



Annual Report 2014-15

SAHARA
GILT Fund

SAHARA
INCOME Fund

SAHARA
LIQUID Fund

SAHARA
CLASSIC Fund

SAHARA
INTERVAL Fund

SAHARA
SHORT TERM BOND 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

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

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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

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

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.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Gilt Fund (%)	7.9642	6.6722	February 21, 2002
I Sec Composite Gilt Index (%)	15.5785	NA*	

*As base date of index 31.3.2002

“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 99% in Collateralized Borrowing and Lending Obligation the balance in cash and cash receivables

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Income Fund (%)	8.0985	7.6587	February 21, 2002
CRISIL Composite Bond Fund Index (%)	14.5406	NA*	

*As base date of index 31.3.2002

“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 99% in Collateralized Borrowing and Lending Obligation the balance in cash and cash receivables

Performance as of March 31, 2015	1 year	Since inception	Inception date
Liquid Fund VPO -Variable Pricing Option (%)	8.2677	7.8991	19.02.2002
Liquid Fund FPO- Fixed Pricing Option (%)	8.0489	7.1832	
CRISIL Liquid Fund Index (%)	8.9757	7.4025/NA*	

* As Index launched on March 31, st, 2002. Face Value of Units – Rs.1000/-

“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 100% Collateralized Borrowing and lending Obligations.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Classic Fund (%)	7.8092	9.2427	February 1, 2008
CRISIL MIP Blended Index (%)	16.3932	7.7500	

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

As on March 31, 2015, the scheme had invested 97% in Collateralized Borrowing and Lending Obligation and 3% in cash and cash receivables.

Performance as of March 31, 2015	1 year	Since Inception	Inception date
Sahara Interval Fund – Quarterly Plan Sr 1 (%)	7.8993	7.9543	3 rd October 2008
CRISIL Liquid Fund Index (%)	8.98.14	7.6427	

“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 100% in reverse repo/current assets.

Performance as of March 31, 2015	1 year	Since inception	Inception date
Sahara Short Term Bond Fund (%)	8.1924	8.8085	13 th April 2009
CRISIL Liquid Fund Index (%)	8.9814	7.4488	

“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% in Collateralized Borrowing and Lending Obligation and 2% 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 Gilt Fund: The investment objective is to generate reasonable returns by investing in sovereign instruments issued by Central / State governments.

Sahara Income Fund: The primary objective of the scheme is to generate regular income and growth of capital through investment in debt instruments, money market and related securities while at all times emphasizing the importance of capital preservation.

Sahara Liquid Fund: The investment objective is to create a highly liquid portfolio of good quality debt as well as money market instruments with a view to provide high liquidity and reasonable returns to the unit holders, while at all times emphasizing the importance of capital preservation.

Sahara Classic Fund: The investment objective to the scheme is to generate returns by investing mainly in debt and debt related instruments including money market instruments and also to invest a portion of the fund in equity and equity related instruments to seek capital appreciation.

Sahara Interval Fund: The investment objective of the scheme is to generate returns with low volatility through a portfolio of debt and money market instruments with a provision to offer liquidity at periodic intervals.

Sahara Short Term Bond Fund: The investment objective of the Scheme is to generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt securities and money market securities

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 Short Term Bond Fund	-	-	1	12,637.89
Sahara Gilt Fund	2	1,289.55	0	0.00
Sahara Income Fund	14	8,968.04	13	91,186.36
Sahara Liquid Fund	0	0.00	1	31,529.54

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

Total Number of Folios under all schemes: 25894

Complaint Code	Type of Complaint#	(a) No. of Complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)								
				Resolved				*Non Actionable	Pending			
				Within 30 Days	30-60 Days	60-180 Days	Beyond 180 days		0-3 mths	3 - 6 mths	6-9 mths	9-12 mths
I A	Non receipt of Dividend on Units	0	3	3	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	4	4	0	0	0	0	0	0	0	0
I D	Interest on delayed Payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	1	1	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	10	10	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report /Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or Excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz.address, PAN,bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0
IV	Others**	0	6	6	0	0	0	4	0	0	0	0

including against its authorized persons/ distributors/ employees etc

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

** Not pertaining to Sahara Mutual Fund

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

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

Introduction

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

Philosophy and Guidelines of Voting Policy:

The AMC has a dual responsibility of a prudent Fund Manager investing investors’ money as well as of an entity performing the responsibility of protecting the investors’ interest. As part of the management of funds, irrespective of the scheme, the AMC ensures that investments are made in companies that meet investment norms. It is expected that the investee company adheres to proper corporate governance standards. The voting policy for the investee companies by the AMC is as under:

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

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

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

Disclosure of Voting policy and Maintenance of Records:

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

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

8. Statutory Information.

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

Acknowledgements

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

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

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

For and on behalf of Sahara Mutual Fund

S R Hegde
Trustee

Place: Mumbai
Date: 19th May 2015.

INDEPENDENT AUDITORS' CERTIFICATE ON QUARTERLY DISCLOSURE OF VOTES CAST

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

The Sahara Asset Management Company Private Limited (the "AMC") is responsible for preparation and maintenance of records of voting reports in accordance with the provisions of SEBI 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 Gilt 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 GILT FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	-	-
Other Current Assets	2	410,836	557,846
Total Assets		410,836	557,846
LIABILITIES			
Unit Capital	3	181,286	271,477
Reserves & Surplus	4	228,008	284,687
Current Liabilities & Provisions	5	1,542	1,682
Total Liabilities		410,836	557,846

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Growth Option **23.3247** 21.0675Dividend Option **19.4523** 18.0268Direct Growth Option **23.3256** 21.6106Direct Dividend Option **19.4523** 18.0268Significant Accounting Policies and
Notes to the accounts

7

Schedules 1 to 5 and 7 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: 040479O P Srivastava
DirectorR M Joshi
DirectorS R Hegde
Trustee P V Rao
TrusteeNaresh Kumar Garg
Chief Executive Officer Ashwini Kumar
Fund ManagerVidya Manjrekar
Head- Operations & NAV Accounting**Place:** Mumbai
Date: 19th May 2015

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REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015			
SAHARA GILT FUND	Schedule	For the year ended March 31, 2015	For the year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Interest & Discount Income	6	45,773	47,999
Total Income		45,773	47,999
EXPENSES & LOSSES			
Management Fees		444	461
ST on Management Fees		56	58
Investor Education and Awareness Fees		110	111
Registrar & Transfer Agent Charges		405	376
Custodian Fees		224	228
Fees & Expenses of Trustees		106	254
Statutory Audit Fees		100	102
Internal Audit Fees		164	169
Insurance		-	36
Costs related to Investor Communication		77	91
Transaction cost		229	58
Marketing & Selling Expns. Including Agents commission		1	13
Total Expenses		1,916	1,957
Net Surplus for the Year		43,857	46,042
Net Surplus for the Year (excluding unrealised appreciation)		43,857	46,042
Transfer from Income Equalisation Reserve		(88,232)	(25,989)
Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		(44,375)	20,053

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

Significant Accounting Policies and Notes
to the accounts 7

Schedule 6 & 7 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

Ashwini Kumar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

SCHEDULE: 7**ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015****1. INTRODUCTION****1.1 About the Scheme**

Sahara Gilt Fund (the “Scheme”) is an Open Ended Scheme of Sahara Mutual Fund (the “Fund”). The primary objective is generating risk-free return and to provide medium to long term capital gains emphasizing the importance of capital preservation and investments will solely be in sovereign securities issued by Central or State Government or any security unconditionally guaranteed by Government of India. In line with SEBI Circular for providing separate options for direct investments, the scheme has now four options (i) Growth Option (ii) Dividend Option (iii) Growth Option – Direct and Dividend Option – Direct. The scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value. The initial issue period of the scheme was from February 6, 2002 to February 14, 2002 and the scheme was reopened for continuous purchase and redemption at prevailing NAV from February 22, 2002.

1.2 Asset Management Company

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

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

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

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

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

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

2.2 Accounting for Investments

- 2.2.1 Purchase and sale of investments are accounted on trade dates at price including / net of brokerage and other charges. Stamp duty is accounted as an expense when paid for.
- 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 Primary market Investments are recognized on the basis of allotment advice.

2.3 Government Securities:

Government Securities are valued at the price released by an Agency (CRISIL) approved by AMFI, on daily basis.

2.3.1 Valuation of Investments

Valuation Policy as on 31.03.2015 is as under
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 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.

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 respective Options /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 ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees

Management Fees

Management Fee (inclusive of service tax) has been computed at 0.09 % (PY:0.09 %) on average net assets calculated on a daily basis

Trusteeship Fees & Expenses

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

Custodian Charges

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

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

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

8.4 Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities under

Sahara Gilt Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.549,443.38) and investment in CBLO is Rs. 4,06,451.72 (PY : NIL).

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs. 404.79 (PY : Rs.376.00), Custodian Fees amounting to Rs. 224.24 (PY : Rs.227.63), Transaction

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Cost amounting to Rs. 228.54 (PY: NIL) and Fees & expenses of Trustee amounting to NIL (PY : Rs.254.76) constitutes 21.13% (PY : 19.23%) ,11.71 % (PY : 11.64%) , 11.93 % (PY: NIL) and NIL (PY :13.03 %) respectively of the total schemes expenses.

8.6 Transactions with Associates

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

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

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

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

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

(Rs.In lakhs)

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

(Rs. in lakhs)

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

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

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

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

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

Brokerage paid to associates / related parties / group companies of Sponsor/AMC

Name of associate / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period Covered	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

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

8.7 Aggregate Value of purchases and sales (Including Redemption) of Investments during the year as a percentage of daily average net asset value;**Purchases**

Year	Amount in Rupees	% of Daily average
2014-15	NIL	NIL
2013-14	NIL	NIL

Sales

Year	Amount in Rupees	% of Daily average
2014-15	NIL	NIL
2013-14	NIL	NIL

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Scheme	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Government Securities	-	-	-	-

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.	7.98%	8.12%
Total Expenditure to average net assets calculated on a daily basis	0.33%	0.33%

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

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	544700.000	5447000.00	544700.000	5447000.00
Opening Balance	16368.345	163683.45	20880.350	208803.50
Units sold during the year	923.437	9234.37	1479.606	14796.06
Units repurchased during the year	(6921.504)	(69215.04)	(5991.611)	(59916.11)
Closing Balance	10370.278	103702.78	16368.345	163683.45

8.10.2 Growth Option-Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	-	-	-	-
Opening Balance	2279.382	22793.82	454.360	4543.60
Units sold during the year	3861.973	38619.73	1825.022	18250.22
Units repurchased during the year	(1883.049)	(18830.49)	-	-
Closing Balance	4258.306	42583.06	2279.382	22793.82

8.10.3 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	52642000.000	526420000.00	52642000.000	526420000.00
Opening Balance	8500.000	85000.00	8500.000	85000.00
Units Sold during the year	0.000	0.00	-	-
Units Repurchased during the year	(5000.000)	50000.00	-	-
Closing Balance	3500.000	35000.00	8500.000	85000.00

8.11 The Scheme has declared nil dividend during the year ended March 31, 2015 (PY:Nil). Further, 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 amounts as of March 31, 2015 are given below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Gilt Fund	2	1,289.55	-	-

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	Rating	Quantity	Mkt Value (Rs. In lakhs)	% of NAV	% NAV Category
1. Equity & Equity Related						
(a) Listed / awaiting listing on Stock Exchanges			Nil	Nil	Nil	Nil
(b) Unlisted			Nil	Nil	Nil	Nil
2. Debt Instruments						
(a) Listed						
Bonds			Nil	Nil	Nil	Nil
(b) Privately Placed / Unlisted						
Floating Rate NCDs			Nil	Nil	Nil	Nil
3. Money Market Instruments						
Certificate of Deposits			Nil	Nil	Nil	Nil
Commercial Papers			Nil	Nil	Nil	Nil
Collateralized Borrowing and Lending Obligation (CBLO)			Nil	4.06	99.31	100.00
4. Securitized Debt Instruments			Nil	Nil	Nil	Nil
5. Others - Short Term Deposits			Nil	Nil	Nil	Nil
6. Cash Receivables				0.03	0.69	100.00
TOTAL				4.09	100.00	100.00

Note: The market Value of Rs. 4.06 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.001 lakhs . This accretion of discount is disclosed in the schedule 2 – Other Current Assets under the head – “Outstanding & Accrued Income” of the Balance sheet . The balance , being cost , of Rs. 4.06 Lakhs is shown as in Schedule 2 of the Balance sheet under CBLO Placement.

8.15 Investments made by the scheme in Securities 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 Holding	NA	NA

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's figures have been reclassified and regrouped wherever necessary to conform to 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	Ashwini Kumar Fund Manager		
	Vidya Manjrekar Head- Operations & NAV Accounting			

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA GILT FUND	As at	As at	As at
Particulars	31-Mar-15	31-Mar-14	31-Mar-13
(a) Gross Income			
(i) Income other than Profit on sale of Investments	2.52	1.77	1.57
(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			
	0.00	0.00	0.00
(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	0.11	0.07	0.07
(c) Net Income	2.42	1.70	1.50
(d) Net unrealised appreciation/(diminution) in value of investments	0.00	0.00	0.00
(e) Net Asset Value			
Growth Plan	3.3247	1.6075	19.9930
Dividend Plan	9.4523	8.0268	16.6848
Direct Growth Plan	23.3256	21.6106	19.9970
Direct Dividend Plan	19.4523	18.0268	16.6848
(f) Repurchase Price during the year**			
(i) Highest			
Growth Plan	23.0915	21.3746	19.7758
Dividend Plan	19.2578	17.8326	16.5036
Direct Growth Plan	23.0923	21.3777	19.7796
Direct Dividend Plan	19.2578	17.8326	16.5036
(ii) Lowest			
Growth Plan	21.4020	19.8027	18.3652
Dividend Plan	17.8554	16.5260	15.3265
Direct Growth Plan	21.4051	19.8066	19.4339
Direct Dividend Plan	17.8554	16.5260	16.2183
(g) Resale Price during the year**			
(i) Highest			
Growth Plan	23.4413	21.5905	20.0755
Dividend Plan	19.5496	18.0127	16.7537
Direct Growth Plan	23.3256	21.5936	19.9794
Direct Dividend Plan	19.4523	18.0127	16.6703
(ii) Lowest			
Growth Plan	21.7263	20.0027	18.6435
Dividend Plan	18.1260	16.6929	15.5587

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Direct Growth Plan	21.6213	20.0067	19.6302
Direct Dividend Plan	18.0358	16.6929	16.3821
(h) Ratio of expenses to average daily net assets by percentage	0.33%	0.33%	0.34%
(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)	7.98%	8.12%	7.91%

**Based on the maximum load during the year

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

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Income 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 Income Fund	Schedule	As at	As at
		March 31, 2015	March 31, 2014
		(Rs)	(Rs)
ASSETS			
Investments	1	-	9,865,611
Other Current Assets	2	29,205,557	20,991,511
Total Assets		29,205,557	30,857,122
LIABILITIES			
Unit Capital	3	11,161,839	12,775,440
Reserves & Surplus	4	17,875,731	17,927,095
Current Liabilities & Provisions	5	167,987	154,587
Total Liabilities		29,205,557	30,857,122

NET ASSET VALUE

Net Asset Value per unit (Rs.)

i) Growth Option	26.3173	24.3494
ii) Dividend Option	21.6746	20.0538
iii) Direct Growth Option	26.3443	24.3643
vi) Direct Dividend Option	21.9137	20.0538

Significant Accounting Policies and Notes to the accounts

8

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

As per our attached report of even date

For Chaturvedi & Co

Chartered Accountants

Firm Regn. No.:- 302137E

S.N.Chaturvedi**Partner**

Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**

O P Srivastava

Director

R M Joshi

Director**For Sahara Mutual Fund**

S R Hegde

Trustee

P V Rao

Trustee

Naresh Kumar Garg

Chief Executive Officer

Ashwini Kumar

Fund Manager

Vidya Manjrekar

Head- Operations & NAV Accounting**Place:** Mumbai**Date:** 19th May 2015

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REVENUE ACCOUNT FUND FOR THE YEAR ENDED MARCH 31, 2015

SAHARA INCOME FUND	Schedule	For the year ended	For the year ended
		March 31, 2015	March 31, 2014
		(Rs)	(Rs)
INCOME			
Interest & Discount Income	6	4,062,800	4,972,183
Profit on Sale / Redemption of Investments (Net) (Other than Inter-Scheme Transfer / Sale)		113	789,222
Total Income		4,062,913	5,761,405
EXPENSES & LOSSES			
Management Fees		29,905	46,364
ST on Management Fees		3,697	5,732
Investor Education & Awareness Fees		10,000	11,787
Registrar & Transfer Agent Charges		36,664	42,146
Custodian Fees		19,857	22,948
Fees & Expenses of Trustees		7,423	20,133
Statutory Audit Fees		9,004	10,361
Internal Audit Fees		11,893	11,067
Insurance		-	2,679
Costs related to Investor Communication		7,087	13,702
Transaction cost		20,960	10,317
Marketing & Selling Exps. Including agents commission		79	527
Total Expenses		156,569	197,763
Net Surplus for the Year		3,906,344	5,563,642
Provision/ Write Back for diminution in the value of Investment	7	5,909	63,870
Net Surplus for the Year (excluding unrealised appreciation)		3,912,253	5,627,512
Transfer from Income Equalisation Reserve		30,842,476	(381,634,420)
Dividend paid including dividend distribution tax			

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		-	-
Net : Transferred to Revenue Reserve		34,754,729	(376,006,908)

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

Ashwini Kumar
Fund Manager

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai
Date: 19th May 2015

SCHEDULES FORMING PART OF THE BALANCE SHEET

SAHARA INCOME FUND		As at March 31, 2015 (Rs)		As at March 31, 2014 (Rs)
SCHEDULE 1				
Investments				
(Refer Note 8.14 of schedule 8 for detailed portfolio statement)				
Certificate of Deposits		-		9,865,611
		-		9,865,611
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current account		244,334		289,887
Outstanding and Accrued Income		7,787		69,709
Reverse Repo arrangements		-		20,542,665
CBLO Placements		28,853,281		-
Investment - Liquid MF units		100,155		89,250
		29,205,557		20,991,511
SCHEDULE 3				
Unit Capital				
Growth Option - 996350.285 units of Rs.10 each		9,963,500		11,351,281
(For 2013-14 - 1135128.497 of Rs.10 each)				
Dividend Option - 72827.485 units of Rs.10 each		728,275		944,277
(For 2013-14 - 94427.732 units of Rs.10 each)				
Direct Growth Option - 46887.657 units of Rs.10 each		468,875		479,882
(For 2013-14 - 47988.195 units of Rs.10 each)				
Direct Dividend Option 118.859 units of Rs.10 each		1,189		-
(For 2013-14 - Nil units of Rs.10 each)				

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Total		11,161,839		12,775,440
(Refer Note 8.10 of schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	17,059,046		393,065,954	
Transferred from Revenue Account	34,754,729		(376,006,908)	
Balance as at end of the year		51,813,775		17,059,046
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Addition during the year	30,842,476		(381,634,420)	
Transferred to Revenue Account	(30,842,476)		381,634,420	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		138,771	
Additions / (deletions) during the year	-		(138,771)	
Balance as at end of the year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	868,049		16,712,020	
Additions during the year, Net	(34,806,093)		(15,843,971)	
Balance as at end of the year		(33,938,044)		868,049
		17,875,731		17,927,095
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		13,045		11,721
Management Fees Payable		155		504
ST Management Fees Payable		19		62
Payable - Fee on Investor Education				

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		54,614		53,001
Dividend Payable to Unit Holder		8,968		8,968
Payable - Brokerage		-		50
Payable on Redemption of units		91,186		80,281
		167,987		154,587
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the year ended		For the year ended
SCHEDULE 6		March 31, 2015		March 31, 2014
		(Rs)		(Rs)
Interest & Discount Income				
Repo		343,755		1,795,492
Certificate of Deposit / Commercial Paper		157,830		2,250,350
CBLO		3,561,215		926,341
		4,062,800		4,972,183
SCHEDULE 7				
Provision / Write Back for diminution in the value of Investment				
At the beginning of the year		(5,909)		(69,779)
At the end of the year		-		(5,909)
		5,909		63,870

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 India Income Fund (the “Scheme”) is an Open Ended Income Scheme of Sahara Mutual Fund (the Fund”). The primary objective is generating regular income and also enable growth of capital through investment in debt instruments, money market and related securities and at all times emphasizes importance of capital preservation. In line with SEBI Circular for providing separate options for direct investments, the scheme has now four options (1) Growth Option (ii) Dividend Option (iii) Growth Option – Direct and (iv) Dividend Option – Direct. The scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value. The initial issue period of the scheme was from February 6, 2002 to February 14, 2002 and the scheme was reopened for continuous purchase and redemption at prevailing NAV from February 22, 2002.

1.2 Asset Management Company

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES**a. 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.

b. 2.2 Accounting for Investments

2.2.1 Purchase and sale of investments are accounted on trade dates at price including / net of brokerage and other charges. Stamp duty is accounted as an expense when paid for.

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 Primary Market Investments are recognized on the basis of allotment advice.

2.2.4 Front end fees on privately placed debentures have been adjusted to the cost of investments.

2.3 Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

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 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.

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 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 Interest on Debentures, Government of India securities and Money Market Instruments are recognized on accrual basis
- 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 respective Options / 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 Reserve

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

6 Load Charges

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

7. Unclaimed Redemption.

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

8. NOTES ON ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees

Management Fees

Management Fees (inclusive of service tax) has been computed at 0.07 % (PY :0.09 %) on average net assets calculated on a daily basis.

Trusteeship Fees & Expenses

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

Custodian Charges

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

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

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

8.4 Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities under Sahara Income Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.20,565,177.51)and investment in CBLO is Rs. 2,88,61,067.84 (PY : NIL)

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs 36,663.85 (PY: Rs.42,146.00), Custodian fees amounting to Rs. 19,857.40 (PY: Rs.22,948.26), Transaction Cost amounting to Rs.20,959.49 (PY: NIL) and Fees & Expenses of Trustees amounting to NIL(PY:Rs.20133.02) constitutes 23.42 % (PY: 21.31), 12.68% (PY:11.60), 13.39%(PY:NIL) and NIL (PY:10.18) respectively of the total schemes expenses.

8.6 Transactions with Associates

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

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

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

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

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

(Rs.In lakhs)

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

(Rs. in lakhs)

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

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

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

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

Brokerage paid to associates / related parties / group companies of Sponsor/AMC

Name of associate / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period Covered	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

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

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

Purchases

Year	Amount in Rupees	% of Daily average
2014-15	29,914,640	59.80
2013-14	3,025,428,905	5131.09

Sales

Year	Amount in Rupees	% of Daily average
2014-15	39,991,300	79.94
2013-14	3,694,874,534	6266.46

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Scheme	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Sahara Income Fund	-	-	-	-
Bonds/NCDs	-	-	-	-
MMI's	-	-	0.00	0.06
Government Securities	-	-	-	-

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.	8.12%	9.76%
Total Expenditure to average net assets calculated on a daily basis	0.31%	0.34%

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

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	20125350.000	201253500.00	20125350.000	201253500.00
Opening Balance	1135128.497	11351284.97	8708984.225	87089842.25
Units Sold during the year	157622.451	1576224.51	74734.294	747342.94
Units Repurchased during the year	(296400.663)	(2964006.63)	(7648590.022)	(76485900.22)
Closing Balance	996350.285	9963502.85	1135128.497	11351284.97

8.10.2 Growth Option –Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	-	-	-	-
Opening Balance	47988.195	479881.95	24176192.716	241761927.16
Units Sold during the year	7337622.573	73376225.73	769013.650	7690136.50
Units Repurchased during the year	(7338723.111)	(73387231.11)	(24897218.171)	(248972181.71)
Closing Balance	46887.657	468876.57	47988.195	479881.95

8.10.3 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	2405600.000	24056000.00	2405600.000	24056000.00
Opening Balance	94427.732	944277.32	100890.653	1008906.53
Units Sold during the year	287.513	2875.13	579.048	5,790.48
Units Repurchased during the year	(21887.760)	(218877.60)	(7041.969)	(70419.69)
Closing Balance	72827.485	728274.85	94427.732	944277.32

8.10.4 Dividend Option-Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on	As on	As on	As on
	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
Initial Capital	-	-	-	-
Opening Balance	0.000	0.00	54.690	546.90
Units Sold during the year	235.481	2354.81	-	-
Units Repurchased during the year	(116.622)	(1166.220)	(54.690)	(546.90)
Closing Balance	118.859	1188.59	0.000	0.00

8.11 The scheme has declared nil dividend during the year ended March 31, 2015 (PY: Nil) Further, 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 amounts as of March 31, 2015 are given below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Income Fund	14	8,968.04	13	91,186.36

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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	Rating	Quantity	Mkt Value (Rs. In lakhs)	% of NAV	% To Category
1. Equity & Equity Related						
(a) Listed / awaiting listing on Stock Exchanges			Nil	Nil	Nil	Nil
(b) Unlisted			Nil	Nil	Nil	Nil
2. Debt Instruments						
(a) Listed						
Bonds			Nil	Nil	Nil	Nil
(b) Privately Placed / Unlisted						
Floating Rate NCDs			Nil	Nil	Nil	Nil
3. Money Market Instruments						
Certificate of Deposits			Nil	Nil	Nil	Nil
Commercial Papers			Nil	Nil	Nil	Nil
Collateralized Borrowing and Lending Obligation (CBLO)			Nil	288.61	99.39	100.00
4. Securitized Debt Instruments			Nil	Nil	Nil	Nil
5. Others - Short Term Deposits			Nil	Nil	Nil	Nil
6. Cash Receivables				1.77	0.61	100.00
TOTAL			Nil	290.38	100.00	100.00

Note: The market Value of Rs. 288.61 Lakhs under CBLO includes "Accretion of discount " of Rs. 0.08 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. 288.53 Lakhs is shown in Schedule 2 of the Balance sheet under CBLO Placement.

8.15 Investments made by the scheme in Securities of Group Companies of the sponsor – NIL.

8.16 Holdings over 25% of the NAV of the scheme

Particulars	As on March 31, 2015	As on March 31, 2014
Number of Investors	1	1
Percentage of holdings	45.72	40.00

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'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 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	Ashwini Kumar Fund Manager		
	Vidya Manjrekar Head- Operations & NAV Accounting			

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA INCOME FUND Particulars	As at	As at	As at
	31-Mar-15	31-Mar-14	31-Mar-13
(a) Gross Income			
(I) Income other than Profit on sale of Investments	3.64	3.89	0.72
(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	0.00	0.62	0.00
(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	0.14	0.15	0.03
(c) Net Income	3.50	4.35	0.69
(d) Net unrealised appreciation/(diminution) in value of Investments	0.00	0.05	0.00
(e) Net Asset Value			
Growth Plan	26.3173	24.3494	22.4385
Dividend Plan	21.6746	20.0538	18.4800
Direct Growth Plan	26.6443	24.3643	22.4393
Direct Dividend Plan	21.9137	24.3494	18.4873
(f) Repurchase Price during the year**			
(i) Highest			
Growth Plan	26.1857	24.2084	22.3074
Dividend Plan	21.5662	19.9377	18.3721
Direct Growth Plan	26.2126	24.2233	22.3081
Direct Dividend Plan	21.8041	19.9377	18.3793
(ii) Lowest			
Growth Plan	24.2485	22.3572	20.4992
Dividend Plan	19.9707	18.4131	16.8830
Direct Growth Plan	24.2635	22.3580	21.8835
Direct Dividend Plan	19.9707	18.4207	18.0231

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

(g) Resale Price during the year**			
(i) Highest			
Growth Plan	26.3173	24.3301	22.4195
Dividend Plan	21.6746	20.0379	18.4644
Direct Growth Plan	26.3443	24.3450	22.4202
Direct Dividend Plan	21.9137	20.0379	18.4717
(ii) Lowest			
Growth Plan	24.3704	22.4695	20.6022
Dividend Plan	20.0711	18.5056	16.9678
Direct Growth Plan	24.3854	22.4704	21.9935
Direct Dividend Plan	20.0711	18.5133	18.1137
(h) Ratio of expenses to average daily net assets by percentage	0.31%	0.34%	0.34%
(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)	8.12%	9.76%	8.41%

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

**Based on the maximum load during the year

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Liquid 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 LIQUID FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	-	453,423,460
Other Current Assets	2	647,287,139	657,801,163
Total Assets		647,287,139	1,111,224,623
LIABILITIES			
Unit Capital	3	308,471,213	523,874,660
Reserves & Surplus	4	338,409,628	586,707,260
Current Liabilities & Provisions	5	406,298	642,703
Total Liabilities		647,287,139	1,111,224,623

NET ASSET VALUE**Net Asset Value Per Unit (Rs.)**

Fixed Dividend Plan	D	1,038.5713	1,037.9275
Fixed Growth Plan	G	2,484.2658	2,299.2047
Fixed Weekly Div Plan	FWD	1,027.4373	1,027.4373
Fixed Monthly Div Plan	FMD	1,043.3721	1,040.4535
Variable Daily Div Plan	VDD	1,038.6443	1,037.9791
Variable Weekly Div Plan	VWD	1,045.2918	1,044.1272
Variable Monthly Div Plan	VMD	1,046.6514	1,045.0378
Variable Growth Plan	VG	2,515.3224	2,323.2427
Fixed Direct Dividend Plan	DDP	1,038.5713	1,037.9275
Fixed Direct Growth Plan	GDP	2,485.2411	2,299.8880
Fixed Weekly Direct Div Plan	FWDDP	1,027.4373	1,027.4373
Fixed Monthly Direct Div Plan	FMDDP	1,043.3721	1,040.4535
Variable Daily Direct Div Plan	VDDDP	1,038.6443	1,037.9791
Variable Weekly Direct Div Plan	VWDDP	1,045.2918	1,044.1272
Variable Monthly Direct Div Plan	VMDDP	1,046.6514	1,049.4027
Variable Direct Growth Plan	VGDP	2,517.1139	2,324.3865

Significant Accounting Policies and Notes to the accounts

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SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

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

As per our attached report of even date

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

S.N.Chaturvedi
Partner
Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**

O P Srivastava
Director

R M Joshi
Director

Naresh Kumar Garg
Chief Executive Officer

Ashwini Kumar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai
Date: 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

SAHARA LIQUID FUND	Schedule	For the year ended March 31, 2015	For the year ended March 31, 2014
INCOME		(Rs)	(Rs)
Interest & Discount Income	6	55,396,030	110,082,819
Profit on Sale / Transfer of Investments (Net) (Other than Inter-Scheme Transfer / Sale)		2,483	250,114
Total Income		55,398,513	110,332,933
EXPENSES & LOSSES			
Management Fees		240700	972,984
ST on Management Fees		29751	120,262
Investor Education & Awareness fees		135300	256,556
Registrar & Transfer Agent Charges		349480	657,889
Custodian Fees		195567	391,497
Fees & Expenses of Trustees		104432	279,220
Statutory Audit Fees		87353	174,811
Internal Audit Fees		136643	284,103
Insurance		-	60,869
Costs related to Investor Communication		70520	160,053
Transaction cost		254045	228,829
Marketing & Selling Exps. Including agents commission		1178	14,920
Total Expenses		1,604,969	3,601,993
Net Surplus for the Year		53,793,544	106,730,940
Provision/ Write Back for diminution in the value of Investment	7	271,599	(167,616)
Net Surplus for the Year (excluding unrealised appreciation)		54,065,143	106,563,324
Transfer from Income Equalisation Reserve		(89,834,302)	62,706,609
Dividend paid including dividend distribution tax		(6,880,678)	(6,338,468)
Net : Transferred to Revenue Reserve		(42,649,837)	162,931,465

Significant Accounting Policies and Notes to the accounts

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

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

As per our attached report of even date

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

S.N.Chaturvedi
Partner
Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**

O P Srivastava
Director

R M Joshi
Director

Naresh Kumar Garg
Chief Executive Officer

Ashwini Kumar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai
Date: 19th May 2015

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SAHARA LIQUID FUND		As at		As at
SCHEDULES FORMING PART OF		March 31,		March 31,
BALANCE SHEET		2015		2014
		(Rs)		(Rs)
SCHEDULE 1				
Investments				
(Refer Note 8.14 of schedule 8 for detailed Portfolio statement)				
Certificate of Deposits		-		453,423,460
		-		453,423,460
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current accounts		879,157		1,297,498
Reverse Repo arrangements		-		24,485,197
Collatarised Borrowing		646,239,577		629,112,353
Outstanding and Accrued Income		168,403		2,906,113
Receivable on issue/ switch in of units		2		2
		647,287,139		657,801,163
SCHEDULE 3				
Unit Capital				
Fixed Dividend Option (55909.352 Units of Rs.1000 Each)	D	55,909,352	D	52,963,804
(For 2013-2014 - 52963.804 Units of Rs.1000 Each)				
Fixed Growth Option (4850.617 Units of Rs 1000 Each)	G	4,850,616	G	3,071,223
(For 2013-2014 - 3071.224 Units of Rs.1000 Each)				
Fixed Weekly Dividend Option (Nil Units of Rs.1000 Each)	FWD	-	FWD	-
(For 2013-2014 Nil Units of Rs.1000 Each)				
Fixed Monthly Dividend Option (Nil Units of Rs.1000 Each)	FMD	-	FMD	10,388
(For 2013-2014 - 10.388 Units of Rs.1000 Each)				
Variable Daily Dividend Option (31301.323 Units of Rs. 1000 Each)	VDD	31,301,323	VDD	29,659,678
(For 2013-2014 - 29659.678 Units of Rs.1000 Each)				
Variable Weekly Dividend Option (133.488 Units of Rs. 1000 Each)	VWD	133,489	VWD	256,784
(For 2013-2014 - 256.782 Units of				

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

Rs.1000 Each)				
Variable Monthly Dividend Option (2.685 Units of Rs. 1000 Each)	VMD	2,685	VMD	55,827
(For 2013-2014 - 55.827 Units of Rs.1000 Each)				
Variable Growth Option (152093.399 Units of Rs.1000 Each)	VG	152,093,399	VG	281,911,026
(For 2013-2014 - 281911.026 Units of Rs.1000 Each)				
Fixed Direct Dividend Option (Nil Units of Rs.1000 Each)	FDDP	-	FDDP	-
(For 2013-2014 - Nil Units of Rs.1000 Each)				
Fixed Direct Growth Option (53.072 Units of Rs 1000 Each)	FDG	53,072	FDG	56,916
(For 2013-2014 - 56.916 Units of Rs.1000 Each)				
Fixed Weekly Direct Dividend Option (Nil Units of Rs.1000 Each)	FWDDP	-	FWDDP	-
(For 2013-2014 - Nil Units of Rs.1000 Each)				
Fixed Monthly Dividend Option (Nil Units of Rs.1000 Each)	FMDDP	-	FMDDP	-
(For 2013-2014 - Nil Units of Rs.1000 Each)				
Variable Direct Daily Dividend Option (Nil Units of Rs. 1000 Each)	VDDDP	-	VDDDP	-
(For 2013-2014 - Nil Units of Rs.1000 Each)				
Variable Weekly Dividend Option (Nil Units of Rs. 1000 Each)	VWDDP	-	VWDDP	-
(For 2013-2014 - Nil Units of Rs.1000 Each)				
Variable Monthly Dividend Option (0.2980 Units of Rs. 1000 Each)	VMDDP	-	VMDDP	298
(For 2013-2014 Nil Units of Rs. 1000 Each)				
Variable Growth Option (64127.277 Units of Rs.1000 Each)	VGDP	64,127,277	VGDP	155,888,716
(For 2013-2014 - 155888.716 Units of Rs.1000 Each)				
Total		308,471,213		523,874,660
(Refer Note 8.10 of Schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	426,551,698		263,620,233	
Transferred from Revenue Account	(42,649,837)		162,931,465	
Balance as at end of the year				

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

		383,901,861		426,551,698
Income Equalisation Reserve				
Balance as at beginning of the year				
Additions during the year	(89,834,302)		62,706,609	
Transferred to Revenue Account	89,834,302		(62,706,609)	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		193,863	
Additions during the year	-		(193,863)	
Balance as at end of the year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	160,155,562		122,678,793	
Additions during the year, Net	(205,647,795)		37,476,769	
Balance as at end of the year		(45,492,233)		160,155,562
		338,409,628		586,707,260
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		120,644		297,225
Management Fees Payable		770		16,849
ST on Management Fees		95		2,083
Payable on Redemption of units		31,529		(0)
Dividend Payable		15,485		17,163
Payable - Units Dividend Tax		7,726		33,863
Switch out Payable		-		11,700
Payable - Fee on Investor Education		230,049		261,522
Payable - Brokerage		-		2,298
		406,298		642,703

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the year ended		For the year ended
		March 31, 2015		March 31, 2014
SCHEDULE 6		(Rs)		(Rs)
Interest & Discount Income				
Certificate of Deposits & Commercial Paper		5,412,916		78,833,143
Reverse Repose arrangements		433,292		5,614,744
Collateralised Borrowing and Lending Obligation (CBLO)		49,549,822		25,634,932
Net Income from Exit load		-		0
		55,396,030		110,082,819
SCHEDULE 7				
Provision / Write Back for diminution in the value of Investment				
At the beginning of the year		(271,599)		(103,983)
At the end of the year		-		(271,599)
		271,599		(167,616)

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 Liquid Fund (The “Scheme”) is an Open Ended Income Scheme of Sahara Mutual Fund (the “Fund”). The primary objective the scheme is to create a highly liquid portfolio of good quality Debt as well as Money Market Instruments with a view to provide high liquidity and reasonable returns. In line with SEBI Circular for providing separate options for direct investments , the scheme has Two options namely Fixed Pricing Option and Variable Pricing Option and sub options viz, (i) Growth option (ii) Daily Dividend Option, (iii) Weekly Dividend Option (iv) Monthly Dividend Option (v)Growth-Direct (vi)Daily Dividend -Direct (vii) Weekly Dividend –Direct (Viii) Monthly Dividend -Direct under both Fixed Pricing Option &)Variable Pricing Option. The Variable Pricing Option has been introduced under the scheme with effect from 27th October, 2005. The face value of units has been changed from Rs.10/- per unit to Rs.1000/- per unit by consolidation of units w.e.f 27th October, 2005. The Scheme will not declare dividend under the Growth Plan. The Income earned on such units will remain invested under the scheme and will be reflected in the Net Asset Value. The initial issue period of the scheme was from February 6, 2002 to February 14, 2002 and the scheme was open for continuous purchase and redemption at the prevailing NAV from February 20, 2002.

1.2 Asset Management Company

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

Sahara Asset Management Company Private Limited (“SAMCPL”), a company incorporated under the Companies Act, 1956, and 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

3. 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 counting for Investments

- 2.2.1 Purchase and sale of investments are accounted on trade dates at price including / net of brokerage and other charges. Stamp duty is accounted as an expense when paid for.
- 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 Primary market Investments are recognized on the basis of allotment advice.
- 2.2.4 Front end fees on privately placed debentures are adjusted to the cost of Investments.

2.3 Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

VALUATION OF DEBT INSTRUMENTS

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

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

	ii)	If Same Security not traded and reported on any of the public platforms.	The aggregated average matrices of CRISIL/ ICRA for the respective category or any other agencies as may be indicated from time to time by SEBI/AMFI for that day
4		Central Government Securities / State Government Securities / Treasury Bills/Cash Management Bill etc	The Aggregated average valuation as provided by CRISIL/ ICRA or any other agencies as may be indicated from time to time by SEBI/AMFI for that day

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

Sr. No.	Instrument		Valuation applicable on the day of valuation
1.	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc.		
	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 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. Scrip wise value for various debt instruments are also provided by CRISIL and ICRA. Trades are also reported and settled on various public platform.
4. Public platform for the purpose of valuation of security shall mean FIMMDA managed FTRAC, NSE, BSE, (except NSER- NSE retail and BSER- BSE Retail), RBI managed NDS-OM or any other Public

platform for Debt market launched from time to time. Market trades from different Platforms are usually collected by BILAV Information LLP, which may be used for the purpose of Valuation of traded security for which scrip wise values are not available from CRISIL/ICRA

5. The data on yield and prices are generally provided upto 4 decimal point which shall be considered and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where scrip 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 scrip 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 scrip 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 scrip 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.

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 Scrip 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 Unrealized 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 (realised) 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 impact on the Scheme’s net assets or the results for the year.

2.4 Revenue Recognition

2.4.1 Income and Expenses are recognized on accrual basis

2.4.2 Interest on Debentures, Government of India securities, Floating Rate Bonds and Money Instruments are recognized on accrual basis

2.4.3 Interest on funds invested in short-term deposits with scheduled commercial banks is recognized on accrual basis.

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.

4. Net Asset Value for Fixed & Variable Pricing Options

The net asset value of the units is determined separately for units issued under the Fixed Pricing Option & Variable Pricing Option each having sub options Growth, Daily Dividend, Weekly Dividend , Monthly Dividend, Growth -Direct , Dividend _direct , Weekly Dividend –Direct & Monthly Dividend – Direct. For reporting the net asset value of various options, 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

5. 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 respective Options / Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

6. Income Equalization Account

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

6 Load Charges

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

7. Unclaimed Redemption.

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

8. NOTES ON ACCOUNTS

8.1 Management Fees, Trustee Fees, Custodian Fees

Management Fees

The total Management Fees (inclusive of service tax) has been computed at **0.04%**(PY: 0.09%) on average net assets calculated on a daily basis.

Variable Pricing Option

Under the variable pricing option the AMC fee charged is based on the scheme's performance on a daily basis and is computed of average net assets calculated on a daily basis.

	1	2	3	4	5
Reference Point = MIBOR	Where NPR < Reference Point(i. e when NPR is negative)	Where NPR = Reference Point	Where NPR > Reference Point and the difference between the two is less than 10 basis points.	Where NPR > Reference Point and the difference between the two is greater than or equal to 10 basis points.(Subject to condition stated in column 5)	Where NPR > Reference Point plus 10% of Reference Point. plus 10 basis points
IMA	Nil	Nil	Charged to the extent of out performance only	0.25	0.25 plus additional AMC fees of 1 basis points would be charged for every 10 basis points of out performance as mentioned above

Net Portfolio Return (NPR) = Gross Portfolio Return-Scheme Recurring Expenses
IMA= Investment Management Advisory fees

GPR = Total Income during the day (Including Net Appreciation/Depreciation)/Opening net assets * 100
 Scheme Recurring Expenses is total expenses during the day excluding IMA

Fixed Pricing Option:

The Management Fees under this option has been computed on average net assets calculated on a daily basis.

Trusteeship Fees & Expenses

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

Custodian Charges

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

- 8.2** Provision for tax has not been made since the income of the Scheme is exempt from tax under Section 10(23D) of the Income Tax Act, 1961.
- 8.3** Transactions with Brokers in excess of 5% or more of the aggregate purchases and sale of securities made by the Fund has 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 Liquid Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.24,512,029.76) and investment in CBLO is Rs. 64,64,07,980.87 (PY: Rs. 629,822,470.62).
- 8.5** During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs.3,49,479.86 (PY: Rs.657889.00), Custodian fees amounting Rs.1,95,566.71 (PY:

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Rs.391496.58) and Transaction Cost amounting to Rs.2,54,045.24 (PY: NIL) constitutes 21.77 % (PY: 18.26%), 12.19% (PY: 10.87%) & 15.83% (PY:NIL) respectively of the total schemes expenses.

8.6 Transactions with Associates

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

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

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

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

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

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.42	0.1	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 in Rupees	% of Daily Average
2014-15	655,429,762	96.88
2013-14	89,537,792,827	6972.39

Sales

Year	Amount in Rupees	% of Daily Average
2014-15	1,116,709,383	165.06
2013-14	89,336,484,820	6956.71

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Scheme	31-Mar-15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Debentures & Bonds/PTC	-	-	-	-
MMI's	-	-	0.00	2.72

8.9 Income and Expense Ratio

	2014-15	2013-14
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	8.19%	8.57%
Total Expenditure to average net assets calculated on a daily basis	0.24%	0.28%

8.10 Movement in Unit Capital

8.10.1 Fixed Pricing Option – (Growth Option)

	Face Value (Rs.)	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
		As on	As on	As on	As on
		March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
Initial Capital	10	22977400.000	229774000.00	22977400.000	229774000.00
Opening Balance	1000	3071.224	3071224.00	1348.814	1348814.00
Units Sold during the period	1000	11138.412	11138412.00	17292.122	17292122.00
Units Repurchased during the period	1000	(9359.019)	(9359019.00)	(15569.712)	15569712.00
Closing Balance	1000	4850.617	4850617.00	3071.224	3,071,224.00

8.10.2 Fixed Pricing Option – Growth Option (Direct)

	Face Value (Rs.)	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
		As on	As on	As on	As on
		March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
Initial Capital	10	-	-	-	-
Opening Balance	1000	56.916	56916.00	48.313	48,313.00
Units Sold during the period	1000	249.589	249589.00	297.910	297,910.00
Units Repurchased during the period	1000	(53.433)	(253433.00)	(289.307)	(289,307.00)
Closing Balance	1000	53.072	53072.00	56.916	56,916.00

8.10.3 Fixed Pricing Option - Dividend Option (Daily Dividend)

	Face Value (Rs.)	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
		As on	As on	As on	As on
		March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
Initial Capital	10	5376000.000	53760000.00	5376000.000	53760000.00
Opening Balance	1000	52963.804	52963804.00	50057.748	50057748.00
Units Sold during the period	1000	2945.548	2945548.00	2906.056	2906056.00
Units Repurchased during the period	1000	0.000	0.00	-	-
Closing Balance	1000	55909.352	55909352.00	52963.804	52963804.00

8.10.4 Fixed Pricing Option - Dividend Option (Weekly 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	-	-	-	-
Opening Balance	-	-	-	-
Units Sold during the period	-	-	-	-
Units Repurchased during the period	-	-	-	-
Closing Balance of Rs.1000 each	-	-	-	-

8.10.5 Fixed Pricing Option - Dividend Option (Monthly 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	-	-	-	-
Opening Balance	10.388	10388.00	39.817	39,817.00
Units Sold during the period	0.000	0.00	2.150	2,150.00
Units Repurchased during the period	(10.388)	(10388.00)	(31.579)	(31,579.00)
Closing Balance of Rs.1000/- each.	0.000	0.00	10.388	10,388.00

8.10.6 Variable Pricing Option – (Growth Option)

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	1986915.353	1986915353.00	1986915.353	1986915353.00
Opening Balance	281911.026	281911026.00	323217.633	323217633.00
Units Sold during the period	24453.791	24453791.00	9737.962	9737962.00
Units Repurchased during the period	(154271.418)	(154271418.00)	(51044.569)	(51044569.00)
Closing Balance of Rs.1000 each	152093.399	152093399.00	281911.026	281911026.00

8.10.7 Variable Pricing Option – Growth Option(Direct)

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2014
Initial Capital	-	-	-	-
Opening Balance	155888.716	155888716.00	13139.366	13139366.00
Units Sold during the period	150662.914	150662914.00	910415.849	910415849.00
Units Repurchased during the period	(242424.353)	(242424353.00)	(767666.499)	(767666499.00)
Closing Balance of Rs.1000 each	64127.277	64127277.00	155888.716	155888716.00

8.10.8 Variable Pricing Option - Dividend Option (Daily Dividend)

	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	1760554.229	1760554229.00	1760554.229	1760554229.00
Opening Balance	29659.678	29659678.00	28003.604	28003604.00
Units Sold during the period	1692.102	1692102.00	1679.651	1679651.00
Units Repurchased during the period	(50.457)	(50457.00)	(23.577)	(23577.00)
Closing Balance of Rs.1000 each.	31301.323	31301323.00	29659.678	29659678.00

8.10.9 Variable Pricing Option - Dividend Option (Weekly 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	9766.992	9766992.00	9766.992	9766992.00
Opening Balance	256.782	256782.00	251.486	251486.00
Units Sold during the period	15.066	15066.00	14.603	14603.00
Units Repurchased during the period	(138.360)	(138360.00)	(9.307)	(9307.00)
Closing Balance of Rs.1000 each	133.488	133488.00	256.782	256782.00

8.10.10 Variable Pricing Option - Dividend Option (Monthly 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	6695.965	6695965.00	6695.965	6695965.00
Opening Balance	55.827	55827.00	213.469	213469.00
Units Sold during the period	3.149	3149.00	24.344	24344.00
Units Repurchased during the period	(56.2910)	(56291.00)	(181.986)	(181986.00)
Closing Balance of Rs.1000 each.	2.685	2685.00	55.827	55827.00

8.10.11 Variable Monthly - 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	0.298	298.00	-	-
Units Sold during the period	0.000	0.00	19.130	19130.00
Units Repurchased during the period	(0.298)	(298.00)	(19.082)	(19082.00)
Closing Balance of Rs.1000 each.	0.000	0.00	0.298	298.00

8.11 The Scheme has declared the following dividend per unit during the financial year. There was no Bonus declared during the year ended March 31, 2015.

Option	Face Value (Rs)	Period	Dividend per unit (Rs.)
Fixed Pricing Option- Daily Dividend Option	1000/-	01/04/2014 to 31/03/2015	79.7470
Fixed Pricing Option- Weekly Dividend Option	1000/-	01/04/2014 to 31/03/2015	0.0000
Fixed Pricing Option- Monthly Dividend Option	1000/-	01/04/2014 to 31/03/2015	5.4062
Variable Pricing Option- Daily Dividend Option	1000/-	01/04/2014 to 31/03/2015	81.8479
Variable Pricing Option- Weekly Dividend Option	1000/-	01/04/2014 to 31/03/2015	81.8730
Variable Pricing Option- Monthly Dividend Option	1000/-	01/04/2014 to 31/03/2015	81.5580
Variable Pricing Option- Daily Dividend Option: Direct	1000/-	01/04/2014 to 31/03/2015	75.5654
Variable Pricing Option- Monthly Dividend Option: Direct	1000/-	01/04/2014 to 31/03/2015	45.2437

The Dividend Per Unit disclosed is cumulative for the period mentioned against each option.

Option	Face Value (Rs)	Period	Dividend per unit (Rs.)
Fixed Pricing Option- Daily Dividend Option	1000/-	01/04/2013 to 31/03/2014	78.0389
Fixed Pricing Option- Weekly Dividend Option	1000/-	01/04/2013 to 31/03/2014	0.0000
Fixed Pricing Option- Monthly Dividend Option	1000/-	01/04/2013 to 31/03/2014	74.5413
Variable Pricing Option- Daily Dividend Option	1000/-	01/04/2013 to 31/03/2014	79.4405
Variable Pricing Option- Weekly Dividend Option	1000/-	01/04/2013 to 31/03/2014	76.0332
Variable Pricing Option- Monthly Dividend Option	1000/-	01/04/2013 to 31/03/2014	76.2735
Variable Pricing Option- Daily Dividend Option: Direct	1000/-	01/04/2013 to 31/03/2014	3.3358
Variable Pricing Option- Monthly Dividend Option: Direct	1000/-	01/04/2013 to 31/03/2014	24.1235

The Dividend per Unit disclosed is cumulative for the period mentioned against each option.

8.12 Unclaimed Amounts (beyond three months):

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

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Liquid Fund	-	-	1	31,529.54

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	Rating	Quantity	Mkt Value (Rs. In lakhs)	% of NAV	% NAV Category
1. Equity & Equity Related						
(a) Listed / awaiting listing on Stock Exchanges			Nil	Nil	Nil	Nil
(b) Unlisted			Nil	Nil	Nil	Nil
2. Debt Instruments						
(a) Listed						
Bonds			Nil	Nil	Nil	Nil
(b) Privately Placed / Unlisted						
Floating Rate NCDs			Nil	Nil	Nil	Nil
3. Money Market Instruments						
Certificate of Deposits			Nil	Nil	Nil	Nil
Commercial Papers			Nil	Nil	Nil	Nil
Collateralized Borrowing and Lending Obligation (CBLO)			Nil	6464.08	99.93	100.00
4. Securitised Debt Instruments			Nil	Nil	Nil	Nil
5. Others - Short Term Deposits			Nil	Nil	Nil	Nil
6. Cash Receivables				4.73	0.07	100.00
Total			Nil	6468.81	100.00	100.00

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Note: The market Value of Rs. 6464.08 Lakhs under CBLO includes “Accretion of discount “ of Rs. 1.68 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. 6462.40 Lakhs is shown as in Schedule 2 of the Balance sheet under CBLO Placement.

8.15 Investments made by the scheme in Securities of Group Companies of the sponsor – NIL

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

Particulars	As on March 31, 2005	As on March 31, 2014
Number of Investors	1	2
Percentage of Holdings	49.94	53.21

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

As per our attached report of

For Chaturvedi & Co

Chartered Accountants

Firm Regn. No.:- 302137E

S.N.Chaturvedi

Partner

Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**

O P Srivastava

Director

R M Joshi

Director

For Sahara Mutual Fund

S R Hegde

Trustee

P V Rao

Trustee

Naresh Kumar Garg
Chief Executive Officer

Ashwini Kumar
Fund Manager

Vidya Manjrekar

Head- Operations & NAV Accounting

Place: Mumbai

Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA LIQUID 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	179.58	210.13	404.26
(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	0.01	0.48	4.21
(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	5.20	6.88	11.00
(c) Net Income	174.39	203.73	397.48
(d) Net unrealised appreciation/(diminution) in value of Investments	0.00	-0.52	0.22
(e) Net Asset Value			
Fixed Growth Plan	2,484.2658	2,299.2047	2,118.0089
Fixed Dividend Plan	1,038.5713	1,037.9275	1,030.9842
Fixed Weekly Dividend Plan	1,027.4373	1,027.4373	1,027.4373
Fixed Monthly Dividend Plan	1,043.3721	1,040.4535	1,029.5842
Variable Growth Plan	2,515.3224	2,323.2427	2,137.1592
Variable Dividend Plan	1,038.6443	1,037.9791	1,031.0038
Variable Weekly Dividend Plan	1,045.2918	1,044.1272	1,033.2897
Variable Monthly Dividend Plan	1,046.6514	1,045.0378	1,034.1871
Fixed Direct Dividend Plan	1,038.8267	1,037.9275	1,030.9842
Fixed Direct Growth Plan	2,485.2411	2,299.8880	2,118.2967
Fixed Weekly Direct Div Plan	1,027.4373	1,027.4373	1,027.4373
Fixed Monthly Direct Div Plan	1,043.3721	1,040.4535	1,029.5842
Variable Daily Direct Div Plan	1,038.8267	1,037.9791	1,031.0038
Variable Weekly Direct Div Plan	1,045.2918	1,044.1272	1,033.2897
Variable Monthly Direct Div Plan	1,055.8972	1,049.4027	1,034.1871
Variable Growth Direct Plan	2,517.1139	2,324.3865	2,137.4154
(f) Repurchase Price during the year			
(I) Highest			
Fixed Growth Plan	2484.2658	2299.2047	2,118.0089
Fixed Dividend Plan	1038.5715	1037.9285	1,031.0906
Fixed Weekly Dividend Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Dividend Plan	1043.3721	1046.8406	1,036.1547
Variable Growth Plan	2515.3224	2323.2427	2,137.1592

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Variable Dividend Plan	1038.6443	1037.9791	1,031.1038
Variable Weekly Dividend Plan	1046.2688	1044.7036	1,034.2328
Variable Monthly Dividend Plan	1053.1549	1051.0534	1,040.6033
Fixed Direct Dividend Plan	1038.5715	1037.9285	1,031.0906
Fixed Direct Growth Plan	2485.2411	2299.8880	2,118.2967
Fixed Weekly Direct Div Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Direct Div Plan	1043.3721	1046.8406	1,036.1547
Variable Daily Direct Div Plan	1038.8267	1037.9791	1,031.1038
Variable Weekly Direct Div Plan	1046.2688	1044.7036	1,034.2328
Variable Monthly Direct Div Plan	1061.6254	1053.7735	1,040.6033
Variable Growth Direct Plan	2517.1139	2324.3865	2,137.4154
(ii) Lowest			
Fixed Growth Plan	2299.8247	2118.5271	1,945.9225
Fixed Dividend Plan	1037.9347	1030.9901	1,024.9639
Fixed Weekly Dividend Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Dividend Plan	1040.7357	1029.8363	1,024.7883
Variable Growth Plan	2323.8692	2137.6848	1,962.1108
Variable Dividend Plan	1037.9863	1031.0097	1,024.9806
Variable Weekly Dividend Plan	1044.1052	1033.5438	1,026.1497
Variable Monthly Dividend Plan	1045.1064	1034.4414	1,027.6766
Fixed Direct Dividend Plan	1037.9347	1030.9901	1,029.8873
Fixed Direct Growth Plan	2300.5091	2118.8155	2,077.1375
Fixed Weekly Direct Div Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Direct Div Plan	1040.7357	1029.8363	1,028.1957
Variable Daily Direct Div Plan	2325.0197	1031.0097	1,029.9005
Variable Weekly Direct Div Plan	1044.1052	1033.5438	1,031.9761
Variable Monthly Direct Div Plan	1048.4669	1034.4414	1,032.5658
Variable Growth Direct Plan	2325.0197	2137.9441	2,095.2546
(g) Resale Price during the year			
(i) Highest			
Fixed Growth Plan	2484.2658	2299.2047	2,118.0089
Fixed Dividend Plan	1038.5715	1037.9285	1,031.0906
Fixed Weekly Dividend Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Dividend Plan	1043.3721	1046.8406	1,036.1547
Variable Growth Plan	2515.3224	2323.2427	2,137.1592
Variable Dividend Plan	1038.6443	1037.9791	1,031.1038
Variable Weekly Dividend Plan	1046.2688	1044.7036	1,034.2328
Variable Monthly Dividend Plan	1053.1549	1051.0534	1,040.6033
Fixed Direct Dividend Plan	1038.5715	1037.9285	1,031.0906
Fixed Direct Growth Plan	2485.2411	2299.8880	2,118.2967
Fixed Weekly Direct Div Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Direct Div Plan	1043.3721	1046.8406	1,036.1547
Variable Daily Direct Div Plan	1038.8267	1037.9791	1,031.1038
Variable Weekly Direct Div Plan	1046.2688	1044.7036	1,034.2328
Variable Monthly Direct Div Plan	1061.6254	1053.7735	1,040.6033
Variable Growth Direct Plan	2517.1139	2324.3865	2,137.4154

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

(ii) Lowest			
Fixed Growth Plan	2299.8247	2118.5271	1,945.9225
Fixed Dividend Plan	1037.9347	1030.9901	1,024.9639
Fixed Weekly Dividend Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Dividend Plan	1040.7357	1029.8363	1,024.7883
Variable Growth Plan	2323.8692	2137.6848	1,962.1108
Variable Dividend Plan	1037.9863	1031.0097	1,024.9806
Variable Weekly Dividend Plan	1044.1052	1033.5438	1,026.1497
Variable Monthly Dividend Plan	1045.1064	1034.4414	1,027.6766
Fixed Direct Dividend Plan	1037.9347	1030.9901	1,029.8873
Fixed Direct Growth Plan	2300.5091	2118.8155	2,077.1375
Fixed Weekly Direct Div Plan	1027.4373	1027.4373	1,027.4373
Fixed Monthly Direct Div Plan	1040.7357	1029.8363	1,028.1957
Variable Daily Direct Div Plan	1037.9863	1031.0097	1,029.9005
Variable Weekly Direct Div Plan	1044.1052	1033.5438	1,031.9761
Variable Monthly Direct Div Plan	1048.4669	1034.4414	1,032.5658
Variable Growth Direct Plan	2325.0197	2137.9441	2,095.2546
(h) Ratio of expenses to average daily net assets by Percentage	0.24%	0.28%	0.25%
(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)	8.19%	8.57%	9.17%

**Based on the maximum load during the year

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

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Sahara Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Mutual Fund – **Sahara Classic 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

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

BALANCE SHEET AS AT MARCH 31, 2015

SAHARA CLASSIC FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
ASSETS		(Rs)	(Rs)
Investments	1	-	394,624
Other Current Assets	2	1,973,851	1,486,036
Total Assets		1,973,851	1,880,660
LIABILITIES			
Unit Capital	3	1,047,347	1,075,229
Reserves & Surplus	4	925,836	804,098
Current Liabilities & Provisions	5	668	1,333
Total Liabilities		1,973,851	1,880,660

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Dividend Plan	18.8406	17.4774
Growth Plan	18.8390	17.4774
Direct Dividend Plan	18.8406	17.4774
Direct Growth Plan	18.8439	17.4798

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

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

Ashwini Kumar
Fund Manager

For Sahara Mutual Fund

S R Hegde P V Rao
Trustee Trustee

Place: Mumbai

Date: 19th May 2015

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

REVENUE ACCOUNT FOR THE YEAR ENDED March 31, 2015

SAHARA CLASSIC FUND	Schedule	For the Year ended March 31, 2015	For the Year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Interest & Discount Income	6	285,596	140,869
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		8	1,800
Total Income		285,604	142,669
EXPENSES & LOSSES			
Management Fees		3,614	1,674
ST on Management Fees		449	208
Investor Education & Awareness fees		718	331
Registrar & Transfer Agent Charges		2,560	1,084
Custodian Fees		1,371	742
Fees & Expenses of Trustees		622	588
Statutory Audit Fees		613	295
Internal Audit Fees		949	500
Insurance		-	133
Costs related to Investor Communication		508	258
Transaction cost		1,603	194
Marketing & Selling Exps. Including agents commission		12	17
Total Expenses		13,019	6,024
Net Surplus for the Year		272,585	136,645
Provision / Write Back for diminution in the value of Investment	7	236	(18)
Net Surplus for the Year (excluding unrealised appreciation)		272,821	136,627
Transfer from Income Equalisation Reserve		(154,535)	(54,300)
Dividend paid including dividend distribution tax		-	-

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

Net : Transferred to Revenue Reserve		118,286	82,327
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Significant Accounting Policies and Notes to the accounts

8

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

As per our attached report of

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

Ashwini Kumar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SCHEDULES FORMING PART OF THE BALANCE SHEET		As at	As at
SAHARA CLASSIC FUND		March 31,	March 31,
		2015	2014
		(Rs)	(Rs)
SCHEDULE 1			
Investments			
(Refer Note 8.14 of Schedule 8 for detailed Portfolio statement)			
Equity Shares		-	-
Certificate of Deposits		-	394,624
		-	394,624
SCHEDULE 2			
Other Current Assets			
Balances with Banks in Current accounts		59,434	14,465
Reverse Repo arrangements		-	1,468,074
CBLO Placements		1,913,901	-
Outstanding and accrued income		516	3,497
		1,973,851	1,486,036
SCHEDULE 3			
Unit Capital			
Dividend Option 2575.384 units of Rs.10 each		25,754	44,871
(Previous Year 4487.103 units of Rs.10 each)			
Growth Option 86001.765 units of Rs.10 each		860,018	580,842
(Previous Year 58084.153 units of Rs.10 each)			
Direct Dividend Option Nil units of Rs.10 each		-	-
(Previous Year Nil units of Rs.10 each)			
Direct Growth Option 16157.479 units of Rs.10 each		161,575	449,516
(Previous Year 44951.553 units of Rs.10 each)			
Total		1,047,347	1,075,229
(Refer Note 8.10 of Schedule 8)			

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	805,266		722,939	
Transferred from Revenue Account	118,286		82,327	
Balance as at end of the year		923,552		805,266
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the year	(154,535)		(54,300)	
Transferred to Revenue Account	154,535		54,300	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		416	
Additions During the year	-		(416)	
Balance as at end of the year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	(1,168)		(1,030)	
Additions During the year	3,452		(138)	
Balance as at end of the year		2,284		(1,168)
		925,836		804,098
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		382		709
Management Fees Payable		11		31
ST on Management Fees		1		4
Payable - Fee on Investor Education		274		380
Payable - Brokerage		-		2
Payable - TDS		-		207
		668		1,333

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the Year ended		For the Year ended
		March 31, 2015		March 31, 2014
SCHEDULE 6		(Rs)		(Rs)
Interest & Discount Income				
Commercial Paper/Certificate of Deposit		254,706		65,128
Reverse Repo		30,890		75,741
		285,596		140,869
SCHEDULE 7				
Provision / Write Back for diminution in the value of Investment				
At the beginning of the year		(236)		(218)
At the end of the year		-		(236)
		236		(18)

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 Classic Fund (the “Scheme”) is an Open Ended Income Scheme of Sahara Mutual Fund (the “Fund”). The primary objective is generating returns by investing in debt instruments including money market instruments and also to invest in equity and equity related instruments to seek capital appreciation. 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 December 18, 2007 to January 16, 2008 and the scheme was reopened for continuous purchase and redemption at prevailing NAV from February 8, 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 31st, 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 Purchase and sale of investments are accounted on trade dates at price including / net of brokerage and other charges. Stamp duty is accounted as an expense when paid for.

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 Primary Market Investments are recognized on the basis of allotment advice.

2.2.4 Front end fees on privately placed debentures have been adjusted to the cost of investments.

2.2.5 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.

3 Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

VALUATION OF DEBT INSTRUMENTS

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

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

	ii)	If Same Security not traded and reported on any of the public platforms.	The aggregated average matrices of CRISIL/ ICRA for the respective category or any other agencies as may be indicated from time to time by SEBI/AMFI for that day
4		Central Government Securities / State Government Securities / Treasury Bills/Cash Management Bill etc	The Aggregated average valuation as provided by CRISIL/ ICRA or any other agencies as may be indicated from time to time by SEBI/AMFI for that day

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

Sr. No.	Instrument	Valuation applicable on the day of valuation
1.	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc.	
	i)	Same security traded and reported on FTRAC/CBRICS up to the time of IST.
	ii)	If Same security is not traded but similar Security/securities are traded and reported up to the time of IST on FTRAC/CBRICS
	iii)	If Same or similar Security/securities are not traded and reported up to the time of IST on FTRAC/CBRICS
2.	Central Government Securities / State Government Securities / Treasury Bills/ Cash Management Bill etc	

i)	Same security traded and reported on NDS-OM section of CCIL website.	On last traded price as given on NDS-Section of CCIL Website (Excluding abnormal trade).
ii)	Same security not traded and reported on NDS-OM section of CCIL website	Previous end of the day valuation price plus accrual/amortization shall be taken

Similar Security:

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

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

Maturity Bucket:

- For Debt Security having remaining maturity upto 91 days

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

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

A (III) Notes:

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

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

3. CRISIL and ICRA provide the valuation matrices for various maturity bucket. Scrip wise value for various debt instruments are also provided by CRISIL and ICRA. Trades are also reported and settled on various public platform.
4. Public platform for the purpose of valuation of security shall mean FIMMDA managed FTRAC, NSE, BSE, (except NSER- NSE retail and BSER- BSE Retail), RBI managed NDS-OM or any other Public platform for Debt market launched from time to time. Market trades from different

Platforms are usually collected by BILAV Information LLP, which may be used for the purpose of Valuation of traded security for which scrip wise values are not available from CRISIL/ICRA

5. The data on yield and prices are generally provided upto 4 decimal point which shall be considered and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where scrip 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 scrip 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 scrip 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 scrip 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 scrip would be treated as a non traded security.

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

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

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

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

4. Unlisted Equity

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

- a) Based on the latest available Balance Sheet, net worth would be calculated as follows:
 1. Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
 2. After taking into account the outstanding warrants and options, Net Worth per share would again be calculated and shall be = [Share Capital + consideration on exercise of Option and/or Warrants received/receivable by the Company + Free Reserves (excluding Revaluation Reserves) – Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares plus Number of Shares that would be obtained on conversion and/or exercise of Outstanding Warrants and Options.
 3. The lower of (1) and (2) above would be used for calculation of Net Worth per share and for further calculation in (c) below.

- b) Average capitalization rate (P/E ratio) for the industry based upon NSE prices or BSE prices and discounted by 75% i.e. only 25% of the Industry average P/E would be taken as capitalization rate (P/E ratio). Earnings per Share (EPS) of the latest audited annual accounts would be considered for this purpose.
- c) The value as per the net worth value per share and the capital earning value calculated as above would be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

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

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

5. Demerger

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

- a. Both the shares are traded immediately on de-merger: In this case both the shares would be valued at respective traded prices.
- b. Shares of only one company continued to be traded on de-merger: Traded shares would be valued at traded price and the other security would be valued at traded value on the day before the de merger less value of the traded security post de merger. In case value of the share of de-merged company is equal or in excess of the value of the pre de-merger share, then the non traded share would be valued at zero, till the date it is listed.
- c. Both the shares are not traded on de-merger: Shares of de-merged companies would be valued equal to the pre de merger value up to a period of 30 days from the date of de merger till the date it is listed. The market price of the shares of the de-merged company one day prior to ex-date would be bifurcated over the de-merged shares. The market value of the shares would be bifurcated on a fair value basis, based on available information on the de-merger scheme.
- d. In case shares of either of the companies are not traded for more than 30 days: Then it would be treated as unlisted security, and valued accordingly till the date these are listed.

6. Preference Shares

Preference Shares valuation guidelines would be as follows:

- a. Traded preference shares would be valued as per traded prices.
- b. Non traded Preference Shares

(I). Redeemable Preference Shares

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

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

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

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

7. Warrants

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

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

8. Rights

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

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

Where

V_r = Value of rights

n = no. of rights offered

m = no. of original shares held

P_{ex} = Ex-rights price

P_{of} = Rights Offer Price

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

9. Derivatives

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

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

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

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

10. Mutual Fund Units

- a. In case of traded Mutual Fund schemes, the units would be valued at closing price on the stock exchange on which they are traded like equity instruments. In case the units are not traded for more than 7 days, last declared Repurchase Price (the price at which Mutual Fund schemes buys its units back) would be considered for valuation.
- b. If the last available Repurchase price is older than 7 days, the valuation will be done at the last available NAV reduced by illiquidity discount. The illiquidity discount will be 10% of NAV or as decided by the Valuation Committee.
- c. In case of non-traded Mutual Fund scheme, the last declared Repurchase Price (the price at which Mutual Fund schemes buys its units back) would be considered for valuation.
- d. In case of Investments made by a scheme into the other scheme of Sahara Mutual Fund, if valuation date being the last day of the financial year falling on a non-business day, then the computed NAV would be considered for valuation on March 31.

Related matters

- i) In case of any other instruments not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- ii) In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- iii) For non– business day the valuation shall be done on aggregated script wise prices as provided by CRISIL/ICRA. In absence of script wise prices the valuation shall be done on accrual basis/amortization basis based on last valuation
- iv) In case of exceptional circumstances like, policy announcements by government/regulatory bodies, natural disasters, public disturbances, extreme volatility in capital market, shut down of market, war etc and on those days if script-wise value or valuation matrices are not available from CRISIL/ICRA and if security is not traded, the valuation for the day shall be done based on last valuation plus accrual/amortization or as may decided by the Investment and Valuation Committee.
- v) The Valuation Policy shall be reviewed by the Statutory Auditor at least once in a financial year.
- vi) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees shall be applicable for the schemes of Sahara Mutual Fund

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

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

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

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

2.3.2 Unrealised Appreciation/Depreciation.

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

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

2.4 Revenue Recognition

2.4.1 Income and Expenses are recognized on accrual basis.

2.4.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.

2.4.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.

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

3. Net Asset Value for Growth/Dividend Options:

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

4. Unit Premium Reserve Account

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

5. Income Equalisation Account

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

6. Load Charges

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

7. Unclaimed Redemption.

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

8. NOTES ON ACCOUNTS**8.1 Management Fees, Trusteeship Fees, Custodian Fees****Management Fees**

Management Fees (inclusive of service tax) has been computed at 0.11 % (PY: 0.11 %) 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 Ltd provides Custodial Services to the scheme for which fees is paid as per the agreement.

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

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

8.4 Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities under Sahara Classic Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.1,469,683.14) and investment in CBLO is Rs.19,14,417.54 (PY:NIL).

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs.2559.85 (PY: Rs.1084.00), Custodian Fees amounting to Rs. 1371.54 (PY: Rs.741.57) and Transaction Cost amounting to Rs.1603.21 (PY: NIL) constitutes 19.66 % (PY:17.99%) , 10.53%(PY:12.31%) & 12.31%(PY:NIL) respectively of the total schemes expenses.

8.6 Transactions with Associates

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

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

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

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

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

(Rs.In lakhs)

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

(Rs. in lakhs)

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

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

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

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

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

Brokerage paid to associates / related parties / group companies of Sponsor/AMC

Name of associate / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period Covered	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

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

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

Purchases

Year	Amount in Rupees	% of Daily Average
2014-15	2,094,025	57.84
2013-14	12,209,693	727.13

Sales

Year	Amount in Rupees	% of Daily Average
2014-15	2,499,391	69.04
2013-14	13,656,884	813.32

8.8 Aggregate Appreciation and Depreciation in the value of Investments :

Scheme	31-Mar -15		31-Mar-14	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Sahara Classic Fund	-	-	-	-
MMIs	0.00	0.00	0.00	0.00

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.	7.89%	8.48%
Total Expenditure to average net assets calculated on a daily basis	0.36%	0.36%

8.10 Movement 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	62910.552	629105.52	62910.552	629105.52
Opening Balance	58084.153	580841.53	80258.414	802584.14
Units Sold during the year	209054.147	2090541.47	10381.154	103811.54
Units Repurchased during the year	(181136.535)	(1811365.35)	(32555.415)	(325554.15)
Closing Balance	86001.765	860017.65	58084.153	580841.53

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	44951.553	449515.53	22543.978	225439.78
Units Sold during the year	126298.967	1262989.67	101698.074	1016980.74
Units Repurchased during the year	(155093.041)	(1550930.41)	(79290.499)	(792904.99)
Closing Balance	16157.479	161574.79	44951.553	449515.53

8.10.3 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on Mar 31, 2015	Amount (Rs)	As on Mar 31, 2015	Amount (Rs)
Initial Capital	36339.483	363394.83	36339.483	363394.83
Opening Balance	4487.103	44871.03	15456.044	154560.44
Units Sold during the year	166.052	1660.52	2287.214	22872.14
Units Repurchased during the year	(2077.771)	(20777.71)	(13256.155)	(132561.55)
Closing Balance	2575.384	25753.84	4487.103	44871.03

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 amounts as of March 31, 2015 are given below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Classic Fund	-	-	-	-

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	Rating	Quantity	Mkt Value (Rs. In lakhs)	% of NAV	% To Category
1. Equity & Equity Related						
(a) Listed / awaiting listing on Stock Exchanges			Nil	Nil	Nil	Nil
(b) Unlisted			Nil	Nil	Nil	Nil
2. Debt Instruments						
(a) Listed						
Bonds			Nil	Nil	Nil	Nil
(b) Privately Placed / Unlisted						
Floating Rate NCDs			Nil	Nil	Nil	Nil
3. Money Market Instruments						
Certificate of Deposits			Nil	Nil	Nil	Nil
Commercial Papers			Nil	Nil	Nil	Nil
Collateralized Borrowing and Lending Obligation (CBLO)				19.14	97.02	100.00
4. Securitized Debt Instruments			Nil	Nil	Nil	Nil

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5. Others - Short Term Deposits			Nil	Nil	Nil	Nil
6. Cash Receivables				0.59	2.98	100.00
TOTAL			Nil	19.73	100.00	100.00

Note: The market Value of Rs.19.14 Lakhs under CBLO includes “Accretion of discount “of Rs. 0.005 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. 19.14 Lakhs is shown as in Schedule 2 of the Balance sheet under CBLO Placement.

8.15 Investments made by the scheme in Securities of Group Companies of the sponsor – NIL.

8.16 Holdings over 25% of the NAV of the scheme

Particulars	As on March 31, 2015	As on March 31, 2014
Number of Investors	0	0
Percentage of holdings	NA	NA

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 period 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

Ashwini Kumar
Fund Manager

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA CLASSIC FUND	As at	As at	As at
Particulars	31-Mar-15	31-Mar-14	31/03/2013
	(Rs. Per Unit)	(Rs. Per Unit)	(Rs. Per Unit)
(a) Gross Income			
(i) Income other than Profit on sale of Investments	2.73	1.31	1.49
(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	0.00	0.02	0.01
(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	0.12	0.06	0.06
(c) Net Income	2.60	1.27	1.44
(d) Net unrealised appreciation/(diminution) in value of Investments	0.00	0.00	0.00
(e) Net Asset Value			
Dividend Plan	18.8406	17.4774	16.1075
Growth Plan	18.8390	17.4774	16.1080
Direct Dividend Plan	18.8046	17.4774	16.1075
Direct Growth Plan	18.8439	17.4798	16.1085
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	18.2754	16.9397	15.6123
Growth Plan	18.2738	16.9397	15.6128
Direct Dividend Plan	18.4638	17.1143	15.7987
Direct Growth Plan	18.4670	17.1167	15.8033
(ii) Lowest			
Dividend Plan	16.9656	15.6488	14.3793
Growth Plan	16.9655	15.6494	14.3799
Direct Dividend Plan	17.1405	15.8101	15.4827
Direct Growth Plan	17.1428	15.8111	15.4902

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(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	19.0290	17.4636	16.2562
Growth Plan	19.0274	17.4636	16.2567
Direct Dividend Plan	18.8406	17.4636	16.0952
Direct Growth Plan	18.8439	17.4660	16.0961
(ii) Lowest			
Dividend Plan	17.6652	16.1328	14.9722
Growth Plan	17.6651	16.1334	14.9728
Direct Dividend Plan	17.4903	16.1328	15.7987
Direct Growth Plan	17.4927	16.1338	15.4872
(h) Ratio of expenses to average daily net assets by Percentage	0.36%	0.36%	0.36%
(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)	7.89%	8.48%	8.70%

**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 Interval Fund – Quarterly Plan – Series 1** (“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 CLASSIC FUND	Schedule	As at March 31, 2015	As at March 31, 2014
		(Rs)	(Rs)
ASSETS			
Investments	1	-	394,624
Other Current Assets	2	1,973,851	1,486,036
Total Assets		1,973,851	1,880,660
LIABILITIES			
Unit Capital	3	1,047,347	1,075,229
Reserves & Surplus	4	925,836	804,098
Current Liabilities & Provisions	5	668	1,333
Total Liabilities		1,973,851	1,880,660

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Dividend Plan	18.8406	17.4774
Growth Plan	18.8390	17.4774
Direct Dividend Plan	18.8406	17.4774
Direct Growth Plan	18.8439	17.4798

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

As per our attached report of even date

For Chaturvedi & CoChartered Accountants
Firm Regn. No.:- 302137E**S.N.Chaturvedi**
Partner

Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**O P Srivastava
DirectorNaresh Kumar Garg
Chief Executive OfficerVidya Manjrekar
Head- Operations & NAV AccountingR M Joshi
DirectorAshwini Kumar
Fund Manager**For Sahara Mutual Fund**S R Hegde
TrusteeP V Rao
Trustee

Place: Mumbai

Date: 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED March 31, 2015

SAHARA CLASSIC FUND	Schedule	For the Year ended March 31, 2015	For the Year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Interest & Discount Income	6	285,596	140,869
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		8	1,800
Total Income		285,604	142,669
EXPENSES & LOSSES			
Management Fees		3,614	1,674
ST on Management Fees		449	208
Investor Education & Awareness fees		718	331
Registrar & Transfer Agent Charges		2,560	1,084
Custodian Fees		1,371	742
Fees & Expenses of Trustees		622	588
Statutory Audit Fees		613	295
Internal Audit Fees		949	500
Insurance		-	133
Costs related to Investor Communication		508	258
Transaction cost		1,603	194
Marketing & Selling Exps. Including agents commission		12	17
Total Expenses		13,019	6,024
Net Surplus for the Year		272,585	136,645
Provision / Write Back for diminution in the value of Investment	7	236	(18)
Net Surplus for the Year (excluding unrealised appreciation)		272,821	136,627
Transfer from Income Equalisation Reserve		(154,535)	(54,300)

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Dividend paid including dividend distribution tax		-	-
Net : Transferred to Revenue Reserve		118,286	82,327

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

R M Joshi
Director

Naresh Kumar Garg
Chief Executive Officer

Ashwini Kumar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

For Sahara Mutual Fund

S R Hegde
Trustee

P V Rao
Trustee

Place: Mumbai
Date: 19th May 2015

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SAHARA CLASSIC FUND		As at		As at
SCHEDULES FORMING PART OF THE BALANCE SHEET		March 31, 2015		March 31, 2014
		(Rs)		(Rs)
SCHEDULE 1				
Investments				
(Refer Note 8.14 of Schedule 8 for detailed Portfolio statement)				
Equity Shares		-		-
Certificate of Deposits		-		394,624
		-		394,624
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current accounts		59,434		14,465
Reverse Repo arrangements		-		1,468,074
CBLO Placements		1,913,901		-
Outstanding and accrued income		516		3,497
		1,973,851		1,486,036
SCHEDULE 3				
Unit Capital				
Dividend Option 2575.384 units of Rs.10 each		25,754		44,871
(Previous Year 4487.103 units of Rs.10 each)				
Growth Option 86001.765 units of Rs.10 each (Previous Year 58084.153 units of Rs.10 each)		860,018		580,842
Direct Dividend Option Nil units of Rs.10 each (Previous Year Nil units of Rs.10 each)		-		-
Direct Growth Option 16157.479 units of Rs.10 each (Previous Year 44951.553 units of Rs.10 each)		161,575		449,516
Total		1,047,347		1,075,229
(Refer Note 8.10 of Schedule 8)				

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	805,266		722,939	
Transferred from Revenue Account	118,286		82,327	
Balance as at end of the year		923,552		805,266
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the year	(154,535)		(54,300)	
Transferred to Revenue Account	154,535		54,300	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		416	
Additions During the year	-		(416)	
Balance as at end of the year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	(1,168)		(1,030)	
Additions During the year	3,452		(138)	
Balance as at end of the year		2,284		(1,168)
		925,836		804,098
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		382		709
Management Fees Payable		11		31
ST on Management Fees		1		4
Payable - Fee on Investor Education		274		380
Payable - Brokerage		-		2
Payable - TDS		-		207
		668		1,333

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the Year ended		For the Year ended
		March 31, 2015		March 31, 2014
SCHEDULE 6		(Rs)		(Rs)
Interest & Discount Income				
Commercial Paper/Certificate of Deposit		254,706		65,128
Reverse Repo		30,890		75,741
		285,596		140,869
SCHEDULE 7				
Provision / Write Back for diminution in the value of Investment				
At the beginning of the year		(236)		(218)
At the end of the year		-		(236)
		236		(18)

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 Interval Fund – Quarterly Plan – Series 1 (the “Scheme”) is a debt oriented interval fund of Sahara Mutual Fund (the “Fund”). The investment objective of the scheme is to generate returns with low volatility through a portfolio of debt and money market instruments with a provision to offer liquidity at periodic intervals. 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 22/09/2008 to 26/09/2008. **Specified Transaction Period (STP):** The Specified Transaction Period is 12th- 16th in the months of March, June, September, and December and the minimum period of STP will be two business days. **Dematerialization of units:** The unit holders will have an option to hold the units in dematerialized form. Accordingly the units of the scheme can be available in dematerialized (electronic) form. The applicant intending to hold units in dematerialized form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL / CDSL. The facility for trading units in dematerialized form will be available on at least one on the exchange compulsorily. **Listing:** The Units of the scheme are listed on the Capital Market Segment in the National Stock Exchange. **Liquidity:** The scheme will be available for Sale/switch-in / and redemption / switch-out during STP period only. Such facilities will not be available outside STP. **Investment Restrictions:** In addition to the investment restrictions specified in the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996, Investments shall be permitted only in such securities which mature on or before the opening of the immediately following specified transaction period. In case of securities with put and call options the residual time for exercising the put option of the securities shall not be beyond the opening of the immediately following specified transaction period.

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**2.1.1 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.

2.1.2 Accounting for Investments

- 2.2.1 Purchase and sale of investments are accounted on trade dates at price including / net of brokerage and other charges. Stamp duty is accounted as an expense when paid for.
- 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 Primary Market Investments are recognized on the basis of allotment advice.
- 2.2.4 Front end fees on privately placed debentures have been adjusted to the cost of investments.

3 Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

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 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.

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(realised) 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 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 Interest on Debentures, Government of India securities and Money Market Instruments are recognized on accrual basis

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 respective Options /Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the Income equalization account.

5 Income Equalisation Account

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

6 Load Charges

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

7 Unclaimed Redemption.

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

8. NOTES ON ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees

Management Fees

Management Fees (inclusive of service tax) has been computed at 0.17 % (PY:0.17 %) on average net assets calculated on a daily basis.

Trusteeship Fees & Expenses

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

Custodian Charges

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

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

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

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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 Interval fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.1,044,877.20) and investment in CBLO is is Rs.8,77,815.87 (PY:NIL).

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs. 543.93 (PY:Rs. 717.00) constitutes 14.73%(PY:14.53%) of the total schemes expenses.

8.6 Transactions with Associates

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

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

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

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

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

(Rs.In lakhs)

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

(Rs. in lakhs)

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

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

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

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

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

Brokerage paid to associates / related parties / group companies of Sponsor/AMC

Name of associate / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period Covered	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

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

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

Year	Amount in Rupees	% of Daily average
2014-15	598,292	59.36
2013-14	9,050,862	661.05

Sales

Year	Amount in Rupees	% of Daily average
2014-15	599,826	59.52
2013-14	9,387,552	685.64

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)
MMIs	-	-	-	-
Gov Securities	-	-	-	-

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.	7.96%	8.17%
Total Expenditure to average net assets calculated on a daily basis	0.37%	0.36%

8.10 Movement 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	557722.938	5577229.38	557722.938	5577229.38
Opening Balance	46937.280	469372.80	87235.113	872351.13
Units Sold during the year	0.000	0.00	1671.669	16716.69
Units Repurchased during the year	(13006.528)	(130065.28)	(41969.502)	(419695.02)
Closing Balance	33930.752	339307.52	46937.280	469372.80

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	4894.166	48941.66	1425.172	14251.72
Units Sold during the year	1220.852	12208.52	6540.061	65400.61
Units Repurchased during the year	(3431.893)	(34318.93)	(3071.067)	(30710.67)
Closing Balance	2683.125	26831.25	4894.166	48941.66

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	264875.405	2648754.05	264875.405	2648754.05
Opening Balance	17160.370	171603.70	40377.914	403779.14
Units Sold during the year	0.000	0.00	-	-
Units Repurchased during the year	0.000	0.00	(23217.544)	(232175.44)
Closing Balance	17160.370	171603.70	17160.370	171603.70

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 amounts as of March 31, 2015 are given below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Interval Fund	-	-	-	-

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	Rating	Quantity	Mkt Value (Rs. In lakhs)	% of NAV	% To Category
1. Equity & Equity Related						
(a) Listed / awaiting listing on Stock Exchanges			Nil	Nil	Nil	Nil
(b) Unlisted			Nil	Nil	Nil	Nil

2. Debt Instruments						
(a) Listed						
Bonds			Nil	Nil	Nil	Nil
(b) Privately Placed / Unlisted						
Floating Rate NCDs			Nil	Nil	Nil	Nil
3. Money Market Instruments						
Certificate of Deposits			Nil	Nil	Nil	Nil
Commercial Papers			Nil	Nil	Nil	Nil
Collateralized Borrowing and Lending Obligation (CBLO)			Nil	8.78	99.31	100.00
4. Securitised Debt Instruments			Nil	Nil	Nil	Nil
5. Others - Short Term Deposits			Nil	Nil	Nil	Nil
6. Cash Receivables				0.06	0.69	100.00
TOTAL			0	8.84	100.00	100.00

Note: The market Value of Rs.8.78 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.002 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. 8.78 Lakhs is shown as in Schedule 2 of the Balance sheet under CBLO Placement.

8.15 Investments made by the scheme in Securities of Group Companies of the sponsor
– NIL

8.16 Holdings over 25% of the NAV of the scheme

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

8.17 Contingent Liability: Nil

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

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February 2015 wherein the management has given explanations and clarifications in the matter to the Regulator.

8.19 Previous period 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

Ashwini Kumar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA CLASSIC FUND	As at	As at	As at
Particulars	31-Mar-15	31-Mar-14	31/03/2013
	(Rs. Per Unit)	(Rs. Per Unit)	(Rs. Per Unit)
(a) Gross Income			
(i) Income other than Profit on sale of Investments	2.73	1.31	1.49
(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	0.00	0.02	0.01
(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	0.12	0.06	0.06
(c) Net Income	2.60	1.27	1.44
(d) Net unrealised appreciation/(diminution) in value of Investments	0.00	0.00	0.00
(e) Net Asset Value			
Dividend Plan	18.8406	17.4774	16.1075
Growth Plan	18.8390	17.4774	16.1080
Direct Dividend Plan	18.8046	17.4774	16.1075
Direct Growth Plan	18.8439	17.4798	16.1085
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	18.2754	16.9397	15.6123
Growth Plan	18.2738	16.9397	15.6128
Direct Dividend Plan	18.4638	17.1143	15.7987
Direct Growth Plan	18.4670	17.1167	15.8033
(ii) Lowest			
Dividend Plan	16.9656	15.6488	14.3793
Growth Plan	16.9655	15.6494	14.3799
Direct Dividend Plan	17.1405	15.8101	15.4827
Direct Growth Plan	17.1428	15.8111	15.4902

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(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	19.0290	17.4636	16.2562
Growth Plan	19.0274	17.4636	16.2567
Direct Dividend Plan	18.8406	17.4636	16.0952
Direct Growth Plan	18.8439	17.4660	16.0961
(ii) Lowest			
Dividend Plan	17.6652	16.1328	14.9722
Growth Plan	17.6651	16.1334	14.9728
Direct Dividend Plan	17.4903	16.1328	15.7987
Direct Growth Plan	17.4927	16.1338	15.4872
(h) Ratio of expenses to average daily net assets by Percentage	0.36%	0.36%	0.36%
(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)	7.89%	8.48%	8.70%

**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 Short Term Bond 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 SHORT TERM BOND FUND	Schedule	As at	As at
		March 31, 2015	March 31, 2014
		(Rs)	(Rs)
ASSETS			
Investments	1	-	29,596,832
Other Current Assets	2	22,708,056	107,609,404
Total Assets		22,708,056	137,206,236
LIABILITIES			
Unit Capital	3	14,014,206	91,871,544
Reserves & Surplus	4	8,658,202	45,260,563
Current Liabilities & Provisions	5	35,648	74,129
Total Liabilities		22,708,056	137,206,236

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Dividend Plan	10.5306	10.4572
Growth Plan	16.5490	15.2988
Direct Dividend Plan	10.5424	10.4595
Direct Growth Plan	16.5777	15.3129

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

Chartered Accountants

Firm Regn. No.:- 302137E

S.N.Chaturvedi**Partner**

Mem.No: 040479

**For Sahara Asset Management Company
Private Ltd**

O P Srivastava

DirectorNaresh Kumar Garg
Chief Executive Officer

Vidya Manjrekar

Head- Operations & NAV Accounting

R M Joshi

DirectorAshwini Kumar
Fund Manager**For Sahara Mutual Fund**

S R Hegde

Trustee

P V Rao

Trustee**Place:** Mumbai**Date:** 19th May 2015

REVENUE ACCOUNT FOR THE YEAR ENDED March 31, 2015

SAHARA SHORT TERM BOND FUND	Schedule	For the Year ended March 31, 2015	For the Year ended March 31, 2014
		(Rs)	(Rs)
INCOME			
Interest & Discount Income	6	6,599,959	14,217,275
Profit on Sale / Redemption of Investments (Net) (Other than Inter Scheme Transfer / Sale)		227	-
Total Income		6,600,186	14,217,275
EXPENSES & LOSSES			
Loss on Sale / Transfer of Investments - Inter Scheme (Net)		-	103,926
Management Fees		89,493	227,430
ST on Management Fees		11,064	28,112
Investor Education & Awareness Fees		15,982	35,292
Registrar & Transfer Agent Charges		27,204	63,565
Custodian Fees		15,675	37,006
Fees & Expenses of Trustees		8,204	22,711
Statutory Audit Fees		7,030	16,967
Internal Audit Fees		9,589	24,422
Insurance		-	2,931
Costs related to Investor Communication		6,137	17,475
Transaction cost		26,674	32,139
Marketing & Selling Exps. Including agents commission		80	-
Total Expenses		217,132	611,976
Net Surplus for the Year		6,383,054	13,605,299
Provision/ Write Back for diminution in the value of Investment	7	17,728	(10,080)
Net Surplus for the Year (excluding unrealised appreciation)		6,400,782	13,595,219
Transfer from Income Equalisation Reserve			

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		(40,625,042)	13,947,748
Dividend paid including dividend distribution tax		(279,659)	(533,173)
Net : Transferred to Revenue Reserve		(34,503,919)	27,009,794

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 P V Rao
Trustee **Trustee**

Naresh Kumar Garg Ashwini Kumar
Chief Executive Officer **Fund Manager**

Vidya Manjrekar
Head- Operations & NAV Accounting

Place: Mumbai
Date: 19th May 2015

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

SAHARA SHORT TERM BOND FUND	As at	As at
SCHEDULES FORMING PART OF THE BALANCE SHEET	March 31, 2015	March 31, 2014
	(Rs)	(Rs)
SCHEDULE 1		
Investments		
(Refer Note 8.14 of Schedule 8 for detailed Portfolio statement)		
Certificate of Deposits	-	29,596,832
	-	29,596,832
SCHEDULE 2		
Other Current Assets		
Balances with Banks in Current accounts	375,527	547,236
Reverse Repo arrangements	-	46,874,626
Collateralized Borrowing and Lending Obligation (CBLO)	22,313,870	59,909,725
Outstanding and accrued income	6,021	265,180
Investment - Liquid MF Units for Dividend	12,638	12,637
	22,708,056	107,609,404
SCHEDULE 3		
Unit Capital		
Dividend Option 87520.667 units of Rs.10 each	875,207	7,204,129
(Previous Year - 2013-2014 - 720412.844 units of Rs.10 each)		
Growth Option 782684.835 units of Rs.10 each	7,826,848	32,307,377
(Previous Year - 2013-2014 - 3230737.686 units of Rs.10 each)		
Direct Dividend Option 1357.078 units of Rs.10 each	13,571	12,863
(Previous Year - 2013-2014 - 1286.242 units of Rs.10 each)		
Direct Growth Option 529858.034 units of Rs.10 each	5,298,580	52,347,175
(Previous Year - 2013-2014 - 5234717.490 units of Rs.10 each)		

SAHARA MUTUAL FUND – Annual Report - DEBT SCHEMES - 2014-15

Total		14,014,206		91,871,544
(Refer Note 8.10 of Schedule 8)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	46,846,513		19,836,719	
Transferred from Revenue Account	(34,503,919)		27,009,794	
Balance as at end of the year		12,342,594		46,846,513
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the year	(40,625,042)		13,947,748	
Transferred to Revenue Account	40,625,042		(13,947,748)	
Balance as at end of the year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		13,877	
Additions During the year	-		(13,877)	
Balance as at end of the year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	(1,585,950)		(730,205)	
Additions During the year	(2,098,442)		(855,745)	
Balance as at end of the year		(3,684,392)		(1,585,950)
		8,658,202		45,260,563
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		119		16,579
Management Fees Payable		179		2,733
ST on Management Fees		22		338
Payable - Transaction Fees		-		100

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Payable - Fee on Investor Education		22,690		24,881
Payable - Brokerage		-		150
Switch Out Payable		-		10,141
Payable on redemption of units		12,638		12,638
Payable Units Dividend Tax		-		6,570
		35,648		74,129
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the Year ended		For the Year ended
		March 31, 2015		March 31, 2014
SCHEDULE 6		(Rs)		(Rs)
Interest & Discount Income				
Commercial Paper/Certificate of Deposit		396,943		6,139,830
CBLO		5,699,016		3,860,513
Reverse Repo		504,000		4,216,932
		6,599,959		14,217,275
SCHEDULE 7				
Provision/ Write Back for dimunition in the value of Investment				
At the beginning of the year		(17,728)		(7,648)
At the end of the year		-		(17,728)
		17,728		(10,080)

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 Short Term Bond Fund is an open ended income fund of Sahara Mutual Fund (the "Fund"). The investment objective of the Scheme is to generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt securities and money market securities. In line with SEBI Circular for providing separate options for direct investments, the scheme has now four options (i) Growth Option (ii) Dividend Reinvestment Option (iii) Growth Option – Direct and (iv) Dividend Reinvestment 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 12/03/2009 to 8/04/2009.

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**2.2 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.

2.3 Accounting for Investments

2.3.1 Purchase and sale of investments are accounted on trade dates at price including / net of brokerage and other charges. Stamp duty is accounted as an expense when paid for.

- 2.3.2 Profit or loss on sale of investments is determined on the respective trade date by adopting the “Weighted Average Cost” method.
- 2.3.3 Primary Market Investments are recognized on the basis of allotment advice.
- 2.3.4 Front end fees on privately placed debentures have been adjusted to the cost of investments.

2.3 Valuation of Investments

Valuation Policy as on 31.03.2015 is as under.

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.	

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	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 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.

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(realised) 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 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 Interest on Debentures, Government of India securities and Money Market Instruments are recognized on accrual basis

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 respective Options /Scheme, after an appropriate amount of the issue proceeds and redemption payout is credited or debited respectively to the Income equalization account.

5. Income Equalisation Account

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

6 Load Charges

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

7. Unclaimed Redemption.

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

8. NOTES ON ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees

Management Fees

Management Fees (inclusive of service tax) has been computed at 0.13 % (PY : 0.14 %) on average net assets calculated on a daily basis.

Trusteeship Fees & Expenses

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

Custodian Charges

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

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

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

8.4 Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2015 the aggregate market value of securities under Sahara Short Term Bond Fund but held in the name of Sahara Mutual Fund being invested in REPO is NIL (PY : Rs.46,925,995.95)and investment in CBLO is Rs.2,23,19,891.56 (PY: 59,981,945.01)

8.5 During Year Ended 31.03.2015 the Registrar and Transfer Agents charges amounting to Rs. 27,203.94 (PY: 63564.77) and Transaction Cost amounting to Rs.26,673.89 (PY:NIL) constitutes 12.53 % (PY: 12.51%)and 12.28%(PY:NIL) respectively of the total schemes expenses.

8.6 Transactions with Associates

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

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

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Short Term Bond	Infrastructure Fund
0.33	0.06	0.02	0.10	0.01	0.00	0.06

(Rs.In lakhs)

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

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

(Rs.In lakhs)

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

(Rs. in lakhs)

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

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

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

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

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

Brokerage paid to associates / related parties / group companies of Sponsor/AMC

Name of associate / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period Covered	Value of Transaction (in Rs, Cr & of Total value of Transaction of the Fund)	Brokerage (Rs Cr & % of total brokerage paid by the Fund)
-	-	-	-	-

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

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

Year	Amount in Rupees	% of Daily average
2014-15	59,829,280	74.83
2013-14	14,855,059,339	8416.71

Sales

Year	Amount in Rupees	% of Daily average
2014-15	89,982,600	112.55
2013-14	14,838,921,960	8407.57

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)
MMIs	-	-	0.00	0.18
Gov Securities	-	-	-	-

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.	8.26%	7.99%
Total Expenditure to average net assets calculated on a daily basis	0.27%	0.29%

8.10 Movement 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	144380.713	1443807.13	144380.713	1443807.13
Opening Balance	3230737.686	32307376.86	3679482.397	36794823.97
Units Sold during the year	538006.290	5380062.90	989064.591	9890645.91
Units Repurchased during the year	(2986059.141)	(29860591.41)	(1437809.302)	(14378093.02)
Closing Balance	782684.835	7826848.35	3230737.686	32307376.86

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	5234717.490	52347174.90	945723.165	9457231.65
Units Sold during the year	4466909.738	44669097.38	50614325.817	506143258.17
Units Repurchased during the year	(9171769.194)	(91717691.94)	(46325331.492)	(463253314.92)
Closing Balance	529858.034	5298580.34	5234717.490	52347174.90

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	9502.000	95020.00	9502.000	95020.00
Opening Balance	720412.844	7204128.44	648557.055	6485570.55
Units Sold during the year	297498.285	2974982.85	301999.407	3019994.07
Units Repurchased during the year	(930390.462)	(9303904.62)	(230143.618)	(2301436.18)
Closing Balance	87520.667	875206.67	720412.844	7204128.44

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	1286.242	12862.42	163042.181	1630421.81
Units Sold during the year	70.836	708.36	77520.269	775202.69
Units Repurchased during the year	0.000	0.00	(239276.208)	(2392762.08)
Closing Balance	1357.078	13570.78	1286.242	12862.42

8.11 The scheme has declared the following dividend per unit during the financial year . Further, there was no Bonus declared during the year ended March 31, 2015 (PY: Nil).

Record Date	Div Per Unit (Rs)	Record Date	Div Per Unit (Rs)
	2014-15		2013-14
23.04.14	0.0700	26.04.13	0.0490
29.05.14	0.0770	31.05.13	0.0650
26.06.14	0.0590	28.06.13	0.0520
24.07.14	0.0600	26.07.13	0.0310

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28.08.14	0.0700	30.08.13	0.0810
25.09.14	0.0520	27.09.13	0.0400
30.10.14	0.0700	31.10.13	0.0800
27.11.14	0.0580	28.11.13	0.0620
24.12.14	0.0580	26.12.13	0.0520
29.01.15	0.0700	30.01.14	0.0700
26.02.15	0.0570	26.02.14	0.0600
26.03.15	0.0520	27.03.14	0.0410

8.12 Unclaimed Amounts (beyond three months):

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

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Short Term Bond Fund	-	-	1	12,637.89

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	Rating	Quantity	Mkt Value (Rs. In lakhs)	% of NAV	% To Category
1. Equity & Equity Related						
(a) Listed / awaiting listing on Stock Exchanges			Nil	Nil	Nil	Nil
(b) Unlisted			Nil	Nil	Nil	Nil
2. Debt Instruments						
(a) Listed						
Bonds			Nil	Nil	Nil	Nil
(b) Privately Placed / Unlisted						
Floating Rate NCDs			Nil	Nil	Nil	Nil
3. Money Market Instruments						
Certificate of Deposits			Nil	Nil	Nil	Nil
Commercial Papers			Nil	Nil	Nil	Nil
Collateralized Borrowing and Lending Obligation (CBLO)			Nil	223.20	98.45	100.00

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4. Securitised Debt Instruments				Nil	Nil	Nil	Nil
5. Others - Short Term Deposits				Nil	Nil	Nil	Nil
6. Cash Receivables					3.53	1.55	100.00
TOTAL				Nil	226.72	100.00	100.00

Note: The market Value of Rs.223.20 Lakhs under CBLO includes “Accretion of discount “ of Rs. 0.06 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.223.14 Lakhs is shown in Schedule 2 of the Balance Sheet under CBLO Placement.

8.15 Investments made by the scheme in Securities of Group Companies of the sponsor – NIL.

8.16 Holdings over 25% of the NAV of the scheme

Particulars	As on March 31, 2015	As on March 31, 2014
Number of Investors	0	1
Percentage of holdings	Nil	33.27

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’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
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

Ashwini Kumar
Fund Manager

Vidya Manjrekar
Head- Operations & NAV Accounting

For Sahara Mutual Fund

S R Hegde P V Rao
Trustee Trustee

Place: Mumbai
Date: 19th May 2015

HISTORICAL PER UNIT STATISTICS

SAHARA SHORT TERM BOND 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	0.21	1.55	17.56
(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	0.00	-0.01	0.44
(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	0.15	0.06	0.49
(c) Net Income	4.55	1.48	17.52
(d) Net unrealised appreciation/(diminution) in value of Investments	0.00	0.00	0.00
(e) Net Asset Value			
Dividend Plan	10.5306	10.4572	10.3472
Growth Plan	16.5490	15.2988	14.0729
Direct Dividend Plan	10.5424	10.4595	10.3474
Direct Growth Plan	16.5777	15.3129	14.0736
(f) Repurchase Price during the year**			
(i) Highest			
Dividend Plan	10.5718	10.4777	10.3287
Growth Plan	16.5325	15.2707	14.0477
Direct Dividend Plan	10.5824	10.4800	10.3289
Direct Growth Plan	16.5611	15.2848	14.0482
(ii) Lowest			
Dividend Plan	10.4470	10.2767	10.1969
Growth Plan	15.2951	14.0790	12.9407
Direct Dividend Plan	10.4497	10.2769	10.2411
Direct Growth Plan	15.3093	14.0798	13.7907

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(g) Resale Price during the year**			
(i) Highest			
Dividend Plan	10.5824	10.4882	10.339
Growth Plan	16.5490	15.2860	14.0618
Direct Dividend Plan	10.5930	10.4905	10.3392
Direct Growth Plan	16.5777	15.3001	14.0623
(ii) Lowest			
Dividend Plan	10.4575	10.2870	10.2071
Growth Plan	15.3104	14.0931	12.9537
Direct Dividend Plan	10.4602	10.2872	10.2514
Direct Growth Plan	15.3246	14.0939	13.801
(h) Ratio of expenses to average daily net assets by Percentage	0.27%	0.29%	0.27%
(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)	8.26%	7.99%	10.04%

**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.

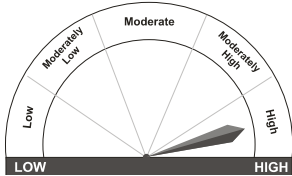
• **REGISTRATION OF MULTIPLE BANK ACCOUNTS FOR PAY-IN AND PAY-OUT:**

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:

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

<p>i. Low - principal at low risk ii. Moderately Low - principal at moderately low risk iii. Moderate - principal at moderate risk iv. Moderately High -- principal at moderately high risk v. High - principal at high risk</p>	<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
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Nariman Point
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