

SAHARA MUTUAL FUND



ANNUAL REPORT 2020-21

ANNUAL REPORT 2020-21

BOARD OF TRUSTEES

Mr M R Siddiqui- Independent Trustee
Mr S P Srivastava- Associate 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

KFin Technologies Private Limited

No 23 | Cathedral Garden Road
Nungambakkam | Chennai - 600034

CUSTODIAN

HDFC BANK LTD

Empire Plaza 1, 4th Floor,
LBS Marg,
Vikhroli (W),
Mumbai 400083

STATUTORY AUDITORS

Chaturvedi & Partners

Chartered Accountants
A 603 Shaheen Chambers
Dawood Baug Lane
Andheri (West)
Mumbai 400058

INDEX

TABLE OF CONTENTS	PAGE NO
Report of the Trustees	4-6
Sahara Tax gain Fund	7-37
Sahara Midcap fund	38-70
Sahara Infrastructure Fund	71-102
Summary of the Substantive Provisions of the Trust Deed	103-106

REPORT OF THE TRUSTEES

We are pleased to present before you the **ANNUAL REPORT** of **SAHARA MUTUAL FUND** for the period ended April 3, 2020.

1. Scheme Performance

• Sahara Tax Gain Fund

Performance as of April 3, 2020	Since inception	Inception Date
Sahara Tax Gain Fund (%) Regular	17.76	April 1, 1997 (Regular) / Jan 1, 2013 (Direct)
Sahara Tax Gain Fund (%) Direct	4.44	
S & P BSE 200 (%)	11.53 / 6.28	

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.

The NAV as at April 3, 2020 amounting to Rs.3.43 crores is to be paid to the Unit holders in proportion to their outstanding units under the scheme.

• Sahara Midcap Fund

Returns:

Performance as of April 3, 2020	Since inception	Inception date
Sahara Midcap Fund (%) - Regular	12.73	31 st December , 2004 (Regular) / 1/1/2013 (Direct Plan)
Sahara Midcap Fund (%) - Direct	10.48	
Nifty Midcap 100 (%)	10.06/ 5.09	

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.

The NAV as at April 3, 2020 amounting to Rs.5.92 crores is to be paid to the Unit holders in proportion to their outstanding units under the scheme.

• Sahara Infrastructure Fund

Returns:

Performance as of April 3, 2020	Since inception	Inception date
Regular		
Sahara Infrastructure Fund (%) – Variable Pricing Option	5.83	01/09/2005 (Regular)/
Fixed Pricing Option	4.69	
Nifty 50 (%)	7.54	
Direct		01/01/2013 (Direct)
Sahara Infrastructure Fund (%) – Variable Pricing Option	5.61	
Fixed Pricing Option	5.36	
Nifty 50 (%)	5.63	

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.

The NAV as at April 3, 2020 amounting to Rs.3.17 crores is to be paid to the Unit holders in proportion to their outstanding units under the Scheme.

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.

SEBI vide its Order no: WTM/PS/26/IMD/DOF-III/July/2015 dated 28th July, 2015 directed cancellation of "Certificate of Registration" of Sahara Mutual Fund which was to be effective on expiry of six months from the date of the Order. Further, SEBI also directed by the said Order that the Mutual Fund shall not take any new subscription from investors. Accordingly, Sahara Mutual Fund has not taken any new subscription from the investors (including existing investors) in line with the said SEBI order.

Sahara Asset Management Company Pvt. Ltd filed an appeal before the Securities Appellate Tribunal (SAT), Mumbai to set aside the said SEBI order. SAT vide its order dated 9th December 2015 granted an interim stay in the matter. SAT vide its order dated 28th July, 2017 dismissed the appeal made by Sahara AMC against the SEBI order dated 28th July, 2015. However, SAT granted 6 weeks stay to approach the Hon'ble Supreme Court in the matter. An appeal was filed on 7th September 2017 before the Hon'ble Supreme Court and the appeal was dismissed vide its order dated 23rd October 2017.

SEBI vide its letter dated November 17, 2017 directed the cancellation of 'Certificate of registration' would be effective six months from the date of the Hon'ble Supreme Court order dated 23rd October 2017.

Sahara Mutual Fund requested SEBI vide its letter dated 15th January 2018 to extend the date of cancellation of 'Certificate of registration' till July 27th, 2018 for giving time for identification of a new sponsor and considering the lock in period of certain unit holders' investments in Sahara Tax Gain Fund.

A new sponsor was identified for Sahara Mutual Fund viz., One Life Capital Advisors Limited. SEBI vide their letter dated 11th April 2018 ordered for winding up all the schemes except Sahara Tax Gain Fund by 21st April 2018. An appeal was filed before SAT for a stay against the SEBI order dated April 11, 2018. In view of the direction of SAT on 26th April 2018, a comprehensive appeal was filed. SAT vide its order dated 3rd May 2018 directed that SEBI shall not enforce the orders impugned in the two appeals till a decision on new sponsor's application is communicated. The application of One Life Capital Advisors Limited who had offered to be the new Sponsor for Sahara Mutual Fund stands annulled in view of the SEBI Order dated March 4th, 2020. SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up in line with SEBI order no. WTM/GM/IMD/07/2018-19 dated April 11, 2018.

The Board of Trustees of Sahara Mutual Fund decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996. A notice was published on March 20, 2020 to wind up all the schemes as of March 27, 2020. During the financial year 2019-20, seven (7) schemes namely Sahara Growth Fund, Sahara Wealth plus Fund, Sahara R.E.A. L Fund, Sahara Power & Natural Resources Fund, Sahara Banking and Financial Services Fund, Sahara Super 20 Fund and Sahara Star Value Fund and Sahara Liquid Fund were wound up on March 27, 2020. The remaining three schemes namely Sahara Tax gain Fund, Sahara Midcap Fund and Sahara Infrastructure Fund have been wound up on April, 3rd, 2020.

As of date, KYC compliant folios have been paid their dues and the process for payment of balance amounts is under way. Reminder letters along with KY forms have been sent to Investors at their registered addresses to comply with KYC norms.

b. Board of Trustees

The Board of Trustees comprises of two trustees, Mr. S P Srivastava and Mr. M R Siddiqui.

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.

i. Sahara Tax Gain Fund

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

ii. Sahara Midcap Fund

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

iii. Sahara Infrastructure Fund

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

4. Significant Accounting Policies:

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

5. Unclaimed Dividends and Redemptions as of April, 3, 2020

Scheme Name	No of Investors	Unclaimed Dividend (Rs.)	No of Investors	Unclaimed Redemption (Rs.)
Sahara Tax Gain Fund	2042	2052649.77	59	435019.20
Sahara Midcap Fund	571	626392.6	93	687332.39
Sahara Infrastructure Fund	25	116075.30	68	609850.01

6. Statutory Information.

- 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.
- 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 Sponsor, and the Board of the Sahara Asset Management Company Private Limited for their support, co-operation and guidance during the period.

We are also thankful to the Auditors, Registrar and Transfer Agents, Custodian, Banks, Depositories, 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 dedication, commitment and wholehearted support throughout the year.

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

M R Siddiqui
Trustee

Place: Mumbai
Date: 27th July, 2021

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Sahara Mutual Fund- **Sahara Tax Gain Fund**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sahara Mutual Fund – Sahara Tax Gain Fund** ("the Scheme"), which comprise the Balance Sheet as at April 3, 2020, the Revenue Account for the period from 1st April, 2020 to 3rd April, 2020 and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the scheme give the information specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the SEBI Regulations"), 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 April 3, 2020;
- (b) in the case of the Revenue Account, of the deficit for the period ended on that date.
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA's) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust/Scheme in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements of the Scheme. Our audit has been conducted in accordance with the accounting policies and standards specified in the SEBI Regulations and amendments thereto, as applicable and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the following matters in the Notes to the financial statements:

- a) Note no. 8.18 (a) which states that SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up.
- b) Note no. 8.18 (b) which states that The Board of Trustees of Sahara Mutual Fund have decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996 with effect from 27th March, 2020.
- c) Note no. 8.19 which states that due to a technical issue the Scheme could not be wound up on 27th March, 2020 but actually got wound up on 3rd April, 2020.

In view of the above the accounts for the period from 1st April, 2020 to 3rd April, 2020 have been prepared on "liquidation basis of accounting" and not on a going concern basis.

Our opinion is not modified in respect of the above matter.

Responsibilities of the Management and Those Charged with Governance 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 SEBI 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.

Those charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Consequent upon the directions in the SEBI letter dated 5th March, 2020 and the decision of the Trustees to comply with the SEBI directions, the Scheme has been wound up on 3rd April, 2020 and the financial statements have been prepared on liquidation basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 sought and 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 accounts of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the SEBI Regulations 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 & Partners.

Chartered Accountants

(Firm's Registration No. 307068E)

(Siddharth Punamiya)

(Partner)

Mem. No. 148540

UDIN: 21148540AAAABZ2718

Place: Mumbai

Date: July 27, 2021

SAHARA TAX GAIN FUND
BALANCE SHEET AS AT APRIL 3, 2020

	Schedule	As at	As at
		April 3, 2020	March 31, 2020
ASSETS		(Rs)	(Rs)
Investments	1	-	517,167
Other Current Assets	2	37,044,524	36,577,123
Total Assets		37,044,524	37,094,290
LIABILITIES			
Unit Capital	3	17,587,891	17,587,891
Reserves & Surplus	4	16,726,396	16,782,641
Current Liabilities & Provisions	5	2,730,237	2,723,758
Total Liabilities		37,044,524	37,094,290

NET ASSET VALUE

Net Asset Value per unit (Rs.)

i) Growth Option	G	53.9014	53.9897
ii) Dividend Option	D	12.6247	12.6454
iii) Direct Growth Option	GDP	56.7813	56.8732
iv) Direct Dividend Option	DDP	12.8794	12.9004

Significant 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 & Partners
Chartered Accountants
(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

Siddarth Punamiya
(Partner)
Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: 27 July, 2021

M R Siddiqui
Trustee

S P Srivastava
Trustee

Place: Mumbai

Date: 27 July, 2021

SAHARA TAX GAIN FUND
REVENUE ACCOUNT FOR THE PERIOD ENDED APRIL 3, 2020

	Schedule	For the period ended	For the year ended
		April 3, 2020	March 31, 2020
		(Rs)	(Rs)
INCOME			
Dividend Income		-	608,273
Interest & Discount Income		-	-
Profit on Sale / Redemption of Investments(Net) (Other than Inter Scheme Transfer / Sale)		-	-
Total Income		-	608,273
EXPENSES & LOSSES			
(Refer note 8.1 of Schedule 7)			
Loss on Sale / Redemption of Investments(Net) (Other than Inter Scheme Transfer / Sale)		81,153	10,173,913
Management Fees		684	132,561
ST / GST on Management Fees		123	23,863
Investor Education & Awareness Fees		56	9,977
Registrar & Transfer Agent Charges		-	417,320
Transaction cost		610	21,030
Custodian Fees		4,876	250,915
Trusteeship Fees & Expenses		-	52,103
Audit Fees		-	78,140
Professional Fees		-	129,468
Commission to Agents		130	23,924
Total Expenses		87,632	11,313,214
Net Surplus/ (Deficit) for the Period / Year (Provision)/ Write Back for diminution in the value of Investment	6	(87,632) 31,387	(10,704,941) 3,414,646

Net Surplus / (Deficit) for the Period / Year (excluding unrealised appreciation, if any)		(56,245)	(7,290,295)
Transfer from Income Equalisation Reserve		-	(6,030,406)
Net : Transferred to Revenue Reserve		(56,245)	(13,320,701)

Significant Accounting Policies and Notes to the accounts

7

Schedules 6 to 7 form an integral part of the Revenue Account

As per our attached report of even date

For Chaturvedi & Partners

Chartered Accountants

(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava

Director

I S Verma

Director

Siddarth Punamiya

(Partner)

Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai

Date: 27 July, 2021

M R Siddiqui

Trustee

Place: Mumbai

S P Srivastava

Trustee

Date: 27 July, 2021

SCHEDULES FORMING PART OF THE BALANCE SHEET

		As at April 3, 2020 (Rs)		As at March 31, 2020 (Rs)
SCHEDULE 1				
Investments				
(Refer Note 8.13 of Schedule 7 for detailed Portfolio Statement)				
Equity Shares		-		517,167
		-		517,167
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current accounts		36,577,124		36,573,745
Dividend Receivable		-		3378
Receivable : Sales Proceeds		467,400		-
		37,044,524		36,577,123
SCHEDULE 3				
Unit Capital				
Growth Option 257867.793 units of Rs.10 each	G	2,578,682		2,578,682
(For 2019-2020 - 257867.793 units of Rs.10 each)				
Dividend Option 1412232.076 units of Rs.10 each	D	14,122,321		14,122,321
(For 2019-2020 - 1412232.076 units of Rs.10 each)				
Direct Growth Option 32882.105 units of Rs.10 each	GDP	328,821		328,821
(For 2019-2020 -32882.105 units of Rs.10 each)				
Direct Dividend Option 55806.659 units of Rs.10 each	DDP	558,067		558,067
(For 2019-2020 - 55806.659 units of Rs.10 each)				

Total		17,587,891		17,587,891
(Refer Note 8.9 of Schedule 7)				
Reserves and Surplus		(Rs)		(Rs)
Revenue Reserve				
Balance as at beginning of the year	36,846,128		50,166,829	
Transferred from Revenue Account	(56,245)		(13,320,701)	
Balance as at end of the period / year		36,789,883		36,846,128
Income Equalisation Reserve				
Balance as at beginning of the year				
Additions During the period / year	-		(6,030,406)	
Transferred to Revenue Account	-		6,030,406	
Balance as at end of the period / year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		7,020,134	
Additions During the period / year	-		(7,020,134)	
Balance as at end of the period / year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	(20,063,487)		(22,264,084)	
Additions During the period / year	-		2,200,597	
Balance as at end of the period / year		(20,063,487)		(20,063,487)
Balance carried to the Balance Sheet		16,726,396		34,922,879
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		189,921		184,304
Management Fees Payable		9,138		8,455
ST / GST on Management Fees Payable		1,645		1,522
STT Payable		1		1
Payable - Fee on Investor Education		40,963		40,907

Unclaimed Distributed Income		2,053,550		2,053,550
Payable on Redemption of Units		435,019		435,019
		2,730,237		2,863,343
SCHEDULES FORMING PART OF REVENUE ACCOUNT				
		For the period ended		For the year ended
		April 3, 2020		March 31, 2020
		(Rs)		(Rs)
SCHEDULE 6				
(Provision)/ Write Back for diminution in the value of Investment				
At the beginning of the year		(31,387)		(3,446,033)
At the end of the period / year		-		(31,387)
		31,387		3,414,646

As per our attached report of even date

For Chaturvedi & Partners
Chartered Accountants
(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

Siddarth Punamiya
(Partner)
Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: 27 July, 2021

M R Siddiqui
Trustee
Place: Mumbai

S P Srivastava
Trustee
Date: 27 July, 2021

SAHARA TAX GAIN FUND
CASHFLOW STATEMENT FOR THE PERIOD ENDED April 3, 2020

		For the period ended	For the year ended
		April 03, 2020	March 31, 2020
		(Rs)	(Rs)
Cash Flow from Operating Activity			
Surplus / (Deficit) for the period/ year		(87632)	(10704941)
Add/(less) : Net Change in Marked to Market Value of Investments		31387	(3605488)
Add: Interest expense on Loan		-	-
Adjustments for :-			
(Increase) / Decrease in Investments		517167	51459059
(Increase) / Decrease in Other current assets		(464022)	1753643
Increase / (Decrease) in Other current liabilities		6479	(139585)
(Increase) / Decrease in Fixed Deposit		-	-
Net cash generated from / (used in) operations	(A)	3379	38762688
Cash Flow from Financing Activities			
Increase / (Decrease) in Unit Capital		0	(2444637)
Increase / (Decrease) in Unit Premium		0	2200597
Income Equalisation during the period		0	(6030406)
Adjustments for:-			
Increase / (Decrease) in Sundry Creditors for units redeemed by Investors		-	-
(Increase) / Decrease in Sundry Debtors for units issued to investors		-	-
Dividend paid during the year (including Dividend Distribution Tax)		-	-
Net cash (used in) / generated from financing activities	(B)	0	(6274446)
Net increase / (Decrease) in cash and cash equivalents	(A+B)	3379	32488242
Cash and Cash Equivalents as at the beginning of the year	(C)	36573745	4085503
Cash and Cash Equivalents as at the close of the period/year	(D)	36577124	36573745
Net cash and cash equivalents	(D-C)	3379	32488242

Components of cash and cash equivalents			
Balances with banks in current accounts		36577124	36573745
Fixed Deposits (less than 3 months)		-	-
CBLO / TriParty Repo		-	-
Cash and Cash equivalents as at the close of the period / year.		36577124	36573745

For Chaturvedi & Partners
Chartered Accountants
(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

Siddarth Punamiya
(Partner)
Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: 27 July, 2021

M R Siddiqui
Trustee
Place: Mumbai

S P Srivastava
Trustee
Date: 27 July, 2021

SCHEDULE - 7

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED APRIL 3, 2020

1. INTRODUCTION

1.1 About the Scheme

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

The Scheme was wound up by the Trustees on 3rd April, 2020 in terms of the provisions of Regulation 39(2)(c) of the SEBI (Mutual Funds) Regulations, 1996. Accordingly, the accounts have been drawn for the period from 1st April, 2020 to 3rd April, 2020 on liquidation basis.

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 April 03, 2020 is as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.27%
Sahara India Corp Investment Limited	Equity	10.52%
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	11.74%
Sahara Care Limited	Equity	31.00%
Sahara India Commercial Corporation Limited	Equity	1.47%
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

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

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

2.2.2 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 recognized only on the receipt of the Bonus/Rights.

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

2.3. Valuation of Investments

Valuation Policy for the current period is as under:

A: VALUATION OF DEBT INSTRUMENTS

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

Sr. No.	Instrument	Valuation applicable on the day of valuation
1.	CBLO, REPO, Fixed Deposit, Call Money , etc and such Similar Instruments	On Amortization basis / Accrual basis.
2.	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc. where Script wise values are available from CRISIL/ ICRA	The aggregated average price provided by CRISIL / ICRA for the given security or any other agencies as may be indicated from time to time by SEBI/AMFI for that day
3	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc where Script wise values are not available from CRISIL/ ICRA	

	i)	Same security traded and reported on public platforms.	On Weighted Average Yield of all trades (excluding abnormal and retail trades) on Public platforms, for that Securities on that day irrespective of settlement day.
	ii)	If Same Security not traded and reported on any of the public platforms.	The aggregated average matrices of CRISIL/ ICRA for the respective category Or any other agencies as may be indicated from time to time by SEBI/AMFI for that day.
4	Central Government Securities / State Government Securities / Treasury Bills/Cash Management Bill etc		
	1) If the securities are traded and residual maturity is above 60 days.		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. In case on any given day, the valuation Matrices is not available from CRISIL/ICRA the Valuation is done on accrual/amortization based on last valuation.
	2) If the securities are non-traded and residual maturity is above 60 days.		By amortization on straight line basis to maturity from cost or last valuation price whichever is more recent.
	3) If the securities are traded and residual maturity of the securities is equal to or below 60 days		On last traded price as given on NDS-Section of CCIL Website (Excluding abnormal trade).
	4) If the securities are non-traded and the residual maturity of the securities is equal to or below 60 days		By amortization on straight line basis to maturity from cost or last valuation price whichever is more recent as long as it is within +/- 0.10 % of the reference price. Benchmark yields for calculating reference price to be provided by CRISIL / ICRA.

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 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
	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 is 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 is taken

Similar Security:

Similar security here shall mean those securities which are 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 up to 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” is 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 5crs and above, excluding abnormal trades and retail trades is 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 is 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 is ignored for the valuation purpose.
3. CRISIL and ICRA provide the valuation matrices for various maturity buckets. Script wise value for various debt instruments are also provided by CRISIL and ICRA. Trades are also reported and settled on various public platforms.
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 up to 4 decimal points which shall be considered and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where Script wise values are not available by CRISIL/ICRA, price derived from the corresponding Weighted Average yield of all available trades excluding abnormal and retail trades on any public platform for the same security on T+1 settlement basis is taken.

In case, the Bilav file is not received by 7:30 pm and script wise values are not available then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.

7. For non traded securities where Script wise values are not available, the valuation is done on the price derived from the corresponding the aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.
8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation is done on aggregated Script wise pricing as provided by CRISIL/ICRA and as applicable for that day.

In the absence of Script wise values the valuation is based on aggregated matrices if available from CRISIL/ICRA on T+1 settlement and as applicable for that day.

9. In case the valuation matrices/Script wise value is available either from CRISIL/ICRA up to a reasonable time limit, the same is considered for arriving at valuation.
10. In respect of on 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.5lacs in value and the total volume is less than 50,000 shares, the security is considered as thinly traded security.
- (b) In order to determine whether a security is thinly traded or not, the volumes traded in all recognized Stock Exchanges in India would be taken into account.
- (c) Where a Stock Exchange identifies the thinly traded securities by applying the above parameters for the preceding calendar month and publishes or provides the required information along with the daily quotations, the same would be used for valuation.
- (d) If the shares are not listed on the Stock Exchanges which provide such information, then we would make our own analysis in line with the above criteria to check whether such securities are thinly traded or not.

3. Non-traded / Suspended Securities

When an equity security is not traded on any Stock Exchange for a period of thirty days prior to the valuation date, the Script would be treated as a non traded security.

When an equity security is suspended up to thirty days, then the last traded price is 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 value 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 is = [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 capitalized 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 is valued in accordance with the procedure as mentioned above on the date of valuation.

5. Demerger

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

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

6. Preference Shares

Preference Shares valuation guidelines would be as follows:

- a) Traded preference shares would be valued as per traded prices.
- b) Non traded Preference Shares
 - I. Redeemable Preference Shares
 - i. Convertible preference share would be valued like convertible debentures.
In general in respect of convertible debentures and bonds, the non-convertible and convertible components would be valued separately. The non-convertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component would be valued on the same basis as would be applicable to an equity instrument.
If a convertible preference share does not pay dividend then it would be treated like non convertible debentures.
 - ii. Non-Convertible preference share would be valued like a debt instrument.
 - II. Irredeemable preference shares would be valued on perpetual basis. It is like a constant dividend equity share.

7. Warrants

- a) In respect of warrants to subscribe for shares attached to instruments, the warrants would be valued at the value of the share which would be obtained on exercise of the warrants as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect on convertible debentures is 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 the income accrued on debt instruments is not received even after 90 days past the due date, the asset is termed as Non Performing Assets (NPAs) and all provisions/guidelines with respect to income accrual, provisioning etc as contained in SEBI circulars/guidelines issued from time to time shall apply and the valuation of such securities will be done accordingly. In case the company starts servicing the debt, re-schedulement is allowed, the applicable provision in SEBI circulars shall apply for provisioning and reclassification of the asset
- ii) In case of any other instruments not covered in the policy above, the same is referred to the Investment and Valuation Committee which is empowered to take decision.
- iii) In case of any perceived conflict of interest while valuating the securities, the matter is dealt and decided by Investment and Valuation Committee.
- iv) For non– business day the valuation is done on aggregated Script wise prices as provided by CRISIL/ICRA. In absence of Script wise prices the valuation is done on accrual basis/amortization basis based on last valuation
- v) 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 is done based on last valuation plus accrual/amortization or as may decided by the Investment and Valuation Committee.
- vi) The Valuation Policy is reviewed by the Statutory Auditor at least once in a financial year.
- vii) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees is 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 (realized) on investments sold / transferred during the year is charged to revenue account, instead of being first adjusted against the provision for depreciation, if already created in the prior year, as recommended by the said Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme’s net assets or results for the year.

2.4 Revenue Recognition

2.4.1 Income and Expenses are recognized on accrual basis.

- 2.4.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.
- 2.4.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.
- 2.4.4 Proportionate realized gains on investments out of sales / repurchase proceeds at the time of sale / repurchase of units are transferred to revenue Account from Unit Premium Reserve.

3. Net Asset Value for Growth/Dividend Options:

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

4. Unit Premium Reserve Account

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

5. 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

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 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed redemption and unclaimed dividend amounts may be deployed by the mutual funds in call money market or money market instruments and also be allowed to be invested in a separate plan of Liquid Scheme/ Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. The investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. Further, AMC shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plans shall be capped at 50 bps. The AMC should make continuous effort to remind the investors through letters to take their unclaimed amounts.

8. NOTES ON ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees, Scheme Expenses

Management Fees

Management Fees (inclusive of GST) has been computed at 0.29% (P.Y. 0.31%) 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, an annual fee of Rs.1,00,000/- per Trustee is payable. During the current period, the entire Trusteeship fees and expenses was borne by the AMC (previous year--an amount of Rs.52102.95 was charged to the scheme expenses and the balance amount was borne by the AMC)

Custodian Charges

The Custodian fees has been paid by the AMC during the period (PY: Rs.250915.00)

Scheme Expenses

As per guidelines issued vide SEBI circular dated October 22, 2018, the schemes related expenses had to be fully managed from the Total Expense Ratio (TER).

During the current period, due to winding up of the scheme certain expenses have been paid from TER and the balance amount had been borne by the AMC, details are as under:

Particulars	Total Expenses	Charged to Scheme TER	Balance borne by AMC
Audit Fees	13573.57	4875.97	8697.60

During the year 2019-20 due to small size of AUM of the scheme only the certain expenses have been paid from TER and the balance amount had been borne by the AMC, details are as under:

Particulars	Total Expenses	Charged to Scheme TER	Balance borne by AMC
R & T Expenses	448486.52	4,17,320.01	31166.51
Audit fees	97603.77	78139.67	19464.10

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 is Nil in view of winding up of all the Schemes of the Fund.

During the previous year, 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 During the period from 01.04.2020 to 03.04.2020 ,the Registrar and Transfer Agent charges amounting to Rs.0.00(PY:Rs.4,17,320.01) constitutes 0.00% (PY:36.63%), the Custodian fees amounting to Rs.0.00 constitutes 0.00(PY:22.02%) and Professional fees amounting to Rs.0.00(PY:129467.87) constitutes 0.00%(PY:11.36%) of the total scheme expenses.

8.5 Transactions with Associates/related parties/group companies of Sponsor/AMC

Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8): Related Party:- Sahara India Financial Corporation Ltd(SIFCL- --- the Sponsor).

No Commission was paid to SIFCL for sale of units of the MF for the current period in view of closure of the Scheme.

Commission to SIFCL made for sale of units of the MF for the previous year ended 31st March 2020.

(Rs. In Lakhs)

Tax Gain Fund	Growth Fund	Mid Cap Fund	Wealth Plus Fund	Infrastructure Fund	Star Value Fund	Banking & Financial Services Fund
0.0436	0.0010	0.0032	0.0012	0.0020	0.0003	0.0103

Commission to SIFCL

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	Sponsor / Mutual Fund Distributor	April 19- March 20	0.00	Rs.6171.56; 7.42%

In column No 5, the amount relates to trail commission.

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 1st April – 3rd April 2020 & April – Mar 2020.

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

Purchases

Year	Amount in Rs.	% of Daily Average
April 1 st , 2020 - April 3 rd , 2020	0.00	0.00
2019-20	664,130.56	1.33

Sales

Year	Amount in Rs.	% of Daily Average
April 1 st , 2020 - April 3 rd , 2020	467400.28	165.64
2019-20	38,343,788.72	76.82

8.7 Aggregate Appreciation and Depreciation in the value of Investments :

Asset Class	03-April-2020		31-Mar-2020	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Equity Shares	0.00	0.00	0.00	(0.31)

8.8 Income and Expense Ratio

	April 1 st , 2020 - April 3 rd , 2020	2019-20
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	0.06%	1.16%
Total Expenditure to average net assets calculated on a daily basis	2.30%	2.28%

8.9 Movements in Unit Capital: Face Value of Units: Rs. 10/- per unit.**8.9.1 Growth Option**

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3, 2020	As on April 3, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	257867.793	2578677.93	286801.008	2868010.08
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(28933.215)	(289332.15)
Closing Balance	257867.793	2578677.93	257867.793	2578677.93

8.9.2 Growth Option(Direct)

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	32882.105	328821.05	36665.079	366650.79
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(3782.974)	(37829.74)
Closing Balance	32882.105	328821.05	32882.105	328821.05

8.9.3 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	1412232.076	14122320.76	1599135.105	15991351.05
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(186903.029)	(1869030.29)
Closing Balance	1412232.076	14122320.76	1412232.076	14122320.76

8.9.4 Dividend Option (Direct)

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	55806.659	558066.59	80651.220	806512.20
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(24844.561)	(248445.61)
Closing Balance	55806.659	558066.59	55806.659	558066.59

8.10 The scheme has declared Nil dividend and no bonus during the current period (PY: Nil).

8.11 Unclaimed Amounts (beyond three months)

Unclaimed Redemption and Dividend amounts as on April 03, 2020 are given below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No of Investors	Unclaimed Redemption(Rs)
Sahara Tax Gain Fund	2042	2053549.77	59	435019.2

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed dividend and redemption amounts along with the amount earned on its deployment till the end of the third year stands clearly identified and is lying in a current account.

8.12 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 (PY : NIL)**

8.13 Portfolio Statement as on April 3rd , 2020:

The scheme's Net Asset Value stood at Rs. 3.43 crores. The net realizable assets as on date of winding up of the scheme i.e 3rd April 2020, stands payable to the unit holders in proportion to their interest in the assets of the scheme.

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

8.15 Holdings over 25% of the NAV of the scheme as of April 03, 2020

Particulars	As on April 3, 2020	As on March 31, 2020
Number of Investors	0	0
Percentage of Holdings	N/A	N/A

8.16 Contingent Liability: **Nil**

8.17 SEBI vide its Order no: WTM/PS/26/IMD/DOF-III/July/2015 dated 28th July, 2015 directed cancellation of "Certificate of Registration" of Sahara Mutual Fund which was to be effective on expiry of six months from the date of the Order. Further, SEBI also directed by the said Order that the Mutual Fund shall not take any new subscription from investors. Accordingly, Sahara Mutual Fund has not taken any new subscription from the investors (including existing investors) in line with the said SEBI order.

Sahara Asset Management Company Pvt. Ltd filed an appeal before the Securities Appellate Tribunal (SAT), Mumbai to set aside the said SEBI order. SAT vide its order dated 9th December 2015 granted an interim stay in the matter. SAT vide its order dated 28th July, 2017 dismissed the appeal made by Sahara AMC against the SEBI order dated 28th July, 2015. However, SAT granted 6 weeks stay to approach the Hon'ble Supreme Court in the matter. An appeal was filed on 7th September 2017 before the Hon'ble Supreme Court and the appeal was dismissed vide its order dated 23rd October 2017.

SEBI vide its letter dated November 17, 2017 directed the cancellation of 'Certificate of registration' would be effective six months from the date of the Hon'ble Supreme Court order dated 23rd October 2017.

Sahara Mutual Fund requested SEBI vide its letter dated 15th January 2018 to extend the date of cancellation of 'Certificate of registration' till July 27th, 2018 for giving time for identification of a new sponsor and considering the lock in period of certain unit holders' investments in Sahara Tax gain fund.

A new sponsor was identified for Sahara Mutual Fund viz., One Life Capital Advisors Limited.

SEBI vide their letter dated 11th April 2018 ordered for winding up all the schemes except Sahara Tax Gain Fund by 21st April 2018. An appeal was filed before SAT for a stay against the SEBI order dated April, 11, 2018. In view of the direction of SAT on 26th April 2018 a comprehensive appeal was filed.

SAT vide its order dated 3rd May 2018 directed that SEBI shall not enforce the orders impugned in the two appeals till a decision on new sponsor's application is communicated.

The application of One Life Capital Advisors Limited who had offered to be the new Sponsor for Sahara Mutual Fund stands annulled in view of the SEBI Order dated March 4th, 2020.

SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up in line with SEBI order no.WTM/GM/IMD/07/2018-19 dated April 11, 2018.

The Board of Trustees of Sahara Mutual Fund decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996.

A notice was published on March 20, 2020 that Sahara Tax Gain Fund would be wound up on March 27, 2020.

8.18 WINDING UP OF THE SCHEME

SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up in line with SEBI order no.WTM/GM/IMD/07/2018-19 dated April 11, 2018.

The Board of Trustees of Sahara Mutual Fund decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996.

A notice was published on March 20, 2020 that Sahara Infrastructure Fund would be wound up on March 27, 2020.

In view of what has been stated in para 8.19 below, the financial statements have been prepared for the period from 1st April, 2020 to 3rd April, 2020 on liquidation basis.

8.19 Events post the issue of original notice dated March 19, 2020/ publication of original notice dated March 20, 2020

- a) Sahara Taxgain Fund could not be wound up on March 27, 2020. The entire portfolio had been liquidated but for one of the securities in the portfolio namely Tata Consumer Products Ltd. (pari-passu shares allotted on account of demerger of Tata Chemicals and Tata Global Beverages Ltd) which did not get listed on the Stock Exchange on or before March 27, 2020.

- b) SEBI was informed about the extension of the winding up period of the scheme vide AMC mail dated March 27, 2020.
- c) The said security got listed on April 1, 2020 and the scheme sold these shares on April 3rd, 2020. Accordingly, the Scheme—Sahara Tax gain Fund was wound up as on April 3rd, 2020.

8.20 Composition of the Board of Trustees.

As per Reg 15(1) read with para 22 of the Third Schedule (Contents of Trust Deed) of SEBI (Mutual Funds) Regulations 1996, it is stated that "The trust deed shall state that the minimum number of trustees shall be four." The Board of Trustees of Sahara Mutual Fund comprises of two (2) Trustees and thereby the above criteria of minimum number of Trustees has not been complied with.

8.21 Net Worth:

As per the Reg. 21(1)(f), of SEBI (Mutual Funds) Regulations, 1996 and in compliance with the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014 dated May 6, 2014, the AMC should maintain a Net Worth of minimum Rs. 50 crores. The Net Worth of Sahara Asset Management Company Private Ltd. as on April 3, 2020 was Rs .3.20 Crs., which is below the threshold limit of Rs. 50 crores and thereby the net worth criteria as required by the above regulations has not been complied with.

8.22 Events occurring after the Balance Sheet date:

- a) The NAV as at April 3, 2020 amounting to Rs. 3.43 crores is to be paid to the Unit holders in proportion to their outstanding units under the scheme. This amount and the unclaimed dividend/redemption amounts outstanding have been transferred to AMC along with the balances Bank accounts for necessary settlements and shortfall, if any will be met by AMC. The amount in the receivable represents sales proceeds of securities of Tata Consumer Products Limited sold on April 03, 2020 and received on April 08, 2020. As of date, KYC compliant folios have been paid their dues and the process for payment of balance amounts is under way.
- b) SEBI vide their letter No. SBI/HO/VO/IMD II/dof3/P/2021/7337/71 dated March 30, 2021, inter alia, has directed that Trustees shall monitor the status of distribution process to unit holders on winding up of all schemes of Sahara AMC on continuous basis.

The current period figures are not comparable with those of the previous year as the scheme has been wound up on April 3, 2020 and the accounts for the current period have been prepared for the period from 1st April, 2020 to 3rd April 2020.

As per our attached report of even date

For Chaturvedi & Partners
Chartered Accountants
(Firm. Regn. No: 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

(Siddharth Punamiya)
Partner
Mem No.148540

Vidya Manjrekar
Head- Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: July 27, 2021

M R Siddiqui
Trustee

S P Srivastava
Trustee

SAHARA TAX GAIN FUND			
Perspective Historical Per unit statistics			
Particulars	As at	As at	As at
	03-Apr-20	31-Mar-20	31-Mar-19
	(Rs. Per Unit)	(Rs. Per Unit)	(Rs. Per Unit)
(A) Gross Income			
(I) Income other than Profit on sale of Investments	0.00	0.35	0.24
(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	(0.05)	(5.78)	6.45
(iv) Transfer to revenue account from past year's reserve	0.00	0.00	0.00
(B) Aggregate of expenses, write off, amortization and charges	0.004	0.65	0.76
(c) Net Income	(0.05)	(6.09)	5.93
(d) Net unrealised appreciation/(diminution) in value of Investments	0.00	(0.02)	1.78
(e) Net Asset Value			
Growth Plan	53.9014	53.9897	76.4313
Dividend Plan	12.6247	12.6454	17.9017
Direct Growth Plan	56.7813	56.8732	80.2936
Direct Dividend Plan	12.8794	12.9004	18.2436
(f) Purchase Price during the year**			
(I) Highest			
Growth Plan	82.6337	82.6337	78.4915
Dividend Plan	19.3950	19.3950	18.3842
Direct Growth Plan	85.6785	85.6785	82.0767
Direct Dividend Plan	19.4355	19.4355	18.7069
(ii) Lowest			
Growth Plan	53.9014	68.2512	65.9794
Dividend Plan	12.6247	13.3642	16.0399
Direct Growth Plan	56.7813	76.1002	69.1101
Direct Dividend Plan	12.8794	16.8837	16.1228
(g) Sale Price during the year**			
(I) Highest			
Growth Plan	0.0000	0.0000	0.0000
Dividend Plan	0.0000	0.0000	0.0000
Direct Growth Plan	0.0000	0.0000	0.0000
Direct Dividend Plan	0.0000	0.0000	0.0000
(ii) Lowest			
Growth Plan	0.0000	0.0000	0.0000
Dividend Plan	0.0000	0.0000	0.0000
Direct Growth Plan	0.0000	0.0000	0.0000
Direct Dividend Plan	0.0000	0.0000	0.0000

(h) Ratio of expenses to average daily net assets by Percentage	2.30%	2.28%	2.73%
(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)			
	0.06%	1.16%	30.26%
**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- **Sahara Midcap Fund**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sahara Mutual Fund – Sahara Midcap Fund** ("the Scheme"), which comprise the Balance Sheet as at April 3, 2020, the Revenue Account for the period from 1st April, 2020 to 3rd April, 2020 and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the scheme give the information specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the SEBI Regulations"), 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 April 3, 2020;
- (b) in the case of the Revenue Account, of the deficit for the period ended on that date.
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA's) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust/Scheme in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements of the Scheme. Our audit has been conducted in accordance with the accounting policies and standards specified in the SEBI Regulations and amendments thereto, as applicable and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the following matters in the Notes to the financial statements:

- a) Note no. 8.18 (a) which states that SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up.
- b) Note no. 8.18 (b) which states that The Board of Trustees of Sahara Mutual Fund have decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996 with effect from 27th March, 2020.
- c) Note no. 8.19 which states that due to a technical issue the Scheme could not be wound up on 27th March, 2020 but actually got wound up on 3rd April, 2020.

In view of the above the accounts for the period from 1st April, 2020 to 3rd April, 2020 have been prepared on "liquidation basis of accounting" and not on a going concern basis.

Our opinion is not modified in respect of the above matter.

Responsibilities of the Management and Those Charged with Governance 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 SEBI 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.

Those charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Consequent upon the directions in the SEBI letter dated 5th March, 2020 and the decision of the Trustees to comply with the SEBI directions, the Scheme has been wound up on 3rd April, 2020 and the financial statements have been prepared on liquidation basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 sought and 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 accounts of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the SEBI Regulations 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 & Partners.

Chartered Accountants

(Firm's Registration No. 307068E)

(Siddharth Punamiya)

(Partner)

Mem. No. 148540

UDIN 21148540AAAABY6442

Place: Mumbai

Date: July 27, 2021

SAHARA MID-CAP FUND
BALANCE SHEET AS AT APRIL 3, 2020

	Schedule	As at	As at
		April 3, 2020	March 31, 2020
ASSETS		(Rs)	(Rs)
Investments	1	-	1,122,199
Other Current Assets	2	60,871,432	59,857,222
Total Assets		60,871,432	60,979,421
LIABILITIES			
Unit Capital	3	16,139,600	16,139,600
Reserves & Surplus	4	43,044,727	43,163,798
Current Liabilities & Provisions	5	1,687,105	1,676,023
Total Liabilities		60,871,432	60,979,421

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Growth Option	G	62.3033	62.4287
Dividend Option	D	27.4778	27.5331
Bonus Option	BO	62.3033	62.4287
Growth Auto Earning Payout	GA	62.3033	62.4287
Direct Growth Plan	GDP	67.0164	67.1497
Direct Dividend Plan	DDP	27.9407	27.9969
Direct Bonus Plan	BODP	67.0164	67.1497
Direct Growth - Auto Earning Payout	GADP	67.0164	67.1497

Significant 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 & Partners

Chartered Accountants

(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava

Director

I S Verma

Director

Siddarth Punamiya

(Partner)

Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai

Date: 27 July, 2021

M R Siddiqui

Trustee

Place: Mumbai

S P Srivastava

Trustee

Date: 27 July, 2021

SAHARA MID-CAP FUND
REVENUE ACCOUNT FOR THE PERIOD ENDED APRIL 3, 2020

	Schedule	For the period ended	For the year ended
		April 3, 2020	March 31, 2020
		(Rs)	(Rs)
INCOME			
Dividend		-	1,043,621
Interest and Discount Income		-	16,132
Profit on Sale / Redemption of Investments(Net)		-	-
(Other than Inter Scheme Transfer / Sale)			
Total Income		-	1,059,753
EXPENSES & LOSSES			
(Refer note 8.1 of Schedule 7)			
Loss on Sale / Redemption of Investments(Net)		190,198	18,285,793
(Other than Inter Scheme Transfer / Sale)			
Management Fees		1,194	207,746
ST / GST on Management Fees		215	37,397
Investor Education & Awareness Fees		97	15,518
Registrar & Transfer Agent Charges		-	665,153
Transaction cost		615	33,188
Custodian Fees		8,914	399,955
Trusteeship Fees & Expenses		-	82,993
Audit Fees		-	123,277
Professional Fees		-	206,252
Commission to Agents		47	7,552
Total Expenses		201,280	20,064,824
Net Surplus/ (Deficit) for the Period / Year		(201,280)	(19,005,071)
(Provision)/ Write Back for diminution in the value of Investment	6	82,209	7,864,209
Net Surplus / (Deficit) for the Period / Year (excluding unrealised appreciation, if any)		(119,071)	(11,140,862)

Transfer from Income Equalisation Reserve		-	(4,698,176)
Net : Transferred to Revenue Reserve		(119,071)	(15,839,038)

Significant Accounting Policies Notes to the accounts

7

Schedules 6 to 7 form an integral part of the Revenue Account

As per our attached report of even date

For Chaturvedi & Partners

Chartered Accountants

(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava

Director

I S Verma

Director

Siddarth Punamiya

(Partner)

Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai

Date: 27 July, 2021

M R Siddiqui

Trustee

Place: Mumbai

S P Srivastava

Trustee

Date: 27 July, 2021

SCHEDULES FORMING PART OF THE BALANCE SHEET		As at		As at
		April 3, 2020		March 31, 2020
		(Rs)		(Rs)
SCHEDULE 1				
Investments				
(Refer note 8.13 of Schedule 7 for detailed Portfolio statement)				
Equity Shares		-		1,122,199
		-		1,122,199
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current accounts		59,857,222		59,849,891
Dividend Receivable		-		7,331
Receivable : Sales Proceeds		1,014,210		-
		60,871,432		59,857,222
SCHEDULE 3				
Unit Capital				
Bonus Plan	BO	76,000		76,000
7600.000 units of Rs. 10 each (For 2019-2020 - 7600 units of Rs. 10 each)				
Dividend Plan	D	11,845,538		11,845,538
1184553.769 units of Rs. 10 each (For 2019-2020- 1184553.769 units of Rs. 10 each)				
Growth Plan	G	3,873,728		3,873,728
387372.848 units of Rs. 10 each (For 2019-2020 387372.848 units of Rs. 10 each)				
Auto Earnings Payout Plan	GA	73,704		73,704
7370.378 units of Rs. 10 each (For 2019-2020 - 7370.378 units of Rs. 10 each)				
Direct Bonus Plan	BODP	129		129
12.929 units of Rs. 10 each (For 2019-2020 - 12.929 units of Rs. 10 each)				
Direct Dividend Plan	DDP	62,153		62,153

6215.331 units of Rs. 10 each (For 2019-2020- 6215.331 units of Rs. 10 each)				
Direct Growth Plan	GDP	208,183		208,183
20818.261 units of Rs. 10 each (For 2019-2020 - 20818.261 units of Rs. 10 each)				
Direct Auto Earnings Payout Plan	GADP	165		165
16.506 units of Rs. 10 each (For 2019-2020 - 16.506 units of Rs. 10 each)				
Total		16,139,600		16,139,600
(Refer Notes on Accounts 8.9 of Schedule 7)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	54,653,520		70,492,558	
Transferred from Revenue Account	(119,071)		(15,839,038)	
Balance as at end of the period / year		54,534,449		54,653,520
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the period / year	-		(4,698,176)	
Transferred to Revenue Account	-		4,698,176	
Balance as at end of the period / year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		5,979,570	
Additions During the period / year	-		(5,979,570)	
Balance as at end of the period / year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	(11,489,722)		(12,287,699)	
Additions During the period / year	-		797,977	
Balance as at end of the period / year		(11,489,722)		(11,489,722)
		43,044,727		64,184,429

SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		308,462		298,885
Management Fees Payable		15,751		14,557
ST / GST on Management Fees Payable		2,835		2,621
STT Payable		-		-
Payable - Fees on Investor Education		46,334		46,237
Payable on Redemption of Units		687,332		687,332
Unclaimed Distributed Income		626,391		626,391
		1,687,105		1,676,023
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the period ended		For the year ended
		April 3, 2020		March 31, 2020
		(Rs)		(Rs)
SCHEDULE 6				
(Provision)/ Write Back for diminution in the value of Investment				
At the beginning of the year		(82,209)		(7,946,418)
At the end of the period / year		-		(82,209)
		82,209		7,864,209

SAHARA MID-CAP FUND

CASHFLOW STATEMENT FOR THE PERIOD ENDED APRIL 3, 2020				
			For the period ended	For the Year ended
			April 03, 2020	March 31, 2020
			(Rs)	(Rs)
A. Cash Flow from Operating Activity				
Surplus / (Deficit) for the period/year			(201,280)	(19005071)
Add/(less) : Net Change in Marked to Market Value of Investments			82209	1884639
Add: Interest expense on Loan			-	-
Adjustments for :-				
(Increase) / Decrease in Investments			1122199	74562888
(Increase) / Decrease in Other current assets			(1006879)	980502
Increase / (Decrease) in Other current liabilities			11082	(71433)
(Increase) / Decrease in Fixed Deposit			-	-
Net cash generated from / (used in) operations	(A)		7331	58351525
B. Cash Flow from Financing Activities				
Increase / (Decrease) in Unit Capital			0	(1162428)
Increase / (Decrease) in Unit Premium			0	797977
Income Equalisation during the period			0	(4698176)
Adjustments for:-				
Increase / (Decrease) in Sundry Creditors for units redeemed by Investors			-	-
(Increase) / Decrease in Sundry Debtors for units issued to investors			-	-
Dividend paid during the year (including Dividend Distribution Tax)			-	-
Net cash (used in) / generated from financing activities	(B)		0	(5062627)
Net increase / (Decrease) in cash and cash equivalents	(A+B)		7331	53288898
Cash and Cash Equivalents as at the beginning of the year	(C)		59849891	6560993
Cash and Cash Equivalents as at the close of the period /year	(D)		59857222	59849891
Net cash and cash equivalents	(D-C)		7331	53288898
Components of cash and cash equivalents				

	Balances with banks in current accounts		59857222	59849891
	Fixed Deposits (less than 3 months)		-	-
	CBLO / TriParty Repo		-	-
	Cash and Cash equivalents as at the close of the period /year.		59857222	59849891

As per our attached report of even date

For Chaturvedi & Partners

Chartered Accountants

(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava

Director

I S Verma

Director

Siddarth Punamiya

(Partner)

Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai

Date: 27 July, 2021

M R Siddiqui

Trustee

Place: Mumbai

S P Srivastava

Trustee

Date: 27 July, 2021

SCHEDULE - 7

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED APRIL 03, 2020

1. INTRODUCTION

1.1 About the Scheme

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

The Scheme was wound up by the Trustees on 3rd April, 2020 in terms of the provisions of Regulation 39(2)(c) of the SEBI (Mutual Funds) Regulations, 1996. Accordingly, the accounts have been drawn for the period from 1st April, 2020 to 3rd April, 2020 on liquidation basis.

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 April 03, 2020 is as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.27%
Sahara India Corp Investment Limited	Equity	10.52%
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	11.74%
Sahara Care Limited	Equity	31.00%
Sahara India Commercial Corporation Limited	Equity	1.47%
Name of the Shareholder	Type of Holdings	Holding
Sahara India Commercial Corporation Ltd	Preference	90.32%
Sahara Care Ltd	Preference	9.68%

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting.

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

2.2. Accounting for Investments

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

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

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

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

2.3. Valuation of Investments

Valuation Policy for the current period is as under:

A: VALUATION OF DEBT INSTRUMENTS

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

Sr. No.	Instrument	Valuation applicable on the day of valuation
1.	CBLO, REPO, Fixed Deposit, Call Money , etc and such Similar Instruments	On Amortization basis / Accrual basis.
2.	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc. where Script wise values are available from CRISIL/ ICRA	The aggregated average price provided by CRISIL / ICRA for the given security or any other agencies as may be indicated from time to time by SEBI/AMFI for that day
3.	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc where Script wise values are not available from CRISIL/ ICRA	

	i)	Same security traded and reported on public platforms.	On Weighted Average Yield of all trades (excluding abnormal and retail trades) on Public platforms, for that Securities on that day irrespective of settlement day.
	ii)	If Same Security not traded and reported on any of the public platforms.	The aggregated average matrices of CRISIL/ ICRA for the respective category Or any other agencies as may be indicated from time to time by SEBI/AMFI for that day.
4	Central Government Securities / State Government Securities / Treasury Bills/Cash Management Bill etc		
		5) If the securities are traded and residual maturity is above 60 days.	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. In case on any given day, the valuation Matrices is not available from CRISIL/ICRA the Valuation is done on accrual/amortization based on last valuation.
		6) If the securities are non-traded and residual maturity is above 60 days.	By amortization on straight line basis to maturity from cost or last valuation price whichever is more recent.
		7) If the securities are traded and residual maturity of the securities is equal to or below 60 days	On last traded price as given on NDS-Section of CCIL Website (Excluding abnormal trade).
		8) If the securities are non-traded and the residual maturity of the securities is equal to or below 60 days	By amortization on straight line basis to maturity from cost or last valuation price whichever is more recent as long as it is within +/- 0.10 % of the reference price. Benchmark yields for calculating reference price to be provided by CRISIL / ICRA.

--	--	--

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 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
	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 is 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 is taken

Similar Security:

Similar security here shall mean those securities which are 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 up to 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” is 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 5crs and above, excluding abnormal trades and retail trades is 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 is 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 is ignored for the valuation purpose.

3. CRISIL and ICRA provide the valuation matrices for various maturity buckets. Script wise value for various debt instruments are also provided by CRISIL and ICRA. Trades are also reported and settled on various public platforms.

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 up to 4 decimal points which shall be considered and these prices are considered on respective face value of the instruments for arriving at valuation.

6. For the valuation of traded securities where Script wise values are not available by CRISIL/ICRA, price derived from the corresponding Weighted Average yield of all available trades excluding abnormal and retail trades on any public platform for the same security on T+1 settlement basis is taken.

In case, the Bilav file is not received by 7:30 pm and script wise values are not available then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.

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

8. For Government Securities, SDL, T-Bills, Cash Management Bill etc, the valuation is done on aggregated Script wise pricing as provided by CRISIL/ICRA and as applicable for that day. In the absence of Script wise values the valuation is based on aggregated matrices if available from CRISIL/ICRA on T+1 settlement and as applicable for that day.

9. In case the valuation matrices/Script wise value is available either from CRISIL/ICRA up to a reasonable time limit, the same is considered for arriving at valuation.

10. In respect of on 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.5lacs in value and the total volume is less than 50,000 shares, the security is considered as thinly traded security.

- (b) In order to determine whether a security is thinly traded or not, the volumes traded in all recognized Stock Exchanges in India would be taken into account.
- (c) Where a Stock Exchange identifies the thinly traded securities by applying the above parameters for the preceding calendar month and publishes or provides the required information along with the daily quotations, the same would be used for valuation.
- (d) If the shares are not listed on the Stock Exchanges which provide such information, then we would make our own analysis in line with the above criteria to check whether such securities are thinly traded or not.

3. Non-traded / Suspended Securities

When an equity security is not traded on any Stock Exchange for a period of thirty days prior to the valuation date, the Script would be treated as a non traded security.

When an equity security is suspended up to thirty days, then the last traded price is 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 value 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 is = [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 capitalized 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 is valued in accordance with the procedure as mentioned above on the date of valuation.

5. Demerger

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

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

6. Preference Shares

Preference Shares valuation guidelines would be as follows:

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

(I). Redeemable Preference Shares

- i. Convertible preference share would be valued like convertible debentures.

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

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

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

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

7. Warrants

- a) In respect of warrants to subscribe for shares attached to instruments, the warrants would be valued at the value of the share which would be obtained on exercise of the warrants as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect on convertible debentures is 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 the income accrued on debt instruments is not received even after 90 days past the due date, the asset is termed as Non Performing Assets (NPAs) and all provisions/guidelines with respect to income accrual, provisioning etc as contained in SEBI circulars/guidelines issued from time to time shall apply and the valuation of such securities will be done accordingly. In case the company starts servicing the debt, re-schedulement is allowed, the applicable provision in SEBI circulars shall apply for provisioning and reclassification of the asset
- ii) In case of any other instruments not covered in the policy above, the same is referred to the Investment and Valuation Committee which is empowered to take decision.
- iii) In case of any perceived conflict of interest while valuating the securities, the matter is dealt and decided by Investment and Valuation Committee.
- iv) For non– business day the valuation is done on aggregated Script wise prices as provided by CRISIL/ICRA. In absence of Script wise prices the valuation is done on accrual basis/amortization basis based on last valuation
- v) 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 is done based on last valuation plus accrual/amortization or as may decided by the Investment and Valuation Committee.
- vi) The Valuation Policy is reviewed by the Statutory Auditor at least once in a financial year.
- vii) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees is applicable for the schemes of Sahara Mutual Fund

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

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

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

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

2.3.2 Unrealised Appreciation/Depreciation.

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

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

2.5 Revenue Recognition

- 2.5.1 Income and Expenses are recognized on accrual basis.
- 2.5.2 Interest on funds invested in short term deposits with scheduled commercial banks is recognized on accrual basis.
- 2.5.3 Dividend income earned by the scheme is recognized on the date the share is quoted on ex-dividend basis on principal stock exchange.
- 2.5.4 Proportionate realized gains on investments out of sales / repurchase proceeds at the time of sale / repurchase of units are transferred to revenue Account from Unit Premium Reserve.

3. Net Asset Value for Growth/Dividend Options:

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

4. Unit Premium Reserve Account

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve account of the Scheme, after an appropriate 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

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 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed redemption and unclaimed dividend amounts may be deployed by the mutual funds in call money market or money market instruments and also be allowed to be invested in a separate plan of Liquid Scheme/ Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. The investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. Further, AMC shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plans shall be capped at 50 bps. The AMC should make continuous effort to remind the investors through letters to take their unclaimed amounts.

8. NOTES TO THE ACCOUNTS

8.1 Management Fees ,Trusteeship Fees ,Custodian Fees, Scheme Expenses

Management Fees

Management Fees (inclusive of GST) has been computed at 0.29% (PY:0.32%) 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, an annual fee of Rs.1,00,000/- per Trustee is payable. During the current period, the entire Trusteeship fees and expenses was borne by the AMC (previous year--an amount of Rs.82993.38 was charged to the scheme expenses and the balance amount was borne by the AMC).

Custodian Charges

The Custodian fees has been paid by the AMC during the period (PY: Rs.3,99,955.00)

Scheme Expenses

As per guidelines issued vide SEBI circular dated October 22, 2018, the schemes related expenses had to be fully managed from the Total Expense Ratio (TER).

During the current period, due to winding up of the scheme certain expenses have been paid from TER and the balance amount had been borne by the AMC, details are as under:

Particulars	Total Expenses	Charged to Scheme TER	Balance borne by AMC
Audit Fees	23715.18	8914.38	14800.80

During the year 2019-20 due to small size of AUM of the scheme only the certain expenses have been paid from TER and the balance amount had been borne by the AMC, details are as under:

Particulars	Total Expenses	Charged to Scheme TER	Balance borne by AMC
R & T Expenses	714013.81	6,65,153.42	48860.39
Audit fees	155390.26	123276.31	32113.95

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 is Nil in view of winding up of all the Schemes of the Fund.

During the previous year, 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 During the period from 01.04.2020 to 03.04.2020, the Registrar and Transfer Agent charges amounting to Rs.0.00 (PY:Rs.6,65,153.42) constitutes 0.00% (PY:37.39%), Custodian fees amounting to Rs.0.00(PY:399954.43) constitutes 0.00%(PY: 22.48%) and Professional fees amounting to Rs.0.00(PY:206252.32) constitutes 0.00%(PY:11.59%) of the total scheme expenses.

8.5 Transactions with Associates/related parties/group companies of Sponsor/AMC

Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8): Related Party:- Sahara India Financial Corporation Ltd(SIFCL- --- the Sponsor).

No Commission was paid to SIFCL for sale of units of the MF for the current period in view of closure of the Scheme.

Commission to SIFCL made for sale of units of the MF for the previous year ended 31st March 2020.

(Rs. In Lakhs)

Tax Gain Fund	Growth Fund	Mid Cap Fund	Wealth Plus Fund	Infrastructure Fund	Star Value Fund	Banking & Financial Services Fund
0.0436	0.0010	0.0032	0.0012	0.0020	0.0003	0.0103

Commission to SIFCL

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	Sponsor / Mutual Fund Distributor	April 19- March 20	0.00	Rs.6171.56; 7.42%

In column No 5, the amount relates to trail commission.

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)
-	-	-	-	-

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

Year	Amount (Rs)	% of Daily average
April 1 st , 2020 - April 3 rd , 2020	0.00	0.00
2019-20	5,419,212.62	6.98

Sales

Year	Amount (Rs)	% of Daily average
April 1 st , 2020 - April 3 rd , 2020	10,14,210.14	208.36
2019-20	63,580,947.12	81.89

8.7 Aggregate Appreciation and Depreciation in the value of Investments:

Scheme	03-April-2020		31-Mar-2020	
	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)	Appreciation (Rs. In lakhs)	Depreciation (Rs. In lakhs)
Equity Shares	0.00	0.00	0.00	0.82

8.8 Income and Expense Ratio

	April 1 st , 2020 - April 3 rd , 2020	2019-20
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	0.03%	1.26%
Total Expenditure to average net assets calculated on a daily basis.	2.29%	2.29%

8.9 Movements in Unit Capital: Face Value of Units: Rs. 10/- per unit

8.9.1 Growth Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3, 2020	As on April 3, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	387372.848	3873728.48	406910.242	4069102.42
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(19537.394)	(195373.94)
Closing Balance	387372.848	3873728.48	387372.848	3873728.48

8.9.2 Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3, 2020	As on April 3, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	1184553.769	11845537.69	1279817.093	12798170.93
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(95263.324)	(952633.24)
Closing Balance	1184553.769	11845537.69	1184553.769	11845537.69

8.9.3 Bonus Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3, 2020	As on April 3, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	7600.000	76000.00	7600.000	76000.00
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	0.000	0.00
Closing Balance	7600.000	76000.00	7600.000	76000.00

8.9.4 Growth – Auto Earnings Payout Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	7370.378	73703.78	7845.643	78456.43
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(475.265)	(4752.65)
Closing Balance	7370.378	73703.78	7370.378	73703.78

8.9.5 Growth Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	20818.261	208182.61	21785.103	217851.03
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(966.842)	(9668.42)
Closing Balance	20818.261	208182.61	20818.261	208182.61

8.9.6 Dividend Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	6215.331	62153.31	6441.209	64412.09
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	(225.878)	(2258.78)
Closing Balance	6215.331	62153.31	6215.331	62153.31

8.9.7 Bonus Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	12.929	129.29	12.929	129.29
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	0.000	0.00
Closing Balance	12.929	129.29	12.929	129.29

8.9.8 Growth – Auto Earnings Payout Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 3,2020	As on April 3,2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	16.506	165.06	16.506	165.06
Units Sold during the period/year	0.000	0.00	0.000	0.00
Units Repurchased during the period/year	0.000	0.00	0.000	0.00
Closing Balance	16.506	165.06	16.506	165.06

8.10 The Scheme has declared nil dividend and no bonus during the current period(PY: Nil).

8.11 Unclaimed Amounts (beyond three months):

Unclaimed Dividend and Redemption amounts as of April 03, 2020 are as below:

Scheme Name	No of investors	Unclaimed dividend (Rs)	No of Investors	Unclaimed Redemption (Rs)
Sahara Midcap Fund	571	626392.6	93	687332.39

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed dividend and redemption amounts along with the amount earned on its deployment till the end of the third year stands clearly identified and is lying in a current account.

- 8.12** 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 (PY : NIL)**

8.13 Portfolio Statement as on April 3rd , 2020.

The scheme's Net Asset Value stood at Rs. 5.92 crores. The net realizable assets as on date of winding up of the scheme i.e 3rd April 2020, stands payable to the unit holders in proportion to their interest in the assets of the scheme

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

- 8.15** Holdings over 25% of the NAV of the scheme as on April 03, 2020:

Particulars	As on April 3, 2020	As on March 31, 2020
Number of Investors	0	0
Percentage of Holdings	N/A	N/A

- 8.16** Contingent Liability: Nil

- 8.17** SEBI vide its Order no: WTM/PS/26/IMD/DOF-III/July/2015 dated 28th July, 2015 directed cancellation of "Certificate of Registration" of Sahara Mutual Fund which was to be effective on expiry of six months from the date of the Order. Further, SEBI also directed by the said Order that the Mutual Fund shall not take any new subscription from investors. Accordingly, Sahara Mutual Fund has not taken any new subscription from the investors (including existing investors) in line with the said SEBI order.

Sahara Asset Management Company Pvt. Ltd filed an appeal before the Securities Appellate Tribunal (SAT), Mumbai to set aside the said SEBI order. SAT vide its order dated 9th December 2015 granted an interim stay in the matter. SAT vide its order dated 28th July, 2017 dismissed the appeal made by Sahara AMC against the SEBI order dated 28th July, 2015. However, SAT granted 6 weeks stay to approach the Hon'ble Supreme Court in the matter. An appeal was filed on 7th September 2017 before the Hon'ble Supreme Court and the appeal was dismissed vide its order dated 23rd October 2017

SEBI vide its letter dated November 17, 2017 directed the cancellation of 'Certificate of registration' would be effective six months from the date of the Hon'ble Supreme Court order dated 23rd October 2017.

Sahara Mutual Fund requested SEBI vide its letter dated 15th January 2018 to extend the date of cancellation of 'Certificate of registration' till July 27th, 2018 for giving time for identification of a new sponsor and considering the lock in period of certain unit holders' investments in Sahara Tax gain fund.

A new sponsor was identified for Sahara Mutual Fund viz., One Life Capital Advisors Limited.

SEBI vide their letter dated 11th April 2018 ordered for winding up all the schemes except Sahara tax Gain Fund by 21st April 2018. An appeal was filed before SAT for a stay against the SEBI order dated April, 11, 2018.

In view of the direction of SAT on 26th April 2018, a comprehensive appeal was filed.

SAT vide its order dated 3rd May 2018 directed that SEBI shall not enforce the orders impugned in the two appeals till a decision on new sponsor's application is communicated

The application of One Life Capital Advisors Limited who had offered to be the new Sponsor for Sahara Mutual Fund stands annulled in view of the SEBI Order dated March 4th, 2020.

SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up in line with SEBI order no.WTM/GM/IMD/07/2018-19 dated April 11, 2018.

The Board of Trustees of Sahara Mutual Fund decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996. A notice was published on March 20, 2020 that Sahara Midcap Fund would be wound up on March 27, 2020.

8.18 WINDING UP OF THE SCHEME

SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up in line with SEBI order no.WTM/GM/IMD/07/2018-19 dated April 11, 2018.

The Board of Trustees of Sahara Mutual Fund decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996. A notice was published on March 20, 2020 that Sahara Infrastructure Fund would be wound up on March 27, 2020.

In view of what has been stated in para 8.19 below, the financial statements have been prepared for the period from 1st April, 2020 to 3rd April, 2020 on liquidation basis.

8.19 Events post the issue of original notice dated March 19, 2020/publication of original notice dated March 20, 2020

- a) Sahara Midcap Fund could not be wound up on March 27, 2020. The entire portfolio had been liquidated but for one of the securities in the portfolio namely Tata Consumer Products Ltd. (pari-passu shares allotted on account of demerger of Tata Chemicals and Tata Global Beverages Ltd) which did not get listed on the Stock Exchange on or before March 27, 2020.
- b) SEBI was informed about the extension of the winding up period of the scheme vide AMC mail dated March 27, 2020.
- c) The said security got listed on April 1, 2020 and the scheme sold these shares on April 3rd, 2020. Accordingly, the Scheme--Sahara Midcap Fund was wound up as on April 3rd, 2020.

8.22 Composition of the Board of Trustees.

As per Reg 15(1) read with para 22 of the Third Schedule (Contents of Trust Deed) of SEBI (Mutual Funds) Regulations 1996, it is stated that "The trust deed shall state that the minimum number of trustees shall be four." The Board of Trustees of Sahara Mutual Fund comprises of two (2) Trustees and thereby the above criteria of minimum number of Trustees has not been complied with.

8.23 Net Worth:

As per the Reg. 21(1)(f), of SEBI (Mutual Funds) Regulations, 1996 and in compliance with the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014 dated May 6, 2014, the AMC should maintain a Net Worth of minimum Rs. 50 crores. The Net Worth of Sahara Asset Management Company Private Ltd. as on April 3, 2020 was Rs 3.20 crs., which is below the threshold limit of Rs. 50 crores and thereby the net worth criteria as required by the above regulations has not been complied with.

8.22 Events occurring after the Balance Sheet date:

- a) The NAV as at April 3, 2020 amounting to Rs. 5.92 crores is to be paid to the Unit holders in proportion to their outstanding units under the scheme. This amount and the unclaimed dividend/redemption amounts outstanding have been transferred to AMC along with the balances bank accounts for necessary settlements and shortfall, if any will be met by AMC. The amount in the receivable represents sales proceeds of securities of Tata Consumer Products Limited sold on April 03, 2020 and received on April 08, 2020. As of date, KYC compliant folios have been paid their dues and the process for payment of balance amounts is under way.
- b) SEBI vide their letter No. SBI/HO/VO/IMD II/dof3/P/2021/7337/71 dated March 30, 2021, inter alia, has directed that Trustees shall monitor the status of distribution process to unit holders on winding up of all schemes of Sahara AMC on continuous basis.

The current period figures are not comparable with those of the previous year as the scheme has been wound up on April 3, 2020 and the accounts for the current period have been prepared for the period from 1st April, 2020 to 3rd April 2020.

As per our attached report of even date

For Chaturvedi & Partners
Chartered Accountants
(Firm. Regn. No: 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

(Siddharth Punamiya)
Partner
Mem No.148540

Vidya Manjrekar
Head- Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: July 27, 2021

M R SIDDIQUI
Trustee

S P Srivastava
Trustee

SAHARA MIDCAP FUND
PERSPECTIVE HISTORICAL PER UNIT STATISTICS

Particulars	As at	As at	As at
	03-Apr-20	31-Mar-20	31-Mar-19
	(Rs. Per Unit)	(Rs. Per Unit)	(Rs. Per Unit)
(a) Gross Income			
(I) Income other than Profit on sale of Investments	0.00	0.66	0.47
(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	(0.12)	(11.33)	15.41
(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	0.01	1.10	1.28
(c) Net Income	(0.12)	(11.78)	14.59
(d) Net unrealised appreciation/(diminution) in value of Investments	0.00	(0.05)	(1.14)
(e) Net Asset Value			
Growth Plan	62.3033	62.4287	80.4578
Dividend Plan	27.4778	27.5331	35.4846
Bonus Plan	62.3033	62.4287	80.4578
Growth - Auto Earning Payout	62.3033	62.4287	80.4578
Direct Growth Plan	67.0164	67.1497	86.2620
Direct Dividend Plan	27.9407	27.9969	36.0568
Direct Bonus Plan	67.0164	67.1497	86.2620
Direct Growth - Auto Earning Payout	67.0164	67.1497	86.2620
(f) Purchase Price during the year**			
(I) Highest			
Growth Plan	91.0399	91.0399	85.3728
Dividend Plan	40.3158	40.3158	37.6522
Bonus Plan	0.0000	0.0000	85.3728
Growth - Auto Earning Payout	83.9052	83.9052	85.3728
Direct Growth Plan	86.6207	86.6207	90.1976
Direct Dividend Plan	0.0000	0.0000	38.1587
Direct Bonus Plan	0.0000	0.0000	90.1976

Direct Growth - Auto Earning Payout	0.0000	0.0000	90.1976
(ii) Lowest			
Growth Plan	62.3033	72.5149	68.9888
Dividend Plan	27.4778	28.6790	30.4263
Bonus Plan	62.3033	0.0000	68.9888
Growth - Auto Earning Payout	62.3033	81.6971	68.9888
Direct Growth Plan	67.0164	82.8806	73.6712
Direct Dividend Plan	27.9407	0.0000	30.8799
Direct Bonus Plan	67.0164	0.0000	73.6712
Direct Growth - Auto Earning Payout	67.0164	0.0000	73.6712
(g) Sale Price during the year**			
(i) Highest			
Growth Plan	0.0000	0.0000	0.0000
Dividend Plan	0.0000	0.0000	0.0000
Bonus Plan	0.0000	0.0000	0.0000
Growth - Auto Earning Payout	0.0000	0.0000	0.0000
Direct Growth Plan	0.0000	0.0000	0.0000
Direct Dividend Plan	0.0000	0.0000	0.0000
Direct Bonus Plan	0.0000	0.0000	0.0000
Direct Growth - Auto Earning Payout	0.0000	0.0000	0.0000
(ii) Lowest			
Growth Plan	0.0000	0.0000	0.0000
Dividend Plan	0.0000	0.0000	0.0000
Bonus Plan	0.0000	0.0000	0.0000
Growth - Auto Earning Payout	0.0000	0.0000	0.0000
Direct Growth Plan	0.0000	0.0000	0.0000
Direct Dividend Plan	0.0000	0.0000	0.0000
Direct Bonus Plan	0.0000	0.0000	0.0000
Direct Growth - Auto Earning Payout	0.0000	0.0000	0.0000
(h) Ratio of expenses to average daily net assets by Percentage	2.29%	2.29%	2.75%
(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)	0.03%	1.26%	31.63%

*Annualised

**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- **Sahara Infrastructure Fund**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sahara Mutual Fund – Sahara Infrastructure Fund** ("the Scheme"), which comprise the Balance Sheet as at April 3, 2020, the Revenue Account for the period from 1st April, 2020 to 3rd April, 2020 and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the scheme give the information specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the SEBI Regulations"), 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 April 3, 2020;
- (b) in the case of the Revenue Account, of the deficit for the period ended on that date.
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA's) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust/Scheme in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements of the Scheme. Our audit has been conducted in accordance with the accounting policies and standards specified in the SEBI Regulations and amendments thereto, as applicable and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the following matters in the Notes to the financial statements:

- a) Note no. 8.18 (a) which states that SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up.
- b) Note no. 8.18 (b) which states that The Board of Trustees of Sahara Mutual Fund have decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996 with effect from 27th March, 2020.
- c) Note no. 8.19 which states that due to a technical issue the Scheme could not be wound up on 27th March, 2020 but actually got wound up on 3rd April, 2020.

In view of the above the accounts for the period from 1st April, 2020 to 3rd April, 2020 have been prepared on "liquidation basis of accounting" and not on a going concern basis.

Our opinion is not modified in respect of the above matter.

Responsibilities of the Management and Those Charged with Governance 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 SEBI 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.

Those charged with Governance are also responsible for overseeing the Scheme's financial reporting process.

Consequent upon the directions in the SEBI letter dated 5th March, 2020 and the decision of the Trustees to comply with the SEBI directions, the Scheme has been wound up on 3rd April, 2020 and the financial statements have been prepared on liquidation basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 sought and 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 accounts of the Scheme.
- c) The statement of account has been prepared in accordance with the accounting policies and standards specified in the SEBI Regulations 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 & Partners.

Chartered Accountants

(Firm's Registration No. 307068E)

(Siddharth Punamiya)

(Partner)

Mem. No. 148540

UDIN: 21148540AAAABX8892

Place: Mumbai

Date: July 27, 2021

SAHARA INFRASTRUCTURE FUND
BALANCE SHEET AS AT APRIL 03, 2020

	Schedule	As at	As at
		April 3, 2020	March 31, 2020
ASSETS		(Rs)	(Rs)
Investments	1	-	411,905
Other Current Assets	2	32,665,726	32,293,458
Total Assets		32,665,726	32,705,363
LIABILITIES			
Unit Capital	3	17,636,260	17,636,260
Reserves & Surplus	4	14,098,735	14,143,834
Current Liabilities & Provisions	5	930,731	925,269
Total Liabilities		32,665,726	32,705,363

NET ASSET VALUE

Net Asset Value per unit (Rs.)

Fixed Pricing - Dividend Plan	IFD	13.8803	13.9002
Fixed Pricing - Growth Plan	IFG	19.0050	19.0323
Variable Pricing - Dividend Plan	IVD	16.2662	16.2891
Variable Pricing - Growth Plan	IVG	22.1119	22.1432
Fixed Pricing - Direct Growth Plan	IFGDP	21.2123	21.2388
Variable Pricing - Direct Growth Plan	IVGDP	22.7307	22.7627

Significant 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 & Partners
Chartered Accountants
(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

Siddarth Punamiya
(Partner)
Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: 27 July, 2021

M R Siddiqui
Trustee
Place: Mumbai

S P Srivastava
Trustee
Date: 27 July, 2021

SAHARA INFRASTRUCTURE FUND

REVENUE ACCOUNT FOR THE PERIOD ENDED APRIL 3, 2020

	Schedule	For the period ended April 03, 2020	For the year ended March 31, 2020
		(Rs)	(Rs)
INCOME			
Dividend Income		-	572,958
Interest & Discount Income		-	7,058
Profit on Sale / Redemption of Investments (Net)		-	-
(Other than Inter Scheme Transfer / Sale)			
Total Income		-	580,016
EXPENSES & LOSSES			
(Refer note 8.1 of Schedule 7)			
Loss on Sale / Redemption of Investments (Net)		156,793	12,124,319
(Other than Inter Scheme Transfer / Sale)			
Management Fees		227	76,467
ST / GST on Management Fees		41	13,764
Investor Education and Awareness Fees		52	8,811
Registrar & Transfer Agent Charges		-	379,285
Transaction cost		610	19,048
Custodian Fees		4,531	228,053
Trusteeship Fees & Expenses		-	47,359
Audit Fees		-	70,792
Professional Fees		-	117,639
Commission to Agents		-	392
Total Expenses		162,254	13,085,929
Net Surplus/ (Deficit) for the Period / Year		(162,254)	(12,505,913)
(Provision) / Write Back for diminution in the value of Investment	6	117,155	4,509,477
Net Surplus / (Deficit) for the Period / Year (excluding unrealised appreciation, if any)		(45,099)	(7,996,436)
Transfer from Income Equalisation Reserve		-	(1,739,627)

Net : Transferred to Revenue Reserve		(45,099)	(9,736,063)
--------------------------------------	--	----------	-------------

Significant Accounting Policies and
Notes to the accounts

7

Schedules 6 to 7 form an integral part of the Revenue Account

As per our attached report of even date

For Chaturvedi & Partners

Chartered Accountants

(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

Siddarth Punamiya
(Partner)
Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai

Date: 27 July, 2021

M R Siddiqui
Trustee

S P Srivastava
Trustee

Place: Mumbai

Date: 27 July, 2021

SCHEDULES FORMING PART OF THE BALANCE SHEET		As at		As at
		April 3, 2020		March 31, 2020
		(Rs)		(Rs)
SCHEDULE 1				
Investments				
(Refer Note 8.13 of Schedule 7 for detailed Portfolio statement)				
Equity Shares		-		411,905
		-		411,905
SCHEDULE 2				
Other Current Assets				
Balances with Banks in Current accounts		32,293,458		32,289,420
Dividend Receivable		-		4,038
Receivable : Sales Proceeds		372,268		-
		32,665,726		32,293,458
SCHEDULE 3				
Unit Capital				
Fixed Plan Dividend	IFD	4,061,439		4,061,439
Fixed Pricing - Dividend Option 406143.918 units of Rs.10 each (For 2019-2020 406143.918 units of Rs.10 each)				
Fixed Plan Growth	IFG	2,856,666		2,856,666
Fixed Pricing - Growth Option 285666.628 units of Rs.10 each (For 2019-2020 285666.628 units of Rs.10 each)				
Variable Plan Dividend	IVD	5,212,932		5,212,932
Variable Pricing - Dividend Option 521293.202 units of Rs.10 each (For 2019-2020 521293.202 units of Rs.10 each)				
Variable Plan Growth	IVG	5,247,389		5,247,389
Variable Pricing - Growth Option 524738.942 units of Rs.10 each (For 2019-2020 524738.942 units of Rs.10 each)				
Fixed Plan Direct Growth	IFGDP	54		54
Fixed Pricing - Direct Growth Option 5.436 units of Rs.10 each (For 2019-2020 5.436 units of Rs.10 each)				

Variable Plan Direct Growth	IVGDP	257,780		257,780
Variable Pricing - Direct Growth Option 25777.957 units of Rs.10 each				
(For 2019-2020 25777.957 units of Rs.10 each)				
Total		17,636,260		17,636,260
(Refer Note 8.9 of Schedule 7)				
SCHEDULE 4				
Reserves and Surplus				
Revenue Reserve				
Balance as at beginning of the year	18,603,155		28,339,218	
Transferred from Revenue Account	(45,099)		(9,736,063)	
Balance as at end of the period / year		18,558,056		18,603,155
Income Equalisation Reserve				
Balance as at beginning of the year	-		-	
Additions During the period / year	-		(1,739,627)	
Transferred to Revenue Account	-		1,739,627	
Balance as at end of the period / year		-		-
Unrealised Appreciation Reserve				
Balance as at beginning of the year	-		4,129,624	
Additions During the period / year	-		(4,129,624)	
Balance as at end of the period / year		-		-
Unit Premium Reserve				
Balance as at beginning of the year	(4,459,321)		(4,903,499)	
Additions During the period / year	-		444,178	
Balance as at end of the period / year		(4,459,321)		(4,459,321)
		14,098,735		14,143,834
SCHEDULE 5				
Current Liabilities and Provisions				
Sundry Creditors		172,941		167,800

Management Fees Payable		5,116		4,889
ST / GST On Management Fees Payable		921		880
STT Payable		-		-
Payable - Fee on Investor Education		25,828		25,775
Payable on redemption of units		609,850		609,850
Distribution Payable		116,075		116,075
		930,731		925,269
SCHEDULES FORMING PART OF REVENUE ACCOUNT		For the period ended		For the year ended
		April 3, 2020		March 31, 2020
SCHEDULE 6		(Rs)		(Rs)
(Provision) / Write Back for diminution in the value of Investment				
At the beginning of the year		(117,155)		(4,626,632)
At the end of the period / year		-		(117,155)
		117,155		4,509,477

SAHARA INFRASTRUCTURE FUND
CASHFLOW STATEMENT FOR THE PERIOD ENDED APRIL 3, 2020

		For the period ended	For the year ended
		April 03, 2020	March 31, 2020
		(Rs)	(Rs)
Cash Flow from Operating Activity			
Surplus / (Deficit) for the period/year		(162254)	(12505913)
Add/(less) : Net Change in Marked to Market Value of Investments		117155	379853
Add: Interest expense on Loan		-	-
Adjustments for :-			
(Increase) / Decrease in Investments		411905	43294845
(Increase) / Decrease in Other current assets		(368230)	598506
Increase / (Decrease) in Other current liabilities		5462	(67312)
(Increase) / Decrease in Fixed Deposit		-	-
Net cash generated from / (used in) operations	(A)	4038	31699979
Cash Flow from Financing Activities			
Increase / (Decrease) in Unit Capital		0	(849746)
Increase / (Decrease) in Unit Premium		-	444178
Income Equalisation during the period		0	(1739627)
Adjustments for:-			
Increase / (Decrease) in Sundry Creditors for units redeemed by Investors		-	-
(Increase) / Decrease in Sundry Debtors for units issued to investors		-	-
Dividend paid during the year (including Dividend Distribution Tax)		-	-
Net cash (used in) / generated from financing activities	(B)	0	(2145195)
Net increase / (Decrease) in cash and cash equivalents	(A+B)	4038	29554784
Cash and Cash Equivalents as at the beginning of the year	(C)	32289420	2734636
Cash and Cash Equivalents as at the close of the period /year	(D)	32293458	32289420
Net cash and cash equivalents	(D-C)	4038	29554784
Components of cash and cash equivalents			

Balances with banks in current accounts		32293458	32289420
Fixed Deposits (less than 3 months)		-	-
CBLO / TriParty Repo		-	-
Cash and Cash equivalents as at the close of the period/ year.		32293458	32289420

As per our attached report of even date

For Chaturvedi & Partners
Chartered Accountants
(Firm's Registration No. 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

Siddarth Punamiya
(Partner)
Mem. No.117510

Vidya Manjrekar
Head Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: 27 July, 2021

M R Siddiqui
Trustee
Place: Mumbai

S P Srivastava
Trustee
Date: 27 July, 2021

SCHEDULE – 7

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED APRIL 3, 2020.

1. INTRODUCTION

1.1 About the Scheme

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

The Scheme was wound up by the Trustees on 3rd April, 2020 in terms of the provisions of Regulation 39(2)(c) of the SEBI (Mutual Funds) Regulations, 1996. Accordingly, the accounts have been drawn for the period from 1st April, 2020 to 3rd April, 2020 on liquidation basis.

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 April 3, 2020 was as follows:

Name of the Shareholder	Type of Holdings	Holding
Sahara India Financial Corporation Limited	Equity	45.27%
Sahara India Corp Investment Limited	Equity	10.52%
Sahara Prime City Limited (formerly Sahara India Investment Corporation Limited)	Equity	11.74%
Sahara Care Limited	Equity	31.00%
Sahara India Commercial Corporation Limited	Equity	1.47%
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

These financial statements have been prepared in accordance with the Accounting Policies and Standards specified in the Ninth Schedule of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (the "Regulation"), and amendments thereto, as applicable.

2.2. Accounting for Investments

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

2.3. Valuation of Investments

Valuation Policy for the current period is as under:

A: VALUATION OF DEBT INSTRUMENTS

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

Sr. No.	Instrument	Valuation applicable on the day of valuation
1.	CBLO, REPO, Fixed Deposit, Call Money , etc. and such Similar Instruments	On Amortization basis / Accrual basis.
2	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc. where Script wise values are available from CRISIL/ ICRA	The aggregated average price provided by CRISIL/ ICRA for the given security or any other agencies as may be indicated from time to time by SEBI/AMFI for that day
3	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, etc. where Script wise values are not available from CRISIL/ ICRA	

	i)	Same security traded and reported on public platforms.	On Weighted Average Yield of all trades (excluding abnormal and retail trades) on Public platforms, for that Securities on that day irrespective of settlement day.
	ii)	If Same Security not traded and reported on any of the public platforms.	The aggregated average matrices of CRISIL/ ICRA for the respective category Or any other agencies as may be indicated from time to time by SEBI/AMFI for that day.
4		Central Government Securities / State Government Securities / Treasury Bills/Cash Management Bill etc	
		9) If the securities are traded and residual maturity is above 60 days.	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. In case on any given day, the valuation Matrices is not available from CRISIL/ICRA the Valuation is done on accrual/amortization based on last valuation.
		10) If the securities are non-traded and residual maturity is above 60 days.	By amortization on straight line basis to maturity from cost or last valuation price whichever is more recent.
		11) If the securities are traded and residual maturity of the securities is equal to or below 60 days	On last traded price as given on NDS-Section of CCIL Website (Excluding abnormal trade).
		12) If the securities are non-traded and the residual maturity of the securities is equal to or below 60 days	By amortization on straight line basis to maturity from cost or last valuation price whichever is more recent as long as it is within +/- 0.10 % of the reference price. Benchmark yields for calculating reference price to be provided by CRISIL / ICRA.

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 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
	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 is 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 is taken

Similar Security:

Similar security here shall mean those securities which are 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 up to 91 days

Maturity date of securities falling between	Time Bucket
1st and 7th of the month	1-7 of the same months
8th and 15th of the month	8-15 of the same months
16th and 23rd of the month	16-23 of the same months
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" is 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 5crs and above, excluding abnormal trades and retail trades is 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 is considered where the face value of trade per transaction is Rs. 5 crores 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 is ignored for the valuation purpose.

3. CRISIL and ICRA provide the valuation matrices for various maturity buckets. Script wise value for various debt instruments are also provided by CRISIL and ICRA. Trades are also reported and settled on various public platforms.

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 up to 4 decimal points which shall be considered and these prices are considered on respective face value of the instruments for arriving at valuation.
6. For the valuation of traded securities where Script wise values are not available by CRISIL/ICRA, price derived from the corresponding Weighted Average yield of all available trades excluding abnormal and retail trades on any public platform for the same security on T+1 settlement basis is taken.

In case, the Bilav file is not received by 7:30 pm and script wise values are not available then FIMMDA managed FTRAC platform and NDS OM section of CCIL website may be used for the calculation of weighted average yield of traded security.

7. For non-traded securities where Script wise values are not available, the valuation is done on the price derived from the corresponding the aggregated yield matrices for the respective category as provided by CRISIL/ICRA on T+1 settlement basis.
8. For Government Securities, SDL, T-Bills, Cash Management Bill etc., the valuation is done on aggregated Script wise pricing as provided by CRISIL/ICRA and as applicable for that day.

In the absence of Script wise values, the valuation is based on aggregated matrices if available from CRISIL/ICRA on T+1 settlement and as applicable for that day.

9. In case the valuation matrices/Script wise value is available from CRISIL/ICRA up to a reasonable time limit, the same is considered for arriving at valuation.
10. In respect of on 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.5lacs in value and the total volume is less than 50,000 shares, the security is considered as thinly traded security.
- (b) In order to determine whether a security is thinly traded or not, the volumes traded in all recognized Stock Exchanges in India would be taken into account.
- (c) Where a Stock Exchange identifies the thinly traded securities by applying the above parameters for the preceding calendar month and publishes or provides the required information along with the daily quotations, the same would be used for valuation.

- (d) If the shares are not listed on the Stock Exchanges which provide such information, then we would make our own analysis in line with the above criteria to check whether such securities are thinly traded or not.

3. Non-traded / Suspended Securities

When an equity security is not traded on any Stock Exchange for a period of thirty days prior to the valuation date, the Script would be treated as a non-traded security.

When an equity security is suspended up to thirty days, then the last traded price is 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 value 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 is = [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 capitalized 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 is valued in accordance with the procedure as mentioned above on the date of valuation.

5. Demerger

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

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

6. Preference Shares

Preference Shares valuation guidelines would be as follows:

- a) Traded preference shares would be valued as per traded prices.
- b) Nontraded 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 is 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 the income accrued on debt instruments is not received even after 90 days past the due date, the asset is termed as Non-Performing Assets (NPAs) and all provisions/guidelines with respect to income accrual, provisioning etc., as contained in SEBI circulars/guidelines issued from time to time shall apply and the valuation of such securities will be done accordingly. In case the company starts servicing the debt, re-schedulement is allowed, the applicable provision in SEBI circulars shall apply for provisioning and reclassification of the asset
- ii) In case of any other instruments not covered in the policy above, the same is referred to the Investment and Valuation Committee which is empowered to take decision.
- iii) In case of any perceived conflict of interest while valuating the securities, the matter is dealt and decided by Investment and Valuation Committee.
- iv) For non– business day the valuation is done on aggregated Script wise prices as provided by CRISIL/ICRA. In absence of Script wise prices, the valuation is done on accrual basis/amortization basis based on last valuation
- v) 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 Scrip-wise value or valuation matrices are not available from CRISIL/ICRA and if security is not traded, the valuation for the day is done based on last valuation plus accrual/amortization or as may be decided by the Investment and Valuation Committee.
- vi) The Valuation Policy is reviewed by the Statutory Auditor at least once in a financial year.
- vii) Valuation Policy as updated and approved by the Board of AMC / Board of Trustees is 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.

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

3. Net Asset Value for Growth/Dividend Options:

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

4. Unit Premium Reserve Account

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve account of the Scheme, after an appropriate 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

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 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed redemption and unclaimed dividend amounts may be deployed by the mutual funds in call money market or money market instruments and also be allowed to be invested in a separate plan of Liquid Scheme/ Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. The investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. Further, AMC shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plans shall be capped at 50 bps. The AMC should make continuous effort to remind the investors through letters to take their unclaimed amounts.

8. NOTES TO THE ACCOUNTS

8.1 Management Fees, Trusteeship Fees, Custodian Fees, Scheme Expenses

Management Fees

The Management Fee (inclusive of GST) has been computed at 0.10% (P.Y. 0.20%) on average net assets calculated on a daily basis.

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

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

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

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

Trusteeship Fees & Expenses

In accordance with Deed of Trust dated 18th July, 1996 between the Settler and the Trustees, an annual fee of Rs.1,00,000/- per Trustee is payable. During the current period, the entire Trusteeship fees and expenses was borne by the AMC (previous year--an amount of Rs.47,358.61 was charged to the scheme expenses and the balance amount was borne by the AMC).

Custodian Charges

The Custodian fees has been paid by the AMC during the period (PY. Rs.2,28,053.00)

Scheme Expenses

As per guidelines issued vide SEBI circular dated October 22, 2018, the schemes related expenses had to be fully managed from the Total Expense Ratio (TER).

During the current period, due to winding up of the scheme certain expenses have been paid from TER and the balance amount had been borne by the AMC, details are as under:

Particulars	Total Expenses	Charged to Scheme TER	Balance borne by AMC
Audit Fees	12711.25	4530.80	8180.45

During the year 2019-20 due to small size of AUM of the scheme only the certain expenses have been paid from TER and the balance amount had been borne by the AMC, details are as under:

Particulars	Total Expenses	Charged to Scheme TER	Balance borne by AMC
R & T Expenses	407,464.82	3,79,284.64	28,180.18
Audit fees	88,676.25	70,792.53	17,883.72

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 is Nil in view of winding up of all the Schemes of the Fund.

During the previous year, 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 During the current period the Registrar and Transfer Agents charges amounting to Rs.0.00(PY:Rs.379284.64) constitutes 0.00 %(PY:39.44%),Custodian fees amounting to Rs.0.00 (PY:Rs.228053.13) constitutes 0.00% (PY:23.72%), Transaction cost amounting to Rs.610.00(PY:Rs.19047.98 constitutes 11.17% (PY:0.04%) and Professional Fees amounting to Rs.0.00(PY:Rs.1,17,638.66) constitutes 0.00% (PY:12.23%) of the total schemes expenses.

8.5 Transactions with Associates/related parties/group companies of Sponsor/AMC Brokerage / Commission on sale of units by the Scheme or by the Asset Management Company given to associates, pursuant to Regulation 25(8): Related Party:- Sahara India Financial Corporation Ltd(SIFCL—the Sponsor):

No Commission was paid to SIFCL for sale of units of the MF for the current period in view of closure of the Scheme.

Commission to SIFCL made for sale of units of the MF for the previous year ended 31st March 2020 is as under:

(Rs. In Lakhs)

Tax Gain Fund	Growth Fund	Mid Cap Fund	Wealth Plus Fund	Infrastructure Fund	Star Value Fund	Banking & Financial Services Fund
0.0436	0.0010	0.0032	0.0012	0.0020	0.0003	0.0103

Commission to SIFCL

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	Sponsor / Mutual Fund Distributor	April 19- March 20	0.00	Rs.6171.56; 7.42%

*column No 5, the amount relates to trail commission.

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)
-	-	-	-	-

8.6 The Aggregate value of purchases and sales of Investments during the period as a percentage of daily average net asset value:

Purchases

Year	Amount (Rs)	% of Daily average
April 1 st , 2020 - April 3 rd , 2020	0.00	0.00
2019-20	2,775,832.45	6.29

Sales

Year	Amount (Rs)	% of Daily Average
April 1 st , 2020 - April 3 rd , 2020	3,72,267.81	142.66
2019-20	34,326,210.45	77.84

8.7 Aggregate Appreciation and Depreciation in the value of Investments : (Rs. In lakhs)

Asset Class	03.04.2020		31-Mar-20	
	Appreciation	Depreciation	Appreciation	Depreciation
Equity Shares	0.00	0.00	0.00	1.17

8.8 Income and Expense Ratio

	April 1 st ,2020 - April 3 rd ,2020	FY 2019-20
Total Income (including net unrealized appreciation and net of loss on sale of investments) to average net assets calculated on a daily basis.	0.09%	1.05%
Total Expenditure (excluding Deferred Revenue Expenditure) to average net assets calculated on a daily basis	2.09%	2.18%

8.9 Movements in Unit Capital: Face Value of Units: Rs. 10/- per unit.**8.9.1 Fixed Pricing Option - Growth Option**

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 03, 2020	As on April 03, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	285666.628	2856666.28	301862.445	3018624.45
Units Sold during the period/ year	0.000	0.00	0.000	0.00
Units Repurchased during the period /year	0.000	0.00	(16195.817)	(161958.17)
Closing Balance	285666.628	2856666.28	285666.628	2856666.28

8.9.2 Fixed Pricing Option - Growth Option - Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 03, 2020	As on April 03, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	5.436	54.36	5.436	54.36
Units Sold during the period/ year	0.000	0.00	0.000	0.00
Units Repurchased during the period /year	0.000	0.00	0.000	0.00

Closing Balance	5.436	54.36	5.436	54.36
------------------------	--------------	--------------	-------	-------

8.9.3 Fixed Pricing Option - Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 03, 2020	As on April 03, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	406143.918	4061439.18	419677.057	4196770.57
Units Sold during the period/ year	0.000	0.00	0.000	0.00
Units Repurchased during the period /year	0.000	0.00	(13533.139)	(135331.39)
Closing Balance	406143.918	4061439.18	406143.918	4061439.18

8.9.5 Variable Pricing Option – Growth Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 03, 2020	As on April 03, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	524738.942	5247389.42	557459.649	5574596.49
Units Sold during the period/ year	0.000	0.00	0.000	0.00
Units Repurchased during the period /year	0.000	0.00	(32720.707)	(327207.07)
Closing Balance	524738.942	5247389.42	524738.942	5247389.42

8.9.6 Variable Pricing Option – Growth Option – Direct

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 03, 2020	As on April 03, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	25777.957	257779.57	25777.957	257779.57
Units Sold during the period/ year	0.000	0.00	0.000	0.00
Units Repurchased during the period /year	0.000	0.00	0.000	0.00

Closing Balance	25777.957	257779.57	25777.957	257779.57
------------------------	------------------	------------------	-----------	-----------

8.9.7 Variable Pricing Option – Dividend Option

	Number of Units	Amount (Rs)	Number of Units	Amount (Rs)
	As on April 03, 2020	As on April 03, 2020	As on March 31, 2020	As on March 31, 2020
Opening Balance	521293.202	5212932.02	543818.080	5438180.80
Units Sold during the period/ year	0.000	0.00	0.000	0.00
Units Repurchased during the period /year	0.000	0.00	(22524.878)	(225248.78)
Closing Balance	521293.202	5212932.02	521293.202	5212932.02

8.10 The scheme has declared nil dividend and no bonus during the Current period.(PY: Nil).

8.11 Unclaimed Amounts (Beyond three months):

Unclaimed Dividend & Redemption amounts as of April 3, 2020 are as below:

Scheme Name	No of Investors	Unclaimed Dividend (Rs)	No. of Investors	Unclaimed Redemption (Rs)
Sahara Infrastructure Fund	25	116075.30	68	609850.01

In line with SEBI circular no. MFD/CIR/9/120 /2000 dated November 24, 2000 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed dividend and redemption amounts along with the amount earned on its deployment till the end of the third year stands clearly identified and is lying in a current account.

8.12 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(PY : NIL.)**

8.13 Portfolio Statement as on April 3, 2020:

The scheme's Net Asset Value stood at Rs.3.17 crores. The net realizable assets as on date of winding up of the scheme i.e.3rd April 2020, stands payable to the unit holders in proportion to their interest in the assets of the Scheme.

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

8.15 Holdings over 25% of the NAV of the scheme as of April 3, 2020.

Particulars	As on April 3, 2020	As on March 31, 2020
Number of Investors	NA	0

Percentage of Holdings	N/A	N/A
------------------------	-----	-----

8.16 Contingent Liability: Nil.

8.17 SEBI vide its Order no: WTM/PS/26/IMD/DOF-III/July/2015 dated 28th July, 2015 directed cancellation of "Certificate of Registration" of Sahara Mutual Fund which was to be effective on expiry of six months from the date of the Order. Further, SEBI also directed by the said Order that the Mutual Fund shall not take any new subscription from investors. Accordingly, Sahara Mutual Fund has not taken any new subscription from the investors (including existing investors) in line with the said SEBI order.

Sahara Asset Management Company Pvt. Ltd filed an appeal before the Securities Appellate Tribunal (SAT), Mumbai to set aside the said SEBI order. SAT vide its order dated 9th December 2015 granted an interim stay in the matter. SAT vide its order dated 28th July, 2017 dismissed the appeal made by Sahara AMC against the SEBI order dated 28th July, 2015. However, SAT granted 6 weeks stay to approach the Hon'ble Supreme Court in the matter. An appeal was filed on 7th September 2017 before the Hon'ble Supreme Court and the appeal was dismissed vide its order dated 23rd October 2017.

SEBI vide its letter dated November 17, 2017 directed the cancellation of 'Certificate of registration' would be effective six months from the date of the Hon'ble Supreme Court order dated 23rd October 2017.

Sahara Mutual Fund requested SEBI vide its letter dated 15th January 2018 to extend the date of cancellation of 'Certificate of registration' till July 27th, 2018 for giving time for identification of a new sponsor and considering the lock in period of certain unit holders' investments in Sahara Tax gain fund.

A new sponsor was identified for Sahara Mutual Fund viz., One Life Capital Advisors Limited. SEBI vide their letter dated 11th April 2018 ordered for winding up all the schemes except Sahara tax Gain Fund by 21st April 2018. An appeal was filed before SAT for a stay against the SEBI order dated April, 11, 2018. In view of the direction of SAT on 26th April 2018, a comprehensive appeal was filed.

SAT vide its order dated 3rd May 2018 directed that SEBI shall not enforce the orders impugned in the two appeals till a decision on new sponsor's application is communicated.

The application of One Life Capital Advisors Limited who had offered to be the new Sponsor for Sahara Mutual Fund stands annulled in view of the SEBI Order dated March 4th, 2020.

8.18 WINDING UP OF THE SCHEME

SEBI vide their letter no SEBI/HO/OW/IMD-II/DoF3/P/2020/8484/01 dated March 5th, 2020 directed that the Schemes be wound up in line with SEBI order no. WTM/GM/IMD/07/2018-19 dated April 11, 2018.

The Board of Trustees of Sahara Mutual Fund decided to wind up the Scheme/s pursuant to the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996. A notice was published on March 20, 2020 that Sahara Infrastructure Fund would be wound up on March 27, 2020.

In view of what has been stated in para 8.19 below, the financial statements have been prepared for the period from 1st April, 2020 to 3rd April, 2020 on liquidation basis.

8.19 Events post the issue of original notice dated March 19, 2020/ publication of original notice dated March 20, 2020

- a) Sahara Infrastructure Fund could not be wound up on March 27, 2020. The entire portfolio had been liquidated but for one of the securities in the portfolio namely Tata Consumer Products Ltd. (pari-

passu shares allotted on account of demerger of Tata Chemicals and Tata Global Beverages Ltd) which did not get listed on the Stock Exchange on or before March 27, 2020.

- b) SEBI was informed about the extension of the winding up period of the scheme vide AMC mail dated March 27, 2020.
- c) The said security got listed on April 1, 2020 and the scheme sold these shares on April 3rd, 2020. Accordingly, the Scheme--Sahara Infrastructure Fund was wound up as on April 3rd, 2020.

8.24 Composition of the Board of Trustee.

As per Reg 15(1) read with para 22 of the Third Schedule (Contents of Trust Deed) of SEBI (Mutual Funds) Regulations 1996, it is stated that "The trust deed shall state that the minimum number of trustees shall be four." The Board of Trustees of Sahara Mutual Fund comprises of two (2) Trustees and thereby the above criteria of minimum number of Trustees has not been complied with.

8.25 Net Worth:

As per the Reg. 21(1)(f), of SEBI (Mutual Funds) Regulations, 1996 and in compliance with the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2014 dated May 6, 2014, the AMC should maintain a Net Worth of minimum Rs.50 crores. The Net Worth of Sahara Asset Management Company Private Ltd. as on April 3, 2020 was Rs 3.20 crs. which is below the threshold limit of Rs.50 crores and thereby the net worth criteria as required by the above regulations has not been complied with.

8.22 Events occurring after the Balance Sheet date:

- a) The NAV as at April 3, 2020 amounting to Rs. 3.17 crores is to be paid to the Unit holders in proportion to their outstanding units under the Scheme. This amount and the unclaimed dividend/redemption amounts outstanding have been transferred to AMC along with the balances in Bank accounts for necessary settlements and shortfall, if any will be met by AMC. The amount in the receivable represents sales proceeds of securities of Tata Consumer Products Limited sold on April 03, 2020 and received on April 08, 2020. As of date, KYC compliant folios have been paid their dues and the process for payment of balance amounts is under way.
- b) SEBI vide their letter No. SBI/HO/WO/IMD II/dof3/P/2021/7337/71 dated March 30, 2021, inter alia, has directed that Trustees shall monitor the status of distribution process to unit holders on winding up of all schemes of Sahara AMC on continuous basis.

The current period figures are not comparable with those of the previous year as the Scheme has been wound up on April 3, 2020 and the accounts for the current period have been prepared for the period from 1st April, 2020 to 3rd April 2020.

As per our attached report of even date

For Chaturvedi & Partners
Chartered Accountants
(Firm. Regn. No: 307068E)

For Sahara Asset Management Company Private Limited

A K Srivastava
Director

I S Verma
Director

(Siddharth Punamiya)
Partner
Mem No.148540

Vidya Manjrekar
Head- Operations
& NAV Accounting

Sudhir Kaup
Compliance Officer

For Sahara Mutual Fund

Place: Mumbai
Date: July 27, 2021

M R Siddiqui
Trustee

S P Srivastava
Trustee

SAHARA INFRASTRUCTURE FUND			
Perspective Historical Per unit statistics			
Particulars	As at	As at	As at
	03-Apr-20	31-Mar-20	31-Mar-19
	(Rs. Per Unit)	(Rs. Per Unit)	(Rs. Per Unit)
(a) Gross Income			
(i) Income other than Profit on sale of Investments	0.00	0.31	0.24
(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	(0.09)	(6.87)	8.88
(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	0.003	0.54	0.46
(c) Net Income	(0.09)	(7.09)	8.66
(d) Net unrealised appreciation/(diminution) in value of Investments		(0.07)	(0.27)
(e) Net Asset Value			
Fixed Pricing - Dividend Plan	13.8803	13.9002	19.2064
Fixed Pricing - Growth Plan	19.005	19.0323	26.3014
Variable Pricing - Dividend Plan	16.2662	16.2891	22.4714
Variable Pricing - Growth Plan	22.1119	22.1432	30.5471
Fixed Pricing - Direct Dividend Plan	0.000	20.3280	20.3280
Fixed Pricing - Direct Growth Plan	21.2123	21.2388	28.6781
Variable Pricing - Direct Dividend Plan	0.000	22.3093	22.3093
Variable Pricing - Direct Growth Plan	22.7307	22.7627	31.3341
(f) Purchase Price during the year**			
(i) Highest			
Fixed Pricing - Dividend Plan	20.4963	20.4963	20.0264
Fixed Pricing - Growth Plan	28.8896	28.8896	27.4244
Variable Pricing - Dividend Plan	24.6230	24.6230	23.1310
Variable Pricing - Growth Plan	33.4721	33.4721	31.4438
Fixed Pricing - Direct Dividend Plan	0.0000	0.0000	20.3280
Fixed Pricing - Direct Growth Plan	0.0000	0.0000	29.1227
Variable Pricing - Direct Dividend Plan	0.0000	0.0000	23.4136
Variable Pricing - Direct Growth Plan	0.0000	0.0000	32.0797
(ii) Lowest			
Fixed Pricing - Dividend Plan	13.8803	17.5935	16.6436
Fixed Pricing - Growth Plan	19.005	23.6666	22.7920
Variable Pricing - Dividend Plan	16.2662	20.2415	19.443
Variable Pricing - Growth Plan	22.1119	27.5073	26.4305

Fixed Pricing - Direct Dividend Plan	0.000	0.0000	19.7531
Fixed Pricing - Direct Growth Plan	21.2123	0.0000	24.5677
Variable Pricing - Direct Dividend Plan	0.000	0.0000	21.7124
Variable Pricing - Direct Growth Plan	22.7307	0.0000	27.0480
(g) Sale Price during the year**			
(i) Highest			
Fixed Pricing - Dividend Plan	0.0000	0.0000	0.0000
Fixed Pricing - Growth Plan	0.0000	0.0000	0.0000
Variable Pricing - Dividend Plan	0.0000	0.0000	0.0000
Variable Pricing - Growth Plan	0.0000	0.0000	0.0000
Fixed Pricing - Direct Dividend Plan	0.0000	0.0000	0.0000
Fixed Pricing - Direct Growth Plan	0.0000	0.0000	0.0000
Variable Pricing - Direct Dividend Plan	0.0000	0.0000	0.0000
Variable Pricing - Direct Growth Plan	0.0000	0.0000	0.0000
(ii) Lowest			
Fixed Pricing - Dividend Plan	0.0000	0.0000	0.0000
Fixed Pricing - Growth Plan	0.0000	0.0000	0.0000
Variable Pricing - Dividend Plan	0.0000	0.0000	0.0000
Variable Pricing - Growth Plan	0.0000	0.0000	0.0000
Fixed Pricing - Direct Dividend Plan	0.0000	0.0000	0.0000
Fixed Pricing - Direct Growth Plan	0.0000	0.0000	0.0000
Variable Pricing - Direct Dividend Plan	0.0000	0.0000	0.0000
Variable Pricing - Direct Growth Plan	0.0000	0.0000	0.0000
(h) Ratio of expenses to average daily net assets by Percentage	2.09%	2.18%	1.85%
(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)	0.09%	1.05%	35.92%
*Annualized			
**Based on the maximum load during the year			
Per unit calculations based on number of units in issue at the end of the period			

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 M R Siddiqui and Shri S P Srivastava and the quorum being 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.



SAHARA MUTUAL FUND

97-98, 9TH Floor, ATLANTA

Nariman Point

Mumbai-400 021