDE INDUSTRIES LTD	INE302A01020	7500	13.33		
IGARASHI MOTORS INDIA LIMITED	INE188B01013	3000	11.53		
CONSUMER NON DURABLES				5.11	5.44

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HINDUSTAN UNILEVER LTD	INE030A01027	3200	27.95		
ITC LTD	INE154A01025	3500	11.40		
CONSTRUCTION PROJECT				4.40	4.68
LARSEN AND TOUBRO LIMITED	INE018A01030	1970	33.88		
OIL				3.58	3.81
OIL & NATURAL GAS CORP LTD	INE213A01029	9000	27.57		
AUTO				3.43	3.65
HERO MOTOCORP LTD	INE158A01026	1000	26.40		
CEMENT				3.36	3.58
ULTRATECH CEMENT LTD.	INE481G01011	900	25.90		
POWER				3.21	3.41
POWER GRID CORPORATION OF INDIA LTD.	INE752E01010	17000	24.69		
INDUSTRIAL CAPITAL GOODS				3.03	3.22
ALSTOM INDIA LIMITED	INE878A01011	3200	23.34		
MINERALS/MINING				2.83	3.01
COAL INDIA LTD	INE522F01014	6000	21.77		
PHARMACEUTICALS				2.29	2.44
LUPIN LTD	INE326A01037	880	17.67		
CONSTRUCTION				2.09	2.22
PRESTIGE ESTATES PROJECT LTD	INE811K01011	6000	16.10		
INDUSTRIAL PRODUCTS				2.06	2.19
TIMKEN INDIA LIMITED	INE325A01013	2600	15.89		
CONSUMER DURABLES				1.87	1.99
WHIRLPOOL OF INDIA LTD.	INE716A01013	1960	14.41		
GAS				1.45	1.54
GAIL (INDIA) LTD	INE129A01019	2870	11.13		
(b) Unlisted					
FERTILISERS					
NAGARJUNA FERTILIZERS AND CHEMICALS LTD.	INE454M01024	88000	11.14	1.45	1.54
(ex-Kakinada Fertilizers Ltd)					
Equity Total (a+b)			724.11	94.02	100.00
2) Debt Instruments					
(a) Listed/awaiting Listing on Stock Exchange		Nil	Nil	Nil	Nil
(b) Privately Placed/Unlisted		Nil	Nil	Nil	Nil
(c) Securitised Debt		Nil	Nil	Nil	Nil
3) Money Market Instruments					
Collateralized Borrowing and Lending Obligation (CBLO)			36.94	4.80	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			9.09	1.18	100.00
Grand Total			770.14	100.00	100.00

Note : The market Value of Rs.36.94 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.01 lakhs. This accretion of discount is disclosed in the schedule 2 – Other Current Assets under the head – “Outstanding & Accrued Income” of the Balance sheet . The balance , being cost , of Rs. 36.93 Lakhs is shown in Schedule 2 of the Balance Sheet under CBLO Placement.

8.15 Investments made by the Scheme in shares of Group Companies of the Sponsor – NIL.

8.16 Holdings over 25% of the NAV of the scheme as of March 31, 2015.

Particulars	As on March 31, 2015	As on March 31, 2014
Number of Investors	0	0
Percentage of Holdings	N/A	N/A

8.17 Contingent Liability: Nil

8.18 The Mutual Fund was issued a notice by SEBI vide letter No. OW/31990/2014 dated 11th November, 2014 under Regulation No. 28(1) of the SEBI (Intermediaries) Regulations, 2008. The Mutual Fund and Trustees submitted reply to the Regulator on 27th December, 2014 followed by a personal hearing on 9th February 2015 wherein the management has given explanations and clarifications in the matter to the Regulator.

8.19 Previous year figures have been reclassified/regrouped, wherever necessary, to conform to the current year’s classification.

As per our attached report of even date

For Chaturvedi & Co

Chartered Accountants

Firm Regn. No.:- 302137E

For Sahara Asset Management Company

Private Ltd

For Sahara Mutual Fund

S.N.Chaturvedi

Partner

Mem.No: 040479

O P Srivastava

Director

R M Joshi

Director

S R Hegde

Trustee

P V Rao

Trustee

Naresh Kumar Garg

Chief Executive Officer

A.N.Sridhar

Fund Manager

Vidya Manjrekar

Head- Operations & NAV Accounting

Place: Mumbai

Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA GROWTH FUND	Year Ended	Year Ended	Year Ended
Particulars	As at	As at	As at
	31-Mar-15	31-Mar-14	31-Mar-13
(a) Gross Income			
(I) Income other than Profit on sale of Investments	1.10	0.88	0.82
(ii) Income from Profit (net of loss) on inter-scheme sales/ transfer of Investments	0.00	0.00	0.00
(iii) Income from Profit (net of Loss) on sale other than Inter scheme	20.14	1.43	1.73
(iv) Transfer to revenue account from past year's reserve	0.00	0.00	0.00
(b) Aggregate of expenses, write off, amortisation and charges	1.82	1.12	1.00
(c) Net Income	19.42	1.19	1.54
(d) Net unrealised appreciation/ (diminution) in value of Investments	3.65	3.49	-2.30
(e) Net Asset Value			
Growth Plan	118.3958	94.2413	77.5872
Dividend Plan	34.3475	27.3411	22.5169
Direct Growth Plan	120.2649	94.7438	77.6915
Direct Dividend Plan	34.6525	27.4787	22.5414
(f) Repurchase Price during the year**			
(I) Highest			
Growth Plan	125.5753	93.2989	88.8764
Dividend Plan	36.4298	27.0677	25.7949
Direct Growth Plan	127.2190	93.7964	89.3276
Direct Dividend Plan	36.7298	27.2039	25.6642
(ii) Lowest			
Growth Plan	21.4020	71.6061	70.3664
Dividend Plan	17.8554	20.7777	20.4249
Direct Growth Plan	21.4051	71.8266	76.0952
Direct Dividend Plan	17.8554	20.8345	22.0782
(g) Resale Price during the year**			

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(l) Highest			
Growth Plan	129.6977	94.2413	91.7940
Dividend Plan	37.6258	27.3411	26.6417
Direct Growth Plan	128.5040	94.7438	89.7870
Direct Dividend Plan	37.1008	27.4787	26.0558
(ii) Lowest			
Growth Plan	96.0544	72.3294	72.6764
Dividend Plan	27.8671	20.9876	21.0954
Direct Growth Plan	94.4426	72.5521	76.8638
Direct Dividend Plan	27.3914	21.0449	22.3012
(h) Ratio of expenses to average daily net assets by Percentage	2.72%	2.84%	2.62%
(i) Ratio of income to average daily net assets by Percentage (excluding transfer to revenue account from past year's reserve but including net change in unrealized appreciation /depreciation in value of Investments and adjusted for net loss on sale / redemption of investments)	37.16%	22.43%	0.64%

Per unit calculations based on number of units in issue at the end of the year

**Based on the maximum load during the year

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Midcap Fund** (“the Scheme”), which comprise the Balance Sheet as at March 31, 2015, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trustees of Sahara Mutual Fund and the Board of Directors of Sahara Asset Management Company Private Limited (the “Directors”) are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the “Regulations”) and amendments thereto, as applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the Regulations, the applicable accounting standards and the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Scheme's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Scheme has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2015;

(b) in the case of the Revenue Account, of the surplus for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account dealt with by this Report are in agreement with the books of account of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- d) We have reviewed the Valuation Policy being followed for the schemes of Sahara Mutual Fund. The Valuation Policy implemented for the scheme is in line with the SEBI guidelines issued in this regard.

For Chaturvedi & Co.

Chartered Accountants

(Firm's Registration No. 302137E)

(SN Chaturvedi)

(Partner)

Mem. No. 040479

Place of Signature: Mumbai

Date : 19TH May 2015

BALANCE SHEET AS AT 31st MARCH, 2015

SAHARA MIDCAP FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
		(Rs)	(Rs)
ASSETS			
Investments	1	99,212,255	84,031,863
Other Current Assets	2	3,885,150	4,823,226
Total Assets		103,097,405	88,855,089
LIABILITIES			
Unit Capital	3	32,013,835	40,782,249
Reserves & Surplus	4	69,271,867	44,303,806
Current Liabilities & Provisions	5	1,811,703	3,769,034
Total Liabilities		103,097,405	88,855,089

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Growth Option	53.7440	36.6408
Dividend Option	23.7068	16.1842
Bonus Option	53.7440	36.6408
Growth Auto Earning Payout	53.7440	36.6408
Direct Growth Plan	53.8736	36.6899
Direct Dividend Plan	23.8145	16.2274
Direct Bonus Plan	53.8736	36.6899
Direct Growth - Auto Earning Payout	53.8736	36.6899

Significant Accounting Policies and Notes to the accounts 8

Schedules 1 to 5 and 8 form an integral part of the Balance Sheet

As per our attached report of even date

For Chaturvedi & Co Chartered Accountants Firm Regn. No.:- 302137E S.N.Chaturvedi Partner Mem.No: 040479	For Sahara Asset Management Company Private Ltd O P Srivastava Director	R M Joshi Director	S R Hegde Trustee	P V Rao Trustee
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Naresh Kumar Garg
Chief Executive OfficerA.N.Sridhar
Fund ManagerVidya Manjrekar
Head- Operations & NAV Accounting**Place:** Mumbai
Date: 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

SAHARA MID-CAP FUND	Schedule	For the Year ended March 31, 2015 (Rs)	For the Year ended March 31, 2014 (Rs)
INCOME			
Dividend		982,310	1,342,191
Interest and Discount Income	6	301,226	480,082
Profit on Sale / Redemption of Investments(Net) (Other than Inter Scheme Transfer / Sale)		40,720,418	2,901,896
Total Income		42,003,954	4,724,169
EXPENSES & LOSSES			
Management Fees		1,281,419	1,015,682
ST on Management Fees		158,386	125,541
Investor Education & Awareness Fees		20,491	16,648
Registrar & Transfer Agent Charges		477,427	41,334
Custodian Fees		261,996	208,295
Fees & Expenses of Trustees		115,166	138,708
Statutory Audit Fees		116,406	92,296
Internal Audit Fees		197,840	156,135
Insurance		-	36,838
Costs related to Investor Communication		100,509	82,335
Transaction cost		37,611	53,433
Marketing & Selling Exps. Including Agents Commission		152,668	79,805
Total Expenses		2,919,919	2,347,050
Net Surplus for the Year		39,084,035	2,377,119
Provision/ Write Back for diminution in the value of Investment	7	(5,400,839)	10,938,985
Net Surplus for the Year (excluding unrealised appreciation)		33,683,196	13,316,104
Transfer from Income Equalisation Reserve		(868,248)	(8,179,310)
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		32,814,948	5,136,794

Significant Accounting Policies Notes to the accounts

Schedules 6 to 8 form an integral part of the Revenue Account

As per our attached report of even date

For Chaturvedi & Co

Chartered Accountants
Firm Regn. No.:- 302137E
S.N.Chaturvedi
Partner
Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**

O P Srivastava
Director

R M Joshi
Director

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Naresh Kumar Garg
Chief Executive Officer

A.N.Sridhar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

SCHEDULES FORMING PART OF THE BALANCE SHEET

SAHARA MIDCAP FUND		As at March 31, 2015 (Rs)	As at March 31, 2014 (Rs)
SCHEDULE 1			
Investments			
(Refer note 8.14 of Schedule 8 for detailed Portfolio statement)			
Equity Shares		99,212,255	84,031,863
		99,212,255	84,031,863
SCHEDULE 2			
Other Current Assets			
Balances with Banks in Current accounts		1,162,875	1,464,233
Outstanding Dividend		14,000	-
Outstanding Accrued Income		370	2,822
Reverse Repo arrangements		-	1,996,472
CBLO Investments		1,367,785	-
Investment - Liquid MF units		1,340,120	1,135,491
Contract for Sale of Investments		-	224,208
		3,885,150	4,823,226
SCHEDULE 3			
Unit Capital			
Bonus Plan	BO	86,000	86,000
8600.000 units of Rs. 10 each (For 2013-2014 - 8600.000 units of Rs. 10 each)			
Dividend Plan	D	23,209,148	31,242,575
2320914.756 units of Rs. 10 each (For 2013-2014 - 3124257.402 units of Rs. 10 each)			
Growth Plan	G	7,868,542	8,925,807
786854.179 units of Rs. 10 each (For 2013-2014 - 892580.725 units of Rs. 10 each)			

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Auto Earnings Payout Plan	GA	107,108		121,506
10710.772 units of Rs. 10 each				
(For 2013-2014 - 12150.585 units of Rs. 10 each)				
Direct Bonus Plan	BODDP	129		2,864
12.929 units of Rs. 10 each				
(For 2013-2014 - 286.433 units of Rs. 10 each)				
Direct Dividend Plan	DDP	353,728		212,005
35372.832 units of Rs. 10 each				
(For 2013-2014 - 21200.539 units of Rs. 10 each)				
Direct Growth Plan	GDP	387,953		191,492
38795.261 units of Rs. 10 each				
(For 2013-2014 - 19149.216 units of Rs. 10 each)				
Direct Auto Earnings Payout Plan	GADP	1,228		-
122.781 units of Rs. 10 each				
(For 2013-2014 - Nil units of Rs. 10 each)				
Total		32,013,835		40,782,249
(Refer Notes on Accounts 8.10 of Schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	29,228,476		24,091,682	
Transferred from Revenue Account	32,814,948		5,136,794	
Balance as at end of the year		62,043,424		29,228,476
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the year	(868,248)		(8,179,310)	
Transferred to Revenue Account	868,248		8,179,310	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year				

Sahara Mutual Fund – Equity Schemes – Vol 1 - 2014-15

	14,531,627		3,143,725	
Additions During the year	3,360,917		11,387,902	
Balance as at end of the year		17,892,544		14,531,627
Unit Premium Reserve				
Balance as at beginning of the year	543,703		2,999,405	
Additions During the year	(11,207,804)		(2,455,702)	
Balance as at end of the year		(10,664,101)		543,703
		69,271,867		44,303,806
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		399,816		149,228
Management Fees Payable		6,909		17,286
ST on Management Fees Payable		854		2,137
STT Payable		27		99
ST Payable on Exit Load		11		-
Payable - Transaction Fees		50		225
Payable - Fees on Investor Education		16,859		18,716
Payable - Load Subscriptions		20		44
Contract for purchase of investments		0		1,791,472
Payable on Redemption of Units		653,059		1,007,729
Unclaimed Distributed Income		734,097		771,095
Payable / Receivable on Switches		-		11,003
		1,811,703		3,769,034
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the period ended March 31, 2015 (Rs)		For the period ended March 31, 2014 (Rs)
SCHEDULE 6				

Interest and Discount Income				
Reverse Repo arrangements		13,165		366,116
CBLO		176,906		51,368
Net Income from Exit Loads		111,155		62,577
Others		-		21
		301,226		480,082
SCHEDULE 7				
Provision/ Write Back for diminution in the value of Investment				
At the beginning of the year		(471,593)		(11,410,578)
At the end of the year		(5,872,432)		(471,593)
		(5,400,839)		10,938,985

SCHEDULE - 8**ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015****1. INTRODUCTION****1.1 About the Scheme**

Sahara Midcap Fund (the “Scheme”) is an open ended growth scheme of Sahara Mutual Fund (the “Fund”). The objective is to achieve long term capital growth at medium level of risks by investing primarily in mid –cap stocks. . In line with SEBI Circular for providing separate options for direct investments , the scheme has now Eight options. The Scheme has Eight plans – Dividend, Growth, Growth –Auto Earnings Payout ,Bonus, Direct-Dividend, Direct Growth, Direct Growth-Auto Earnings Payout & Direct-Bonus. The scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value. The initial issue period of the scheme was from November 29, 2004 to December 22, 2004 and the scheme was reopened for continuous purchase and redemption at prevailing NAV from January 17, 2005.

1.2 Asset Management Company

Sahara Mutual Fund (SMF) has been established as a Trust in accordance with the Indian Trusts Act, 1882, and is sponsored by Sahara India Financial Corporation Limited.

Sahara Asset Management Company Private Limited (“SAMCPL”), a company incorporated under the Companies Act, 1956, has been appointed as the Asset Management Company (“Investment Manager”) to Sahara Mutual Fund.

The Shareholding of Sahara Asset Management Company Private Limited as on March 31, 2015 is as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.60%
Sahara India Corp Investment Limited	Equity	11.36%
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	11.36%
Sahara Care Limited	Equity	31.68%
Name of the Shareholder	Type of Holdings	Holding
Sahara India Commercial Corporation Ltd	Preference	90.32%
Sahara Care Ltd	Preference	9.68%

2. SIGNIFICANT ACCOUNTING POLICIES**2.1. Basis of Accounting.**

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the Accounting Policies and Standards specified in

the Ninth Schedule of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (the “Regulation”), and amendments thereto, as applicable.

2.2. Accounting for Investments

- 2.2.1 Investments are accounted on trade dates at cost including brokerage, stamp duty and other charges which are included in the acquisition of investments.
- 2.2.2 Profit or loss on sale of investments is determined on the respective trade date by adopting the “Weighted Average Cost” method.
- 2.2.3 Bonus/Rights entitlements on equity holdings are recognized only when the original shares on which the entitlement accrues are traded on the Principal stock exchange on ex-bonus/ex-rights basis respectively. In respect of unlisted/ non- traded securities, the Bonus/Rights on equity holdings are recognised only on the receipt of the Bonus/Rights.
- 2.2.4 Primary Market Investments are recognized on the basis of allotment advice.

2.3. Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

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 Script 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 Script 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
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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.	
	i)	Same security traded and reported on FTRAC/CBRICS up to the time of IST.
	ii)	If Same security is not traded but similar Security/securities are traded and reported up to the time of IST on FTRAC/CBRICS
	iii)	If Same or similar Security/securities are not traded and reported up to the time of IST on FTRAC/CBRICS
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.
	ii)	Same security not traded and reported on NDS-OM section of CCIL website
		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.
		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
		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.
		On last traded price as given on NDS-Section of CCIL Website (Excluding abnormal trade).
		Previous end of the day valuation price plus accrual/amortization shall be taken

Similar Security:

Similar security here shall mean those securities which are of same nature [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

Maturity Bucket:

- For Debt Security having remaining maturity upto 91 days

Maturity date of securities falling between	Time Bucket
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.

(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. Script 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 script 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 and these prices are considered on respective face value of the instruments for arriving at valuation.

6. For the valuation of traded securities where script wise values are not available by CRISIL/ICRA, price derived from the corresponding 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 is taken.

In case, the Bilav file is not received by 7.30 PM and script wise values are not available, then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.

7. For non traded securities where script wise values are not available, the valuation is done on the price derived from the corresponding aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.
8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation is done on aggregated script wise pricing as provided by CRISIL/ICRA and as applicable for that day. In the absence of script wise values the valuation is 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 respect of any day neither the script wise value nor the valuation Matrices is available from CRISIL/ICRA within the reasonable time limit, the Valuation is done on the basis of accrual/amortization based on the 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 is 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 securities (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 is 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 script 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:

- (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 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.

- 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. 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.

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.

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

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.

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 of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- ii) In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- iii) For non– business day the valuation shall be done on aggregated script wise prices as provided by CRISIL/ICRA. In absence of script wise prices the valuation shall be done on accrual basis/amortization basis based on last valuation
- iv) In case of exceptional circumstances like, 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 script-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.
- v) The Valuation Policy shall be reviewed by the Statutory Auditor at least once in a financial year.
- vi) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees shall be applicable for the schemes of Sahara Mutual Fund

2.3.1 Valuation of securities not covered under the above valuation policy:

The total exposure in securities, which do not fall under above valuation norms, shall not exceed 5% of the total AUM of the scheme.

In case of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.

Investment in such securities is to be valued by a method approved by the Investment and Valuation Committee and the same will be reported to the Board of Trustees.

2.3.2 Unrealised Appreciation/Depreciation.

In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India, the unrealized appreciation determined separately for each individual investment is directly transferred to the “Unrealized Appreciation Reserve Account” i.e. without routing it through the revenue account.

The provision for depreciation in value of investments determined separately for each individual investment is recognized in the revenue account. The loss (realized) on investments sold / transferred during the year is charged to revenue account, instead of being first adjusted against the provision for depreciation, if already created in the prior year, as recommended by the said Guidance Note.

However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets or results for the year.

2.4 Revenue Recognition

- 2.4.1 Income and Expenses are recognized on accrual basis.
- 2.4.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.
- 2.4.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.

Proportionate realized gains on investments out of sales / repurchase proceeds at the time of sale / repurchase of units are transferred to revenue Account from Unit Premium Reserve.

3. Net Asset Value for Growth/Dividend Options:

The net asset value of the units is determined separately for units issued under the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option – Direct. For reporting the net asset value of the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option - Direct, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the scheme are allocated to the options in proportion to the value of the net assets.

4. Unit Premium Reserve Account

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve account of the Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the income equalization account.

5. Income Equalisation Account

An appropriate part of the sale proceeds or the redemption amount, as the case may be, is transferred to income equalization account. The total distributable surplus (without considering unrealized appreciation) upto the date of issue/ redemption of units has been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account on a daily basis. The net balance in this account is transferred to the Revenue Account at the end of the year.

6. Load Charges

The Entry load charges collected, if any are used to meet expenses as per the stipulated SEBI guidelines from time to time. Service tax on exit load , if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme.

7. Unclaimed Redemption.

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000, the unclaimed redemption and dividend amounts may be deployed by the mutual funds in call money market or money market instruments only and the investors who claim these amounts during a 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 can be transferred to a pool account and the investors can claim the unclaimed redemption amount at NAV prevailing at the end of the third year. The income earned on such funds can be used for the purpose of investor education. The AMC should make continuous effort to remind

the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

8. NOTES TO THE ACCOUNTS

8.1 Management Fees , Trusteeship Fees, Custodian Fees Management Fees

Management Fees (inclusive of service tax) has been computed at 1.40 % (PY:1.37%) on average net assets calculated on a daily basis.

Trusteeship Fees & Expenses

In accordance with Deed of Trust dated 18th July 1996 between the Settler and the Trustees, the fund has paid or provided an annual fee of Rs.1,00,000/- per Trustee. Trustee fees & expenses are allocated to the schemes on the basis of their daily average net assets.

Custodian Charges

HDFC Bank provides Custodial services to the scheme for which fees is paid as per the agreement.

8.2. Provision for tax has not been made since the income of the scheme is exempt from tax under Section 10(23D) of the Income Tax Act, 1961.

8.3. Transactions with Brokers in excess of 5% or more of the aggregate purchases and sale of securities made by the Fund have / has been reported to the Trustees on a Bi-monthly basis.

8.4 Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities held under Sahara Midcap Fund but held in the name of Sahara Mutual Fund being invested in REPO Is NIL (P.Y.NIL) and investment in CBLO is Rs.13,68,154.43. (PY: Rs.19,99,294.40)

8.5 During year Ended 31.03.2015 the Registrar and Transfer Agent charges amounting to Rs.4,77,427.00 (P.Y.3,41,334.00) constitutes 16.35 % (P.Y. 14.54%) of the total schemes expenses.

8.6 Transactions with Associates

Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8):

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	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs. In lakhs)

Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Income Fund
0.01	0.01	-	0.33	0.01

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the previous 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

(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 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 (Rs cr and % of total business received by the fund)	Commission paid (Rs & % 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%)

In column No 4, the total business received by the fund includes business through ARNs & also direct business.

In column No 5, the amount includes the upfront and the trail.

Brokerage 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	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

There are no associate brokers,hence not applicable for the period April – Mar 2015 & Apr – Mar 2014.

8.7 The Aggregate value of Investment purchased and sold(Including Redemption) during the year as a percentage of daily average net asset value;

Purchases

Year	Amount (Rs)	% of Daily average
2014-15	190,134,928	185.48
2013-14	300,208,258	360.42

Sales

Year	Amount (Rs)	% of Daily average
2014-15	213,635,031	208.40
2013-14	316,478,795	379.95

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Scheme	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Equity Shares	178.93	58.72	145.32	4.72

8.9 Income and Expense Ratio

	2014-15	2013-14
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	52.70%	22.55%
Total Expenditure to average net assets calculated on a daily basis.	2.85%	2.82%

8.10 Movements in Unit Capital: Face Value of Units : Rs. 10/- per unit**8.10.1 Growth Option**

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	38747086.657	387470866.57	38747086.657	387470866.57
Opening Balance	892580.725	8925807.25	1180246.119	11802461.19
Units Sold during the year	234405.882	2344058.82	154542.082	1545420.82
Units Repurchased during the year	(340132.428)	(3401324.28)	(442207.476)	(4422074.76)
Closing Balance	786854.179	7868541.79	892580.725	8925807.25

8.10.2 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	51626396.716	516263967.16	51626396.716	516263967.16
Opening Balance	3124257.402	31242574.02	4286714.492	42867144.92
Units Sold during the year	219260.457	2192604.57	197790.691	1977906.91
Units Repurchased during the year	(1022603.103)	(10226031.03)	(1360247.781)	(13602477.81)
Closing Balance	2320914.756	23209147.56	3124257.402	31242574.02

8.10.3 Bonus Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	46030.000	460300.00	46030.000	460300.00
Opening Balance	8600.000	86000.00	9058.576	90585.76
Units Sold during the year	0.000	0.00	-	-
Units Repurchased during the year	0.000	0.00	(458.576)	(4585.76)
Closing Balance	8600.000	86000.00	8600.000	86000.00

8.10.4 Growth – Auto Earnings Payout Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	415034.300	4150343.00	415034.300	4150343.00
Opening Balance	12150.585	121505.85	12948.810	129488.10
Units Sold during the year	198.266	1982.66	-	-
Units Repurchased during the year	(1638.079)	(16380.79)	(798.225)	(7982.25)
Closing Balance	10710.772	107107.72	12150.585	121505.85

8.10.5 Growth Option - Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	19149.216	191492.16	13104.140	131041.40
Units Sold during the year	60622.996	606229.96	17971.648	179716.48
Units Repurchased during the year	(40976.951)	(409769.51)	(11926.572)	(119265.72)
Closing Balance	38795.261	387952.61	19149.216	191492.16

8.10.6 Dividend Option - Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	21200.539	212005.39	10973.101	109731.01
Units Sold during the year	63288.521	632885.21	35689.718	356897.18
Units Repurchased during the year	(49116.228)	(491162.28)	(25462.280)	(254622.80)
Closing Balance	35372.832	353728.32	21200.539	212005.39

8.10.7 Bonus Option - Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	286.433	2864.33	-	-
Units Sold during the year	11.177	111.77	286.433	2864.33
Units Repurchased during the year	(284.681)	(2846.81)	-	-
Closing Balance	12.929	129.29	286.433	2864.33

8.10.8 Growth – Auto Earnings Payout Option - Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	-	-	-	-
Units Sold during the year	42403.903	424039.030	-	-
Units Repurchased during the year	(42281.122)	(422811.220)	-	-
Closing Balance	122.781	1227.810	-	-

- 8.11** The Scheme has declared nil dividends during the year ended March 31, 2015(PY: Nil). There was no Bonus declared during the year ended March 31, 2015. (PY: Nil)

8.12 Unclaimed Amounts (beyond three months):

Unclaimed Dividend and Redemption amounts as on March 31, 2015 are as below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Midcap Fund	655	734,098.80	94	616,688.91

- 8.13** Investments made by the Schemes of Sahara Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net asset value of any scheme, pursuant to Regulation 25(11):**NIL**

8.14 Portfolio Statement as on March 31, 2015

Name of the Instrument	ISIN	Quantity	Market Value (Rs. in Lakhs)	% to NAV	% to Category Total
1) Equity & Equity Related					
(a) Listed/awaiting Listing on Stock Exchange					
EQUITY SHARES					
BANKS				13.71	14.00
CITY UNION BANK LIMITED	INE491A01021	30000	29.07		

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CANARA BANK	INE476A01014	7300	26.85		
UNION BANK OF INDIA	INE692A01016	14500	22.69		
UCO BANK	INE691A01018	35000	22.37		
SYNDICATE BANK	INE667A01018	22000	22.26		
BANK OF INDIA	INE084A01016	8000	15.67		
AUTO ANCILLARIES				10.96	11.19
MOTHERSON SUMI SYSTEMS LTD	INE775A01035	6000	30.90		
KESORAM INDUSTRIES LTD	INE087A01019	22000	25.70		
EXIDE INDUSTRIES LTD	INE302A01020	13300	23.64		
SONA KOYO STEERING SYSTEMS LTD	INE643A01035	35000	17.59		
UCAL FUEL SYSTEMS LTD.	INE139B01016	12000	13.18		
CONSTRUCTION PROJECT				10.75	10.98
NCC LTD (Ex-NAGARJUNA CONSTRN CO. LTD)	INE868B01028	32000	35.86		
ASHOKA BUILDCON LTD	INE442H01029	15000	26.38		
VOLTAS LTD.	INE226A01021	9000	25.19		
TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED	INE286K01024	5500	21.47		
INDUSTRIAL CAPITAL GOODS				9.42	9.62
CROMPTON GREAVES LTD	INE067A01029	20000	33.20		
ALSTOM INDIA LIMITED	INE878A01011	4400	32.10		
BHARAT ELECTRONICS LTD	INE263A01016	900	30.15		
PHARMACEUTICALS				7.39	7.54
GLENMARK PHARMACEUTICALS LTD	INE935A01035	4000	31.45		
MARKSANS PHARMA LTD	INE750C01026	36000	22.28		
NATCO PHARMA LTD	INE987B01018	1000	21.09		
SOFTWARE				7.12	7.27
MASTEK LTD	INE759A01021	6000	25.60		
CYIENT LIMITED	INE136B01020	5000	25.10		
INTELLECT DESIGN ARENA LTD	INE306R01017	20000	21.44		
CONSTRUCTION				4.63	4.73
ITD CEMENTATION INDIA LIMITED	INE686A01018	3600	26.87		
BRIGADE ENTERPRISES LTD	INE791I01019	14000	20.03		
INDUSTRIAL PRODUCTS				4.61	4.70
SINTEX INDUSTRIES LIMITED	INE429C01035	20000	24.14		

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MAHINDRA CIE AUTOMOTIVE LIMITED	INE536H01010	10400	22.51		
CEMENT				3.97	4.05
RAMCO INDUSTRIES LIMITED	INE614A01028	35000	24.38		
MANGALAM CEMENT LTD	INE347A01017	6000	15.84		
FERTILISERS				3.50	3.57
COROMANDEL INTERNATIONAL LTD	INE169A01031	7000	18.79		
GUJARAT STATE FERTILIZERS & CHEMICALS LTD.	INE026A01025	20000	16.65		
PETROLEUM PRODUCTS				3.21	3.27
HINDUSTAN PETROLEUM CORPORATION LTD	INE094A01015	5000	32.49		
TELECOM - EQUIPMENT & ACCESSORIES				2.62	2.68
ASTRA MICROWAVE PRODUCTS LIMITED	INE386C01029	18000	26.55		
POWER				2.58	2.64
POWER GRID CORPORATION OF INDIA LTD.	INE752E01010	18000	26.15		
TELECOM - SERVICES				2.50	2.55
TATA COMMUNICATIONS LTD	INE151A01013	6000	25.32		
GAS				2.48	2.54
INDRAPRASTHA GAS LTD	INE203G01019	6000	25.17		
SERVICES				2.30	2.35
ADITYA BIRLA NUVO (INDIAN RAYON)	INE069A01017	1400	23.29		
FINANCE				2.20	2.25
SHRIRAM TRANSPORT FINANCE COMPANY LTD.	INE721A01013	2000	22.29		
TEXTILE PRODUCTS				2.07	2.11
ARVIND LTD	INE034A01011	8000	20.94		
MEDIA & ENTERTAINMENT				1.93	1.97
T.V. TODAY NETWORK LTD	INE038F01029	9000	19.52		
(b) Unlisted		Nil	Nil	Nil	Nil
Equity Total (a+b)			992.12	97.95	100.00
2) Debt Instruments					
(a) Listed/awaiting Listing on Stock Exchange		Nil	Nil	Nil	Nil
(b) Privately Placed/Unlisted		Nil	Nil	Nil	Nil

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(c) Securitised Debt		Nil	Nil	Nil	Nil
3) Money Market Instruments					
Collateralized Borrowing and Lending Obligation (CBLO)			13.68	1.35	100.00
4) Short Term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			7.06	0.70	100.00
Grand Total			1012.86	100.00	100.00

Note: The market Value of Rs.13.68 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.004 lakhs. This accretion of discount is disclosed in the schedule 2 – Other Current Assets under the head – “Outstanding Accrued Income” of the Balance sheet . The balance , being cost , of Rs. 13.68 Lakhs is shown in Schedule 2 of the Balance Sheet under CBLO Placement.

8.15 Investments made by the Scheme in shares of Group Companies of the Sponsor – NIL.

8.16 Holdings over 25% of the NAV of the scheme as of March 31, 2015:

Particulars	As on March 31, 2015	As on March 31, 2014
Number of Investors	0	0
Percentage of Holdings	N/A	N/A

8.17 Contingent Liability: Nil

8.18 The Mutual Fund was issued a notice by SEBI vide letter No. OW/31990/2014 dated 11th November, 2014 under Regulation No. 28(1) of the SEBI (Intermediaries) Regulations, 2008. The Mutual Fund and Trustees submitted reply to the Regulator on 27th December, 2014 followed by a personal hearing on 9th February 2015 wherein the management has given explanations and clarifications in the matter to the Regulator.

8.19 Previous year figures have been reclassified / regrouped wherever necessary to conform to the current year’s classification.

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E

S.N.Chaturvedi
Partner
Mem.No: 040479

For Sahara Asset Management Company
Private Ltd

O P Srivastava
Director

Naresh Kumar Garg
Chief Executive Officer

Vidya Manjrekar

Head- Operations & NAV Accounting

R M Joshi
Director

A.N.Sridhar
Fund Manager

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA MIDCAP FUND	As at	As at	As at
Particulars	31-Mar-15	31-Mar-14	31-Mar-13
(a) Gross Income			
(I) Income other than Profit on sale of Investments	0.40	0.45	0.35
(ii) Income from Profit (net of loss) on inter-scheme sales/ transfer of Investments	0.00	0.00	0.00
(iii) Income from Profit (net of Loss) on sale other than Inter scheme	12.72	0.71	-0.79
(iv) Transfer to revenue account from past year's reserve	0.00	0.00	0.00
(b) Aggregate of expenses, write off, amortisation and charges	0.91	0.58	0.50
(c) Net Income	12.21	0.58	-0.93
(d) Net unrealised appreciation/(diminution) in value of Investments	3.75	3.45	-1.50
(e) Net Asset Value			
Growth Plan	53.744	36.6408	27.3897
Dividend Plan	23.7068	16.1842	12.1171
Bonus Plan	53.744	36.6408	27.3897
Growth - Auto Earning Payout	53.744	36.6408	27.3897
Direct Growth Plan	53.8736	36.6899	27.4096
Direct Dividend Plan	23.8145	16.2274	12.1253
Direct Bonus Plan	53.8736	36.6899	27.4096
Direct Growth - Auto Earning Payout	53.8736	36.6899	27.4096
(f) Repurchase Price during the year**			
(I) Highest			
Growth Plan	56.0319	36.2744	32.8604
Dividend Plan	24.7163	16.0224	14.5379
Bonus Plan	56.0319	36.2744	32.8604
Growth - Auto Earning Payout	56.0319	36.2744	32.8604
Direct Growth Plan	56.1585	36.3230	32.8616
Direct Dividend Plan	24.8239	16.0651	14.5395
Direct Bonus Plan	56.1585	36.3230	32.8616
Direct Growth - Auto Earning Payout	56.1585	36.3230	32.8616

(ii) Lowest			
Growth Plan	36.2612	25.2441	26.2408
Dividend Plan	16.0142	11.1622	11.6101
Bonus Plan	36.2612	25.2441	26.2408
Growth - Auto Earning Payout	36.2612	25.2441	26.2408
Direct Growth Plan	36.3049	25.2745	26.7858
Direct Dividend Plan	16.0571	11.1818	11.8491
Direct Bonus Plan	36.3049	25.2745	26.7858
Direct Growth - Auto Earning Payout	36.3049	25.2745	26.7858
(g) Resale Price during the year**			
(i) Highest			
Growth Plan	57.8714	36.6408	33.9391
Dividend Plan	25.5277	16.1842	15.0151
Bonus Plan	57.8714	36.6408	33.9391
Growth - Auto Earning Payout	57.8714	36.6408	33.9391
Direct Growth Plan	56.7258	36.6899	33.1935
Direct Dividend Plan	25.0746	16.2274	14.6864
Direct Bonus Plan	56.7258	36.6899	33.1935
Direct Growth - Auto Earning Payout	56.7258	36.6899	33.1935
(ii) Lowest			
Growth Plan	37.4516	25.4991	27.1023
Dividend Plan	16.5400	11.2750	11.9913
Bonus Plan	37.4516	25.4991	27.1023
Growth - Auto Earning Payout	37.4516	25.4991	27.1023
Direct Growth Plan	36.6716	25.5298	27.0564
Direct Dividend Plan	16.2193	11.2947	11.9688
Direct Bonus Plan	36.6716	25.5298	27.0564
Direct Growth - Auto Earning Payout	36.6716	25.5298	27.0564
(h) Ratio of expenses to average daily net assets by Percentage	2.85%	2.82%	2.59%
(i) Ratio of income to average daily net assets by Percentage (excluding transfer to revenue account from past year's reserve but including net change in unrealized appreciation /depreciation in value of Investments and adjusted for net loss on sale / redemption of investments)	52.70%	22.55%	-9.98%

**Based on the maximum load during the year

Per unit calculations based on number of units in issue at the end of the period

INDEPENDENT AUDITOR’S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Wealth Plus Fund** (“the Scheme”), which comprise the Balance Sheet as at March 31, 2015, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Trustees of Sahara Mutual Fund and the Board of Directors of Sahara Asset Management Company Private Limited (the “Directors”) are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the “Regulations”) and amendments thereto, as applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the Regulations, the applicable accounting standards and the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Scheme’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Scheme has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2015;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account dealt with by this Report are in agreement with the books of account of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- d) We have reviewed the Valuation Policy being followed for the schemes of Sahara Mutual Fund. The Valuation Policy implemented for the scheme is in line with the SEBI guidelines issued in this regard.

For Chaturvedi & Co.

Chartered Accountants

(Firm's Registration No. 302137E)

(SN Chaturvedi)

(Partner)

Mem. No. 040479

Place : Mumbai

Date : 19TH May 2015

BALANCE SHEET AS AT MARCH 31, 2015

SAHARA WEALTH PLUS FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	108,151,727	97,234,660
Other Current Assets	2	6,459,545	12,449,327
Total Assets		114,611,272	109,683,987
LIABILITIES			
Unit Capital	3	32,177,378	43,249,493
Reserves & Surplus	4	80,040,599	60,433,329
Current Liabilities & Provisions	5	2,393,295	6,001,165
Total Liabilities		114,611,272	109,683,987

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Fixed Pricing - Dividend Plan	FPD	26.7854	19.0911
Fixed Pricing - Growth Plan	FPG	37.6055	26.8015
Variable Pricing - Dividend Plan	VPD	29.4450	20.7828
Variable Pricing - Growth Plan	VPG	40.6185	28.6674
Fixed Pricing - Direct Dividend Plan	FPDDP	26.9348	19.1485
Fixed Pricing - Direct Growth Plan	FPGDP	37.8682	26.9234
Variable Pricing - Direct Dividend Plan	VPDDP	29.6165	20.8517
Variable Pricing - Direct Growth Plan	VPGDP	40.8611	28.7581

Significant Accounting Policies and Notes to the accounts

8

Schedules 1 to 5 and 8 form an integral part of the Balance Sheet

As per our attached report of even date

For Chaturvedi & Co

Chartered Accountants

Firm Regn. No.:- 302137E

S.N.Chaturvedi**Partner**

Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**O P Srivastava
DirectorR M Joshi
Director**For Sahara Mutual Fund**S R Hegde
TrusteeP V Rao
TrusteeNaresh Kumar Garg
Chief Executive OfficerA.N.Sridhar
Fund ManagerVidya Manjrekar
Head- Operations & NAV Accounting**Place:** Mumbai**Date:** 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

SAHARA WEALTH PLUS FUND	Schedule	For the year ended March 31, 2015	For the year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Dividend Income		1,186,033	1,233,810
Interest & Discount Income	6	357,133	534,398
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		35,713,873	14,366,549
Total Income		37,257,039	16,134,757
EXPENSES & LOSSES			
Management Fees		567,043	518,332
ST on Management Fees		70,086	64,066
Investor Education & Awareness Fees		21,848	18,855
STT on Equity Transactions		-	-
Registrar & Transfer Agent Charges		510,648	384,557
Custodian Fees		278,743	235,585
Fees & Expenses of Trustees		148,774	179,479
Statutory Audit Fees		124,091	104,413
Internal Audit Fees		208,399	179,708
Insurance		-	42,599
Costs related to Investor Communication		127,027	91,970
Transaction cost		39,639	60,893
Marketing & Selling Exps. Including agents commission		118,560	66,515
Total Expenses		2,214,857	1,946,972
Net Surplus for the Year		35,042,182	14,187,785
Provision/ Write Back for diminution in the value of Investment	7	(2,152,453)	2,451,964
Net Surplus for the Year (excluding unrealised appreciation)		32,889,729	16,639,749
Transfer from Income Equalisation Reserve		(31,692,900)	(11,687,555)
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		1,196,829	4,952,194

Significant Accounting Policies and Notes to the accounts

Schedules 6 to 8 form an integral part of the Revenue Account

As per our attached report of even date

For Chaturvedi & Co	For Sahara Asset Management Company Private Ltd		For Sahara Mutual Fund	
Chartered Accountants Firm Regn. No.:- 302137E S.N.Chaturvedi Partner Mem.No: 040479	O P Srivastava Director	R M Joshi Director	S R Hegde Trustee	P V Rao Trustee
	Naresh Kumar Garg Chief Executive Officer	A.N.Sridhar Fund Manager		
	Vidya Manjrekar Head- Operations & NAV Accounting			

Place: Mumbai
Date: 19th May 2015

SCHEDULES FORMING PART OF THE BALANCE SHEET		As at	As at
SAHARA WEALTH PLUS FUND		March 31, 2015	March 31, 2014
		(Rs)	(Rs)
SCHEDULE 1			
Investments			
(Refer Note 8.14 of Schedule 8 for detailed Portfolio statement)			
Equity Shares		108,151,727	97,234,660
		108,151,727	97,234,660
SCHEDULE 2			
Other Current Assets			
Balances with Banks in Current accounts		1,230,683	1,908,967
Reverse Repo arrangements		-	1,400,637
Outstanding Dividend		16,000	-
Outstanding accrued income		896	7,180
Investment - Liquid MF Units for Dividend		1,894,335	2,016,889
Contracts for Sale of Investments		-	3,122,709
Collatorised Borrowing		3,317,630	3,992,944
Other Receivables		1	1
		6,459,545	12,449,327
SCHEDULE 3			
Unit Capital			
Fixed Plan Dividend	FPD	3,892,184	4,980,274
Fixed Pricing - Dividend Option 389218.424 units of Rs.10 each (For 2013-2014 - 498027.474 units of Rs.10 each)			
Fixed Plan Growth	FPG	1,710,508	2,088,758
Fixed Pricing - Growth Option 171050.829 units of Rs.10 each (For 2013-2014 - 208875.838 units of Rs.10 each)			
Variable Plan Dividend	VPD	10,877,277	18,862,476

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Variable Pricing - Dividend Option 1087727.727 units of Rs.10 each (For 2013-2014 - 1886247.638 units of Rs.10 each				
Variable Plan Growth	VPG	14,678,767		16,604,968
Variable Pricing - Growth Option 1467876.686 units of Rs.10 each (For 2013-2014 - 1660496.750 units of Rs.10 each				
Fixed Plan Direct Dividend	FPDDP	18,583		37,684
Fixed Pricing - Direct Dividend Option 1858.280 units of Rs.10 each (For 2013-2014 - 3768.429 units of Rs.10 each				
Fixed Plan Direct Growth	FPGDP	109,749		80,328
Fixed Pricing - Direct Growth Option 10974.891 units of Rs.10 each (For 2013-2014 - 8032.759 units of Rs.10 each				
Variable Plan Dividend	VPDDP	350,871		286,398
Variable Pricing - Direct Dividend Option 35087.052 units of Rs.10 each (For 2013-2014 - 28639.820 units of Rs.10 each				
Variable Plan Growth	VPGDP	539,439		308,607
Variable Pricing - Direct Growth Option 53943.899 units of Rs.10 each (For 2013-2014 - 30860.666 units of Rs.10 each				
Total		32,177,378		43,249,493
(Refer Note 8.10 of Schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year		110,246,575		105,294,381
Transferred from Revenue Account		1,196,829		4,952,194
Balance as at end of the year		111,443,404		110,246,575
Income Equalisation Reserve				
Balance as at beginning of the year		-		-
Additions During the year		(31,692,900)		(11,687,555)

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Transferred to Revenue Account	31,692,900		11,687,555	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	15,406,442		7,072,005	
Additions During the year	5,239,028		8,334,437	
Balance as at end of the year		20,645,470		15,406,442
Unit Premium Reserve				
Balance as at beginning of the year	(65,219,688)		(71,810,189)	
Additions During the year	13,171,413		6,590,501	
Balance as at end of the year		(52,048,275)		(65,219,688)
		80,040,599		60,433,329
SCHEDULE 5		(Rs)		(Rs)
Current Liabilities and Provisions				
Sundry Creditors		427,718		208,575
Management Fees Payable		5,409		9,061
ST on Management Fees		668		1,120
Contract for purchase of Investments		-		3,656,205
Payable on redemption of units		907,262		896,221
Payable on Switches		-		17,175
STT Payable		21		18
ST Payable on Exit Load		161		-
Payable - Fee on Investor Education		17,805		20,134
Payable - Transaction Fees		-		25
Distribution Payable		1,034,252		1,192,631
		2,393,295		6,001,165
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the Year ended		For the Year ended
		March 31,		March 31,

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		2015		2014
		(Rs)		(Rs)
SCHEDULE 6				
Interest & Discount Income				
Reverse Repo		51,887		466,275
CBLO		300,466		57,084
Net Income from Exit Loads		4,780		11039
		357,133		534,398
SCHEDULE 7				
Provision/ Write Back for diminution in the value of Investment				
At the beginning of the year		(183,721)		(2,635,685)
At the end of the year		(2,336,174)		(183,721)
		(2,152,453)		2,451,964

SCHEDULE - 8**ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015.****5. INTRODUCTION****1.1 About the Scheme**

Sahara Wealth Plus Fund (the “Scheme”) is an open ended growth scheme of Sahara Mutual Fund (the “Fund”). The objective is to invest in equity and equity related instruments of companies that would be wealth builders in the long run. In line with SEBI Circular for providing separate options for direct investments , the scheme has now Eight options (i) Fixed Pricing- Growth Option (ii) Fixed Pricing - Dividend Option (iii) Fixed Pricing -Growth Option – Direct and (iv) Fixed Pricing - Dividend Option – Direct. v)Variable Pricing- Growth Option (vi)Variable- Pricing - Dividend Option (vii) Variable Pricing - Growth Option – Direct and Variable Pricing - Dividend Option – Direct.

The scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value. The initial issue period of the scheme was from July 4, 2005 to August 9, 2005 and the scheme was reopened for continuous purchase and redemption at prevailing NAV from September 6, 2005.

1.2 Asset Management Company

Sahara Mutual Fund (SMF) has been established as a Trust in accordance with the Indian Trusts Act, 1882, and is sponsored by Sahara India Financial Corporation Limited.

Sahara Asset Management Company Private Limited (“SAMCPL”), a company incorporated under the Companies Act, 1956, has been appointed as the Asset Management Company (“Investment Manager”) to Sahara Mutual Fund.

The shareholding of Sahara Asset Management Company Private Limited as on March 31, 2015 is as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.60%
Sahara India Corp Investment Limited	Equity	11.36%
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	11.36%
Sahara Care Limited	Equity	31.68%
Name of the Shareholder	Type of Holdings	Holding
Sahara India Commercial Corporation Ltd	Preference	90.32 %
Sahara Care Ltd	Preference	9.68 %

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the Accounting Policies and Standards specified in the Ninth Schedule of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (the “Regulation”), and amendments thereto, as applicable.

2.2. Accounting for Investments

- 2.2.1 Investments are accounted on trade dates at cost including brokerage, stamp duty and other charges.
- 2.2.2 Profit or loss on sale of investments is determined on the respective trade date by adopting the “Weighted Average Cost” method.
- 2.2.3 Bonus/Rights entitlements on equity holdings are recognized only when the original shares on which the entitlement accrues are traded on the principal stock exchange on ex-bonus/ex-rights basis respectively. In respect of unlisted/ non- traded securities, the Bonus/Rights on equity holdings are recognised only on the receipt of the Bonus/Rights.
- 2.2.4 Primary Market Investments are recognized on the basis of allotment advice.

2.3. Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

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 Script 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 Script 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.
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	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.	
	i)	Same security traded and reported on FTRAC/CBRICS up to the time of IST.
	ii)	If Same security is not traded but similar Security/securities are traded and reported up to the time of IST on FTRAC/CBRICS
	iii)	If Same or similar Security/securities are not traded and reported up to the time of IST on FTRAC/CBRICS
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

Similar Security:

Similar security here shall mean those securities which are of same nature [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

Maturity Bucket:

- For Debt Security having remaining maturity upto 91 days

Maturity date of securities falling between	Time Bucket
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. Script 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 script 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 and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where script wise values are not available by CRISIL/ICRA, price derived from the corresponding 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 is taken.

In case, the Bilav file is not received by 7.30 PM and script wise values are not available, then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.
7. For non traded securities where script wise values are not available, the valuation is done on the price derived from the corresponding aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.
8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation is done on aggregated script wise pricing as provided by CRISIL/ICRA and as applicable for that day. In the absence of script wise values the valuation is 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 respect of any day neither the script wise value nor the valuation Matrices is available from CRISIL/ICRA within the reasonable time limit, the Valuation is done on the basis of accrual/amortization based on the 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 is 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 securities (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 is 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 script 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:

- (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 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.
 - 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 to 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. 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.

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.

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

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.

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 of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- ii) In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- iii) For non– business day the valuation shall be done on aggregated script wise prices as provided by CRISIL/ICRA. In absence of script wise prices the valuation shall be done on accrual basis/amortization basis based on last valuation
- iv) In case of exceptional circumstances like, 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 script-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.
- v) The Valuation Policy shall be reviewed by the Statutory Auditor at least once in a financial year.
- vi) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees shall be applicable for the schemes of Sahara Mutual Fund

2.3.1 Valuation of securities not covered under the above valuation policy:

The total exposure in securities, which do not fall under above valuation norms, shall not exceed 5% of the total AUM of the scheme.

In case of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.

Investment in such securities is to be valued by a method approved by the Investment and Valuation Committee and the same will be reported to the Board of Trustees.

2.3.2 Unrealised Appreciation/Depreciation.

In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India, the unrealized appreciation determined separately for each individual investment is directly transferred to the “Unrealized Appreciation Reserve Account” i.e. without routing it through the revenue account.

The provision for depreciation in value of investments determined separately for each individual investment is recognized in the revenue account. The loss (realized) on investments sold / transferred during the year is charged to revenue account, instead of being first adjusted against the provision for depreciation, if already created in the prior year, as recommended by the said Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets or results for the year.

2.4 Revenue Recognition

- 2.4.1 Income and Expenses are recognized on accrual basis.
- 2.4.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.
- 2.4.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.

Proportionate realized gains on investments out of sales / repurchase proceeds at the time of sale / repurchase of units are transferred to revenue Account from Unit Premium Reserve.

3. Net Asset Value for Growth/Dividend Options:

The net asset value of the units is determined separately for units issued under the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option – Direct. For reporting the net asset value of the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option - Direct, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the scheme are allocated to the options in proportion to the value of the net assets.

4. Unit Premium Reserve Account

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve account of the Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the income equalization account.

5. Income Equalisation Account

An appropriate part of the sale proceeds or the redemption amount, as the case may be, is transferred to income equalization account. The total distributable surplus (without considering unrealized appreciation) upto the date of issue/ redemption of units has been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account on a daily basis. The net balance in this account is transferred to the Revenue Account at the end of the year.

6. Load Charges

The Entry load charges collected, if any are used to meet expenses as per the stipulated SEBI guidelines from time to time. Service tax on exit load , if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme.

7. Unclaimed Redemption.

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000, the unclaimed redemption and dividend amounts may be deployed by the mutual funds in call money market or money market instruments only and the investors who claim these amounts during a 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 can be transferred to a pool account and the investors can claim the unclaimed redemption amount at NAV prevailing at the end of the third year. The income earned on such funds can be used for the purpose of investor education. The AMC should make continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

8. NOTES TO THE ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees

Management Fees

The total Management Fee (inclusive of service tax) has been computed at 0.58% (P.Y.0.62%) on average net assets calculated on a daily basis.

Under the Variable Pricing Option, the AMC fee earned depends on the scheme's daily performance and the same has been computed on average net assets calculated on a daily basis.

The IMA fees are charged accordingly, on the basis of whether at least one of the two conditions is met.

(a) If $NPR < Benchmark$ and $NPR < 0$	IMA fees = zero
(b) if either $NPR > Benchmark$ or $NPR > 0$	Actual IMA fees = $\frac{1}{2}$ of maximum permissible IMA fees
(c) if both $NPR > Benchmark$ and $NPR > 0$	Actual IMA fees = maximum permissible IMA fees

- Net Portfolio Return (NPR) = Gross Portfolio Return(GPR) - Scheme expense
- IMA = Investment Management and Advisory fees
- $GPR = \frac{\text{Total Income during the day (Incl Net Appreciation / Depreciation)}}{\text{Opening Net Assets}} \times 100$
- $Benchmark\ Return = \frac{(\text{Benchmark Value of today} - \text{Benchmark Value of yesterday})}{\text{Benchmark Value of yesterday}} \times (100 \times (365/1.25))$

Trusteeship Fees & Expenses

In accordance with Deed of Trust dated 18th July 1996 between the Settler and the Trustees, the fund has paid or provided an annual fee of Rs.1,00,000/- per Trustee. Trusteeship fees & Expenses are allocated to the schemes on the basis of their daily average net assets.

Custodian Charges

HDFC Bank Ltd provides Custodial services for which fees are paid as per the agreement.

- 8.2** Provision for tax has not been made since the income of the scheme is exempt from tax under Section 10(23D) of the Income Tax Act, 1961.
- 8.3** Transactions with Brokers in excess of 5% or more of the aggregate purchases and sale of securities made by the Fund have been reported to the Trustees on a bimonthly basis.
- 8.4** Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities under Sahara Wealth

Plus Fund but held in the name of Sahara Mutual Fund Invested in REPO is NIL (P.Y.14,02,171.19) & Investment in CBLO Rs.33,18,523.47(P.Y.39,98,588.79)

8.5 During the Year Ended 31.03.2015 the Registrar and Transfer Agent charges amounting to Rs. 5,10,648.00 (P.Y.3,84,557.00) and Custody Fees amounting to Rs.2,78,742.59 (P.Y.2,35,584.92) constitutes 23.06% (P.Y.19.75%) and 12.59 % (P.Y.12.10%) respectively of the total schemes expenses.

8.6 Transactions with Associates

Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8):

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	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.in lakhs)

Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Income Fund
0.01	0.01	-	0.33	0.01

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the previous 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

(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 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 (Rs cr and % of total business received by the fund)	Commission paid (Rs & % 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%)

In column No 4, the total business received by the fund includes business through ARNs & also direct business.

In column No 5, the amount includes the upfront and the trail

Brokerage 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	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

There are no associate brokers, hence not applicable for the period April – Mar 2015 & April – Mar 2014.

8.7 Aggregate value of purchases and sales of Investments during the year as a percentage of daily average net asset value;

Purchases

Year	Amount (Rs)	% of Daily Average
2014-15	191,512,718	175.20
2013-14	344,251,749	364.94

Sales

Year	Amount (Rs)	% of Daily Average
2014-15	219,396,099	200.71
2013-14	349,495,541	370.50

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Asset Class	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Equity Shares	206.45	23.36	154.06	1.84

8.9 Income and Expense Ratio

	2014-15	2013-14
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	50.83%	33.24%
Total Expenditure (excluding Deferred Revenue Expenditure) to average net assets calculated on a daily basis	2.03%	2.06%

8.10 Movements in Unit Capital: Face Value of Units : Rs.10/- per unit.**8.10.1 Fixed Pricing Option - Growth Option**

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	1581244.089	15812440.89	1581244.089	15812440.89
Opening Balance	208875.838	2088758.38	255717.065	2557170.65
Units Sold during the year	4794.858	47948.58	5426.094	54260.94
Units Repurchased during the year	(42619.867)	(426198.67)	(52267.321)	(522673.21)
Closing Balance	171050.829	1710508.29	208875.838	2088758.38

8.10.2 Fixed Pricing Option - Growth Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	8032.759	80327.59	796.791	7,967.91
Units Sold during the year	9901.801	99018.01	8134.657	81346.57
Units Repurchased during the year	(6959.669)	(69596.69)	(898.689)	(8986.89)
Closing Balance	10974.891	109748.91	8032.759	80327.59

8.10.3 Fixed Pricing Option - Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	2611581.056	26115810.56	2611581.056	26115810.56
Opening Balance	498027.474	4980274.74	682368.430	6823684.30
Units Sold during the year	3698.663	36986.63	2403.430	24034.30
Units Repurchased during the year	(112507.713)	(1125077.13)	(186744.386)	(1867443.86)
Closing Balance	389218.424	3892184.24	498027.474	4980274.74

8.10.4 Fixed Pricing Option - Dividend Option- Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	3768.429	37684.29	6110.846	61108.46
Units Sold during the year	1811.500	18115.00	12484.215	124842.15
Units Repurchased during the year	(3721.649)	(37216.49)	(14826.632)	(148266.32)
Closing Balance	1858.280	18582.80	3768.429	37684.29

8.10.5 Variable Pricing Option – Growth Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	21486302.533	214863025.33	21486302.533	214863025.33
Opening Balance	1660496.750	16604967.50	1784611.972	17846119.72
Units Sold during the year	25132.515	251325.15	65525.474	655254.74
Units Repurchased during the year	(217752.579)	(2177525.79)	(189640.696)	(1896406.96)
Closing Balance	1467876.686	14678766.86	1660496.750	16604967.50

8.10.6 Variable Pricing Option – Growth Option -Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	30860.666	308606.66	16058.709	160587.09
Units Sold during the year	57963.967	579639.67	33617.411	336174.11
Units Repurchased during the year	(34880.734)	(348807.34)	(18815.454)	(188154.54)
Closing Balance	53943.899	539438.99	30860.666	308606.66

8.10.7 Variable Pricing Option – Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	4007989.345	40079893.45	4007989.345	40079893.45
Opening Balance	1886247.638	18862476.38	2094972.378	20949723.78
Units Sold during the year	5274.113	52741.13	7,721.713	77,217.13
Units Repurchased during the year	(803794.024)	(8037940.24)	(216446.453)	(2164464.53)
Closing Balance	1087727.727	10877277.27	1886247.638	18862476.38

8.10.8 Variable Pricing Option – Dividend Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	28639.820	286398.20	18535.238	185352.38
Units Sold during the year	13328.652	133286.52	17852.552	178525.52
Units Repurchased during the year	(6881.420)	(68814.20)	(7747.970)	(77479.70)
Closing Balance	35087.052	350870.52	28639.820	286398.20

8.11 The scheme has declared Nil dividend during the year ended March 31, 2015 (PY: Nil) . No bonus (PY: Nil) was declared during the year ended March 31, 2014.

8.12 Unclaimed Amounts (beyond three months) :

Unclaimed Dividend and Redemption amounts as of March 31, 2015 are given below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Wealth Plus Fund	980	1,034,252.55	109	898,047.01

8.13 Investments made by the Schemes of Sahara Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net asset value of any scheme, pursuant to Regulation 25(11):NIL.

8.14 Portfolio Statement as on March 31, 2015

Name of the Instrument	ISIN	Quantity	Market Value (Rs. in Lakhs)	% to NAV	% to Category Total
1) Equity & Equity Related					
(a) Listed/awaiting Listing on Stock Exchange					
EQUITY SHARES					
AUTO ANCILLARIES				19.82	20.57
EXIDE INDUSTRIES LTD	INE302A01020	26000	46.22		
MOTHERSON SUMI SYSTEMS LTD	INE775A01035	8500	43.77		
BOSCH LTD	INE323A01026	140	35.59		
KESORAM INDUSTRIES LTD	INE087A01019	25000	29.20		
SONA KOYO STEERING SYSTEMS LTD	INE643A01035	55000	27.64		
ASAHI INDIA GLASS LTD	INE439A01020	15000	21.74		
UCAL FUEL SYSTEMS LTD.	INE139B01016	16660	18.29		
SOFTWARE				14.92	15.48
WIPRO Ltd	INE075A01022	9500	59.74		
INFOSYS LIMITED	INE009A01021	2300	51.02		
TECH MAHINDRA LTD	INE669C01036	6000	37.78		
KPIT TECHNOLOGIES LIMITED	INE836A01035	10000	18.85		

BANKS				10.85	11.26
CITY UNION BANK LIMITED	INE491A01021	65000	62.99		
AXIS BANK LIMITED	INE238A01034	10500	58.82		
CONSUMER NON DURABLES				9.21	9.55
COLGATE-PALMOLIVE (INDIA) LTD	INE259A01022	2750	55.39		
CCL PRODUCTS (INDIA) LTD.	INE421D01022	18000	32.18		
HINDUSTAN UNILEVER LTD	INE030A01027	1800	15.72		
PHARMACEUTICALS				8.12	8.42
GLENMARK PHARMACEUTICALS LTD	INE935A01035	7500	58.96		
LUPIN LTD	INE326A01037	1600	32.13		
INDUSTRIAL CAPITAL GOODS				7.08	7.35
SIEMENS LTD	INE003A01024	3500	48.89		
BHARAT HEAVY ELECTRICALS LTD	INE257A01026	13000	30.60		
CONSUMER DURABLES				4.51	4.68
WHIRLPOOL OF INDIA LTD.	INE716A01013	3920	28.83		
BATA INDIA LTD	INE176A01010	2000	21.82		
AUTO				4.39	4.55
HERO MOTOCORP LTD	INE158A01026	1100	29.04		
MAHINDRA & MAHINDRA LTD	INE101A01026	1700	20.19		
CEMENT				3.21	3.33
ULTRATECH CEMENT LTD.	INE481G01011	1250	35.97		
FINANCE				3.11	3.23
BAJAJ FINANCE LIMITED	INE296A01016	850	34.92		
INDUSTRIAL PRODUCTS				2.93	3.04
NRB BEARING LTD.	INE349A01021	25000	32.89		
MINERALS/MINING				2.91	3.02
COAL INDIA LTD	INE522F01014	9000	32.66		
CONSTRUCTION PROJECT				1.99	2.07
LARSEN AND TOUBRO LIMITED	INE018A01030	1300	22.36		
FERTILISERS				1.91	1.99
COROMANDEL INTERNATIONAL LTD	INE169A01031	8000	21.48		
OIL				1.09	1.13
OIL & NATURAL GAS CORP LTD	INE213A01029	4000	12.25		
TEXTILE PRODUCTS				0.32	0.33
MONTE CARLO FASHIONS LTD	INE950M01013	746	3.58		
(b) Unlisted		Nil	Nil	NIL	Nil
Equity Total (a+b)			1081.52	96.38	100.00
2) Debt Instruments					
(a) Listed/awaiting Listing on Stock Exchange		Nil	Nil	Nil	Nil

(b) Privately Placed/Unlisted		Nil	Nil	Nil	Nil
(c) Securitised Debt		Nil	Nil	Nil	Nil
3) Money Market Instruments					
Collateralized Borrowing and Lending Obligation (CBLO)			33.19	2.96	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets		Nil	7.47	0.66	100.00
Grand Total			1122.18	100.00	100.00

Note : The market Value of Rs.33.19 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.01 lakhs. This accretion of discount is disclosed in the schedule 2 – Other Current Assets under the head – “Outstanding & Accrued Income” of the Balance sheet . The balance , being cost , of Rs. 33.18 Lakhs is shown in Schedule 2 of the Balance Sheet under CBLO Placement.

- 8.15** Investments made by the Scheme in shares of Group Companies of the Sponsor – Nil
8.16 Holdings over 25% of the NAV of the scheme.

Particulars	As on March 31, 2015	As on March 31, 2014
Number of investors	0	0
Percentage of Holdings	N/A	N/A

- 8.17** Contingent Liability: Nil
- 8.18** The Mutual Fund was issued a notice by SEBI vide letter No. OW/31990/2014 dated 11th November, 2014 under Regulation No. 28(1) of the SEBI (Intermediaries) Regulations, 2008. The Mutual Fund and Trustees submitted reply to the Regulator on 27th December, 2014 followed by a personal hearing on 9th February 2015 wherein the management has given explanations and clarifications in the matter to the Regulator.
- 8.19** Previous year figures have been reclassified/regrouped, wherever necessary, to conform to the current year’s classification.

As per our attached report of even date

For Chaturvedi & Co Chartered Accountants Firm Regn. No.:- 302137E S.N.Chaturvedi Partner Mem.No: 040479	For Sahara Asset Management Company Private Ltd O P Srivastava Director Naresh Kumar Garg Chief Executive Officer Vidya Manjrekar Head- Operations & NAV Accounting	For Sahara Mutual Fund R M Joshi Director A.N.Sridhar Fund Manager	S R Hegde Trustee	P V Rao Trustee
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Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA WEALTH PLUS FUND	As at	As at	As at
Particulars	31-Mar-15	31-Mar-14	31-Mar-13
	(Rs. Per Unit)	(Rs. Per Unit)	(Rs. Per Unit)
(a) Gross Income			
(i) Income other than Profit on sale of Investments	0.48	0.41	0.44
(ii) Income from Profit (net of loss) on inter-scheme sales/transfer of Investments	0.00	0.00	0.00
(iii) Income from Profit (net of Loss) on sale other than Inter scheme	11.10	3.32	0.42
(iv) Transfer to revenue account from past year's reserve	0.00	0.00	0.00
(b) Aggregate of expenses, write off, amortisation and charges	0.69	0.45	0.40
(c) Net Income	10.89	3.28	0.46
(d) Net unrealised appreciation/(diminution) in value of Investments	5.69	3.52	0.91
(e) Net Asset Value			
Fixed Pricing - Dividend Plan	26.7854	19.0911	14.8422
Fixed Pricing - Growth Plan	37.6055	26.8015	20.8354
Variable Pricing - Dividend Plan	29.4450	20.7828	16.0073
Variable Pricing - Growth Plan	40.6185	28.6674	22.0766
Fixed Pricing - Direct Dividend Plan	26.9348	19.1485	14.8530
Fixed Pricing - Direct Growth Plan	37.8682	26.9234	20.8490
Variable Pricing - Direct Dividend Plan	29.6165	20.8517	16.0217
Variable Pricing - Direct Growth Plan	40.8611	28.7581	22.0893
(f) Repurchase Price during the year**			
(i) Highest			
Fixed Pricing - Dividend Plan	27.9108	18.9002	19.0364
Fixed Pricing - Growth Plan	39.1852	26.5335	22.9810
Variable Pricing - Dividend Plan	30.6591	20.5750	20.2730
Variable Pricing - Growth Plan	42.2925	28.3807	24.2878
Fixed Pricing - Direct Dividend Plan	28.0609	18.9570	19.1128

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Fixed Pricing - Direct Growth Plan	39.4516	26.6542	23.0732
Variable Pricing - Direct Dividend Plan	30.8318	20.6432	20.3532
Variable Pricing - Direct Growth Plan	42.5384	28.4705	24.4397
(ii) Lowest			
Fixed Pricing - Dividend Plan	18.8955	14.4025	14.4915
Fixed Pricing - Growth Plan	26.5273	20.2178	18.3666
Variable Pricing - Dividend Plan	20.5706	15.5708	15.6266
Variable Pricing - Growth Plan	28.3748	21.4747	19.3052
Fixed Pricing - Direct Dividend Plan	18.9525	14.4239	14.5015
Fixed Pricing - Direct Growth Plan	26.6477	20.2784	20.3557
Variable Pricing - Direct Dividend Plan	20.6390	15.5858	15.64
Variable Pricing - Direct Growth Plan	28.4648	21.4883	21.5632
(g) Resale Price during the year**			
(i) Highest			
Fixed Pricing - Dividend Plan	28.8270	19.0911	19.6613
Fixed Pricing - Growth Plan	40.4716	26.8015	23.7354
Variable Pricing - Dividend Plan	31.6656	20.7828	20.9386
Variable Pricing - Growth Plan	43.6809	28.6674	25.0851
Fixed Pricing - Direct Dividend Plan	28.3443	19.1485	19.2287
Fixed Pricing - Direct Growth Plan	39.8501	26.9234	23.2131
Variable Pricing - Direct Dividend Plan	31.1432	20.8517	20.4778
Variable Pricing - Direct Growth Plan	42.9681	28.7581	24.5333
(ii) Lowest			
Fixed Pricing - Dividend Plan	19.5158	14.5480	14.9673
Fixed Pricing - Growth Plan	27.3982	20.4220	18.9695
Variable Pricing - Dividend Plan	21.2459	15.7281	16.1395
Variable Pricing - Growth Plan	29.3063	21.6916	19.9390
Fixed Pricing - Direct Dividend Plan	19.1439	14.5696	14.6480
Fixed Pricing - Direct Growth Plan	26.9169	20.4832	20.5613
Variable Pricing - Direct Dividend Plan	20.8475	15.7432	15.7980
Variable Pricing - Direct Growth Plan	28.7523	21.7054	21.7810
(h) Ratio of expenses to average daily net assets by Percentage	2.03%	2.06%	1.86%
(i) Ratio of income to average daily net assets by Percentage	50.83%	33.24%	8.21%

(excluding transfer to revenue account from past year's reserve but including net change in unrealized appreciation / depreciation in value of Investments and adjusted for net loss on sale / redemption of investments)			
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**Based on the maximum load during the year
Per unit calculations based on number of units in issue at the end of the period

INDEPENDENT AUDITOR’S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Infrastructure Fund** (“the Scheme”), which comprise the Balance Sheet as at March 31, 2015, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Trustees of Sahara Mutual Fund and the Board of Directors of Sahara Asset Management Company Private Limited (the “Directors”) are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the “Regulations”) and amendments thereto, as applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the Regulations, the applicable accounting standards and the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Scheme’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Scheme has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2015;
- (b) in the case of the Revenue Account, of the surplus for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account dealt with by this Report are in agreement with the books of account of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- d) We have reviewed the Valuation Policy being followed for the schemes of Sahara Mutual Fund. The Valuation Policy implemented for the scheme is in line with the SEBI guidelines issued in this regard.

For Chaturvedi & Co.

Chartered Accountants

(Firm's Registration No. 302137E)

(SN Chaturvedi)

(Partner)

Mem. No. 040479

Place : Mumbai

Date : 19TH May 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

SAHARA INFRASTRUCTURE FUND	Sched ule	As at March 31, 2015	As at March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	50,419,426	46,695,041
Other Current Assets	2	4,177,999	3,406,372
Total Assets		54,597,425	50,101,413
LIABILITIES			
Unit Capital	3	30,488,428	39,242,723
Reserves & Surplus	4	20,765,370	8,291,696
Current Liabilities & Provisions	5	3,343,627	2,566,994
Total Liabilities		54,597,425	50,101,413

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Fixed Pricing - Dividend Plan	IFD	13.6148	9.9134
Fixed Pricing - Growth Plan	IFG	18.6260	13.5605
Variable Pricing - Dividend Plan	IVD	14.7449	10.6211
Variable Pricing - Growth Plan	IVG	20.0429	14.4557
Fixed Pricing - Direct Dividend Plan	IFDDP	13.6851	9.9405
Fixed Pricing - Direct Growth Plan	IFGDP	18.6728	13.6040
Variable Pricing - Direct Dividend Plan	IVDDP	14.8114	10.6548
Variable Pricing - Direct Growth Plan	IVGDP	20.0905	14.4999

Significant Accounting Policies and Notes to the accounts

8

Schedules 1 to 5 and 8 form an integral part of the Balance Sheet

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E
S.N.Chaturvedi
Partner
Mem.No: 040479

For Sahara Asset Management Company Private Ltd **For Sahara Mutual Fund**

O P Srivastava
Director

R M Joshi
Director

S R Hegde
Trustee

P V Rao
Trustee

Naresh Kumar Garg
Chief Executive Officer

A.N.Sridhar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

SAHARA INFRASTRUCTURE FUND	Schedule	For the year ended March 31, 2015	For the year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Dividend Income		645,509	870,133
Interest & Discount Income	6	126,924	308,697
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		16,878,136	-
Total Income		17,650,569	1,178,830
EXPENSES & LOSSES			
Loss on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		-	7,967,155
Management Fees		402,814	334,695
ST on Management Fees		49,782	41,368
Investor Education and Awareness Fees		10,861	9,256
Registrar & Transfer Agent Charges		251,860	191,101
Custodian Fees		137,534	115,592
Fees & Expenses of Trustees		72,446	104,470
Statutory Audit Fees		61,901	51,433
Internal Audit Fees		98,498	83,734
Insurance		-	19,096
Costs related to Investor Communication		63,887	47,388
Transaction cost		19,824	29,663
Marketing & Selling Exps. Including agents commission		69,546	19,742
Total Expenses		1,238,951	9,014,693
Net Surplus for the Year		16,411,618	(7,835,863)
Provision/ Write Back for diminution in the value of Investment	7	(1,232,071)	7,005,518
Net Surplus for the Year (excluding unrealised appreciation)		15,179,547	(830,345)
Transfer from Income Equalisation Reserve		(1,853,017)	(112,929)
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		13,326,530	(943,274)

Significant Accounting Policies and Notes to the accounts 8

Schedules 6 to 8 form an integral part of the Revenue Account

As per our attached report of even date

For Chaturvedi & Co	For Sahara Asset Management Company Private Ltd		For Sahara Mutual Fund	
Chartered Accountants Firm Regn. No.:- 302137E S.N.Chaturvedi Partner Mem.No: 040479	O P Srivastava Director	R M Joshi Director	S R Hegde Trustee	P V Rao Trustee
	Naresh Kumar Garg Chief Executive Officer	A.N.Sridhar Fund Manager		
	Vidya Manjrekar Head- Operations & NAV Accounting			

Place: Mumbai
Date: 19th May 2015

SCHEDULES FORMING PART OF THE BALANCE SHEET		As at		As at
SAHARA INFRASTRUCTURE FUND		March 31, 2015		March 31, 2014
		(Rs)		(Rs)
SCHEDULE 1				
Investments				
(Refer Note 8.14 of Schedule 8 for detailed Portfolio statement)				
Equity Shares		50,419,426		46,695,041
		50,419,426		46,695,041
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current accounts		2,993,828		1,554,261
Collatorised Borrowing		319,484		998,236
Reverse Repo arrangements		-		166,002
Outstanding and accrued income		88		1,594
Investment - Liquid MF Units for Dividend		864,599		686,279
		4,177,999		3,406,372
SCHEDULE 3				
Unit Capital				
Fixed Plan Dividend	IFD	6,834,897		8,847,517
Fixed Pricing - Dividend Option 683489.707 units of Rs.10 each (For 2013-2014 884751.766 units of Rs.10 each)				
Fixed Plan Growth	IFG	5,633,956		7,100,976
Fixed Pricing - Growth Option 563395.604 units of Rs.10 each (For 2013-2014 710097.581 units of Rs.10 each)				
Variable Plan Dividend	IVD	8,543,013		11,669,604
Variable Pricing - Dividend Option 854301.314 units of Rs.10 each (For 2013-2014 1166960.405 units of Rs.10 each)				
Variable Plan Growth	IVG	8,756,451		11,405,799
Variable Pricing - Growth Option 875645.134 units of Rs.10 each				

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(For 2013-2014 1140579.887 units of Rs.10 each)				
Fixed Plan Direct Dividend	IFDDP	109,488		52,353
Fixed Pricing - Direct Dividend Option 10948.805 units of Rs.10 each				
(For 2013-2014 5235.328 units of Rs.10 each)				
Fixed Plan Direct Growth	IFGDP	36,701		34,224
Fixed Pricing - Direct Growth Option 3670.075 units of Rs.10 each				
(For 2013-2014 3422.391 units of Rs.10 each)				
Variable Plan Direct Dividend	IVDDP	121,163		99,649
Variable Pricing - Direct Dividend Option 12116.297 units of Rs.10 each				
(For 2013-2014 9964.873 units of Rs.10 each)				
Variable Plan Direct Growth	IVGDP	452,758		32,601
Variable Pricing - Direct Growth Option 45275.832 units of Rs.10 each				
(For 2013-2014 3260.066 units of Rs.10 each)				
Total		30,488,428		39,242,723
(Refer Note 8.10 of Schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	(78,843)		864,431	
Transferred from Revenue Account	13,326,530		(943,274)	
Balance as at end of the year		13,247,687		(78,843)
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the year	(1,853,017)		(112,929)	
Transferred to Revenue Account	1,853,017		112,929	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	7,326,172			

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			2,009,436	
Additions During the year	1,741,547		5,316,736	
Balance as at end of the year		9,067,719		7,326,172
Unit Premium Reserve				
Balance as at beginning of the year	1,044,367		1,780,256	
Additions During the year	(2,594,403)		(735,889)	
Balance as at end of the year		(1,550,036)		1,044,367
		20,765,370		8,291,696
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		223,019		120,110
Management Fees Payable		2,768		6,064
ST On Management Fees Payable		342		750
STT Payable		15		21
Payable - Fee on Investor Education		9,819		10,981
Payable - Load Subscription		205		385
Contract for purchase of Investments		2,221,078		1,569,747
Payable on redemption of units		732,804		689,724
Distribution Payable		153,575		169,212
		3,343,627		2,566,994
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the Year ended		For the Year ended
		March 31, 2015		March 31, 2014
SCHEDULE 6		(Rs)		(Rs)
Interest & Discount Income				
CBLO		87,444		19,196
Reverse Repo		10,270		286,431
Net Income from Exit Load		29,210		3,070
		126,924		308,697

SCHEDULE 7				
Provision/ Write Back for dimunition in the value of Investment				
At the beginning of the year		(174,470)		(7,179,988)
At the end of the year		(1,406,541)		(174,470)
		(1,232,071)		7,005,518

SCHEDULE - 8**ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015.****1. INTRODUCTION****1.1 About the Scheme**

Sahara Infrastructure Fund (the “Scheme”) is an open ended growth scheme of Sahara Mutual Fund (the “Fund”). The objective is to provide income distribution and / or medium to long term capital gains by investing predominantly in equity / equity related instruments of companies in the infrastructure sector. In line with SEBI Circular for providing separate options for direct investments , the scheme has two options – Fixed Pricing Option and Variable Pricing Option and now four sub options namely (i) Growth Option (ii) Dividend Option (iii) Growth Option – Direct and (iv) Dividend Option – Direct The scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value. The initial issue period of the scheme was from February 15, 2006 to March 14, 2006 and the scheme was reopened for continuous purchase and redemption at prevailing NAV from April 6, 2006.

1.2 Asset Management Company

Sahara Mutual Fund (SMF) has been established as a Trust in accordance with the Indian Trusts Act, 1882, and is sponsored by Sahara India Financial Corporation Limited.

Sahara Asset Management Company Private Limited (“SAMCPL”), a company incorporated under the Companies Act, 1956, has been appointed as the Asset Management Company (“Investment Manager”) to Sahara Mutual Fund.

The Shareholding of Sahara Asset Management Company Private Limited as on March 31, 2015 is as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.60%
Sahara India Corp Investment Limited	Equity	11.36%
Sahara Prime City Limited(formerly Sahara India Investment Corporation Limited)	Equity	11.36%
Sahara Care Limited	Equity	31.68%
Name of the Shareholder	Type of Holdings	Holding
Sahara India Commercial Corporation Ltd	Preference	90.32 %
Sahara Care Ltd	Preference	9.68 %

2. SIGNIFICANT ACCOUNTING POLICIES**2.1. Basis of Accounting**

The Scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the Accounting Policies and Standards specified in the Ninth Schedule of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (the “Regulation”), and amendments thereto, as applicable.

2.2. Accounting for Investments

- 2.2.1 Investments are accounted on trade dates at cost including brokerage, stamp duty and other charges.
- 2.2.2 Profit or loss on sale of investments is determined on the respective trade date by adopting the “Weighted Average Cost” method.
- 2.2.3 Bonus/Rights entitlements on equity holdings are recognized only when the original shares on which the entitlement accrues are traded on the principal stock exchange on ex-bonus/ex-rights basis respectively. In respect of unlisted/ non- traded securities, the Bonus/Rights on equity holdings are recognised only on the receipt of the Bonus/Rights.
- 2.2.4 Primary Market Investments are recognized on the basis of allotment advice.

2.3. Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

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 Script 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 Script 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.	
	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

Similar Security:

Similar security here shall mean those securities which are of same nature [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

Maturity Bucket:

- For Debt Security having remaining maturity upto 91 days

Maturity date of securities falling between	Time Bucket
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. Script 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 script 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 and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where script wise values are not available by CRISIL/ICRA, price derived from the corresponding 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 is taken.

In case, the Bilav file is not received by 7.30 PM and script wise values are not available, then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.

7. For non traded securities where script wise values are not available, the valuation is done on the price derived from the corresponding aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.
8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation is done on aggregated script wise pricing as provided by CRISIL/ICRA and as applicable for that day. In the absence of script wise values the valuation is 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 respect of any day neither the script wise value nor the valuation Matrices is available from CRISIL/ICRA within the reasonable time limit, the Valuation is done on the basis of accrual/amortization based on the 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 is 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 securities (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 is 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 script 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:

- (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 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.
- 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. 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.

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.

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

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.
- 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 of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- ii) In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- iii) For non– business day the valuation shall be done on aggregated script wise prices as provided by CRISIL/ICRA. In absence of script wise prices the valuation shall be done on accrual basis/amortization basis based on last valuation
- iv) In case of exceptional circumstances like, 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 script-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.
- v) The Valuation Policy shall be reviewed by the Statutory Auditor at least once in a financial year.
- vi) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees shall be applicable for the schemes of Sahara Mutual Fund

2.3.1 Valuation of securities not covered under the above valuation policy:

The total exposure in securities, which do not fall under above valuation norms, shall not exceed 5% of the total AUM of the scheme.

In case of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.

Investment in such securities is to be valued by a method approved by the Investment and Valuation Committee and the same will be reported to the Board of Trustees.

2.3.2 Unrealised Appreciation/Depreciation.

In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India, the unrealized appreciation determined separately for each individual investment is directly transferred to the “Unrealized Appreciation Reserve Account” i.e. without routing it through the revenue account.

The provision for depreciation in value of investments determined separately for each individual investment is recognized in the revenue account. The loss (realized) on investments sold / transferred during the year is charged to revenue account, instead of being first adjusted against the provision for depreciation, if already created in the prior year, as recommended by the said Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme’s net assets or results for the year.

2.4 Revenue Recognition

- 2.4.1 Income and Expenses are recognized on accrual basis.
- 2.4.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.
- 2.4.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.

Proportionate realized gains on investments out of sales / repurchase proceeds at the time of sale / repurchase of units are transferred to revenue Account from Unit Premium Reserve.

3. Net Asset Value for Growth/Dividend Options:

The net asset value of the units is determined separately for units issued under the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option – Direct. For reporting the net asset value of the Growth Option, Dividend Option, Growth Option – Direct and Dividend Option - Direct, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the scheme are allocated to the options in proportion to the value of the net assets.

4. Unit Premium Reserve Account

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve account of the Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the income equalization account.

5. Income Equalisation Account

An appropriate part of the sale proceeds or the redemption amount, as the case may be, is transferred to income equalization account. The total distributable surplus (without considering unrealized appreciation) upto the date of issue/ redemption of units has been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account on a daily basis. The net balance in this account is transferred to the Revenue Account at the end of the year.

6. Load Charges

The Entry load charges collected, if any are used to meet expenses as per the stipulated SEBI guidelines from time to time. Service tax on exit load , if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme.

7. Unclaimed Redemption.

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000, the unclaimed redemption and dividend amounts may be deployed by the mutual funds in call money market or money market instruments only and the investors who claim these amounts during a 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 can be transferred to a pool account and the investors can claim the unclaimed redemption amount at NAV prevailing at the end of the third year. The income earned on such funds can be used for the purpose of investor education. The AMC should make continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

8. NOTES TO THE ACCOUNTS**8.1 Management Fees , Trusteeship Fees, Custodian Fees****Management Fees**

The Management Fee (inclusive of service tax) has been computed at 0.83 % (P.Y.0.81%) on average net assets calculated on a daily basis.

Under the Variable Pricing Option, the AMC fee earned depends on the scheme's daily performance and the same has been computed on average net assets calculated on a daily basis.

The IMA fees are charged accordingly, on the basis of whether at least one of the two conditions is met.

(a) If NPR < Benchmark and NPR < 0	IMA fees = zero
(b) if either NPR > Benchmark or NPR > 0	Actual IMA fees = ½ of maximum permissible IMA fees
(c) if both NPR > Benchmark and NPR > 0	Actual IMA fees = maximum permissible IMA fees

- Net Portfolio Return (NPR) = Gross Portfolio Return(GPR) - Scheme expense
- IMA = Investment Management and Advisory fees
- GPR = Total Income during the day (Incl Net Appreciation / Depreciation) / Opening Net Assets*100
- Benchmark Return = ((Benchmark Value of today – Benchmark Value of yesterday) / Benchmark Value of yesterday)*(100*(365/1.25))

Trusteeship Fees & Expenses

In accordance with Deed of Trust dated 18th July 1996 between the Settler and the Trustees, the fund has paid or provided an annual fee of Rs.1,00,000/- per Trustee. Trusteeship fees & Expenses are allocated to the schemes on the basis of their daily average net assets.

Custodian Charges

HDFC Bank Ltd provides Custodial services for which fees is paid as per the agreement.

- 8.2** Provision for tax has not been made since the income of the scheme is exempt from tax under Section 10(23D) of the Income Tax Act, 1961.
- 8.3** Transactions with Brokers in excess of 5% or more of the aggregate purchases and sale of securities made by the Fund have been reported to the Trustees on a bimonthly basis
- 8.4** Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015, the aggregate market value of securities under Sahara Infrastructure Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (P.Y.166183.25) and Invested in CBLO is Rs 3,19,568.92(P.Y.999647.20).
- 8.5** During the Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs. 2,51,860.00 (P.Y.191101.00) constitutes 20.33% (P.Y.18.24%) and the custody fees amounting to Rs. 1,37,533.58 (P.Y.115590.77) constitutes 11.10% (P.Y.11.03%) of the total schemes expenses.

8.6 Transactions with Associates

Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8):

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	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Income Fund
0.01	0.01	-	0.33	0.01

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the previous 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

(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 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 (Rs cr and % of total business received by the fund)	Commission paid (Rs & % 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%)

In column No.4, the total business received by the fund includes business through ARNs & also direct business.

In column No 5, the amount includes the upfront and the trail.

Brokerage 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	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

There are no associate brokers, hence not applicable for the period April – Mar 2015 & April – Mar 2014.

8.7 The Aggregate value of purchases and sales of Investments during the year as a percentage of daily average net asset value;

Purchases

Year	Amount (Rs)	% of Daily average
2014-15	78,739,551	144.80
2013-14	133,153,341	287.34

Sales

Year	Amount (Rs)	% of Daily Average
2014-15	92,402,778	169.93
2013-14	136,726,576	295.05

8.8 Aggregate Appreciation and Depreciation in the value of Investments:

Asset Class	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Equity Shares	90.68	14.07	73.26	1.74

8.9 Income and Expense Ratio

	2014-15	2013-14
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	46.55%	0.78%
Total Expenditure (excluding Deferred Revenue Expenditure) to average net assets calculated on a daily basis	2.28%	2.27%

8.10 Movements in Unit Capital: Face Value of Units: Rs. 10/- per unit.**8.10.1 Fixed Pricing Option - Growth Option**

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	3908842.083	39088420.83	3908842.083	39088420.83
Opening Balance	710097.581	7100975.81	884954.543	8849545.43
Units Sold during the year	25531.623	255316.23	21526.306	215263.06
Units Repurchased during the year	(172233.600)	(1722336.00)	(196383.268)	1963832.68
Closing Balance	563395.604	5633956.04	710097.581	7100975.81

8.10.2 Fixed Pricing Option - Growth Option - Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	3422.391	34223.91	2326.827	23268.27
Units Sold during the year	6429.192	64291.92	2795.476	27954.76
Units Repurchased during the year	(6181.508)	(61815.08)	(1699.912)	(16999.12)
Closing Balance	3670.075	36700.75	3422.391	34223.91

8.10.3 Fixed Pricing Option - Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	3999162.348	39991623.48	3999162.348	39991623.48
Opening Balance	884751.766	8847517.66	1041912.031	10419120.31
Units Sold during the year	17078.719	170787.19	6991.070	69910.70
Units Repurchased during the year	(218340.778)	(2183407.78)	(164151.335)	(1641513.35)
Closing Balance	683489.707	6834897.07	884751.766	8847517.66

8.10.4 Fixed Pricing Option - Dividend Option- Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	5235.328	52353.28	5235.328	52353.28
Units Sold during the year	7563.057	75630.57	-	-
Units Repurchased during the year	(1849.580)	(18495.80)	-	-
Closing Balance	10948.805	109488.05	5235.328	52353.28

8.10.5 Variable Pricing Option – Growth Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	15622781.058	156227810.58	15622781.058	156227810.58
Opening Balance	1140579.887	11405798.87	1454151.045	14541510.45
Units Sold during the year	31741.716	317417.16	16521.595	165215.95
Units Repurchased during the year	(296676.469)	(2966764.69)	(330092.753)	(3300927.53)
Closing Balance	875645.134	8756451.34	1140579.887	11405798.87

8.10.6 Variable Pricing Option – Growth Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	3260.066	32600.66	1278.125	12781.25
Units Sold during the year	100037.437	1000374.37	3253.951	32539.51
Units Repurchased during the year	(58021.671)	(580216.71)	(1272.010)	(12720.10)
Closing Balance	45275.832	452758.32	3260.066	32600.66

8.10.7 Variable Pricing Option – Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	7613483.957	76134839.57	7613483.957	76134839.57
Opening Balance	1166960.405	11669604.05	1499192.780	14991927.80
Units Sold during the year	185340.152	1853401.52	3686.913	36869.13
Units Repurchased during the year	(497999.243)	(4979992.43)	(335919.288)	(3359192.88)
Closing Balance	854301.314	8543013.14	1166960.405	11669604.05

8.10.8 Variable Pricing Option – Dividend Option(Direct)

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	9964.873	99648.73	2612.641	26126.41
Units Sold during the year	8306.032	83060.32	7930.006	79300.06
Units Repurchased during the year	(6154.608)	(61546.08)	(577.774)	(5,777.74)
Closing Balance	12116.297	121162.97	9964.873	99648.73

8.11 The scheme has declared nil dividend during the year ended March 31, 2015 (PY: Nil). There was no bonus declared during the year ended March 31, 2015 (PY: Nil).

8.12 Unclaimed Amounts (Beyond three months):

Unclaimed Dividend & Redemption amounts as of March 31, 2015 are as below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No. of Investors	Unclaimed Redemption (Rs)
Sahara Infrastructure Fund	33	153,575.30	67	732,804.50

8.13 Investments made by the Schemes of Sahara Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net asset value of any scheme, pursuant to Regulation 25(11): **NIL**

8.14 Portfolio Statement as on March 31, 2015:

Name of the Instrument	ISIN	Quantity	Market Value (Rs. in Lakhs)	% to NAV	% to Category Total
1) Equity & Equity Related					
(a) Listed/awaiting Listing on Stock Exchange					
EQUITY SHARES					
CONSTRUCTION PROJECT				17.36	17.65
LARSEN AND TOUBRO LIMITED	INE018A01030	1610	27.69		
VOLTAS LTD.	INE226A01021	8000	22.39		
ASHOKA BUILDCON LTD	INE442H01029	10000	17.59		
TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED	INE286K01024	2900	11.32		
SADBHAV ENGINEERING LTD.	INE226H01026	3000	9.99		
CEMENT				15.41	15.66
PRISM CEMENT LTD.	INE010A01011	18000	18.12		
EVEREST INDUSTRIES LTD.	INE295A01018	5500	17.59		
HEIDELBERG CEMENT INDIA LTD	INE578A01017	22000	16.35		
ULTRATECH CEMENT LTD.	INE481G01011	500	14.39		
RAMCO INDUSTRIES LIMITED	INE614A01028	18000	12.54		
BANKS				10.11	10.27
ICICI BANK LTD	INE090A01021	6400	20.19		

AXIS BANK LIMITED	INE238A01034	3600	20.17		
BANK OF BARODA	INE028A01039	7000	11.45		
TRANSPORTATION				8.10	8.24
CONTAINER CORPORATION OF INDIA LTD	INE111A01017	1240	19.64		
ADANI PORTS & SEZ LTD	INE742F01042	3950	12.17		
IL&FS TRANSPORTATION NETWORKS LTD	INE975G01012	5000	9.72		
INDUSTRIAL CAPITAL GOODS				7.18	7.30
ALSTOM INDIA LIMITED	INE878A01011	3000	21.89		
CROMPTON GREAVES LTD	INE067A01029	9000	14.94		
POWER				6.43	6.54
PTC INDIA LTD	INE877F01012	21000	16.99		
POWER GRID CORPORATION OF INDIA LTD.	INE752E01010	11000	15.98		
PETROLEUM PRODUCTS				4.99	5.07
RELIANCE INDUSTRIES LTD	INE002A01018	1600	13.22		
HINDUSTAN PETROLEUM CORPORATION LTD	INE094A01015	1900	12.35		
INDUSTRIAL PRODUCTS				4.98	5.06
BHARAT FORGE LTD	INE465A01025	2000	25.54		
CONSTRUCTION				3.20	3.26
ITD CEMENTATION INDIA LIMITED	INE686A01018	2200	16.42		
AUTO ANCILLARIES				3.19	3.24
EXIDE INDUSTRIES LTD	INE302A01020	9200	16.35		
MINERALS/MINING				3.19	3.24
COAL INDIA LTD	INE522F01014	4500	16.33		
SOFTWARE				3.07	3.12
WIPRO Ltd	INE075A01022	2500	15.72		
AUTO				2.86	2.91
ASHOK LEYLAND LTD	INE208A01029	20000	14.66		
GAS				2.52	2.56
GAIL (INDIA) LTD	INE129A01019	3325	12.89		
TELECOM - SERVICES				2.14	2.18
TATA COMMUNICATIONS LTD	INE151A01013	2600	10.97		
FERROUS METALS				2.09	2.12
PENNAR INDUSTRIES LIMITED	INE932A01024	20000	10.71		
OIL				1.55	1.58
OIL & NATURAL GAS CORP LTD	INE213A01029	2595	7.95		
(b) Unlisted		Nil	Nil	Nil	Nil
Equity Total (a+b)		233120	504.19	98.37	100.00
2) Debt Instruments					
(a) Listed/awaiting Listing on Stock Exchange		Nil	Nil	Nil	Nil
(b) Privately Placed/Unlisted		Nil	Nil	Nil	Nil
(c) Securitised Debt		Nil	Nil	Nil	Nil
3) Money Market Instruments					
Collateralized Borrowing and Lending Obligation (CBLO)			3.20	0.62	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			5.15	1.01	100.00
Grand Total			512.54	100.00	100.00

Note : The market Value of Rs.3.20 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.009 lakhs. This accretion of discount is disclosed in the schedule 2 – Other Current Assets under the head – “Outstanding & Accrued Income” of the Balance sheet . The balance , being cost , of Rs. 3.20 Lakhs is shown in Schedule 2 of the Balance Sheet under CBLO Placement.

8.15 Investments made by the Scheme in shares of Group Companies of the Sponsor – **NIL**

8.16 Holdings over 25% of the NAV of the scheme.

Particulars	As on March 31, 2015	As on March 31, 2014
Number of Investors	0	0
Percentage of Holdings	N/A	N/A

8.17 Contingent Liability: Nil

8.18 The Mutual Fund was issued a notice by SEBI vide letter No. OW/31990/2014 dated 11th November, 2014 under Regulation No. 28(1) of the SEBI (Intermediaries) Regulations, 2008. The Mutual Fund and Trustees submitted reply to the Regulator on 27th December, 2014 followed by a personal hearing on 9th February 2015 wherein the management has given explanations and clarifications in the matter to the Regulator.

8.19 Previous year figures have been reclassified/regrouped, wherever necessary, to conform to the current year’s classification.

As per our attached report of even date

For Chaturvedi & Co
Chartered Accountants
Firm Regn. No.:- 302137E
S.N.Chaturvedi
Partner
Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**

O P Srivastava
Director

R M Joshi
Director

Naresh Kumar Garg
Chief Executive Officer

A.N.Sridhar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

For Sahara Mutual Fund
S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA INFRASTRUCTURE FUND	As at	As at	As at
PARTICULARS	31-Mar-15	31-Mar-14	31-Mar-13
	(Rs. Per Unit)	(Rs. Per Unit)	(Rs. Per Unit)
(a) Gross Income			
(i) Income other than Profit on sale of Investments	0.25	0.30	0.32
(ii) Income from Profit (net of loss) on inter-scheme sales/transfer of Investments	0.00	0.00	0.00
(iii) Income from Profit (net of Loss) on sale other than Inter scheme	5.54	-2.03	-1.71
(iv) Transfer to revenue account from past year's reserve	0.00	0.00	0.00
(b) Aggregate of expenses, write off, amortisation and charges	0.41	0.27	0.27
(c) Net Income	5.38	-2.00	-1.67
(d) Net unrealised appreciation/(diminution) in value of Investments	2.51	1.82	-1.06
(e) Net Asset Value			
Fixed Pricing - Dividend Plan	13.6148	9.9134	8.9940
Fixed Pricing - Growth Plan	18.6260	13.5605	12.3006
Variable Pricing - Dividend Plan	14.7449	10.6211	9.5443
Variable Pricing - Growth Plan	20.0429	14.4557	12.9892
Fixed Pricing - Direct Dividend Plan	13.6851	9.9405	8.9952
Fixed Pricing - Direct Growth Plan	18.6728	13.6040	12.3080
Variable Pricing - Direct Dividend Plan	14.8114	10.6548	9.5501
Variable Pricing - Direct Growth Plan	20.0905	14.4999	12.9979
(f) Repurchase Price during the year**			
(i) Highest			
Fixed Pricing - Dividend Plan	14.3702	9.8143	10.7155
Fixed Pricing - Growth Plan	19.6592	13.4249	14.6550
Variable Pricing - Dividend Plan	15.5506	10.5149	11.3419
Variable Pricing - Growth Plan	21.1381	14.3111	15.4357
Fixed Pricing - Direct Dividend Plan	15.6177	9.8411	10.7155
Fixed Pricing - Direct Growth Plan	21.1846	13.4680	14.6550

Variable Pricing - Direct Dividend Plan	14.4416	10.5483	11.3419
Variable Pricing - Direct Growth Plan	19.7049	14.3549	15.4361
(ii) Lowest			
Fixed Pricing - Dividend Plan	9.7711	7.1538	8.7633
Fixed Pricing - Growth Plan	13.3658	9.7845	11.9850
Variable Pricing - Dividend Plan	10.4710	7.6220	9.2581
Variable Pricing - Growth Plan	14.2516	10.3732	12.5997
Fixed Pricing - Direct Dividend Plan	9.7983	7.1626	8.7639
Fixed Pricing - Direct Growth Plan	13.4095	9.8017	11.9916
Variable Pricing - Direct Dividend Plan	10.5049	7.6347	9.3017
Variable Pricing - Direct Growth Plan	14.2958	10.3894	12.6600
(g) Resale Price during the year**			
(i) Highest			
Fixed Pricing - Dividend Plan	14.8420	9.9134	11.0672
Fixed Pricing - Growth Plan	20.3046	13.5605	15.1361
Variable Pricing - Dividend Plan	16.0611	10.6211	11.7143
Variable Pricing - Growth Plan	21.8320	14.4557	15.9424
Fixed Pricing - Direct Dividend Plan	14.5875	9.9405	10.8237
Fixed Pricing - Direct Growth Plan	19.9039	13.6040	14.8030
Variable Pricing - Direct Dividend Plan	15.7755	10.6548	11.4565
Variable Pricing - Direct Growth Plan	21.3986	14.4999	15.5920
(ii) Lowest			
Fixed Pricing - Dividend Plan	10.0919	7.2261	9.0510
Fixed Pricing - Growth Plan	13.8046	9.8833	12.3785
Variable Pricing - Dividend Plan	10.8148	7.6990	9.5620
Variable Pricing - Growth Plan	14.7195	10.4780	13.0134
Fixed Pricing - Direct Dividend Plan	9.8973	7.2349	8.8524
Fixed Pricing - Direct Growth Plan	13.5449	9.9007	12.1127
Variable Pricing - Direct Dividend Plan	10.6110	7.7118	9.3957
Variable Pricing - Direct Growth Plan	14.4402	10.4943	12.7879
(h) Ratio of expenses to average daily net assets by Percentage	0.02	2.26%	2.04%
(i) Ratio of income to average daily net assets by Percentage	0.47	0.78%	-18.24%

(excluding transfer to revenue account from past year's reserve but including net change in unrealized appreciation / depreciation in value of Investments and adjusted for net loss on sale / redemption of investments)			
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**Based on the maximum load during the year

Per unit calculations based on number of units in issue at the end of the period

Summary of the Substantive Provisions of the Trust Deed

The Trust Deed dated July 18, 1996, contains inter-alia, the following clauses that may be of material interest to the investor:

- Frame one or more schemes for the issue of units to be subscribed by the public or class of public or specified person or persons whether singly or otherwise and shall frame such rules and regulations for the issue, re-purchase and redemption thereof and for the distribution of income on units, and modify or alter the said rules and regulations as the Trustees may in their absolute discretion deem fit, the duration of each scheme being indefinite in the case of open-ended schemes.
- In carrying out his responsibilities as a member of the Board of Trustees of Sahara Mutual Fund, the individual trustee shall maintain an arm's length relationship with other companies, or institutions or financial intermediaries or any body corporate with which he/she may be associated in any capacity.
- A member of the Board of Trustees shall not participate in the meetings of the Board or in any decision making process for any investments in which he/she may be interested.
- All members of the Board of Trustees shall furnish to SEBI and the Board of Trustees the interest which he/she may have in any other company, or institution or financial intermediary or any corporate by virtue of his/her position as Director, partner or with which he/she may be associated in any other capacity.
- No member of the Board of Trustees of Sahara Mutual Fund shall be a member of the Board of Trustees of any other Mutual Fund and shall hold them in trust for the Unit holders.
- The Trustees shall take into their custody or under their control all the capital and other property of the various schemes of Sahara Mutual Fund and shall hold them in trust for the Unit holders.
- The Trustees shall supervise the collection of any income receivable by the Fund of any scheme thereunder and any claims for refund of taxes paid and shall hold any income received in trust for the Unit holders in accordance with the Deed of Trust and the guidelines issued by SEBI.
- It shall be the duty of the Trustees to act in the best interest of the Unit holders of the various schemes floated under the Deed of Trust at all times and the Trustees shall provide or cause to be provided to the Unit holders and SEBI such information as may be specified by SEBI from time to time.
- The Trustees shall take reasonable care to ensure that the funds under the schemes are managed by the AMC in accordance with the Deed of Trust and SEBI guidelines.

Duties And Responsibilities Of The Trustees

- The trustees and the AMC shall, with the prior approval of SEBI enter into an Investment Management Agreement.
- The investment management agreement shall contain such provisions as are mentioned in the fourth schedule of SEBI Regulations and such other provisions as are necessary for the purpose of making investments.
- The trustees shall have a right to obtain from the AMC such information as is considered necessary by the trustees.
- The trustees shall ensure before the launch of any scheme that the AMC has
 - ✓ Systems in place for its back office, dealing room and accounting.
 - ✓ Appointed all key personnel including Fund Managers for the Scheme and submitted their bio-data which shall contain the educational qualifications, past experience in the securities markets within 15 days of their appointment.
 - ✓ Appointed auditors to audit its accounts.
 - ✓ Appointed a Compliance Officer to comply with regulatory requirements and to redress investor grievances.

- ✓ Appointed Registrars and laid down parameters for their supervision.
 - ✓ Prepared a compliance manual and designed internal control mechanisms including internal audit systems.
 - ✓ Specified norms for empanelment of brokers and marketing agent.
 - ✓ obtained, wherever required under these regulations, prior in principle approval from the recognised stock exchange(s) where units are proposed to be listed.
 - ✓ The compliance officer appointed shall immediately and independently report to the Board any non-compliance observed by him.
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- The trustees shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
 - The trustees shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to interest of the Unit holders.
 - The trustees shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and the Scheme.
 - The trustee shall ensure that the AMC has been managing the Mutual Fund Scheme independently of other activities and has taken adequate steps to ensure that the interest of investors of those Scheme are not being compromised with those of any other Scheme or of other activities of the AMC.
 - The trustees shall ensure that all the activities of the AMC are in accordance with the provisions of the SEBI Regulations.
 - Where the trustees have reason to believe that the conduct of business of the Mutual Fund is not in accordance with the SEBI Regulations and the Scheme, they shall forthwith take such remedial steps as are felt necessary by them, and shall immediately inform SEBI of the violation and the action taken by them.
 - Each trustee shall file the details of his transactions (exceeding Rs.1 lakh) of dealing in securities with the Mutual Fund on a quarterly basis.
 - The trustees shall be accountable for, and be the custodian of the property of the respective Scheme and shall hold the same in trust for the benefit of the Unit holders in accordance with the SEBI Regulations and the provisions of the trust deed.
 - The trustees shall take steps to ensure that the transactions of the Mutual Fund are in accordance with the provisions of the trust deed.
 - 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 the SEBI Regulations and the trust deed.
 - No amendments shall be carried out without the prior approval of SEBI and unit holders approval would be obtained where it affects the interests of unit holders.
 - The trustees shall obtain the consent of the Unit holders:-
 - ✓ Whenever required to do so by SEBI in the interest of the Unit holder; or
 - ✓ Whenever required to do so on the requisition made by three fourths of the Unit holders of any Scheme or
 - ✓ When the majority of the trustees decide to wind up 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:-
 - ✓ A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspapers having nationwide circulation well as in a

newspaper published in the language of the region where the Head Office of the Mutual Fund is located;

- ✓ The Unit holders are given an option to exit at the prevailing net asset value without any exit load.
- The trustees shall call for the details of transactions in securities by the key personnel of the AMC in their own names or on behalf of the AMC and shall report to SEBI, on a six monthly basis.
- The trustees shall, on a quarterly basis, review all transactions carried out between the Mutual Fund, and AMC and its associates.
- The trustees shall review that net worth of the AMC on a quarterly basis and in case of any shortfall, ensure that the AMC make up for the shortfall as per clause (f) of sub-Regulations (1) of regulation 21 of SEBI Regulations.
- The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy themselves that such contracts are executed in the interests of the Unit holder.
- The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interests of the Unit holders.
- The trustees shall periodically review the investor complaints received and the redressal of the same by the AMC.
- The trustees shall abide by the code of conduct as specified in the fifth schedule of SEBI Regulations.
- The trustees shall furnish to SEBI, on a half yearly basis:-
 - ✓ A report on the activities of the Mutual Fund
 - ✓ 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 AMC.
 - ✓ A certificate to the effect that the AMC has been managing the Scheme independently of any other activities and in case any activities of the nature referred to in sub-regulations (2) of regulation 24 have been undertaken by the AMC and has taken adequate steps to ensure that the interests of the Unit holders are protected.
- The independent trustees referred to in sub-regulation (5) of regulation 16 of SEBI Regulations shall give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of group companies of the Sponsor.
- Disclosures to the investors:- The trustee 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.

The Trustees Shall Exercise Due Diligence As Under:

General:

- The Trustee shall be discerning in the appointment of the Board of Directors of the AMC.
- The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the Scheme and shall not allow the AMC to float new Schemes.
- The Trustee shall ensure that the trust property is properly protected, held and administered by proper person and by a proper number of such persons.
- The Trustee shall ensure that service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- The trustees shall arrange for test checks of service contracts.
- The trustees shall immediately report to SEBI any special developments in the Mutual Fund.
- 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.

Specific:

- Obtain internal audit reports at regular intervals from independent auditors appointed by the trustees.
- Obtain compliance certificates at regular intervals from the AMC.
- Hold meetings of trustees on a Bimonthly basis as per MFD/CIR/10/15895/2002 dt 20.08.2002.
- 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. The Trustees have formed an Audit Committee during their meeting on 7th September, 2001. The Audit committee members are Shri S R Hegde , Shri P V Rao and Dr P P Shastri and the quorum being any two members.
- Consider the reports of the independent auditor and compliance reports of AMC at the meetings of trustees for appropriate action.
- Maintain records of the decision of the trustees at their meetings and also the minutes of their meetings.
- Prescribe and adhere to a code of ethics by the trustees, AMC and its personnel.
- Communicate in writing to the AMC the deficiencies and checking the removal of deficiencies.
- Notwithstanding anything contained hereinabove the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
- The trustees shall pay specific attention to the following, as may be applicable, namely:
 - ✓ The investment management agreement and the compensation paid under the agreement.
 - ✓ Service contracts with affiliates, whether the AMC has charged higher fees than outside contractors for the same service.
 - ✓ Selection of the AMC's independent directors.
 - ✓ Securities transactions involving affiliates to the extent such transactions are permitted.
 - ✓ Selecting and nominating individuals to fill independent director's vacancies.
 - ✓ Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - ✓ The reasonableness of the fees paid to the Sponsor, AMC and any other for services provided.
 - ✓ Principal underwriting contracts and their renewals.
 - ✓ Any service contract with the associates of the AMC.
- **Power to make rules:-**

The trustee company may, from time to time, as per provisions of SEBI Regulations (with the prior permission from Unit holders, in case of change of fundamental attributes in accordance with Clause 15 of Regulation 18 of the SEBI (Mutual Funds) Regulations, 1996 and otherwise to be in conformity with the SEBI Regulations or to reflect the change in rules and regulations, generally applicable to mutual funds or trusts), prescribe such forms and make such rules for the purpose of giving effect to the provisions of the Scheme, with power to the Trustee company / Asset Management company to add to, alter or amend all or any of the forms and rules that may be framed from time to time.
- **Power to remove difficulties:-**

If any difficulty in giving effect to the provisions of the Scheme, the trustee company may take such steps which are not inconsistent with these provisions, which appear to them to be necessary or expedient, for the purpose of removing the difficulties.

INVESTOR SERVICE GUIDE

- **KNOW YOUR CUSTOMER (KYC):** Investors may submit the following documents/follow the procedure as stated below to comply with KYC requirements:

(a) KYC Form duly filled in; (b) Self attested copy of Proof of Identity (PAN) and self attested copy of proof of address; (c) In person verification is to be done by your distributor or any authorized person. Original documents need to be shown for verification which will be duly returned after checking the relevant information.

- **REGISTRATION OF NOMINATION:** Registration of nomination will facilitate easy transmission of units to the nominee(s), especially if the unit holding is single. Investors with single holding with no nomination are requested to obtain nomination form for registration of nomination.

- **MAILING OF ANNUAL REPORT OR ABRIDGED SUMMARY:** In order to bring cost effectiveness in printing and dispatching the annual reports or abridged summary and as a green initiative measure, unit holders are requested to provide their email addresses to enable the Abridged Annual Report and related documents to be forwarded by email. For those email addresses which are already registered with the Mutual Fund, the scheme annual accounts or abridged summary would be sent to these email addresses. The investors, who wish to obtain the Scheme Annual Accounts or Abridged summary etc. in physical form, may specifically communicate in writing for the same.

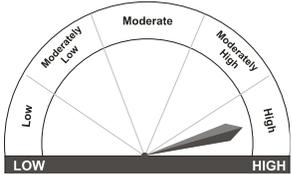
- **REGISTRATION OF MULTIPLE BANK ACCOUNTS FOR PAY-IN AND PAY-OUT:**

Registration of up to five bank accounts in case of individuals and HUF and upto ten bank accounts in case of non-individuals is now allowed after which investors can use any of the registered bank accounts to receive redemption / dividend proceeds. These accounts will also be used for verification of pay-ins (i.e. receiving of subscription funds) to ensure that a third party payment is not used for mutual fund subscription. Investors are requested to obtain relevant form for this purpose.

- **Product Labeling in Mutual Funds has been introduced by Mutual Funds:**

A system of Product Labeling that would provide investors an easy understanding of the kind of product/scheme they are investing in and its suitability to them has been introduced. SEBI has reviewed the system of product labeling in mutual funds and in partial modification to the aforesaid circular wherein the schemes were represented by means of colour coding, it has been decided that:

a. The level of risk in mutual fund schemes has been increased from three to five as under:

<ul style="list-style-type: none"> i. Low - principal at low risk ii. Moderately Low - principal at moderately low risk iii. Moderate - principal at moderate risk iv. Moderately High -- principal at moderately high risk v. High - principal at high risk 	<p style="text-align: center;">RISKOMETER – PICTORIAL DEPICTION</p> 
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- **RISKOMETER – PICTORIAL DEPICTION**

The depiction of risk using colour codes has been replaced by pictorial meter named “Riskometer” and this meter would appropriately depict the level of risk in any specific scheme. Investors are required to assess the risk of a particular scheme depicted by means of the riskometer before investing in the schemes of the Mutual Funds.

Investors are requested to refer to the website www.saharamutual.com for information about the schemes of SAHARA MUTUAL FUND through the Scheme Information Document, Statement of Additional Information and Key Information Memorandum, addendums / notices issued from time to time



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