

ABRIDGED  
ANNUAL  
REPORT  
2009-10



**SAHARA**  
**MUTUAL**  
**FUND**

http://www



**Sahara Liquid Fund**

# Jewels for Investments...



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

## 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 Liquid Fund

### Returns:

Performance as of March 31, 2010	One year	Since inception	Inception date
NAV (%) VPO	5.909	7.32	22.02.2002
FPO	5.832	6.49	
CRISIL Liquid Fund Index (%)	3.904	NA*	

- \* As Index launched on March 31, 2002. Face Value of Units – Rs.1000/-
- FPO- Fixed Pricing Option VPO – Variable Pricing Option

As on March 31, 2010, the scheme had invested 100% of its net assets in money market instruments and net current assets. The dividend declared under the options during the year 2009-10 under the scheme is detailed further in the report.

### 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 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.

#### 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 Liquid Fund	-	-	-	-

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

Total Number of Folios under all schemes: 43815

Com-plaint 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-Action-able	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
I D	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	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
	<b>TOTAL</b>	<b>9</b>	<b>153</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 7. Statutory Information

- a. 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.
- 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](http://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 Liquid 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.
6. The methods used to value non-traded/thinly traded securities as at March 31, 2010 as determined by the Management under procedures approved by the Trustees of Sahara Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds, issued by the Securities and Exchange Board of India, are fair and reasonable.

For **CHATURVEDI & CO.**  
*Chartered Accountants*

Sd/-  
**(S. N. Chaturvedi)**  
*Partner*

Place : Mumbai  
Date : 10<sup>th</sup> June, 2010

M.No.: 040479  
Firm Regn. No.:- 302137E

## ABRIDGED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in lakhs)

		SAHARA LIQUID FUND	
		As at ended 31/03/2010	As at ended 31/03/2009
	<b>LIABILITIES</b>		
1	<b>Unit Capital</b>	25,299.81	11,684.96
2	<b>Reserves &amp; Surplus</b>		
2.1	Unit Premium Reserves	9,550.40	(213.17)
2.2	Unrealised Appreciation Reserve		
2.3	Other Reserves	7,108.64	2,230.73
3	<b>Loans &amp; Borrowings</b>	-	
4	Current Liabilities & Provisions		
4.1	Provision for doubtful Income/Deposits	-	
4.2	Other Current Liabilities & Provisions	14.06	5.21
	<b>TOTAL</b>	<u>41,972.91</u>	<u>13,707.73</u>
	<b>ASSETS</b>		
1	<b>Investments</b>		
1.1.	<b>Listed Securities:</b>		
1.1.1	Equity Shares		
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	<b>Securities Awaited Listing:</b>		
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	<b>Unlisted Securities</b>		
1.3.1	Equity Shares	-	-
1.3.2	Preference Shares	-	-
1.3.3	Equity Linked Debentures	-	-
1.3.4	Other Debentures & Bonds	2,770.00	1,200.00
1.3.5	Securitised Debt securities	-	-
1.4	Government Securities	-	-
1.5	Treasury Bills	-	-
1.6	Commercial Paper	6,497.98	937.56
1.7	Certificate of Deposits	31,742.06	9,247.24
1.8	Bill Rediscounting	-	-
1.9	Units of Domestic Mutual Fund	-	-
1.1	Foreign Securities	-	-
	<b>Total Investments</b>	<u>41,010.04</u>	<u>11384.80</u>
2	<b>Deposits</b>	-	-
3	<b>Other Current Assets</b>		
3.1	Cash & Bank Balance	22.71	9.24
3.2	Reverse Repo Lending	924.64	2,186.86
3.3	Others	15.52	126.83
4	<b>Deferred Revenue Expenditure</b> (to the extent not written off)	-	-
	<b>TOTAL</b>	<u>41,972.91</u>	<u>13,707.73</u>

Notes to Accounts - Annexure I



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

(Rs. in lakhs)

	SAHARA LIQUID FUND	
	Current Year / Period ended 31/03/2010	Previous Year / Period ended 31/03/2009
<b>INCOME</b>		
Dividend	-	-
Interest	568.68	924.95
Realised Gain / (Loss) on Foreign Exchange Transactions	-	-
Realised Gains / (Losses) on Interscheme sale of investments	-	-
Realised Gains / (Losses) on External sale / redemption of investments	(0.48)	3.65
Realised Gains / (Losses) on Derivative Transactions	-	-
Other Income <sup>1</sup>	-	-
<b>( A )</b>	<u>568.20</u>	<u>928.60</u>
<b>EXPENSES<sup>2</sup></b>		
Management fees	15.31	5.56
Service tax on Management fees	1.58	0.67
Transfer agents fees and expenses	7.15	7.35
Custodian fees	5.79	5.04
Trusteeship fees and expenses	3.49	2.28
Commission to Agents	-	-
Marketing & Distribution expenses	6.65	4.20
Audit fees	5.31	5.18
Other operating expenses	3.68	2.18
<b>( B )</b>	<u>48.96</u>	<u>32.45</u>
<b>NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD ( A - B = C )</b>	<b>519.24</b>	896.15
Change in Unrealised Depreciation in value of investments (D) <sup>3</sup>	-	-
<b>NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C-D))</b>	<b>519.24</b>	896.15
Change in unrealised appreciation in the value of investments (F) <sup>4</sup>	-	-
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD ( E + F = G )</b>	<b>519.24</b>	896.15
Add: Balance transfer from Unrealised Appreciation Reserve	-	-
Less: Balance transfer to Unrealised Appreciation Reserve	-	-
Add : Income Equalisation Reserve	4,398.91	(2,035.46)
<b>Total</b>	<u><u>4,918.15</u></u>	<u><u>(1,139.31)</u></u>
<b>Dividend appropriation</b>		
Income Distributed during the year/period (including dividend tax reversed)	(40.25)	(75.57)
Tax on income distributed during the year / period	-	-
Dividend paid, including dividend tax (reversed)	-	-
<b>Retained Surplus / (Deficit) carried forward to Balance Sheet</b>	<u><u>4,877.90</u></u>	<u><u>(1,214.88)</u></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 Liquid Fund but held in the name of Sahara Mutual Fund is Rs. 92,476,641.30.
- 1.2 The marketing and selling expenses amounting to Rs.664,631/-, Registrar and Transfer Agents charges amounting to Rs.714,743/-, Custodian fees amounting to Rs.578,553/- and Audit Fees amount to Rs.531,340/- constitutes 13.57%, 14.60%, 11.82% and 10.85% 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
MMI's	-	-	-	-	-	-	-	-

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

**Purchases**

Year	Amount in Rs.	% of Daily Average
2009-10	17,515,053,369	1869.39
2008-09	8,400,743,012	828.91

**Sales**

Year	Amount in Rs.	% of Daily Average
2009-10	14,611,812,550	1559.53
2008-09	8,307,790,190	819.74

- 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 Liquid Fund	Money Market	924.76	2.20	2187.11	15.96

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
0.54	0.31	0.16	0.26	1.20	1.66

(Rs. in lakhs)

R. E. A. L. Fund	Classic Fund	Power and Natural Resources Fund	Banking & Financial Services Fund	Interval Fund – Quarterly Plan Sr 1
1.90	0.01	0.85	3.10	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 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):**

Particulars	As on March 31, 2010	As on March 31, 2009
Number of Investors	1	1
Percentage of holdings	96.96%	81.28%

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

**Fixed Pricing Option – (Growth Option )**

	Face Value (Rs)	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	10	22,977,400.000	229,774,000	22,977,400.000	229,774,000
Opening Balance	1000	524.628	524,628	506.375	506,375
Units Sold during the period	1000	4553.419	4,553,419	311.638	311,638
Units Repurchased during the period	1000	(3696.080)	(3,696,080)	(293.385)	(293,385)
Closing Balance		1381.967	1,381,967	524.628	524,628

**Fixed Pricing Option - Dividend Option ( Daily Dividend )**

	Face Value (Rs)	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	10	5,376,000.000	53,760,000	5,376,000.000	53,760,000
Opening Balance	1000	40985.826	40,985,826	38,472.503	38,472,503
Units Sold during the period	1000	58368.296	58,368,296	2,513.323	2,513,323
Units Repurchased during the period	1000	(56784.173)	(56,784,173)	0.000	0
Closing Balance		42569.95	42,569,949	40,985.826	40,985,826

**Fixed Pricing Option - Dividend Option ( Weekly 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				
Opening Balance	0.000	0.00	0.000	0.00
Units Sold during the period	0.000	0.00	0.000	0.00
Units Repurchased during the period	0.000	0.00	0.000	0.00
Closing Balance of Rs.1000 each	0.000	0.00	0.000	0.00

**Fixed Pricing Option - Dividend Option ( Monthly 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				
Opening Balance	513.184	513,184	34.651	34,651
Units Sold during the period	301.476	301,476	578.533	578,533
Units Repurchased during the period	(739.430)	(739,430)	(100.000)	(100,000)
Closing Balance of Rs.1000/- each.	75.230	75,230	513.184	513,184

**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	1,986,915.353	1,986,915,353	1,986,915.353	1,986,915,353
Opening Balance	302,928.004	302,928,004	679,796.046	679,796,046
Units Sold during the period	7,680,656.249	7,680,656,249	3,162,094.525	3,162,094,525
Units Repurchased during the period	(5,533,820.935)	(5,533,820,935)	(3,538,962.567)	(3,538,962,567)
Closing Balance of Rs.1000 each	2,449,763.318	2,449,763,318	302,928.004	302,928,004

**Variable Pricing Option - Dividend Option ( Daily Dividend )**

	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	1,760,554.229	1,760,554,229	1,760,554.229	1,760,554,229
Opening Balance	23,354.017	23,354,017	21,502.049	21,502,049
Units Sold during the period	2,713.344	2,713,344	769,469.150	769,469,150
Units Repurchased during the period	(1,768.163)	(1,768,163)	(767,617.182)	(767,617,182)
Closing Balance of Rs.1000 each.	24,299.198	24,299,198	23,354.017	23,354,017.00

**Variable Pricing Option - Dividend Option ( Weekly 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	9,766.992	9,766,992	9,766.992	9,766,992
Opening Balance	607.147	607,147	619.158	619,158
Units Sold during the period	6,878.044	6,878,044	627.468	627,468
Units Repurchased during the period	(1,243.748)	(1,243,748)	(639.479)	(639,479)
Closing Balance of Rs.1000 each	6,241.443	6,241,443	607.147	607,147

**Variable Pricing Option - Dividend Option ( Monthly 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	6,695.965	6,695,965	6,695.965	6,695,965
Opening Balance	799,583.174	799,583,174	4,020.355	4,020,355
Units Sold during the period	12,789.670	12,789,670	908,305.929	908,305,929
Units Repurchased during the period	(806,722.875)	(806,722,875)	(112,743.110)	(112,743,110)
Closing Balance of Rs.1000 each	5,649.969	5,649,969	799,583.174	799,583,174

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

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**Scheme Classification & Objective:** 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. **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 Liquid 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: Nil. **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 LIQUID FUND	
	Current Year / Period ended 31/03/2010	Previous Year / Period ended 31/03/2009
1. NAV per unit (Rs.):		
<b>Open</b>		
Fixed Growth Plan	1579.8757	1448.9558
Fixed Dividend Plan	1024.9045	1024.9045
Fixed Weekly Dividend Plan	0	0
Fixed Monthly Dividend Plan	1025.5451	1025.1594
Variable Growth Plan	1591.3021	1456.3591
Variable Dividend Plan	1024.9262	1024.9262
Variable Weekly Dividend Plan	1025.8037	1025.414
Variable Monthly Dividend Plan	1025.8889	1025.4941
<b>Repurchase Price during the year</b>		
(i) Highest		
Fixed Growth Plan	1665.7648	1579.8757
Fixed Dividend Plan	1024.9045	1024.9045
Fixed Weekly Dividend Plan	1026.4232	1026.2355
Fixed Monthly Dividend Plan	1025.0326	1034.0438
Variable Growth Plan	1678.6196	1591.3021
Variable Dividend Plan	1024.9262	1024.9262
Variable Weekly Dividend Plan	1026.1085	1026.7874
Variable Monthly Dividend Plan	1031.5719	1034.5498
(ii) Lowest		
Fixed Growth Plan	1580.5182	1449.2918
Fixed Dividend Plan	1024.9045	1024.9045
Fixed Weekly Dividend Plan	1026.4232	1026.2355
Fixed Monthly Dividend Plan	1025.0326	1024.6771
Variable Growth Plan	1592.9593	1456.7076
Variable Dividend Plan	1024.9262	1024.9262
Variable Weekly Dividend Plan	1025.0437	1024.9241
Variable Monthly Dividend Plan	1025.1791	1025.0024
<b>Resale Price during the year</b>		
(i) Highest		
Fixed Growth Plan	1662.8528	1579.8757
Fixed Dividend Plan	1024.9045	1024.9045
Fixed Weekly Dividend Plan	1026.2357	1026.2355
Fixed Monthly Dividend Plan	1028.8309	1034.0438
Variable Growth Plan	1678.6196	1591.3021
Variable Dividend Plan	1024.9262	1024.9262
Variable Weekly Dividend Plan	1025.6996	1026.7874
Variable Monthly Dividend Plan	1031.3730	1034.5498

## KEY STATISTICS FOR THE YEAR / PERIOD ENDED 31ST MARCH, 2010 (Contd.)

	SAHARA LIQUID FUND	
	Current Year / Period ended 31/03/2010	Previous Year / Period ended 31/03/2009
(ii) Lowest		
Fixed Growth Plan	1581.4786	1449.2918
Fixed Dividend Plan	1024.9045	1024.9045
Fixed Weekly Dividend Plan	1026.2354	1026.2355
Fixed Monthly Dividend Plan	1024.6771	1024.6771
Variable Growth Plan	1591.6314	1456.7076
Variable Dividend Plan	1024.9262	1024.9262
Variable Weekly Dividend Plan	1024.9241	1024.9241
Variable Monthly Dividend Plan	1025.0024	1025.0024
<b>End</b>		
Fixed Growth Plan	1665.7648	1579.8757
Fixed Dividend Plan	1024.9045	1024.9045
Fixed Weekly Dividend Plan	0.0000	0.0000
Fixed Monthly Dividend Plan	1025.2199	1025.5451
Variable Growth Plan	1678.8462	1591.3021
Variable Dividend Plan	1024.9262	1024.9262
Variable Weekly Dividend Plan	1025.4684	1025.8037
Variable Monthly Dividend Plan	1025.5470	1025.8889
2. Closing Assets Under Management (Rs. in Lakhs)		
End	41958.85	13702.54
Average (AAuM)	9369.38	10134.62
3. Gross income as % of AAuM1	6.06%	9.62%
4. Expense Ratio:		
a. Total Expense as % of AAuM	0.52	0.32
b. Management Fee as % of AAuM	0.18	0.06
5. Net Income as a percentage of AAuM2	5.54%	9.27%
6. Portfolio turnover ratio <sup>4</sup>	1559.53	819.74
7. Total Dividend per unit distributed during the year / period	(**)	(**)
8. Returns:		
<b>a. One year</b>		
Sahara Liquid Fund - Variable Pricing Option %	5.909	9.260
Sahara Liquid Fund- Fixed Pricing Option %	5.832	9.029
CRISIL Liquid Fund Index (%)	3.904	8.806
<b>b. Since Inception</b>		
Sahara Liquid Fund - Variable Pricing Option %	7.32	7.852
Sahara Liquid Fund- Fixed Pricing Option %	6.49	6.640
CRISIL Liquid Fund Index (%)	NA	NA*

\* as index launched on March 31st, 2002.

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



(\*\*) The scheme has declared the following dividend per unit during the financial year. There was no Bonus declared during the year ended March 31, 2010.

Option	Face Value (Rs)	Period	Dividend per unit (Rs.)
Fixed Pricing Option – Daily Dividend Option	1000/-	01/04/2009 to 31/03/2010	54.2479
Fixed Pricing Option – Weekly Dividend Option	1000/-	01/04/2009 to 31/03/2010	16.5677
Fixed Pricing Option – Monthly Dividend Option	1000/-	01.04.2009 to 31.03.2010	54.6885
Variable Pricing Option – Daily Dividend Option	1000/-	01/04/2009 to 31/03/2010	54.3495
Variable Pricing Option – Weekly Dividend Option	1000/-	01/04/2009 to 31/03/2010	55.3926
Variable Pricing Option – Monthly Dividend Option	1000/-	01/04/2009 to 31/03/2010	54.8141

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/-	01/04/2008 to 31/03/2009	88.66
Fixed Pricing Option – Weekly Dividend Option	1000/-	01/04/2008 to 31/03/2009	88.57
Fixed Pricing Option – Monthly Dividend Option	1000/-	01/04/2008 to 31/03/2009	90.72
Variable Pricing Option – Daily Dividend Option	1000/-	01/04/2008 to 31/03/2009	90.66
Variable Pricing Option – Weekly Dividend Option	1000/-	01/04/2008 to 31/03/2009	87.95
Variable Pricing Option – Monthly Dividend Option	1000/-	01/04/2008 to 31/03/2009	88.66

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

Face Value of Units: Rs.1000 per unit.

## 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](http://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 - LF

**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

