



Annual Report 2014-15

SAHARA
R.E.A.L Fund

SAHARA
POWER & NATURAL RESOURCES Fund

SAHARA
BANKING & FINANCIAL SERVICES Fund

SAHARA
SUPER 20 Fund

SAHARA
STAR VALUE 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 R.E.A.L Fund (%)	59.15276	5.2275	Nov 27, 2007
CNX Nifty (%)	26.65195	5.5804	

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.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Power and Natural Resources Fund (%)	20.1172	5.9213	17 th June, 2008
CNX Nifty (%)	26.6520	9.2641	

“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 92 % of its net assets invested in equities and the balance in cash and cash receivables.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Banking and Financial Services Fund (%)			16 th Sept 2008
CNX Bank Nifty Index (%)			

“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.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Super 20 Fund (%)	20.5800	8.8984	31 st July 2009
CNX Nifty Index (%)	26.6520	11.2646	

“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 95 % of its net assets invested in equities and the balance 5% in current assets.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Star Value Fund (%)	34.8630	9.7849	14 th September, 2009
BSE 200 (%)	31.9317	11.0020	

“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 91 % 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 R.E.A.L Fund: The investment objective would be to provide long term capital gains by investing predominantly in equity / equity related instrument of companies in the Retailing, Entertainment & Media, Auto & auto ancillaries and Logistics sector.

Sahara Power and Natural Resources Fund: The investment objective is to generate long term capital appreciation through investment in equities and equity related securities of companies engaged in the business of generation, transmission, distribution of Power or in those companies that are engaged directly or indirectly in any activity associated in the power sector or principally engaged in discovery, development, production, processing or distribution of natural resources.

Sahara Banking and Financial Services Fund: The investment objective to provide long term capital appreciation through investment in equities and equities related securities of companies whose business comprise of Banking / Financial Services, either whole or in part.

Sahara Super 20 Fund: The investment objective of the scheme would be to provide long term capital appreciation by investing in predominantly equity and equity related securities of around 20 companies selected out of the top 100 largest market capitalization companies, at the point of investment.

Sahara Star Value Fund: The investment objective would be to provide long term capital appreciation by investing predominantly in equity / equity related instruments of select companies based on value parameters

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 R.E.A.L Fund	-	-	49	734,803.78
Sahara Power & Natural Resources Fund	5	8,558.10	19	254,257.08
Sahara Banking & Financial Services Fund	59	205,269.20	22	457,244.64
Sahara Super 20 Fund	-	-	13	178,873.31
Sahara Star Value Fund	11	34,518.28	8	147,801.75

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	

Sahara Mutual Fund – Equity Schemes – Vol 2 - 2014-15

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 R.E.A.L 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 R.E.A .L FUND	Schedule	As at March 31, 2015	As at March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	42,221,200	35,657,620
Other Current Assets	2	2,815,007	5,682,405
Total Assets		45,036,207	41,340,025
LIABILITIES			
Unit Capital	3	30,232,656	40,503,818
Reserves & Surplus	4	13,736,545	3,501,514)
Current Liabilities & Provisions	5	1,067,006	4,337,721
Total Liabilities		45,036,207	41,340,025
NET ASSET VALUE			
Net Asset Value per unit (Rs.)			
Dividend Plan		14.5394	9.1355
Growth Plan		14.5394	9.1355
Direct Dividend Plan		14.6385	9.1704
Direct Growth Plan		14.8144	9.1715

Significant Accounting Policies and Notes
to the accounts

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Schedules 1 to 5 and 6 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 R. E. A. L FUND	Schedule	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Dividend Income		364,410	318,134
Interest & Discount Income	6	98,320	226,697
Profit on Sale / Redemption of Investments(Net) (Other than Inter Scheme Transfer / Sale)		17,385,568	-
Total Income		17,848,298	544,831
EXPENSES & LOSSES			
Loss on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		-	1,233,380
Management Fees		553,538	450,006
ST on Management Fees		68,419	55,622
Investor Education & Awareness Fees		8,850	7,194
Registrar & Transfer Agent Charges		206,288	148,058
Custodian Fees		113,685	90,206
Fees & Expenses of Trustees		59,187	93,688
Statutory Audit Fees		50,364	39,955
Internal Audit Fees		85,969	66,728
Insurance		-	15,614
Costs related to Investor Communication		51,383	35,985
Transaction cost		16,247	22,941
Marketing & Selling Exps. Including agents commission		48,500	1,538
Total Expenses		1,262,430	2,260,915
Net Surplus for the Year		16,585,868	(1,716,084)
Provision / Write back for diminution in value of investments	7	(2,289,538)	4,597,627
Net Surplus for the Year (excluding unrealised appreciation)		14,296,330	2,881,543

Transfer from Income Equalisation Reserve		(308,519)	2,756,723
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		13,987,811	5,638,266

Significant Accounting Policies and Notes to the accounts

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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

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 'R.E.A.L. FUND' (Retailing, Entertainment & Media, Auto & auto ancillaries and Logistics Sector) (the "Scheme") is an open ended equity scheme of Sahara Mutual Fund (the "Fund"). The investment objective is to provide long term capital gains by investing predominantly in equity / equity related instrument of companies in the Retailing, Entertainment & Media, Auto & auto ancillaries and Logistics sector. 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 New Fund Offer period of the scheme was from 05/10/2007 to 02/11/2007. The scheme was a closed ended equity scheme with a provision to become open ended upon completion of three years from the date of allotment. Accordingly the scheme became an open ended scheme w.e.f 27th November, 2010.

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
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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 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

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 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\’s 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 R. E .A .L Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL(P.Y.2,38,888.43) and Invested in CBLO is Rs. 12,98,248.73 (P.Y.29,98,941.60)
- 8.5** During year ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs.2,06,288.00(P.Y.148057.93) constitutes 16.34% (P.Y.14.41%) 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	Nature of	Period	Business given	Commission paid
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/ related parties / group companies of Sponsor / AMC	association / nature of relation	Covered	(Rs cr and % of total business received by the fund)	(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 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	64,777,561	146.29
2013-14	80,325,217	223.13

Sales

Year	Amount (Rs)	% of Daily average
2014-15	78,724,629	177.78
2013-14	84,443,385	234.57

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	125.97	27.49	71.82	4.59

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.	62.55%	16.76%
Total Expenditure to average net assets calculated on a daily basis	2.85%	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 March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	10898668.702	108986687.02	10898668.702	108986687.02
Opening Balance	3168164.373	31681643.73	3985931.883	39859318.83
Units Sold during the year	13841.069	138410.69	-	-
Units Repurchased during the year	(753385.182)	97533851.82)	(817767.510)	(8177675.10)
Closing Balance	2428620.260	24286202.60	3168164.373	31681643.73

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	1641.205	16412.05	745.036	7450.36
Units Sold during the year	100834.358	1008343.58	896.169	8961.69
Units Repurchased during the year	(58816.699)	(588166.99)	-	-
Closing Balance	43658.864	436588.64	1641.205	16412.05

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	3653051.558	36530515.58	3653051.558	36530515.58
Opening Balance	875828.505	8758285.05	1216946.733	12169467.33
Units Sold during the year	12870.733	128707.33	844.243	8442.43
Units Repurchased during the year	(344122.8760)	(3441228.76)	(341962.471)	(3419624.71)
Closing Balance	544576.362	5445763.62	875828.505	8758285.05

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	4747.697	47476.97	372.465	3724.65
Units Sold during the year	2307.621	23076.21	4375.232	43752.32
Units Repurchased during the year	(645.1870)	(6451.87)	-	-
Closing Balance	6410.131	64101.31	4747.697	47476.97

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 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 R.E.A.L Fund.	-	-	49	734,803.78

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				23.64	24.61
MOTHERSON SUMI SYSTEMS LTD	INE775A01035	3500	18.02		
EXIDE INDUSTRIES LTD	INE302A01020	10000	17.78		
WABCO INDIA LTD	INE342J01019	275	15.70		
IGARASHI MOTORS INDIA LIMITED	INE188B01013	3500	13.45		
ASAHI INDIA GLASS LTD	INE439A01020	7500	10.87		
SUBROS LTD	INE287B01021	18000	10.22		
SUPRAJIT ENGINEERING LTD.	INE399C01030	7000	9.09		
UCAL FUEL SYSTEMS LTD.	INE139B01016	8000	8.78		
BANKS				13.30	13.85
UNION BANK OF INDIA	INE692A01016	14000	21.91		
DCB BANK LIMITED	INE503A01015	14000	15.53		
PUNJAB NATIONAL BANK	INE160A01022	7500	10.83		
UCO BANK	INE691A01018	16000	10.22		

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TRANSPORTATION				12.07	12.57
GATEWAY DISTRI PARKS LTD	INE852F01015	5700	23.42		
CONTAINER CORPORATION OF INDIA LTD	INE111A01017	1050	16.63		
TRANSPORT CORPORATION OF INDIA LTD	INE688A01022	5000	13.03		
INDUSTRIAL PRODUCTS				8.49	8.84
BHARAT FORGE LTD	INE465A01025	1400	17.88		
MAHINDRA CIE AUTOMOTIVE LIMITED	INE536H01010	4800	10.39		
SINTEX INDUSTRIES LIMITED	INE429C01035	7500	9.05		
CONSUMER DURABLES				7.41	7.72
WHIRLPOOL OF INDIA LTD.	INE716A01013	1680	12.36		
BATA INDIA LTD	INE176A01010	1000	10.91		
V I P INDUSTRIES LTD	INE054A01027	10000	9.31		
MEDIA & ENTERTAINMENT				6.07	6.33
T.V. TODAY NETWORK LTD	INE038F01029	7000	15.18		
ENTERTAINMENT NETWORK INDIA LTD	INE265F01028	1465	11.52		
AUTO				5.40	5.62
ASHOK LEYLAND LTD	INE208A01029	18000	13.19		
TVS MOTOR COMPANY LTD	INE494B01023	4000	10.55		
CONSUMER NON DURABLES				5.36	5.58
CCL PRODUCTS (INDIA) LTD.	INE421D01022	9000	16.09		
JYOTHY LABORATORIES LTD	INE668F01031	2800	7.48		
SOFTWARE				4.85	5.05
MASTEK LTD	INE759A01021	5000	21.33		
INDUSTRIAL CAPITAL GOODS				3.21	3.34
CROMPTON GREAVES LTD	INE067A01029	8500	14.11		
TEXTILE PRODUCTS				2.38	2.48
ARVIND LTD (EX-ARVIND MILLS LTD)	INE034A01011	4000	10.47		
FINANCE				2.27	2.36
CAPITAL FIRST LIMITED	INE688I01017	2500	9.99		
HOTELS, RESORTS AND OTHER RECREATIONAL ACTIVITIES				1.57	1.63
TAJ GVK HOTELS AND RESORTS LIMITED	INE586B01026	10000	6.90		
(b) Unlisted		Nil	Nil	Nil	Nil
Equity Total (a+b)			422.21	96.02	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)			12.98	2.95	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			4.50	1.03	100.00
Grand Total			439.69	100.00	100.00

Note : The market Value of Rs.12.98 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.12.98 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 Liabilities: 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

R M Joshi
Director

A.N.Sridhar
Fund Manager

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA R.E.A.L 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	0.15	0.13	0.20
(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	5.75	-0.30	-0.34
(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	0.42	0.25	0.24
(c) Net Income	5.49	-0.42	-0.39
(d) Net unrealised appreciation/(diminution) in value of Investments	3.26	1.66	-0.67
(e) Net Asset Value			
Dividend Plan	14.5394	9.1355	7.2350
Growth Plan	14.5394	9.1355	7.2350
Direct Dividend Plan	14.6385	9.1704	7.2425
Direct Growth Plan	14.8144	9.1715	7.2408
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	15.4712	9.0441	8.6646
Growth Plan	15.4713	9.0441	8.6647
Direct Dividend Plan	15.5692	9.0787	8.6648
Direct Growth Plan	15.7561	9.0798	8.6648
(ii) Lowest			
Dividend Plan	9.0707	6.4527	6.8590
Growth Plan	9.0707	6.4527	6.8591
Direct Dividend Plan	9.1054	6.4673	7.0257
Direct Growth Plan	9.1066	6.4665	7.0240

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(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	15.6275	9.1355	8.7521
Growth Plan	15.6276	9.1355	8.7522
Direct Dividend Plan	15.7265	9.1704	8.7523
Direct Growth Plan	15.9153	9.1715	8.7523
(ii) Lowest			
Dividend Plan	9.1623	6.5179	6.9283
Growth Plan	9.1623	6.5179	6.9284
Direct Dividend Plan	9.1974	6.5326	7.0967
Direct Growth Plan	9.1986	6.5318	7.0949
(h) Ratio of expenses to average daily net assets by Percentage			
	2.85%	2.85%	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)	62.55%	16.76%	-8.89%

*Annualized

**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 Banking and Financial Services 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 BANKING AND FINANCIALS SERVICES FUND	Schedule	As at March 31, 2015	As at March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	110,446,624	141,140,151
Other Current Assets	2	4,691,046	7,384,302
Total Assets		115,137,670	148,524,453
LIABILITIES			
Unit Capital	3	53,677,411	99,421,991
Reserves & Surplus	4	59,489,719	44,986,857
Current Liabilities & Provisions	5	1,970,540	4,115,605
Total Liabilities		115,137,670	148,524,453

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Dividend Plan	16.0986	11.6327
Growth Plan	45.5059	32.8543
Direct Dividend Plan	16.2326	11.6846
Direct Growth Plan	45.8125	32.9742

Significant Accounting Policies and Notes to the accounts

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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
Fund Chartered Accountants
Firm Regn. No.:- 302137E

For Sahara Asset Management Company
Private Ltd

For Sahara Mutual

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 BANKING AND FINANCIALS SERVICES FUND	Schedule	For the Year ended March 31, 2015	For the Year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Dividend Income		1,509,000	2,754,550
Interest & Discount Income	6	282,550	861,512
Profit on Sale / Redemption of Investments (Net)		45,346,365	-
(Other than Inter Scheme Transfer / Sale)			
Total Income		47,137,915	3,616,062
EXPENSES & LOSSES			
Loss on Sale / Redemption of Investments (Net)		-	10,379,389
(Other than Inter Scheme Transfer / Sale)			
Management Fees		1,712,920	1,914,241
ST on Management Fees		211,719	236,602
Investor Education & Awareness Fees		27,401	30,622
Registrar & Transfer Agent Charges		625,778	623,309
Custodian Fees		342,641	373,288
Fees & Expenses of Trustees		160,215	256,611
Statutory Audit Fees		152,774	167,073
Internal Audit Fees		244,757	268,411
Insurance		-	59,438
Costs related to Investor Communication		118,828	156,040
Transaction cost		48,226	96,396
Marketing & Selling Exps. Including agent commission		221,139	150,272
Total Expenses		3,866,398	14,711,692
Net Surplus for the Year		43,271,517	(11,095,630)
Provision/ Write Back for diminution in the value of Investment	7	(2,208,664)	10,658,939
Net Surplus for the Year (excluding unrealised appreciation)		41,062,853	(436,691)
Transfer from Income Equalisation Reserve		(21,877,767)	(8,853,379)
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		19,185,086	(9,290,070)

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
Fund** Chartered Accountants
Firm Regn. No.:- 302137E

**For Sahara Asset Management Company
Private Ltd**

For Sahara Mutual

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

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 Banking and Financial Services Fund is an open ended sectoral growth scheme of Sahara Mutual Fund (the “Fund”). The investment objective is to provide long term capital appreciation through investment in equities and equities related securities of companies engaged in Banking & Financial Services, either whole or in part 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 New Fund Offer period of the scheme was from 28/07/2008 to 26/08/2008.

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 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 be 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

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 % (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 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 Banking and Financial Services Fund but held in the name of Sahara Mutual Fund Being Invested in REPO is NIL (P.Y.NIL) and invested in CBLO is Rs.25,46,564.81 (P.Y.NIL)

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs.6,25,778.00 (P.Y.623309.00) Constitutes 16.19 % (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

(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 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	173,356,883	126.51
2013-14	845,466,282	552.11

Sales

Year	Amount (Rs)	% of Daily average
2014-15	254,056,134	185.40
2013-14	875,343,489	571.62

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	283.77	24.25	215.09	2.16

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.	53.34%	9.49%
Total Expenditure to average net assets calculated on a daily basis	2.82%	2.83%

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	1902668.279	19026682.79	1902668.279	19026682.79
Opening Balance	1263982.223	12639822.23	1835276.758	18352767.58
Units Sold during the year	132547.091	1325470.91	258532.191	2585321.91
Units Repurchased during the year	(605734.927)	(6057349.27)	(829826.726)	(8298267.26)

Closing Balance	790794.387	7907943.87	1263982.223	12639822.23
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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	88918.943	889189.43	74276.427	742764.27
Units Sold during the year	213817.650	2138176.50	164401.374	1644013.74
Units Repurchased during the year	(186794.263)	(1867942.63)	(149758.858)	(1497588.58)
Closing Balance	115942.330	1159423.30	88918.943	889189.43

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	356886.705	3568867.05	356886.705	3568867.05
Opening Balance	7955861.165	79558611.65	10267785.602	102677856.02
Units Sold during the year	85681.199	856811.99	718785.606	7187856.06
Units Repurchased during the year	(3982057.738)	(39820577.38)	(3030710.043)	(30307100.43)
Closing Balance	4059484.626	40594846.26	7955861.165	79558611.65

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	633436.646	6334366.46	644197.544	6441975.44
Units Sold during the year	100474.681	1004746.81	333557.812	3335578.12
Units Repurchased during the year	(332391.563)	(3323915.63)	(344318.710)	(3443187.10)
Closing Balance	401519.764	4015197.64	633436.646	6334366.46

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, 2015.

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 Banking and Financial Services Fund	59	205,269.20	22	457,244.64

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				91.30	93.55
HDFC BANK LTD	INE040A01026	28900	295.56		
ICICI BANK LTD	INE090A01021	86000	271.33		
AXIS BANK LIMITED	INE238A01034	25000	140.05		
STATE BANK OF INDIA	INE062A01020	37500	100.14		
CITY UNION BANK LIMITED	INE491A01021	60000	58.14		
YES BANK LTD.	INE528G01019	5325	43.44		
DCB BANK LIMITED	INE503A01015	25000	27.74		
INDUSIND BANK LIMITED	INE095A01012	3000	26.58		
CANARA BANK	INE476A01014	7000	25.75		
BANK OF INDIA	INE084A01016	10000	19.59		
UNION BANK OF INDIA	INE692A01016	11000	17.22		
UCO BANK	INE691A01018	12000	7.67		
FINANCE				6.30	6.45
BAJAJ FINANCE LIMITED	INE296A01016	1000	41.08		
MAX INDIA LTD	INE180A01020	7000	30.19		
(b) Unlisted		Nil	Nil	Nil	Nil
Equity Total (a+b)			1104.47	97.60	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)			25.47	2.25	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			1.73	0.15	100.00
Grand Total			1131.67	100.00	100.00

Note : The market Value of Rs.25.47 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.007 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. 25.46 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 Liabilities: 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

PERSPECTIVE HISTORICAL PER UNIT STATISTICS

SAHARA BANKING AND FINANCIAL SERVICES 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	0.33	0.36	0.34
(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	8.45	-1.04	2.33
(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	0.72	0.44	0.43
(c) Net Income	8.06	-1.12	2.24
(d) Net unrealised appreciation/(diminution) in value of Investments	4.83	2.14	-0.31
(e) Net Asset Value			
Dividend Plan	16.0986	11.6327	10.5807
Growth Plan	45.5059	32.8543	29.8674
Direct Dividend Plan	16.2326	11.6846	10.5887
Direct Growth Plan	45.8125	32.9742	29.8907
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	18.1980	11.7522	14.9432
Growth Plan	51.4321	33.1754	35.0853
Direct Dividend Plan	18.3390	11.7662	14.9435
Direct Growth Plan	51.7527	33.2198	35.0858
(ii) Lowest			
Dividend Plan	11.2782	8.0791	10.3337
Growth Plan	31.8559	22.8067	24.6465
Direct Dividend Plan	11.3305	8.0978	10.3398
Direct Growth Plan	31.9743	22.8529	29.1879

(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	18.7954	11.8709	15.4337
Growth Plan	53.1205	33.5105	36.2371
Direct Dividend Plan	18.5242	11.8850	15.0944
Direct Growth Plan	52.2755	33.5554	35.4402
(ii) Lowest			
Dividend Plan	11.6484	8.1607	10.6730
Growth Plan	32.9017	23.0371	25.4556
Direct Dividend Plan	11.4449	8.1796	10.4442
Direct Growth Plan	32.2973	23.0837	29.4827
(h) Ratio of expenses to average daily net assets by Percentage	2.82%	2.85%	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)	53.34%	9.49%	24.85%

**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 Power and Natural Resources 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 POWER AND NATURAL RESOURCES FUND	Schedule	As at March 31, 2015	As at March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	23,364,261	21,487,779
Other Current Assets	2	2,805,929	1,334,981
Total Assets		26,170,190	22,822,760
LIABILITIES			
Unit Capital	3	17,737,801	18,810,302
Reserves & Surplus	4	7,476,145	3,054,258
Current Liabilities & Provisions	5	956,244	958,200
Total Liabilities		26,170,190	22,822,760

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Dividend Plan	12.6045	10.4951
Growth Plan	14.7779	12.3029
Direct Dividend Plan	12.6859	10.5362
Direct Growth Plan	14.8477	12.3326

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
Fund**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
DirectorNaresh Kumar Garg
Chief Executive OfficerA.N.Sridhar
Fund Manager

Vidya Manjrekar

Head- Operations & NAV Accounting**For Sahara Mutual**S R Hegde
TrusteeP V Rao
Trustee**Place:** Mumbai**Date:** 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED March 31, 2015

SAHARA POWER AND NATURAL RESOURCES FUND	Schedule	For the year ended March 31, 2015	For the year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Dividend Income		383,821	558,412
Interest & Discount Income	6	68,185	146,497
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		4,325,632	-
Total Income		4,777,638	704,909
EXPENSES & LOSSES			
Loss on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		-	2,381,264
Management Fees		343,278	279,138
ST on Management Fees		42,431	34,503
Investor Education & Awareness Fees		5,485	4,459
STT Fees on Equity Transactions		-	-
Registrar & Transfer Agent Charges		126,391	92,092
Custodian Fees		69,534	56,023
Fees & Expenses of Trustees		30,541	50,721
Statutory Audit Fees		30,791	24,768
Internal Audit Fees		51,858	40,772
Insurance			9,530
Costs related to Investor Communication		23,435	22,471
Transaction cost		10,507	14,251
Marketing & Selling Exps. Including agents commission		43,017	8,359
Total Expenses		777,268	3,018,351
Net Surplus for the Year		4,000,370	(2,313,442)
Provision / Write back for diminution in value of Investments	7	(365,457)	3,783,874
Net Surplus for the Year (excluding unrealised appreciation)		3,634,913	1,470,432

Transfer from Income Equalization Reserve		(79,166)	(456,468)
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		3,555,747	1,013,964

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

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 MutualFund

S R Hegde P V Rao
Trustee Trustee

Place: Mumbai
Date: 19th May 2015

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 Power and Natural Resources Fund is an open ended growth scheme of Sahara Mutual Fund (the "Fund"). The investment objective is to generate long term capital appreciation through investment in equities and equity related securities of companies engaged in the business of generation, transmission, distribution of Power or in those companies that are engaged directly or indirectly in any activity associated in the power sector or principally engaged in discovery, development, production, processing or distribution of natural resources. 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 New Fund Offer period of the scheme was from 28/04/2008 to 27/05/2008.

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 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 : 1.40 %) 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\’s 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 Power & Natural Resources Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.623,187.20) and investment in CBLO is Rs.2,99,595.86 (PY: NIL)

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs.1,26,391.00 (PY: Rs.92,091.00) constitutes 16.26 % (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)
(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	36,104,212	131.47
2013-14	36,278,207	162.46

Sales

Year	Amount (Rs)	% of Daily average
2014-15	38,434,829	139.96
2013-14	40,639,954	181.99

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	34.92	5.59	32.45	1.93

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.	28.08%	6.16%
Total Expenditure to average net assets calculated on a daily basis	2.83%	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 March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	4493635.091	44936350.91	4493635.091	44936350.91
Opening Balance	1167392.125	11673921.25	1586185.556	15861855.56
Units Sold during the year	263725.901	2637259.01	6980.612	69806.12
Units Repurchased during the year	(321354.043)	(3213540.43)	(425774.043)	(4257740.43)
Closing Balance	1109763.983	11097639.83	1167392.125	11673921.25

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	6702.824	67028.24	13870.793	138707.93
Units Sold during the year	258783.226	2587832.26	35437.718	354377.18
Units Repurchased during the year	(67557.139)	(675571.39)	(42605.687)	(426056.87)
Closing Balance	197928.911	1979289.11	6702.824	67028.24

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	2094688.331	20946883.31	2094688.331	20946883.31
Opening Balance	700752.283	7007522.83	974430.544	9744305.44
Units Sold during the year	14905.816	149058.16	5863.701	58637.01
Units Repurchased during the year	(254852.729)	(2548527.29)	(279541.962)	(2795419.62)
Closing Balance	460805.370	4608053.70	700752.283	7007522.83

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	6182.966	61829.66	3348.473	33484.73
Units Sold during the year	3797.748	37977.48	3789.007	37890.07
Units Repurchased during the year	(4698.937)	(46989.37)	(954.514)	(9545.14)
Closing Balance	5281.777	52817.77	6182.966	61829.66

8.11 The scheme has declared nil dividends 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 Power & Natural Resources Fund	5	8558.10	19	254257.08

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					
POWER				21.01	22.68
POWER GRID CORPORATION OF INDIA LTD.	INE752E01010	8000	11.62		
PTC INDIA LTD	INE877F01012	13000	10.52		
TORRENT POWER LTD	INE813H01021	6000	9.81		
KALPATARU POWER TRANSMISSION LTD	INE220B01022	3900	8.56		
CESC LTD	INE486A01013	1300	7.85		
TATA POWER COMPANY LTD.	INE245A01021	6000	4.63		
INDUSTRIAL CAPITAL GOODS				19.76	21.32
ALSTOM INDIA LIMITED	INE878A01011	1400	10.21		

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CROMPTON GREAVES LTD	INE067A01029	5500	9.13		
APAR INDUSTRIES LTD.	INE372A01015	2300	8.52		
SIEMENS LTD	INE003A01024	600	8.38		
BHARAT HEAVY ELECTRICALS LTD	INE257A01026	2900	6.83		
ABB INDIA LIMITED	INE117A01022	500	6.30		
INOX WIND LIMITED		136	0.44		
CONSTRUCTION PROJECT				10.26	11.07
VOLTAS LTD.	INE226A01021	4000	11.19		
LARSEN AND TOUBRO LIMITED	INE018A01030	490	8.43		
TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED	INE286K01024	1600	6.25		
PETROLEUM PRODUCTS				6.25	6.75
RELIANCE INDUSTRIES LTD	INE002A01018	1200	9.91		
HINDUSTAN PETROLEUM CORPORATION LTD	INE094A01015	900	5.85		
GAS				5.70	6.15
INDRAPRASTHA GAS LTD	INE203G01019	2500	10.49		
GAIL (INDIA) LTD	INE129A01019	1000	3.88		
CHEMICALS				4.84	5.22
TATA CHEMICALS LTD	INE092A01019	2750	12.20		
MINERALS/MINING				4.32	4.66
COAL INDIA LTD	INE522F01014	3000	10.89		
CEMENT				3.79	4.09
PRISM CEMENT LTD.	INE010A01011	9500	9.56		
TRANSPORTATION				3.67	3.96
ADANI PORTS & SEZ LTD	INE742F01042	3000	9.25		
INDUSTRIAL PRODUCTS				3.39	3.66
FINOLEX CABLES LTD	INE235A01022	3000	8.54		
FINANCE				2.76	2.98
PTC INDIA FINANCIAL SERVICES LIMITED	INE560K01014	12600	6.96		
FERTILISERS				2.64	2.85
GUJARAT STATE FERTILIZERS & CHEMICALS LTD.	INE026A01025	8000	6.66		
OIL				2.43	2.62
OIL & NATURAL GAS CORP LTD	INE213A01029	2000	6.13		
AUTO ANCILLARIES				1.85	2.00
KESORAM INDUSTRIES LTD	INE087A01019	4000	4.67		
(b) Unlisted		Nil	Nil	Nil	Nil
Equity Total (a+b)			233.64	92.66	100
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		Nil	Nil	Nil	Nil
Collateralized Borrowing and Lending Obligation (CBLO)			3.00	1.19	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			15.50	6.15	100.00
Grand Total			252.14	100.00	100

Note : The market Value of Rs.3.00 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. 3.00 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 Liabilities: 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’s figures have been reclassified and regrouped wherever necessary to conform to the current year’s classification.

As per our attached report of even date

**For Chaturvedi & Co
Fund**

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

S R Hegde P V Rao
Trustee Trustee

Place: Mumbai

Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA POWER AND NATURAL RESOURCES 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	0.37	0.30
(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	2.44	-1.27	-1.53
(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	0.44	0.34	0.32
(c) Net Income	2.26	-1.23	-1.55
(d) Net unrealised appreciation/(diminution) in value of Investments	1.65	1.62	-1.41
(e) Net Asset Value			
Dividend Plan	12.6045	10.4951	8.5980
Growth Plan	14.7779	12.3029	10.0789
Direct Dividend Plan	12.6859	10.5362	8.6098
Direct Growth Plan	14.8477	12.3326	10.0855
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	14.2458	10.3901	10.1059
Growth Plan	16.6993	12.1799	11.8467
Direct Dividend Plan	14.3083	10.4308	10.1157
Direct Growth Plan	16.7476	12.2093	11.8467
(ii) Lowest			
Dividend Plan	10.3604	7.3591	8.4087
Growth Plan	12.1449	8.6267	9.8570
Direct Dividend Plan	10.4014	7.3767	8.4200
Direct Growth Plan	12.1748	8.6385	9.8631
(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	14.7135	10.4951	10.4377
Growth Plan	17.2475	12.3029	12.2356
Direct Dividend Plan	14.4528	10.5362	10.2081
Direct Growth Plan	16.9168	12.3326	11.9664
(ii) Lowest			
Dividend Plan	10.7005	7.4334	8.6847
Growth Plan	12.5436	8.7138	10.1806

Direct Dividend Plan	10.5065	7.4512	8.5050
Direct Growth Plan	12.2978	8.7258	9.9627
(h) Ratio of expenses to average daily net assets by Percentage	2.83%	2.85%	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)	28.08%	6.16%	-21.51%

**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 Super 20 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 SUPER 20 FUND	Schedule	As at March 31, 2015	As at March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	6,058,755	7,197,227
Other Current Assets	2	859,629	1,176,255
Total Assets		6,918,384	8,373,482
LIABILITIES			
Unit Capital	3	4,136,926	5,631,262
Reserves & Surplus	4	2,572,829	1,939,921
Current Liabilities & Provisions	5	208,629	802,299
Total Liabilities		6,918,384	8,373,482

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Dividend Plan	16.1972	13.4359
Growth Plan	16.2127	13.4456
Direct Dividend Plan	16.3503	13.5082
Direct Growth Plan	16.3453	13.5044

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 MutualFund

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 SUPER 20 FUND	Schedule	For the year ended March 31, 2015	For the year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Dividend Income		72,062	139,647
Interest & Discount Income	6	40,266	68,882
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		1,834,643	107,699
Total Income		1,946,971	316,228
EXPENSES & LOSSES			
Management Fees		93,784	101,402
ST on Management Fees		11,594	12,535
Investor Education & Awareness		1,494	1,615
Registrar & Transfer Agent Charges		34,447	33,385
Custodian Fees		19,307	20,776
Fees & Expenses of Trustees		10,234	13,889
Statutory Audit Fees		8,407	8,943
Internal Audit Fees		13,822	14,367
Insurance			3,230
Costs related to Investor Communication		8,843	8,263
Transaction cost		2,880	5,224
Marketing & Selling Exps. Including agent commission		7,428	7,091
Total Expenses		212,240	230,720
Net Surplus for the Year		1,734,731	85,508
Provision/ Write Back for diminution in the value of Investment	7	(233,580)	663,755
Net Surplus for the Year (excluding unrealised appreciation)		1,501,151	749,263

Sahara Mutual Fund – Equity Schemes – Vol 2 - 2014-15

Transfer from Income Equalisation Reserve		(666,109)	(562,842)
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		835,042	186,421

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

S.N.Chaturvedi
P V Rao
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 MutualFund

S R Hegde
Trustee **Trustee**

Place: Mumbai
Date: 19th May 2015

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 Super 20 Fund is an open ended growth scheme of Sahara Mutual Fund (the “Fund”). The investment objective of the scheme would be to provide long term capital appreciation by investing in predominantly equity and equity related securities of around 20 companies selected out of the top 100 largest market capitalization companies, at the point of investment. 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 New Fund Offer period of the scheme was from 25/06/2009 to 23/07/2009.

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.	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 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

Management Fees (inclusive of service tax) has been computed at 1.40 % (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 Super 20 Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.461,158.53) and investment in CBLO is Rs. 2,69,636.27 (PY: NIL)

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs.34,447.00 (PY: Rs.33,385.00) constitutes 16.23% (PY:14.47%) 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 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	12,652,285	168.63
2013-14	25,656,734	316.27

Sales

Year	Amount (Rs)	% of Daily average
2014-15	15,343,985	204.50
2013-14	27,761,304	342.21

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	7.12	2.40	7.60	0.07

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.	32.23%	13.18%
Total Expenditure to average net assets calculated on a daily basis	2.83%	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	1544460.958	15444609.58	1544460.958	15444609.58
Opening Balance	385853.261	3858532.61	568278.451	5682784.51
Units Sold during the year	12216.202	122162.02	42057.774	420577.74
Units Repurchased during the year	(144572.903)	(1445729.03)	(224482.964)	(2244829.64)
Closing Balance	253496.560	2534965.60	385853.261	3858532.61

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	16109.322	161093.22	14521.119	145211.19
Units Sold during the year	8674.247	86742.47	15301.954	153019.54
Units Repurchased during the year	(3072.432)	(30724.32)	(13713.751)	(137,137.51)
Closing Balance	21711.137	217111.37	16109.322	161093.22

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	482579.297	4825792.97	482579.297	4825792.97
Opening Balance	158064.678	1580646.78	221366.257	2213662.57
Units Sold during the year	0.000	0.00	523.697	5236.97
Units Repurchased during the year	(32381.751)	(323817.51)	(63825.276)	(638252.76)
Closing Balance	125682.927	1256829.27	158064.678	1580646.78

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	3098.861	30988.61	1803.611	18036.11

Units Sold during the year	10140.580	101405.80	2305.104	23051.04
Units Repurchased during the year	(437.494)	(4374.94)	(1009.854)	(10098.54)
Closing Balance	12801.947	128019.47	3098.861	30988.61

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 Super 20 Fund	-	-	13	178,873.31

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				23.16	25.65
ICICI BANK LTD	INE090A01021	1400	4.42		
HDFC BANK LTD	INE040A01026	385	3.94		
PUNJAB NATIONAL BANK	INE160A01022	1500	2.17		
STATE BANK OF INDIA	INE062A01020	700	1.87		
CANARA BANK	INE476A01014	500	1.84		
KOTAK MAHINDRA BANK LTD.	INE237A01028	100	1.31		
SOFTWARE				16.65	18.44
INFOSYS LIMITED	INE009A01021	220	4.88		
WIPRO Ltd	INE075A01022	600	3.77		
TECH MAHINDRA LTD	INE669C01036	400	2.52		
CONSUMER NON DURABLES				10.83	12.00

COLGATE-PALMOLIVE (INDIA) LTD	INE259A01022	150	3.02		
ITC LTD	INE154A01025	700	2.28		
HINDUSTAN UNILEVER LTD	INE030A01027	225	1.97		
CONSTRUCTION PROJECT				6.41	7.10
LARSEN AND TOUBRO LIMITED	INE018A01030	250	4.30		
PETROLEUM PRODUCTS				6.16	6.82
RELIANCE INDUSTRIES LTD	INE002A01018	500	4.13		
FINANCE				5.88	6.51
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	INE001A01036	300	3.95		
SERVICES				4.71	5.22
ADITYA BIRLA NUVO (INDIAN RAYON)	INE069A01017	190	3.16		
CEMENT				4.29	4.75
ULTRATECH CEMENT LTD.	INE481G01011	100	2.88		
OIL				3.65	4.05
OIL & NATURAL GAS CORP LTD	INE213A01029	800	2.45		
PHARMACEUTICALS				2.99	3.31
LUPIN LTD	INE326A01037	100	2.01		
INDUSTRIAL CAPITAL GOODS				2.81	3.11
BHARAT HEAVY ELECTRICALS LTD	INE257A01026	800	1.88		
AUTO				2.75	3.05
HERO MOTOCORP LTD	INE158A01026	70	1.85		
(b) Unlisted		Nil	Nil	Nil	Nil
Equity Total (a+b)			60.59	90.30	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)			2.70	4.02	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			3.81	5.68	100.00
Grand Total			67.10	100.00	100.00

Note : The market Value of Rs. 2.70 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.2.70 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 Liabilities: 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 MutualFund

S R Hegde P V Rao
Trustee **Trustee**

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA SUPER 20 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	0.27	0.37	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	4.43	0.19	0.43
(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	0.51	0.41	0.36
(c) Net Income	4.19	0.15	0.39
(d) Net unrealised appreciation/(diminution) in value of Investments	1.14	1.34	-0.70
(e) Net Asset Value			
Dividend Plan	16.1972	13.4359	11.3043
Growth Plan	16.2127	13.4456	11.3051
Direct Dividend Plan	16.3503	13.5082	11.3175
Direct Growth Plan	16.3453	13.5044	11.3160
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	17.2270	13.3015	12.5481
Growth Plan	17.2429	13.3111	12.5477
Direct Dividend Plan	17.3782	13.3731	12.6169
Direct Growth Plan	17.3728	13.3694	12.5477
(ii) Lowest			
Dividend Plan	13.1245	10.4706	10.2573
Growth Plan	13.1343	10.4764	10.2569
Direct Dividend Plan	13.2007	10.5008	11.0150
Direct Growth Plan	13.1968	10.4984	11.0136
(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	17.7925	13.4359	12.9600
Growth Plan	17.8090	13.4456	12.9596
Direct Dividend Plan	17.5537	13.5082	12.6750
Direct Growth Plan	17.5483	13.5044	12.6744

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(ii) Lowest			
Dividend Plan	13.5554	10.5764	10.5940
Growth Plan	13.5655	10.5822	10.5936
Direct Dividend Plan	13.3340	10.6069	11.1263
Direct Growth Plan	13.3301	10.6044	11.1248
(h) Ratio of expenses to average daily net assets by Percentage	2.83%	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)	32.23%	13.18%	0.39%

**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 Star Value 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 STAR VALUE FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	16,370,963	11,178,026
Other Current Assets	2	2,046,491	1,352,633
Total Assets		18,417,454	12,530,659
LIABILITIES			
Unit Capital	3	11,330,390	9,384,693
Reserves & Surplus	4	6,567,960	2,046,282
Current Liabilities & Provisions	5	519,104	1,099,684
Total Liabilities		18,417,454	12,530,659

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Dividend Plan	13.1757	11.3361
Growth Plan	16.7810	12.4430
Direct Dividend Plan	13.2823	11.4959
Direct Growth Plan	18.1539	12.5208

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
Fund**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
DirectorNaresh Kumar Garg
Chief Executive OfficerA.N.Sridhar
Fund ManagerVidya Manjrekar
Head- Operations & NAV Accounting**For Sahara Mutual**S R Hegde
TrusteeP V Rao
Trustee**Place:** Mumbai
Date: 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

SAHARA STAR VALUE FUND	Schedule	For the Year ended March 31, 2015	For the Year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Dividend Income		204,055	190,025
Interest & Discount Income	6	95,086	81,719
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		8,711,620	-
Net Income from Exit Load		252,498	3,678
Total Income		9,263,259	275,422
EXPENSES & LOSSES			
Loss on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		-	1,101,230
Management Fees		226,385	102,760
ST on Management Fees		27,982	12,702
Investor Education & Awareness Fees		4,352	2,070
Registrar & Transfer Agent Charges		97,218	42,277
Custodian Fees		53,510	26,281
Fees & Expenses of Trustees		22,713	17,625
Statutory Audit Fees		23,402	11,454
Internal Audit Fees		39,311	19,370
Insurance		-	4,670
Costs related to Investor Communication		35,197	10,227
Transaction cost		12,476	6,922
Marketing & Selling Exps. Including agents commission		9,670	8,709
Total Expenses		552,217	1,366,297
Net Surplus for the Year		8,711,042	(1,090,875)
Provision/ Write Back for diminution in the value of Investment	7	(1,906,972)	2,146,087

Net Surplus for the Year (excluding unrealised appreciation)		6,804,070	1,055,212
Transfer from Income Equalisation Reserve		(58,614)	101,600
Dividend paid including dividend distribution tax		(1,649,377)	-
Net Surplus transferred to Revenue Reserve		5,096,079	1,156,812

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
Fund**

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

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai

Date: 19th May 2015

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 Star Value Fund is an open ended growth scheme of Sahara Mutual Fund (the “Fund”). The investment objective would be to provide long term capital appreciation by investing predominantly in equity / equity related instruments of select companies based on value parameters 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 New Fund Offer period of the scheme was from 30/07/2009 to 28/08/2009.

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 CRISL/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 "Unrealised 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.
- 2.4.4 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 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 1.17 % (PY : 1.11 %) 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/s 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 Star Value Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.712,510.70) and investment in CBLO is Rs.12,58,302.61 (PY: NIL).

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agent amounting to Rs.97,218.00 (PY: Rs.42,277.00) constitutes 17.61% (PY:15.95%) 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 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	92,179,249	422.94
2013-14	26,197,344	252.25

Sales

Year	Amount (Rs)	% of Daily average
2014-15	92,579,527	424.78
2013-14	26,782,620	257.89

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	4.01	24.75	16.13	5.68

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.	32.99%	2.11%
Total Expenditure to average net assets calculated on a daily basis	2.53%	2.55%

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	877619.245	8776192.45	877619.245	8776192.45
Opening Balance	692007.629	6920076.29	863429.800	8634298.00
Units Sold during the year	630632.608	6306326.08	48185.332	481853.32
Units Repurchased during the year	(658580.980)	(6585809.80)	(219607.503)	(2196075.03)
Closing Balance	664059.257	6640592.57	692007.629	6920076.29

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	20385.562	203855.62	12598.436	125984.36
Units Sold during the year	770267.607	7702676.07	20141.662	201416.62
Units Repurchased during the year	(677141.4530)	(6771414.530)	(12354.536)	(123545.36)
Closing Balance	113511.716	1135117.16	20385.562	203855.62

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	542433.551	5424335.51	542433.551	5424335.51
Opening Balance	212006.582	2120065.82	280764.479	2807644.79
Units Sold during the year	1135380.061	11353800.61	17539.650	175396.50
Units Repurchased during the year	(1090680.344)	10906803.44	(86297.547)	(862975.47)
Closing Balance	256706.299	2567062.99	212006.582	2120065.82

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	14069.546	140695.46	7535.417	75354.17
Units Sold during the year	304210.347	3042103.47	9773.382	97733.82
Units Repurchased during the year	(219518.127)	2195181.27	(3239.253)	(32392.53)
Closing Balance	98761.766	987617.66	14069.546	140695.46

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

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 Star Value Fund	11	34,518.28	8	147,801.75

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				20.61	22.54
CANARA BANK	INE476A01014	2400	8.83		
UCO BANK	INE691A01018	13000	8.31		
SYNDICATE BANK	INE667A01018	8000	8.10		
UNION BANK OF INDIA	INE692A01016	4500	7.04		
PUNJAB NATIONAL BANK	INE160A01022	3200	4.62		
CONSTRUCTION PROJECT				13.55	14.81
TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED	INE286K01024	2400	9.37		
NCC LTD (Ex-NAGARJUNA CONSTRN CO. LTD)	INE868B01028	7000	7.84		
ASHOKA BUILDCON LTD	INE442H01029	4000	7.03		
INDUSTRIAL CAPITAL GOODS				12.90	14.10
CROMPTON GREAVES LTD	INE067A01029	6000	9.96		
WALCHANDNAGAR INDUSTRIES LTD	INE711A01022	3800	7.09		
SINTEX INDUSTRIES LIMITED	INE429C01035	5000	6.04		
POWER				11.62	12.70
KALPATARU POWER TRANSMISSION LTD	INE220B01022	3800	8.34		
CESC LTD	INE486A01013	1100	6.64		

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POWER GRID CORPORATION OF INDIA LTD.	INE752E01010	4000	5.81		
AUTO ANCILLARIES				6.65	7.27
EXIDE INDUSTRIES LTD	INE302A01020	3500	6.22		
SUBROS LTD	INE287B01021	10000	5.68		
CHEMICALS				5.69	6.22
ATUL LTD	INE100A01010	900	10.19		
SOFTWARE				5.24	5.73
MASTEK LTD	INE759A01021	2200	9.39		
PHARMACEUTICALS				3.73	4.08
DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED	INE353G01020	4000	6.68		
CONSTRUCTION				3.45	3.77
PRESTIGE ESTATES PROJECT LTD	INE811K01011	2300	6.17		
FERROUS METALS				3.29	3.60
PENNAR INDUSTRIES LIMITED	INE932A01024	11000	5.89		
CEMENT				2.95	3.23
MANGALAM CEMENT LTD	INE347A01017	2000	5.28		
(b) Unlisted					
FERTILISERS					
NAGARJUNA FERTILIZERS AND CHEMICALS LTD.(ex-Kakinada Fertilizers Ltd)	INE454M01024	25300	3.20	1.79	1.96
Equity Total (a+b)			163.71	91.47	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)			12.58	7.03	100.00
4) Short term Deposit		Nil	Nil	Nil	Nil
5) Other- Net Current Assets			2.69	1.50	100.00
Grand Total			178.98	100.00	100.00

Note : The market Value of Rs.12.58 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.003 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. 12.58 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
Fund**

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

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai

Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA STAR VALUE 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	0.49	0.29	0.34
(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	7.69	-1.17	-1.56
(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	0.49	0.28	0.30
(c) Net Income	7.69	-1.16	-1.53
(d) Net unrealised appreciation/(diminution) in value of Investments	-1.83	1.11	-2.33
(e) Net Asset Value			
Dividend Plan	13.1757	11.3361	8.8539
Growth Plan	16.7810	12.4430	9.6781
Direct Dividend Plan	13.2823	11.4959	8.9103
Direct Growth Plan	18.1539	12.5208	9.6926
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	17.0034	11.2227	11.2537
Growth Plan	19.1362	12.3186	12.3041
Direct Dividend Plan	17.0790	11.3809	11.2542
Direct Growth Plan	20.7373	12.3956	12.3050
(ii) Lowest			
Dividend Plan	11.2846	7.5332	8.6724
Growth Plan	12.3867	8.2452	9.4792
Direct Dividend Plan	11.4438	7.5951	8.7261

Direct Growth Plan	12.4641	8.2717	9.4922
(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	17.5616	11.3361	11.6232
Growth Plan	19.7644	12.4430	12.7080
Direct Dividend Plan	17.2515	11.4959	11.3679
Direct Growth Plan	20.9468	12.5208	12.4293
(ii) Lowest			
Dividend Plan	11.6551	7.6093	8.9571
Growth Plan	12.7933	8.3285	9.7903
Direct Dividend Plan	11.5594	7.6718	8.8142
Direct Growth Plan	12.5900	8.3553	9.5881
(h) Ratio of expenses to average daily net assets by Percentage			
	2.53%	2.55%	2.40%
(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)			
	32.99%	2.11%	-27.98%

**Based on the maximum load during the year

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

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.

- 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

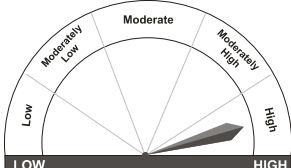
- **KNOW YOUR CUSTOMER (KYC):** Investors may submit the following documents/follow the procedure as stated below to comply with KYC requirements:
(a) KYC Form duly filled in; (b) Self attested copy of Proof of Identity (PAN) and self attested copy of proof of address; (c) In person verification is to 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:

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

<ol style="list-style-type: none"> Low - principal at low risk Moderately Low - principal at moderately low risk Moderate - principal at moderate risk Moderately High -- principal at moderately high risk 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



SAHARA MUTUAL FUND
97-98, 9TH Floor, ATLANTA
Nariman Point
Mumbai-400 021