

**ABRIDGED
ANNUAL
REPORT
2009-10**



**SAHARA
MUTUAL
FUND**



**Online
Investment**

Sahara Infrastructure Fund

REPORT OF THE TRUSTEES

We are pleased to present before you the ANNUAL REPORT of SAHARA MUTUAL FUND for the year ended March 31, 2010.

Overview of Debt Markets in 2009-10

After the major financial turmoil of 2008-09, the recovery started being evident early this financial year. RBI in its attempt to promote and support economy kept the rates low for almost full financial year. The year had mixed reactions from central banks across the globe, while western economies are still struggling, India, China, Australia raised rates to curb over-heating asset prices.

The strong IIP numbers for the consecutive last three months gave comfort to the Central bank that the economy is back on track. After the repo and reverse repo rate cut on 21st April'09, the next change came as late as 19th March'10. For cash reserve ratio after a cut on 17th January'09 it was raised after a big pause from 13th February'10.

It was a roller-coaster ride for inflation from negative zone to double digit figures during the period. Low interest rates, poor monsoon and base effect, zoomed the inflation to a high level. The food prices continued to shore up causing inflation spill to other articles. RBI's projection for March end inflation target of 5% was revised and raised it to 8.5% whereas it actually stood at a high of 9.90%.

In the absence of many attractive investment avenues, credit growth of banks was very low below their target. This phenomenon was due to weak demands from corporate, as they were sitting on high inventories and risk averse banks too were shying away from disbursements. Most of their funds chased SLR securities causing benchmark yields to fall as low as 6.12% on 24th April. Yields, subsequently rose to a high of 8.01% on 12th March on big supply of Government borrowing concern.

Last year we also witnessed very high foreign inflows causing Rupee to appreciate from low of Rs.50.34/\$ on 2nd April'09 to Rs.44.90/\$ on 31st March'10. The main reason behind this was low interest rate in western countries and better growth prospect offered by Indian economy.

Overview of Equity Markets in 2009-10

Equity markets in India and across the globe witnessed large appreciation in FY09-10. India was among the top performing equity markets globally in 2009. Although 2010 has had a tricky start, India has outperformed emerging markets. Nifty gained 73% and CNX Midcap gaining 126% during the financial year ending 31st March 2010. Various economic indicators have been surprising on the upside, confirming that the pace of the economic recovery has been stronger than general expectation. The key drivers for this sharp recovery in Indian markets were the stable government, robust FII flows that kept high liquidity in the markets, lower interest rate scenario and the extended fiscal stimulus offered by government resulting in strong GDP and IIP numbers during the year.

The year started on a positive note with Congress-led UPA in power leading to stable government. This led to optimism in the minds of market participants who felt that reforms would pick up pace. The immediate implication was that the outlook for capital flows improved and this improved which accelerated the growth and earnings scenarios. This political development signaled a major inflexion point for India's medium to long term performance.

During the year under review, the Indian economy gradually tackled the effects of global economic crisis which had sent a wave of shock across the world last year. The fiscal and monetary stimulus began to pay off effectively, and with easing global financial conditions the recovery process strengthened. India's GDP grew moderately at around 6% last year, this

when seen in the context of what world had been through reflected the resilience of Indian economic system and boded well for the forthcoming period. The quick revival in global risk appetite also meant that the Indian corporate sector could easily access risk capital from international capital markets.

During the financial year, the government initiated its divestment program and in the furtherance of same announced the IPOs/FPOs for NHPC, OIL India, Coal India, United Bank of India, NTPC, REC etc. This was a significant development which emanated from the relative stability of the central government. Divestment announcement was one of the important mechanisms with the government to reduce the burgeoning fiscal deficit. This has somewhat provided a cushion to the government as it is helping in raising capital without pressurizing the interest rates in the country.

The sustenance of stimulus had its own side effects with inflation that started showing its ugly head on the back of rising food and commodity prices. This forced RBI to Increase Cash Reserve Ratio (CRR) in two stages while keeping key bank rates status quo. While CRR hike addressed the concern of RBI about inflationary expectations, status quo key bank rates signaled that it was cognizant of the risk of derailing growth by premature tightening. RBI had revised its GDP growth forecast upwards for FY10-11 to 7.5% from 6% earlier and signaled inflation to touch around 8.5% in FY10 from 6.5% earlier. Government also restrained itself from full roll back of stimulus in Union Budget to support growth. Market reacted positively on budget announcements, first time in last four years.

While domestic problems were being tackled, the global risk appetite perceived by investors continued to play its important role. The interspersed good and bad economic numbers emanating from the US meant that the economic recovery was less convincing. While the dollar started strengthening owing to the European crisis, the fear was that in case of a drop in interest rates in the US there would be further appreciation in dollar value. Appreciation of dollar does not bode well for the equity markets worldwide. It can have a cascading effect of unwinding of dollar carry trade and simultaneous selling of equities worldwide.

As quarters progressed, the Indian corporate earnings were more robust and convincing. An important observation was that the India corporate sector improved its operating efficiency even after adjusting for lower material costs.

The market is currently grappling with three key developments – strong growth, policy exit (relating to prospects of higher inflation), and global uncertainty or declining risk appetite.

1. Scheme Performance, Future Outlook and Operations of Sahara Infrastructure Fund

Returns:

Performance as of March 31, 2010		1 year	Since inception	Inception date
Sahara Infrastructure Fund (%)	Variable Pricing Option	85.70	14.04	3rd April, 2006
	Fixed Pricing Option	84.33	13.24	
CNX 500 (%)		73.76	10.61	

As on March 31, 2010, the scheme had invested 96 % of its net assets invested in equities and the balance 4 % in net current assets. There has been no dividend declared during the year 2009-10 under the scheme.

Debt Markets

The GDP growth is projected at around 7.5% with upward bias. The rainfall is expected to be normal monsoon this year. This may bring down the food inflation but RBI is still behind the rate curve. Further Repo rate and CRR hikes might be on the anvil. The Government needs to curtail its deficit and may continue to unwind expansionary policies. With abundant liquidity in the system, it may not be very difficult for RBI to manage the Government borrowing in the first half. In the second half of the financial year, with the rise in corporate borrowing, we could see some crowding out taking place. We

may expect benchmark 10-year paper to trade in the range of 7.75% - 8.00% in near term. The 3G auction could provide a balancing act for reasonable borrowing in the current year.

Equity Markets

Going ahead the sustainability of operating margins and more importantly growth in revenue would be keenly watched by the market participants and the failure of which could possibly result in value correction of the market indices.

Global risk appetite will determine the absolute performance of the equity markets whereas the inflation outcome will determine India's relative performance.

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 comprise Justice S Mohan, Independent Trustee, Mr. Amitabha Ghosh, Nominee of the Sponsor, Mr. S. R. Hegde, Independent Trustee, Mr. P.V. Rao, Independent Trustee and Mr A K Thakur, 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.

The objective of the scheme is to provide income distribution and / or medium to long term capital gains by investing predominantly in equity and equity related instruments of companies in the Infrastructure sector.

4. Significant Accounting Policies:

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

5. Unclaimed Dividends and Redemptions

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Infrastructure Fund	22	104,184.03	18	53,829.84

6. Disclosure of investor complaints for the year 2009-10.

Total Number of Folios under all schemes: 43815

Complaint Code	Type of Complaint	Action on (a) and (b)										
		(a) No. of Complaints pending at the beginning of the year	(b) No of complaints received during the year	Resolved				Non Actionable	Pending			
				Within 30 Days	30- 60 Days	60-180 Days	Beyond 180 days		0-3 mths	3 - 6 mths	6-9 mths	9-12 mths
I A	Non receipt of Dividend on Units	0	84	84	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
I C	Non receipt of Redemption Proceeds	9	46	45	0	0	9		1	0	0	0
ID	Interest on delayed Payment of Redemption	0	0	0	0	0	0		0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	23	23	0	0	0		0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0		0	0	0	0
II C	Non receipt of Annual Report /Abridged Summary	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
III B	Unauthorized switch between Schemes	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
III D	Wrong or Excess charges/load	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
IV	Others	0	0	0	0	0	0		0	0	0	0
	TOTAL	9	153	152	0	0	9	0	1	0	0	0

7. Statutory Information.

- The Sponsors are 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.
- 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.
- 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 Sponsors, 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, AMFI Certified distributors 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

Sd/-

Justice S Mohan

Trustee

Place : Mumbai

Date : 10th June, 2010

AUDITORS' REPORT TO THE TRUSTEES OF SAHARA MUTUAL FUND

1. We have audited the Balance Sheet of Sahara Mutual Fund – Sahara Infrastructure Fund (the "Scheme") as at March 31, 2010, and the related Revenue Account for the year ended on that date, annexed thereto. These financial statements are a responsibility of the Trustees of Sahara Mutual Fund and the management of Sahara Asset Management Company Private Limited (the "Management"). Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the Scheme.
4. In our opinion and to the best of our information and according to the explanations given to us:
The Balance Sheet and the Revenue Account together with the notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and give a true and fair view in conformity with the Accounting principles generally accepted in India
 - i) in case of Balance Sheet of the state of affairs of the scheme as at March 31, 2010 and
 - ii) in case of the Revenue account, of the surplus for the year ended on that date.
5. 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.

For **CHATURVEDI & CO.**
Chartered Accountants

Sd/-

(S. N. Chaturvedi)

Partner

M.No.: 040479

Firm Regn. No.:- 302137E

Place : Mumbai

Date : 10th June, 2010

ABRIDGED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. In lakhs)

		SAHARA INFRASTRUCTURE FUND	
		As at ended 31/03/2010	As at ended 31/03/2009
	LIABILITIES		
1	Unit Capital	908.01	1026.78
2	Reserves & Surplus		
2.1	Unit Premium Reserves	56.50	82.61
2.2	Unrealised Appreciation Reserve	112.53	13.63
2.3	Other Reserves	224.10	(327.29)
3	Loans & Borrowings		-
4	Current Liabilities & Provisions		
4.1	Provision for doubtful Income/Deposits		-
4.2	Other Current Liabilities & Provisions	22.71	112.27
	TOTAL	<u>1,323.85</u>	<u>908.00</u>
	ASSETS		
1	Investments		
1.1.	Listed Securities:		
1.1.1	Equity Shares	1245.14	619.92
1.1.2	Preference Shares		-
1.1.3	Equity Linked Debentures		-
1.1.4	Other Debentures & Bonds		-
1.1.5	Securitised Debt securities		-
1.2	Securities Awaited Listing:		-
1.2.1	Equity Shares	-	-
1.2.2	Preference Shares	-	-
1.2.3	Equity Linked Debentures	-	-
1.2.4	Other Debentures & Bonds	-	-
1.2.5	Securitised Debt securities	-	-
1.3	Unlisted Securities	-	-
1.3.1	Equity Shares	-	-
1.3.2	Preference Shares	-	-
1.3.3	Equity Linked Debentures	-	-
1.3.4	Other Debentures & Bonds	-	-
1.3.5	Securitised Debt securities	-	-
1.4	Government Securities	-	-
1.5	Treasury Bills	-	-
1.6	Commercial Paper	-	-
1.7	Certificate of Deposits	-	-
1.8	Bill Rediscounting	-	-
1.9	Units of Domestic Mutual Fund	-	-
1.1	Foreign Securities	-	-
	Total Investments	<u>1245.14</u>	<u>619.92</u>
2	Deposits		-
3	Other Current Assets		
3.1	Cash & Bank Balance	18.89	66.36
3.2	Reverse Repo Lending	3.66	136.38
3.3	Others	18.42	10.27
4	Deferred Revenue Expenditure (to the extent not written off)	37.74	75.08
	TOTAL	<u>1,323.85</u>	<u>908.00</u>

Notes to Accounts - Annexure I

ABRIDGED REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED 31ST MARCH, 2010

	(Rs. In lakhs)	
	SAHARA INFRASTRUCTURE FUND	
	Current Year / Period ended 31/03/2010	Previous Year / Period ended 31/03/2009
INCOME		
Dividend	14.73	8.92
Interest	1.47	12.83
Realised Gain / (Loss) on Foreign Exchange Transactions		-
Realised Gains / (Losses) on Interscheme sale of investments		-
Realised Gains / (Losses) on External sale / redemption of investments	497.55	(462.33)
Realised Gains / (Losses) on Derivative Transactions		-
Other Income		
(A)	<u>513.75</u>	<u>(440.59)</u>
EXPENSES		
Management fees	8.50	5.93
Service tax on Management fees	0.88	0.72
Transfer agents fees and expenses	2.82	2.82
Custodian fees	2.17	1.54
Trusteeship fees and expenses	1.26	1.06
Commission to Agents	0.00	0.00
Marketing & Distribution expenses	6.02	1.96
Audit fees	1.92	2.42
Deferred Revenue Expenditure	37.33	37.33
Other operating expenses	1.36	1.14
(B)	<u>62.26</u>	<u>54.92</u>
NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A - B = C)	451.49	(495.51)
Change in Unrealised Depreciation in value of investments (D)	124.47	39.20
NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C+D))	575.96	(456.31)
Change in unrealised appreciation in the value of investments (F)	13.63	37.12
NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	589.59	(419.19)
Add: Balance transfer from Unrealised Appreciation Reserve	98.90	(23.49)
Less: Balance transfer to Unrealised Appreciation Reserve	112.53	13.63
Add : Income Equalisation Reserve	(24.57)	4.77
Total	<u>551.39</u>	<u>(451.54)</u>
Dividend appropriation		
Income Distributed during the year / period (including dividend tax reversed)	0.00	-
Tax on income distributed during the year / period	0.00	-
Dividend paid, including dividend tax (reversed)	0.00	0.00
Retained Surplus / (Deficit) carried forward to Balance sheet	<u>551.39</u>	<u>(451.54)</u>

Notes to Accounts - Annexure 1

NOTES TO ACCOUNTS – ANNEXURE 1 TO THE ABRIDGED BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED 31ST MARCH, 2010

1. Investments

- 1.1 Certain investments are registered in the name of the Fund without specific reference to the Scheme. As at March 31, 2010 the aggregate market value of securities under Sahara Infrastructure Fund but held in the name of Sahara Mutual Fund is Rs.3,65,605.33.
- 1.2 The marketing and selling expenses amounting to Rs.602,518/- and Registrar and Transfer Agents charges amounting to Rs.282,462/- constitutes 24.17 % and 11.33% respectively of the total schemes expenses.
- 1.3 Open Position of derivatives (outstanding market value & % to Net Assets as of the Year end). Nil
- 1.4 Investments in Associates and Group Companies: Provide details of issuer, nature of instruments, amount, and aggregate investments by all schemes. Nil
- 1.5 Open position of Securities Borrowed and / or Lending by the scheme. Nil
- 1.6 Details of NPA: Aggregate market value and provision thereof. Nil
- 1.7 Aggregate Unrealised Gain / Loss as at the end of the Financial Year / Period and percentage to net assets.

Asset Class	31-Mar-10				31-Mar-09			
	Appreciation (Rs. in lakhs)	% to Net Assets	Depreciation (Rs. In lakhs)	% to Net Assets	Appreciation (Rs. in lakhs)	% to Net Assets	Depreciation (Rs. In lakhs)	% to Net Assets
Equity Shares	112.53	8.65	26.23	2.02	13.63	1.71	150.69	18.94

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

Purchases

Year	Amount in Rs.	% of Daily Average
2009-10	363,018,459	279.22
2008-09	168,744,231	174.36

Sales

Year	Amount in Rs.	% of Daily Average
2009-10	372,588,651	286.58
2008-09	213,615,251	220.72

- 1.9 Non-Traded securities in the portfolio: Provide Aggregate Value of Equity, Debt & Money Market Instruments and percentage to net assets.

Scheme Name	Category	31st March , 2010		31st March , 2009	
		Market value (Rs.in lakhs)	% to Net Assets	Market value (Rs.in lakhs)	% to Net Assets
Sahara Infrastructure Fund	Money Market	3.66	0.28	136.39	17.14

2. Details of Transaction with Associates under regulation 25(8). Brokerage to SIFCL A/c CMSD (Associate) has been made for sale of units of the MF as on 31st March 2010:
Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the current year ended 31st March 2010.

(Rs.In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Infrastructure Fund
1.70	0.29	0.06	0.21	0.46	0.60

(Rs. in lakhs)

R. E. A. L Fund	Star Value Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Interval Fund – Quarterly Plan Sr 1
1.60	0.97	1.81	1.32	1.06	0.02

Commission to SIFCL A/c CMSD (Associate) made for sale of units of the MF for the previous year ended 31st March 2009

(Rs. In lakhs)

Tax Gain Fund	Growth Fund	Liquid Fund	Mid cap Fund	Wealth Plus Fund	Infrastructure Fund
1.70	0.29	0.06	0.21	0.46	0.60

R. E. A. L Fund	Classic Fund	Super 20 Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Interval Fund - Quarterly Plan Sr 1
1.60	0.97	1.81	1.81	1.06	0.02

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 09-March 10	(3.39; 0.11 %)	(Rs.1,011,598/-; 24.75%)
SIFCL A/c CMSD	Sponsor / Mutual Fund Distributor	April 08-March 09	(8.46; 0.90 %)	(Rs.997, 960/- ; 41.57 %)

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 2010 & April – Mar 2009.

3. Large Holdings in the Scheme (i.e. in excess of 25% of the net assets): Nil

4. Unit Capital movement during the year ended / period ended March 31, 2010

Fixed Pricing Option - Growth Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2010	As on March 31, 2010	As on March 31, 2009	As on March 31, 2009
Initial Capital	3,908,842.083	39,088,421	3,908,842.083	39,088,421
Opening Balance	1,907,817.881	19,078,178	1,745,464.825	17,454,648
Units Sold during the year	335,415.581	3,354,156	348,051.910	3,480,519
Units Repurchased during the year	(651,842.149)	(6,518,421)	(185,698.854)	(1,856,989)
Closing Balance	1,591,391.313	15,913,913	1,907,817.881	19,078,178

Fixed Pricing Option - Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2010	As on March 31, 2010	As on March 31, 2009	As on March 31, 2009
Initial Capital	3,999,162.348	39,991,623	3,999,162.348	39,991,623
Opening Balance	2,341,821.749	23,418,218	2,465,187.685	24,651,877
Units Sold during the period	109,476.563	1,094,766	163,496.752	1,634,968
Units Repurchased during the period	(435,041.707)	4,350,417	(286,862.688)	(2,868,627)
Closing Balance	2,016,256.605	20,162,566	2,341,821.749	23,418,218

Variable Pricing Option - Growth Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2010	As on March 31, 2010	As on March 31, 2009	As on March 31, 2009
Initial Capital	15,622,781.058	156,227,811	15,622,781.058	156,227,811
Opening Balance	2,946,699.256	29,466,993	2,899,380.330	28,993,803
Units Sold during the year	512,642.822	5,126,428	214,390.562	2,143,906
Units Repurchased during the year	(809,862.461)	(8,098,625)	(167,071.636)	(1,670,716)
Closing Balance	2,649,479.617	26,494,796	2,946,699.256	29,466,993

Variable Pricing Option - Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on March 31, 2010	As on March 31, 2010	As on March 31, 2009	As on March 31, 2009
Initial Capital	7,613,483.957	76,134,840	7,613,483.957	76,134,840
Opening Balance	3,071,498.499	30,714,985	3,143,683.588	31,436,836
Units Sold during the period	260,017.028	26,901,702	128,466.474	1,284,665
Units Repurchased during the period	(517,525.330)	(5,175,253)	(200,651.563)	(2,006,516)
Closing Balance	2,822,990.197	28,229,902	3,071,498.499	30,714,985

- Expenses other than management fee is inclusive of service tax where applicable.
- Previous year figures have been reclassified/regrouped, wherever necessary, to conform to the current year's classification.
- Contingent Liability: Nil

Scheme Classification & Objective: Sahara Infrastructure Fund is an open ended growth fund with an investment objective to provide income distribution and/or medium to long term capital gains by investing in equity/equity related instruments of companies mainly in the Infrastructure sector. **Risk Factors:** Mutual Funds and securities investments are subject to market risks and the NAV of the scheme may go up or down depending upon the factors affecting the securities market. There can be no assurance or guarantee that the Scheme objectives will be achieved. The past performance of the previous scheme, sponsor or its group affiliates is not indicative of and does not guarantee future performance of the scheme. The sponsor is not responsible or liable for any loss or shortfall resulting from the operations of the scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up of the Mutual Fund. Sahara Infrastructure Fund is only the name of the scheme and does not in any manner indicate either the quality of the scheme, its future prospects or the returns. **Read the Scheme Information Document carefully before investing. Applicable Load:** Entry Load: Nil, Exit Load: 1% if redeemed on or before 12 months from the date of allotment. Nil: If redeemed after 12 months. **Statutory Details:** Sahara Mutual Fund has been set up as a trust under the Indian Trust Act 1882 (liability restricted to the corpus of Rs.1 lac) with Sahara India Financial Corporation Limited as Sponsor and Board of Trustees as Trust and Sahara Asset Management Company Private Limited as the Investment Manager to Sahara Mutual Fund.

KEY STATISTICS FOR THE YEAR / PERIOD ENDED 31ST MARCH, 2010

SAHARA INFRASTRUCTURE FUND		
	Current Year / Period ended 31/03/2010	Previous Year / Period ended 31/03/2009
1. NAV per unit (Rs.):		
Open		
Fixed Pricing - Dividend Plan	6.5150	10.5140
Fixed Pricing - Growth Plan	8.9077	14.3777
Variable Pricing - Dividend Plan	6.6814	10.7029
Variable Pricing - Growth Plan	9.0949	14.5691
Repurchase Price during the year		
(i) Highest		
Fixed Pricing - Dividend Plan	12.7844	11.1067
Fixed Pricing - Growth Plan	17.4852	15.1892
Variable Pricing - Dividend Plan	13.1898	11.3147
Variable Pricing - Growth Plan	17.9517	15.4020
(ii) Lowest		
Fixed Pricing - Dividend Plan	7.3621	5.7296
Fixed Pricing - Growth Plan	9.3781	7.8338
Variable Pricing - Dividend Plan	7.0346	5.8733
Variable Pricing - Growth Plan	9.4999	7.9949
Resale Price during the year		
(i) Highest		
Fixed Pricing - Dividend Plan	13.0720	11.6181
Fixed Pricing - Growth Plan	17.8786	15.8884
Variable Pricing - Dividend Plan	13.4866	11.8355
Variable Pricing - Growth Plan	18.3556	16.1110
(ii) Lowest		
Fixed Pricing - Dividend Plan	6.9617	5.9934
Fixed Pricing - Growth Plan	9.5891	8.1944
Variable Pricing - Dividend Plan	7.1404	6.1437
Variable Pricing - Growth Plan	9.7196	8.3629
End		
Fixed Pricing - Dividend Plan	12.0056	6.5150
Fixed Pricing - Growth Plan	16.4200	8.9077
Variable Pricing - Dividend Plan	12.4089	6.6814
Variable Pricing - Growth Plan	16.8889	9.0949
2. Closing Assets Under Management (Rs.in Lakhs)		
End	1301.14	795.73
Average (AAuM)	1300.11	967.80
3. Gross income as % of AAuM ¹	46.15%	(45.53)%
4. Expense Ratio:		
a. Total Expense as % of AAuM	1.92%	1.82%
b. Management Fee as % of AAuM	0.72%	0.69
5. Net Income as a percentage of AAuM ²	34.73	(51.20)
6. Portfolio turnover ratio ⁴	279.22	174.36
7. Total Dividend per unit distributed during the year / period	NIL	Nil
8. Returns:		
a. Last One Year		
Variable Pricing Option - Growth Option	85.70	(37.57)
Fixed Pricing Option - Growth Option	84.33	(38.05)
CNX Nifty	73.76	(36.19)
b. Since Inception		
Variable Pricing Option - Growth Option	14.04	(3.12)
Fixed Pricing Option - Growth Option	13.24	(3.80)
CNX Nifty	10.61	(4.90)

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

2. Net income = amount against (C) in the Revenue account i.e. Net Realised Gains / (Losses) For The Year / Period

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

4. AAuM=Average daily net assets

ADDENDUMS FORMING PART OF THE SCHEME INFORMATION DOCUMENT(S) OF MUTUAL FUND

- The following changes will be effected to the Scheme Information Documents (SID) / Key Information Memorandum (KIM) / Statement of Additional Information (SAI), wherever applicable for all the schemes of Sahara Mutual Fund.

a. Entry Load

Entry load for all existing open ended schemes of Sahara Mutual Fund shall be NIL w.e.f.1st August, 2009.

b. Exit load/ Contingent Deferred Sales Charge ("CDSC")

On a prospective basis Exit Load for the Equity Schemes shall be as under w.e.f. 01.08.2009

Scheme Name	Exit Load*
Sahara Growth Fund, Sahara Infrastructure Fund, Sahara Wealth Plus Fund, Sahara Power & Natural Resources Fund, Sahara Tax Gain Fund, Sahara Banking and Financial Services Fund, Sahara Midcap Fund, Sahara Super 20 Fund (post unit allotment)	1%* - If redeemed on or before 36 months, NIL- If redeemed after 36 months

*There will be no Exit Load on Direct Applications.

Out of the Exit load, CDSC up to 1% of the redemption value charged to the unit holder by the Fund on redemption of units shall be retained by each of the schemes/ plans in a separate account and will be utilized for payment of commissions and to meet other marketing and selling expenses. Any amount in excess of 1% of the redemption value charged to the unit holder as exit load shall be credited to the respective scheme/ plan immediately.

c. Systematic Investment Plans (SIPs)

The Systematic Investment Plans (SIPs) by an Investor where the aggregate of installment values does not exceed Rs.50,000/- per year (in a rolling year) shall be exempted from PAN requirement. However in lieu of PAN, Investor has to submit any one photo identification document (such as Voter ID Card, Government Defense ID Card, Card of reputed employer, Driving License, Passport etc) along with the application.

d. Systematic Investment Plan (SIPs)/Systematic Transfer Plan (STP) registration under Sahara Star Value Fund

Applications under SIPs/STP for the ongoing New Fund Offer (NFO) of Sahara Star Value Fund will not attract Entry load effective 1.08.2009 All other terms and condition of the schemes remain unchanged.

This addendum shall form an integral part of the Scheme Information Documents / Key Information Memoranda.

Date: 31st July, 2009.

- **1. Point of Service (POS) for Schemes of Sahara Mutual Fund**

Shop No.23, Upper Ground Floor, Cross Roads,'The Mall', Bank Road, Gorakhpur-273001, Uttar Pradesh. Telephone No. 0551-3247171.

This office of the AMC will act as an "Official Point of Acceptance" for the schemes of Sahara Mutual Fund w.e.f 9th September 2009. This notice forms an integral part of the Scheme Information Document / Key Information Memorandum / Statement of Additional Information / Application forms of the schemes of Sahara Mutual Fund.

- **2. Shri Nipun Kalsi, Research Analyst for the schemes of Sahara Mutual Fund has been moved to Portfolio Management Services Division of Sahara Asset Management Company Private Ltd. effective 31st August, 2009.**

Date: 9th September, 2009.

- **Change in Load Structure of Sahara Star Value Fund**

Effective from the date of reopening of the scheme, the load structure shall be as follows:

Entry Load: Nil

Exit load / Contingent Deferred Sales Charge ("CDSC"): 1%* - If redeemed on or before 12 months, NIL- If redeemed after 12 months. *There will be no Exit Load on Direct Applications.

2. Systematic Investment Plans (SIPs)

The Systematic Investment Plans (SIPs) by an Investor where the aggregate of installment values does not exceed Rs.50,000/- per year (in a rolling year) shall be exempted from PAN requirement. However in lieu of PAN, Investor has to submit any one photo identification document (such as Voter ID Card, Government Defense ID Card, Card of reputed employer, Driving License, Passport etc) along with the application. This addendum shall form an integral part of the Scheme Information Documents / Key Information Memoranda. All other terms and condition of the scheme remain unchanged.

Date: 16th September, 2009.

- Effective 1st October, 2009, following will be the exit load in the equity schemes of Sahara Mutual Fund:**

Schemes *: Sahara Growth Fund, Sahara Infrastructure Fund, Sahara Wealth Plus Fund, Sahara Power & Natural Resources Fund, Sahara Banking and Financial Services Fund, Sahara Mid cap Fund, Sahara Super 20 Fund

Exit Load*

1%* - If redeemed on or before 12 months from date of allotment, NIL- If redeemed after 12 months from date * There will be no Exit Load on Direct Applications.

Date: 29th September, 2009.
- Sahara Short Term Bond Fund:** The Board of Trustees has approved the following load structure under Sahara Short Term Bond Fund w.e.f. 12th November, 2009. Entry Load : Nil; Exit Load : Nil

Date: 10th November, 2009.
- The Unit holders/ Investors are advised to note the change in address of Official Point of Acceptance for schemes of Sahara Mutual Fund w.e.f. **26th November, 2009.**

Ground Floor, Sahara India Sadan, 2A-Shakespeare Sarani,Kolkata - 700 071. Tel: 033-3297 7674, 4003 2420.

Date: 25th November, 2009.
- The Unit holders/ Investors are advised to note the change in address of Official Point of Acceptance for schemes of Sahara Mutual Fund w.e.f. **7th December, 2009**

Location Address

Jammu: Kiosk-5 (B-1), Ground Floor, North Block, Bahu Plaza,Jammu-180012.Phone No. 09205044557.

Coimbatore: 41-A1, Half Cellar Floor, West Lokamanya Street, R.S. Puram, Coimbatore-641002.

Phone No. 0422-3296379.

Date: 4th December, 2009.
- Mr. A. K. Thakur has been appointed as an Independent Trustee on the Board of Trustees of Sahara Mutual Fund.

Date: 24th December 2009.
- Change in frequency of Dividend Distribution of Sahara Short Term Bond Fund:**

Existing	Proposed
Frequency of dividend distribution - Weekly	Frequency of dividend distribution- Monthly
Dividend is proposed to be declared on Saturday with the record date on Friday (If Friday being a non business day, then any business day prior to Friday, to be record dates).	The Record date shall be last Thursday of every month. In case Thursday is a non business day then Record date shall be a business day prior to last Thursday. The unitholders whose name appears in the Register of unitholders as on the record date shall be eligible for dividend.

Date: April 23, 2010.

- Mode of Payment for all schemes**

In case the investor subscribes to the units of a scheme through a Demand Draft/ Pay Order / Bankers' Cheque, the cost towards such instruments, if any, shall be borne by the Investors.

Date: April 23, 2010.
- Online Transactions & Service facility**

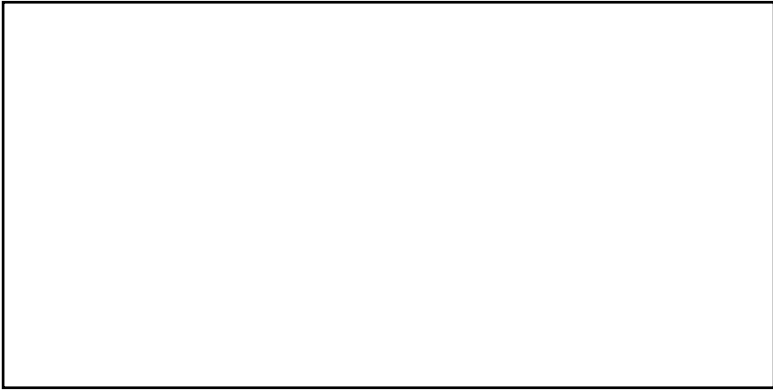
Sahara Asset Management Company Private Limited ("AMC") introduces w.e.f. 10th June, 2010 Online Transaction facility ("facility") on its website- www.saharamutual.com ("AMC website"). Currently this facility will be available for Sahara Tax Gain Fund (ELSS Fund), Sahara Growth Fund, Sahara Midcap Fund, Sahara Wealth Plus Fund, Sahara Infrastructure Fund, Sahara Banking & Financial Services Fund, Sahara Power & Natural Resources Fund, Sahara Super 20 Fund and Sahara Star Value Fund. The AMC may add/ alter more schemes for the purpose of this facility.

Consequent to this, the said website is declared to be an "Official Point of Acceptance" for applications for subscriptions, Redemptions, switches and other facilities under existing folio/s with effect from the transaction date 10.06.2010.

The Uniform Cut-off time as prescribed by SEBI and as mentioned in the Scheme Information Documents of respective schemes shall be applicable for applications received on the website However, investors should note that transactions on the website shall be subject to the eligibility of the investors, any terms & conditions as stipulated by Sahara Mutual Fund/Sahara Asset Management Company Private Ltd., from time to time and any law for the time being in force. All other terms and conditions as mentioned in the respective Scheme Information Documents of the schemes shall be applicable for applications received through the above-mentioned website.

Date: June 10, 2010.

BOOK-POST



Scheme Code - INFRA

SAHARA
TAX-GAIN Fund

SAHARA
GROWTH Fund

SAHARA
MIDCAP Fund

SAHARA
INFRASTRUCTURE Fund

SAHARA
WEALTH PLUS Fund

SAHARA
POWER & NATURAL RESOURCES Fund

SAHARA
BANKING & FINANCIAL SERVICES Fund

SAHARA
SUPER 20 Fund

SAHARA
STAR VALUE Fund

SAHARA
R.E.A.L. Fund

SAHARA
Classic Fund

SAHARA
INTERVAL Fund

SAHARA
GILT Fund

SAHARA
INCOME Fund

SAHARA
LIQUID Fund

SAHARA
SHORT TERM BOND Fund

Mutual Fund Investments are subject to market risks.
Please read the Scheme Information Document carefully before investing.

If undelivered, please return to:
SAHARA MUTUAL FUND
97-98, 9th Floor, Atlanta,
Nariman Point,
Mumbai - 400 021
Tel. : 022 - 67520121 - 27

