

AUDITORS' REPORT

To the Board of Directors of
AIG Trustee Company (India) Private Limited

Trustee to
AIG GLOBAL INVESTMENT GROUP MUTUAL FUND
AIG INDIA LIQUID FUND

1. We have audited the attached balance sheet of AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG INDIA LIQUID FUND (the 'Scheme') as at March 31, 2010, the revenue account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of AIG Global Asset Management Company (India) Private Limited, the Scheme's asset managers. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. The balance sheet and revenue account dealt with by this report are in agreement with the books of account.
 - iii. In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the 'SEBI Regulations').
 - iv. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2010 are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of AIG Trustee Company (India) Private Limited, and are fair and reasonable.
 - v. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Scheme as at March 31, 2010;
 - b) in the case of the revenue account, of the surplus for the year ended on that date; and
 - c) in case of the cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Firm Registration Number - 301003E
Chartered Accountants

per **Shrawan Jalan**
Partner

Membership No.: 102102
Mumbai
June 30, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedules	March 31, 2010 Rupees	March 31, 2009 Rupees
Assets			
Investments	1	116,726,672	1,211,844,810
Other Current Assets	2	435,482	4,724,595
TOTAL		117,162,154	1,216,569,405
Liabilities			
Unit Capital	3	61,616,624	555,594,972
Reserves and Surplus	4	5,202,515	60,342,396
Current Liabilities and Provisions	5	50,343,015	600,632,037
TOTAL		117,162,154	1,216,569,405
Notes to Accounts	8		

(In Rupees)

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2010					March 31, 2010
	Retail Growth Option	Retail Daily Dividend Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Retail Quarterly Dividend Option	Total Retail
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	17,396,191	26,306,351	4,337,144	1,215,707	141,581	49,396,974
Number of Units in Issue	14,815.208	26,280.071	4,331.8698	1,213.715	141.349	46,782.213
Net Asset Value per Unit	1,174.2117	1,001.0000	1,001.2175	1,001.6410	1,001.6410	

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2009					March 31, 2009
	Retail Growth Option	Retail Daily Dividend Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Retail Quarterly Dividend Option	Total Retail
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	21,798,852	32,375,517	4,534,848	1,769,639	1,018,632	61,497,488
Number of Units in Issue	19,290.894	32,343.174	4,529.586	1,766.223	1,016.666	58,946.543
Net Asset Value per Unit	1,130.0073	1,001.0000	1,001.1617	1,001.9340	1,001.9340	

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

For **S. R. Batliboi & Co.**
Firm Registration Number - 301003E
Chartered Accountants

Per **Shrawan Jalan**
Partner
Membership No. 102102

AIG Trustee Company (India) Private Limited

N. Rangachary
Director

Robert Conry
Director

AIG Global Asset Management Company (India) Private Limited

Sunil Mehta
Chief Executive Officer

Avinder Singh Bindra
Director

Vikrant Mehta
Fund Manager

Mumbai, June 30, 2010

BALANCE SHEET AS AT MARCH 31, 2010 (Contd..)

(In Rupees)

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2010				March 31, 2010				March 31, 2010 Grand Total
	Institutional Growth Option	Institutional Daily Dividend Option	Institutional Weekly Dividend Option	Total Institutional	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	Total Super Institutional	
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	12,104,665	108,423	293,072	12,506,161	4,527,311	198,450	190,242	4,916,004	66,819,139
Number of Units in Issue	10,228.997	108.314	292.711	10,630.022	3,816.131	198.252	190.007	4,204.389	61,616.626
Net Asset Value per Unit	1,183.3678	1,001.0000	1,001.2340		1,186.3618	1,001.0000	1,001.2393		

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2009				March 31, 2009				March 31, 2009 Grand Total
	Institutional Growth Option	Institutional Daily Dividend Option	Institutional Weekly Dividend Option	Total Institutional	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	Total Super Institutional	
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	11,614,062	75,121,485	283,771	87,019,318	467,078,413	158,091	184,062	467,420,566	615,937,368
Number of Units in Issue	10,228.997	75,046.439	283.439	85,558.875	410,747.774	157.934	183.846	411,089.554	555,594.972
Net Asset Value per Unit	1,135.4058	1,001.0000	1,001.1699		1,137.1417	1,001.0000	1,001.1726		

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

For **S. R. Battiboi & Co.**
Firm Registration Number - 301003E
Chartered Accountants

AIG Trustee Company (India) Private Limited

AIG Global Asset Management Company (India) Private Limited

Per **Shrawan Jalan**
Partner
Membership No. 102102

N. Rangachary
Director

Robert Conry
Director

Sunil Mehta
Chief Executive Officer

Avinder Singh Bindra
Director

Vikrant Mehta
Fund Manager

Mumbai, June 30, 2010

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedules	April 01, 2009 to March 31, 2010 Rupees	April 01, 2008 to March 31, 2009 Rupees
Income And Gains			
Interest and Discount	6	21,834,645	312,570,472
Profit on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)		292,343	–
Profit on Interscheme transfer/sale of Investments (Note 2.4)		–	2,957,306
TOTAL		22,126,988	315,527,778
Expenses And Losses			
Net change in Unrealised Depreciation in Value of Investments	7	(25)	(9,816,718)
Loss on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)		–	11,350,586
Loss on Interscheme transfer/sale of Investments (Note 2.4)		235,622	–
Investment Management and Advisory Fees (Note 3)		673,463	4,052,719
Trustee Fees (Note 4)		4,855	35,841
Registrar and Transfer Agent Fees		220,147	1,418,767
Custodian Fees (Note 5)		14,665	102,784
Audit Fees (Note 6)		150,946	168,980
Selling and Distribution Expenses		530,375	3,128,135
Other Operating Expenses (Note 8)		123,078	935,917
		1,953,126	11,377,011
Net Surplus for the Year		20,173,862	304,150,767
Net Unrealised Appreciation in Value of Investments	7	13	–
Net Surplus including Net Unrealised Depreciation in Value of Investments		20,173,875	304,150,767
Notes to Accounts	8		

The accompanying schedules are an integral part of this Revenue Account.

As per our report of even date.

For **S. R. Batliboi & Co.**
Firm Registration Number - 301003E
Chartered Accountants

Per **Shrawan Jalan**
Partner
Membership No. 102102

AIG Trustee Company (India) Private Limited

N. Rangachary
Director

Robert Conry
Director

AIG Global Asset Management Company (India) Private Limited

Sunil Mehta
Chief Executive Officer

Avinder Singh Bindra
Director

Vikrant Mehta
Fund Manager

Mumbai, June 30, 2010

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010 (Contd..)

(In Rupees)

	April 01, 2009 to March 31, 2010					April 01, 2009 to March 31, 2010					April 01, 2009 to March 31, 2010					Grand Total
	Retail Growth Option	Retail Bonus Option	Retail Daily Dividend Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Retail Quarterly Dividend Option	Total Retail	Institutional Growth Option	Institutional Daily Dividend Option	Institutional Weekly Dividend Option	Institutional Dividend Option	Total Institutional	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	
Net Surplus including Net Change in Unrealised Depreciation in Value of Investments by Option	847,170	-	1,123,004	121,536	59,237	11,891	2,162,838	839,292	768,274	11,935	1,619,501	9,542,419	6,841,187	7,930	16,391,536	20,173,875
Dividend Distributions (Note 12)	-	-	(875,156)	(95,087)	(47,050)	(3,511)	(1,020,804)	-	(598,693)	(9,283)	(607,976)	-	(5,331,158)	(6,168)	(6,966,107)	
Dividend Distribution Tax thereon	-	-	(247,885)	(26,934)	(13,327)	(994)	(289,139)	-	(169,580)	(2,629)	(172,209)	-	(1,510,051)	(1,747)	(1,973,146)	
Transfer From Income Equalisation Reserve (Debit) / Credit (Note 2.2 and 18)	(729,106)	-	20,420	1,550	2,102	(9,119)	(714,153)	(299,092)	(174,189)	10,991	(462,290)	(65,974,457)	179,562	124,226	(65,670,670)	(66,847,113)
Balance Transferred to Reserve Fund	118,064	-	20,383	1,065	962	(1,733)	138,742	540,200	(174,188)	11,014	377,026	(56,432,038)	179,540	124,241	(56,128,258)	(55,612,491)

	April 01, 2008 to March 31, 2009					April 01, 2008 to March 31, 2009					April 01, 2008 to March 31, 2009					Grand Total
	Retail Growth Option	Retail Bonus Option	Retail Daily Dividend Option	Retail Weekly Dividend Option	Retail Monthly Dividend Option	Retail Quarterly Dividend Option	Total Retail	Institutional Growth Option	Institutional Daily Dividend Option	Institutional Weekly Dividend Option	Institutional Dividend Option	Total Institutional	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	
Net Surplus including Net Change in Unrealised Depreciation in Value of Investments by Option	7,366,201	-	20,730,295	593,219	276,628	34,236	29,000,579	3,816,591	15,098,314	2,059,236	20,974,141	162,997,937	88,505,875	2,672,235	254,176,047	304,150,767
Dividend Distributions (Note 12)	-	-	(16,145,201)	(467,328)	(206,834)	(19,788)	(16,839,152)	-	(11,762,445)	(1,569,853)	(13,352,299)	-	(68,946,634)	(2,221,185)	(71,167,819)	(101,359,269)
Dividend Distribution Tax thereon	-	-	(4,573,128)	(132,371)	(58,566)	(5,605)	(4,769,690)	(4,179,193)	(3,331,713)	(450,326)	(3,782,038)	-	(19,529,134)	(629,151)	(20,158,285)	(28,710,013)
Transfer From Income Equalisation Reserve (Debit) / Credit (Note 2.2 and 18)	(5,397,899)	-	(222,831)	3,139	(18,801)	(6,877)	(5,643,268)	(4,179,193)	52,378	(59,265)	(4,186,079)	(258,336,003)	(2,529,319)	185,351	(260,679,971)	(270,509,319)
Balance Transferred to Reserve Fund	1,968,302	-	(210,965)	(3,341)	(7,592)	1,966	1,748,469	(362,602)	56,534	(40,208)	(346,275)	(95,338,066)	(2,499,212)	7,251	(97,830,028)	(96,427,834)

The accompanying schedules are an integral part of this Balance Sheet.

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number - 301003E

Chartered Accountants

Per Shrawan Jalan
Partner

Membership No. 102102

Mumbai, June 30, 2010

AIG Trustee Company (India) Private Limited
N. Rangachary
Director
Robert Conry
Director
AIG Global Asset Management Company (India) Private Limited
Sunil Mehta
Chief Executive Officer
Avinder Singh Bindra
Director
Vikrant Mehta
Fund Manager

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010		March 31, 2009	
	Rupees	Rupees	Rupees	Rupees
A. Cashflow from Operating Activities				
Net Gains / (Losses) for the Year	20,173,875		304,150,767	
Add / (Less) : Change in Unrealised Appreciation in the value of Investments	(38)		(9,816,718)	
Adjustments for:-				
(Increase)/Decrease in Investments at Cost	1,095,118,176		6,415,255,445	
(Increase)/Decrease in Other Current Assets	3,222,247		26,508,684	
Increase/(Decrease) in Current Liabilities	(149,887)		(233,075,504)	
Initial Issue Expenses (incurred) / recovered during the Year /Period				
Net Cash Generated from/(used in) Operations (A)		1,118,364,373		6,503,022,675
B Cashflow from Financing Activities				
Increase/(Decrease) in Unit Capital	(500,919,253)		(6,964,213,254)	
Increase/(Decrease) in Unit Premium	(66,381,487)		(271,707,349)	
Adjustments for:-				
Increase/(Decrease) in Sundry Creditors for Units Redeemed by Investors	(550,139,117)		598,960,338	
(Increase)/Decrease in Sundry Debtors for Units Issued to Investors	736,779		160,795,026	
Dividend paid during the Year/Period	(1,991,382)		(28,936,633)	
Net Cash (used in)/Generated from Financing Activities (B)		(1,118,694,460)		(6,505,101,872)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B)		(330,087)		(2,079,197)
Cash and Cash Equivalents as at the beginning of the Year/Period	660,795		2,739,992	
Cash and Cash Equivalents as at the close of the Year/Period	330,708	(330,087)	660,795	(2,079,197)
Components of Cash and Cash Equivalents				
Balances with Banks in Current Accounts	330,708		660,795	
Deposits with Companies/Financial Institutions	-		-	
Deposits with Scheduled Banks	-		-	

As per our report of even date.

For **S. R. Batliboi & Co.**
Firm Registration Number - 301003E
Chartered Accountants

Per **Shrawan Jalan**
Partner
Membership No. 102102

AIG Trustee Company (India) Private Limited

N. Rangachary
Director

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AIG Global Asset Management Company (India) Private Limited

Sunil Mehta
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Avinder Singh Bindra
Director

Vikrant Mehta
Fund Manager

Mumbai, June 30, 2010

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010		March 31, 2009	
	Cost	Market / Fair Value	Cost	Market / Fair Value
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 1				
Investments (Notes 2.3,9 and 10)				
(Refer to the attached statement of Portfolio Holding as at March 31,2010)				
Non Convertible Debentures / Bonds Listed / Awaiting Listing	–	–	59,863,052	59,863,035
Certificate of Deposit	64,853,592	64,853,605	964,207,258	964,207,250
Reverse Repos / CBLO*	51,873,067	51,873,067	187,774,525	187,774,525
TOTAL	116,726,659	116,726,672	1,211,844,835	1,211,844,810

*CBLO - Collateralised Borrowing and Lending Obligation

	March 31, 2010	March 31, 2009
	Rupees	Rupees
SCHEDULE 2		
Other Current Assets		
Balance with Banks in Current Account	330,708	660,795
Switch Receivable	104,774	841,553
Debentures/Bonds	–	3,222,247
Receivable from the Investment Manager	–	–
TOTAL	435,482	4,724,595

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010
**Schedule 3
Unit Capital**

	March 31, 2010		March 31, 2010		March 31, 2010		March 31, 2010		March 31, 2010		March 31, 2010	
	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units
Issued and Subscribed: Units of Rs.1000 each fully paid up Initial Issue Amount	42,550,000	42,550,000	200,000	200,000	20,000	20,000	25,000	25,000	520,000	520,000	-	-
Outstanding: Initial issue and subscription At the beginning of the year	19,290,894	19,290,894	-	-	32,343,174	32,343,174	4,529,586	4,529,586	1,766,223	1,766,223	1,016,666	1,016,666
Issued during the year	96,312,089	96,312,089	-	-	106,344,107	106,344,107	9,596,140	9,596,140	1,734,465	1,734,465	243,732	243,732
Redeemed during the year	115,602,983	115,602,983	-	-	138,687,281	138,687,281	14,125,726	14,125,726	3,500,688	3,500,688	1,260,398	1,260,398
At the end of the year	100,787,775	100,787,775	-	-	112,407,210	112,407,210	9,793,856	9,793,856	2,286,973	2,286,973	1,119,049	1,119,049
	14,815,208	14,815,208	-	-	26,280,071	26,280,071	4,331,870	4,331,870	1,213,715	1,213,715	141,349	141,349

	March 31, 2009		March 31, 2009		March 31, 2009		March 31, 2009		March 31, 2009		March 31, 2009	
	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units
Issued and Subscribed: Units of Rs.1000 each fully paid up Initial Issue Amount	42,550,000	42,550,000	200,000	200,000	20,000	20,000	25,000	25,000	520,000	520,000	-	-
Outstanding: Initial issue and subscription At the beginning of the year	12,195,357	12,195,357	-	-	379,637,947	379,637,947	10,387,541	10,387,541	4,421,513	4,421,513	-	-
Issued during the year	1,531,504,220	1,531,504,220	-	-	1,102,777,511	1,102,777,511	46,177,910	46,177,910	12,003,845	12,003,845	2,343,535	2,343,535
Redeemed during the year	1,524,408,683	1,524,408,683	-	-	1,482,415,458	1,482,415,458	56,565,451	56,565,451	16,425,358	16,425,358	2,343,535	2,343,535
At the end of the year	19,290,894	19,290,894	-	-	32,343,174	32,343,174	4,529,586	4,529,586	1,766,223	1,766,223	1,016,666	1,016,666

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010 Rupees	March 31, 2009 Rupees
SCHEDULE 4		
Reserves and Surplus		
Unit Premium Reserve / (Accumulated Unit Deficit) (Note 2.2)		
At the beginning of the year	(761,164)	436,864
Added during the year	(66,374,503)	(1,198,028)
Adjustments during the year (Refer Note No. 18)	66,847,113	-
At the end of the year	(288,554)	(761,164)
Reserve Fund		
At the beginning of the year	61,103,560	157,531,394
Balance Transferred from Revenue Account	(55,612,491)	(96,427,834)
At the end of the year [including net unrealised appreciation in value of investments Rs. 13 , Previous year : Rs. Nil]	5,491,069	61,103,560
TOTAL	5,202,515	60,342,396

SCHEDULE 5

Current Liabilities and Provisions

Current Liabilities

Investment Management and Advisory Fees Payable	24,504	93,740
Trustee Fees Payable	169	638
Registrar and Transfer Agent Fees Payable	8,076	27,681
Custodian Fees Payable	517	4,031
Audit Fees Payable	24,705	44,905
Selling and Distribution Expenses Payable	247,265	151,245
Dividend Distribution Tax Payable	2,702	106,818
Inter-Scheme Payable	50,006,006	600,145,123
Others Payable	29,071	57,856
TOTAL	50,343,015	600,632,037

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

	April 01, 2009 to March 31, 2010 Rupees	April 01, 2008 to March 31, 2009 Rupees
SCHEDULE 6		
Interest and Discount (Note 2.4)		
Debentures/Bonds	42,692	64,973,243
Securitized Debt	-	31,461,537
CBLO	3,735,272	7,709,137
Certificate of Deposit / Commercial Papers	18,056,681	208,426,535
Reverse Repos	-	20
TOTAL	<u>21,834,645</u>	<u>312,570,472</u>

SCHEDULE 7
Unrealised Appreciation / (Depreciation) in Value of Investments (Note 9)
(a) Privately Placed Non Convertible Debentures / Bonds

At the beginning of the year	-	(24,139)
At the end of the year	-	-
Net change in unrealised appreciation / (depreciation) in value of investments during the year	<u>-</u>	<u>24,139</u>

(b) Non Convertible Debentures / Bonds Listed / Awaiting Listing

At the beginning of the year	(17)	-
At the end of the year	-	(17)
Net change in unrealised appreciation / (depreciation) in value of investments during the year	<u>17</u>	<u>(17)</u>

(c) Securitized Debt

At the beginning of the year	-	(9,866,658)
At the end of the year	-	-
Net change in unrealised appreciation / (depreciation) in value of investments during the year	<u>-</u>	<u>9,866,658</u>

(d) Commercial Papers

At the beginning of the year	-	(78)
At the end of the year	-	-
Net change in unrealised appreciation / (depreciation) in value of investments during the year	<u>-</u>	<u>78</u>

(e) Certificate of Deposit

At the beginning of the year	(8)	74,132
At the end of the year	13	(8)
Net change in unrealised appreciation / (depreciation) in value of investments during the year	<u>21</u>	<u>(74,140)</u>
Total net change in unrealised appreciation / (depreciation) in value of investments during the year	<u>38</u>	<u>9,816,718</u>

Supplementary Investment Portfolio Information And Industrywise Classification (Referred to in Schedule 1 to the Balance Sheet as at March 31, 2010)

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments as at March 31, 2010 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2010, as well as the aggregate investments in each investment category.

Industry & Company Particular	Quantity	Amount (Rs. in Lakhs)	Percentage to Net Assets	Percentage to Investment Category
CERTIFICATE OF DEPOSIT				
Banks		648	97.07	100.00
State Bank of Patiala 20-04-2010	250,000	249	37.32	38.45
United Bank of India 08-04-2010	200,000	200	29.91	30.81
Axis Bank Ltd. 27-04-2010	200,000	199	29.83	30.74
		648	97.06	100.00
CBLO		519	77.63	100.00
TOTAL		1,167	174.69	
OTHER CURRENT ASSETS		4	0.65	
TOTAL ASSETS		1,171	175.34	
LESS : CURRENT LIABILITIES		503	75.34	
NET ASSETS		668	100.00	

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010**SCHEDULE 8****Notes to the Financial Statements for the year ended March 31, 2010****1. Organisation**

AIG India Liquid Fund (the "Scheme") is an open-ended liquid scheme of AIG Global Investment Group Mutual Fund (the "Fund") and was launched on September 18, 2007. AIG Global Investment Group Mutual Fund has been sponsored by AIG Capital Corporation. AIG Global Asset Management Company (India) Private Limited ("AIG AMC" or the "AMC"), incorporated under the Companies Act, 1956 has been appointed as the asset management company. The duration of the Scheme is perpetual. The Scheme closed for initial subscription on September 20, 2007. The investment objective of the Scheme is to seek to generate a reasonable return commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and short-term debt securities. The Scheme has three plans - Retail, Institutional and Super Institutional Plan and Six options under each plan - Growth, Bonus, Daily Dividend, Weekly Dividend, Monthly Dividend & Quarterly Dividend option. The Scheme will not declare dividend under the Growth and Bonus Option. The income earned on such units will remain invested within the Scheme and will be reflected in the net asset value of the respective Options.

2. Significant Accounting Policies

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (The SEBI Regulations) and have been approved by the Board of Directors of the AMC and the Trustee, are stated below. The accounting policies have been consistently applied by the Scheme except for the changes in accounting policy discussed more fully below:

Changes in Accounting Policies:

a) Change in the method of recording of unit premium reserve (UPR):

Pursuant to SEBI Circular no. SEBI/IMD/CIR No. 18/198647/2010 (the 'SEBI circular') dated March 15, 2010; the Scheme has, with retrospective effect, changed its method of computation of UPR to reflect the balance of un-distributable surplus in UPR balance.

Refer note 18 below for the impacts on the closing UPR balance, had the Scheme continued to use the earlier basis of computation of UPR.

b) Change in the method of income equalization reserve: (IER):

As explained in (a) above, pursuant to the SEBI Circular dated March 15, 2010, the Scheme has changed its method of computation of income equalization reserve. Accordingly, when units are issued or redeemed, net asset value less face value and appropriation towards unit premium reserve, if any, for the transacted units, from the beginning of the accounting year up to the date of issue or redemption of such unit is transferred to / from the income equalisation account. Upon issue and redemption of units below par, the net discount is apportioned to income equalisation reserve.

The purpose is to ensure that the per unit amount of the continuing unit holders' share of the undistributed income / loss remains unaffected by the movement in unit capital. At the year end, the balance in the equalisation account is transferred to the Revenue Account.

Refer note 18 below for the impact on the closing reserve fund balance, had the Scheme continued to use the earlier basis of computation of UPR.

2.1. Determination of net asset value

The net asset value of the units of the Scheme is determined separately for units issued under the Plans after including the respective unit capital and reserves and surplus, and reducing net deficit and accumulated discount, if any.

For reporting the net asset values, the daily income earned, including realized profit or loss and unrealized gain or loss in the value of investments, and expenses incurred by the Scheme, are allocated to the Plans in proportion to their respective daily net assets as at the end of the immediately preceding day.

2.2. Unit Capital, Unit Premium Reserve and Income Equalization

Unit capital represents the net outstanding units as at the Balance Sheet date.

Upon issue and redemption of units, the net premium is apportioned between UPR and Income Equalisation Reserve (IER) in accordance with regulations and guidelines prescribed by SEBI.

When units are issued or redeemed, net asset value less face value and UPR per unit, for the transacted units, from the beginning of the accounting year up to the date of issue or redemption of such unit is transferred to / from the income equalisation account. Upon issue and redemption of units below par, the net discount is apportioned to income equalisation reserve in accordance with regulations and guidelines prescribed by SEBI.

The purpose is to ensure that the per unit amount of the continuing unit holders' share of the undistributed income / loss remains unaffected by the movement in unit capital. At the year end, the balance in the equalisation account is transferred to the Revenue Account.

2.3. Investments

Accounting for investment transactions :

Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, securities transaction tax and fees payable or receivable, if any. The front end fee receivable, if any, is reduced from the cost of investment.

Valuation of investments :

Investments in fixed income securities are valued as follows:

- Traded Debt Securities (other than Government Securities) are valued at the closing market price as on the date of valuation, provided there is an individual trade in that security in marketable lot.
- Non-traded / thinly traded / unlisted debt securities of upto 182 days to maturity are valued at cost or last valuation price (in case of securities having maturity period of more than 182 days at the time of purchase) plus the difference between the redemption value and the cost or last valuation price spread uniformly over the remaining maturity period of the instrument.
- Non traded / thinly traded / unlisted debt securities of over 182 days to maturity are valued in good faith by the AMC on the basis of valuation principles laid down by the SEBI. The approach in valuation of a non-traded / thinly traded / unlisted debt security is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the security.
- The Pass Through Certificates ('PTC') are valued by discounting the future cashflows.
- Floating Rate Notes ('FRN') - There are no valuation guidelines prescribed by SEBI for Valuation of Non Traded / Thinly Traded and Unlisted Floating Rate Debt Securities. These securities are valued as determined by the AMC based on policy as approved by the Board of Trustees.
- Money Market - Money Market Instruments (consisting of commercial papers, certificate of deposit, treasury bills and CBLOs) are valued on the cost plus straight line amortization basis accrual.
- The securities with call option are valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is taken as the value of the instrument.
- The securities with put option are valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is taken as the value of the instruments.
- The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.
- All other investments are stated at their fair value as determined in good faith by the AMC in accordance with the SEBI Regulations and reviewed by the Trustee.
- Following the issue of the 'Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds' by the Institute of Chartered Accountants of India (ICAI) (pursuant to the Eleventh Schedule of the Regulations) net unrealized appreciation / depreciation in the value of investments is determined separately for each category of investments. In terms of the Guidance Note, the change in the net unrealised loss, if any, between two balance sheet dates is to be recognised in the revenue account and the change in net unrealised gain, if any, is to be adjusted in an unrealised appreciation reserve. The Scheme has, however, recognised the change in net unrealised appreciation /depreciation, if any, between two Balance Sheet dates in the Revenue Account. At the end of the financial year, the balance in the Revenue Account including change in the net unrealised appreciation or depreciation in the value of investments is transferred to Reserve Fund and the amount of net unrealised appreciation included in the Reserve Fund, as at the financial statement date, has been disclosed in the Reserve Fund schedule. The unrealized appreciation is reduced from the distributable income at the time of income distribution. Further, the loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the prior period, as recommended by the Guidance Note. However, these do not have any net impact on the distribution surplus for the period and the net assets of the Scheme.

2.4. Revenue recognition

- Income on investments is recognized on accrual basis except where there is uncertainty about ultimate recovery/ realization. Such income is recognized when the uncertainty is resolved.
- Interest on fixed income securities and CBLO is recognized as income on a daily basis over the period of holding. Interest paid for the period from the last interest due date up to the date of purchase, is not treated as a cost of purchase, but debited to interest accrued but not due account while interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as an addition to sale value but credited to interest accrued but not due account.
- Profit or loss on sale of investments is determined on the basis of the weighted average cost method.
- The discount or premium, if any, to the redemption value of debt securities is amortised and recognized as interest income or expense as the case maybe over the maturity period.

2.5. Load

All Load including Contingent Deferred Sales Charge ('CDSC') upto July 31, 2009, charged at the time of purchase and sale of units, is being utilized towards meeting marketing and distribution expenses.

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load has been charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 01, 2009. Similarly, no entry load has been charged with respect to applications for registrations under systematic investment plans/systematic transfer plans accepted by the Fund. With effect from August 1, 2009 exit load up to 1% charged at the time of sale of units is being utilized towards meeting marketing and distribution expenses. Exit load charged in excess of 1% is being credited to the respective schemes immediately as per SEBI regulation.

Unutilised amount of load is being carry forward to the subsequent years unless the same is considered to be in excess by the AMC / Trustee. Such excess amount is credited to other income.

3. Investment Management and Advisory Fees

The Scheme has paid or provided for investment management and advisory fees payable to AIG AMC for managing the Scheme at an annual rate of 0.14% (Previous Year : 0.11%) of the average daily net assets (excluding investments made by AIG AMC, investments in

Fixed Deposits and intra scheme investments) recorded by the Scheme. All costs, charges and expenses incurred by AIG AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Regulations and amendments thereto as applicable, are on their own account for which they receive investment management and advisory fees.

4. Trustee Fees

In accordance with the Deed of Trust dated December 15, 2006 between AIG Capital Corporation (the "Settlor") and AIG Trustee Company (India) Private Limited, (the "Trustee"), the Scheme has paid or provided for trustee fees payable to the Trustee at an annual rate of 0.001% (Previous Year : 0.001%) of the average daily net asset values recorded by the Scheme.

5. Custodian Fees

Citibank N.A. provides custodial services to the Scheme for which it receives custody fees.

6. Audit Fees

Audit Fees includes Statutory Audit fees and Internal Audit fees.

7. Income Taxes

No provision for current income tax has been made as the Scheme qualifies as a recognized mutual fund under Section 10 (23D) of the Income Tax Act, 1961 of India.

8. Other Expenses

Other Expenses include service tax on management fees and trusteeship fees.

9. Aggregate Appreciation and Depreciation In Value of Investments

Aggregate appreciation and depreciation in value of investments are as follows:

	As at March 31, 2010 (Rupees)	As at March 31, 2009 (Rupees)
Certificate of Deposits		
– Appreciation	14	102.60
– Depreciation	1	110.27
Non Convertible Debentures		
– Appreciation	–	–
– Depreciation	–	17.48

10. Aggregate Value of Purchases and Sale of Investments

The aggregate value of investment securities* purchased and sold (including matured) during the year and these amounts as a percentage of average daily net assets on an annualised basis are as follows :

	March 31, 2010 (Rupees)	March 31, 2009 (Rupees)
Purchases		
– Amount	11,330,842,040.90	51,954,069,861
– As a percentage of average daily net assets	2334.14%	1449.7%
Sales		
– Amount	12,308,180,084.20	58,339,411,321
– As a percentage of average daily net assets	2535.47%	1627.88%

* Does not include Placement & maturity of CBLO proceeds.

11. Income and Expenses

The total income/loss (including net profit/loss on sale of investments and net unrealised appreciation/depreciation in the value of investments) and expenditure and these amounts as a percentage of average daily net assets on an annualized basis are as follows:

	March 31, 2010 (Rupees)	March 31, 2009 (Rupees)
Income / (Loss)		
– Amount	21,891,404.48	313,993,910
– As a percentage of average daily net assets	4.51%	8.76%
Expenses		
– Amount	1,717,528.38	9,843,143
– As a percentage of average daily net assets	0.35%	0.27%

12. Income Distribution

During the year, the scheme/plans has distributed income to its unitholders out of the distributable surplus available with the scheme/ plan, which consists of surplus for the current year and retained earnings /accumulated reserves of earlier periods.

13. Disclosure under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended.

The Scheme has not made any payment to associate / group companies during the current year and previous year.

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)
Period From 01-Apr-2009 to 31-Mar-2010 NIL				
Previous Period From 01-Apr-2008 to 31-Mar-2009 NIL				

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

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association / Nature of Relation	Period Covered	Business Given (in Rs. Cr. & % of total business received by the fund)	Commission paid (Rs. & % of total commission paid by the fund)
Period : 01-Apr-2009 to 31-Mar-2010 NIL				
Previous Period From 01-Apr-2008 to 31-Mar-2009 NIL				

14. Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended.

Fund has made the following investment in companies, which holds units in excess of 5% of the net asset value of any scheme of the Fund.

(Rs. in Lakhs)

Company Name	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company from 01 April 2009 to March 31, 2010	Aggregate cost of acquisition during the year ended March 31, 2010	Aggregate cost of acquisition during the year ended March 31, 2009	Outstanding as at March 31, 2010 (At Market / Fair Value)	Outstanding as at March 31, 2009 (At Market / Fair Value)
Allahabad Bank	AIGLF	7,345.34	18,894.04	–	2,450.20
	AIGQIS-II	–	2,395.91	–	–
	AIGTF	12,568.93	29,821.24	–	–
	AIGEF	1,174.92	–	1,195.60	–
	AIGINFRA	772.08	–	1,278.51	–
AIA Engineering Ltd.	AIGEF	1,902.68	–	2,044.85	–
	AIGINFRA	405.31	–	1,210.43	–
Axis Bank	AIGEF	–	778.11	–	–
	AIGINFRA	–	915.42	–	–
	AIGTF	–	4,724.09	–	–
	AIGWGF	–	503.48	–	–
Bank of India	AIGTF	20,467.89	2,416.85	1,130.03	–
	AIGINFRA	587.66	1,030.72	–	658.20
	AIGEF	2,258.23	–	–	–
	AIGSTF	1,518.44	–	1,224.20	–
	AIGLF	5,142.79	–	–	–
Bharti Airtel Ltd.	AIGEF	1,061.09	–	–	1,877.25
	AIGINFRA	2,088.61	–	–	–
Corporation Bank	AIGLF	3,578.96	12,306.18	–	–
	AIGTF	8,352.85	999.37	–	–
	AIGWGF	–	2,362.75	–	–
	AIGSTF	1,196.72	989.40	–	–
	AIGEF	576.20	–	–	–
	AIGINFRA	465.10	–	–	–
Crompton Greaves Ltd.	AIGINFRA	177.31	–	684.99	–
Export Import Bank of India	AIGTF	–	1,465.25	–	–
Global Trade Finance Ltd.	AIGLF	–	5,000.00	–	–
	AIGSTF	–	3,500.00	–	–
	AIGTF	–	4,000.00	–	–
GVK Power Infrastructure Ltd	AIGEF	2,338.44	–	818.51	–
	AIGINFRA	1,784.33	–	1,121.25	–

(Rs. in Lakhs)

Company Name	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company from 01 April 2009 to March 31, 2010	Aggregate cost of acquisition during the year ended March 31, 2010	Aggregate cost of acquisition during the year ended March 31, 2009	Outstanding as at March 31, 2010 (At Market / Fair Value)	Outstanding as at March 31, 2009 (At Market / Fair Value)
HDFC Bank Ltd.	AIGLF	-	3,870.49	-	-
	AIGSTF	-	2,410.12	-	-
	AIGTF	4,919.99	3,871.11	-	-
	AIGWGF	-	3,909.69	-	-
	AIGEF	965.91	-	-	1,460.10
Housing Development Finance Corporation Ltd.	AIGLF	-	2,464.90	-	-
	AIGQIS-II	-	2,432.96	-	-
	AIGSTF	-	2,486.90	-	-
	AIGTF	-	15,645.70	-	-
	AIGEF	-	-	-	1,765.25
Hero Honda Motors Ltd.	AIGEF	2,395.72	789.84	3,461.03	964.04
The Great Eastern Shipping Co Ltd	AIGEF	542.17	-	-	-
ITC Ltd	AIGEF	1,083.08	-	-	2,772.75
ICICI Bank Ltd	AIGEF	-	934.90	-	-
	AIGINFRA	-	2,678.05	-	-
	AIGLF	-	26,396.41	-	-
	AIGQIS-I	-	4,627.87	-	-
	AIGQIS-II	-	4,019.19	-	-
	AIGSTF	-	7,599.06	-	-
	AIGTF	-	41,766.31	-	-
	AIGWGF	-	6,337.70	-	-
	AIGFMP-I	-	6,320.05	-	2,848.76
Indian Bank	AIGLF	-	4,800.21	-	-
	AIGTF	-	2,483.34	-	-
	AIGWGF	-	2,341.54	-	-
Industrial Development Bank of India	AIGTF	10,239.02	35,782.49	-	-
	AIGEF	-	2,754.84	-	-
	AIGINFRA	363.17	1,646.62	-	-
	AIGLF	483.84	19,942.04	-	-
	AIGQIS-I	-	5.61	-	-
	AIGQIS-II	-	27.17	-	-
	AIGSTF	-	9,733.58	-	115.96
	AIGWGF	-	6,270.50	-	-
AIGFMP-I	-	6,356.61	-	4,636.57	
Infrastructure Development Finance Company Ltd.	AIGLF	-	2,496.21	-	-
	AIGSTF	-	4,078.57	-	-
	AIGINFRA	473.77	-	160.95	-
Karnataka Bank Limited	AIGTF	-	2,810.45	-	-
Punjab National Bank	AIGEF	4,029.64	-	1,073.52	-
	AIGLF	27,835.00	-	-	-
	AIGQIS-II	2,439.42	-	-	-
	AIGSTF	3,745.03	-	-	-
	AIGTF	66,097.00	-	2,450.60	-
	AIGFMP-I	488.69	-	-	-
	AIGINFRA	999.18	-	-	-
Larsen & Toubro Ltd.	AIGINFRA	-	-	652.34	738.54
	AIGEF	-	-	-	1,342.80
L&T Finance Limited	AIGLF	-	3,586.13	-	-
	AIGQIS-II	-	3,830.54	-	-
LIC Housing Finance Ltd	AIGSTF	-	493.11	-	-
	AIGTF	-	493.11	-	-

(Rs. in Lakhs)

Company Name	Investment made by schemes of AIG Global Investment Group Mutual Fund in the company from 01 April 2009 to March 31, 2010	Aggregate cost of acquisition during the year ended March 31, 2010	Aggregate cost of acquisition during the year ended March 31, 2009	Outstanding as at March 31, 2010 (At Market / Fair Value)	Outstanding as at March 31, 2009 (At Market / Fair Value)
Reliance Industries Ltd	AIGINFRA	-	-	-	762.38
	AIGEF	-	-	-	2,744.55
Shriram Transport Finance Co Ltd	AIGLF	-	10,000.00	-	-
	AIGSTF	-	1,000.00	-	-
	AIGTF	-	9,500.00	-	-
State Bank of Patiala	AIGLF	-	21,555.62	249.37	-
	AIGSTF	-	6,366.85	748.11	-
	AIGTF	5,828.16	18,005.09	1,496.22	-
	AIGFMP-I	-	2,441.68	-	-
State Bank of Mysore	AIGLF	-	3,453.67	-	-
	AIGSTF	-	481.48	-	-
	AIGTF	-	14,542.81	-	-
State Bank of Hyderabad	AIGINFRA	988.77	3,144.09	-	-
	AIGLF	3,947.45	39,574.62	-	-
	AIGSTF	493.20	3,949.64	-	-
	AIGTF	20,087.62	47,497.77	-	-
	AIGWGF	1,483.16	6,732.46	-	-
Oriental Bank of Commerce	AIGEF	486.57	-	-	-
	AIGLF	7,821.09	-	-	-
	AIGQIS-I	4,924.36	-	-	-
	AIGQIS-II	537.11	-	-	-
	AIGSTF	3,850.20	-	-	-
	AIGTF	35,876.62	-	-	-
	AIGFMP-I	3,345.84	-	-	-
Sundaram Finance Ltd	AIGLF	-	5,141.42	-	-
	AIGSTF	-	7,154.05	-	-
	AIGTF	-	11,830.26	-	-
	AIGWGF	-	5,433.96	-	-
Union Bank of India	AIGEF	1,455.89	992.91	-	587.40
	AIGINFRA	-	992.91	-	-
	AIGLF	10,237.21	7,930.88	-	2,368.11
	AIGTF	9,119.60	12,820.99	-	-
	AIGWGF	-	2,978.73	-	-
United Bank of India	AIGTF	11,129.24	-	2,198.19	-
	AIGSTF	1,191.68	-	99.92	-
	AIGLF	8,697.08	-	199.84	-
YES Bank Ltd	AIGINFRA	-	987.14	-	-

The above investments comprise equity shares, debentures / bonds, commercial paper / certificate of deposits and other debt instruments, as applicable.

These investments have been made on account of their credit profile and competitive yield, in case of investments in fixed income / money market instruments and in case of equity shares based on the merits of the respective companies. The above investments include inter-scheme transfers made by the Schemes.

AIGEF	: AIG INDIA EQUITY FUND
AIGTF	: AIG INDIA TREASURY FUND
AIGLF	: AIG INDIA LIQUID FUND
AIGINFRA	: AIG INFRASTRUCTURE AND ECONOMIC REFORM FUND
AIGSTF	: AIG SHORT TERM FUND
AIGWGF	: AIG WORLD GOLD FUND

AIGQIS-I : AIG QUARTERLY INTERVAL FUND - SERIES I
 AIGQIS-II : AIG QUARTERLY INTERVAL FUND - SERIES II
 AIGFMP-I : AIG FIXED MATURITY PLAN I - SERIES I

15. Segment Reporting

The Scheme operates only in one segment viz. to primarily generate returns, based on Scheme's investment objective. Accordingly, no segment disclosure is required to be given in accordance with AS-17 issued by the ICAI.

16. Related Party Disclosure

As per AS-18 refer annexure No. 1

17. Effects of Events at the Ultimate Parent Company

Since September 2008, AIG has been working to protect and enhance the value of its key businesses, execute an orderly asset disposition plan, and position itself for the future. AIG has entered into several important transactions and relationships with the Federal Reserve Bank of New York (the "FRBNY"), the AIG Credit Facility Trust (together with its trustees, acting in their capacity as trustees, the "Trust") and the United States Department of the Treasury. As a result of these arrangements, AIG is controlled by the Trust, which was established for the sole benefit of the United States Treasury.

AIG continually reassesses this plan to maximize value while maintaining flexibility in managing its liquidity and capital. It expects to accomplish these objectives over a longer time frame than originally contemplated.

On March 26, 2010, as part of its divestiture efforts, AIG announced that it had concluded the previously-announced sale of a portion of AIG Investments, its asset management business, to Pacific Century Group ("PCG"), the Asia-based private investment firm. The divested portion of AIG Investments has been rebranded as PineBridge Investments ("PineBridge").

AIG Global Asset Management Company (India) Private Limited and AIG Trustee Company (India) Private Limited (collectively the "India AMC Business") are one of the operating entities comprising AIG's asset management business in India. The India AMC Business was initially considered for inclusion in the PineBridge sale; however, the parties determined to defer that portion of the sale, pending resolution of various logistical, structural and regulatory matters.

AIG, PCG and PineBridge have continued in earnest discussions concerning a follow-on transaction for the purchase of the India AMC Business from AIG by PineBridge and PCG or their affiliates. It is currently the intention of AIG to divest the India AMC business on a going concern basis.

AIG Global Asset Management Company (India) Private Limited remains adequately capitalized. The management of the Scheme has assessed the impact of these events and believes that the above events do not affect the Fund's ability to continue as a going concern. It accordingly does not require any adjustments to the carrying value of the assets and liabilities of the Scheme as of the closing balance sheet date.

- 18.** The SEBI Circular dated March 15, 2010, clarified the method of calculation of unit premium reserve ('UPR'). Further, The SEBI Circular restricted the use of UPR for the purpose of dividend distribution. In view of the clarification provided by the SEBI Circular, with a view to reflect the UPR balance in accordance with the SEBI Circular, UPR has been recomputed since inception by the Scheme. Further, up to March 14, 2010 UPR was considered as available for dividend distribution. This change in accounting policy does not have any impact on the net asset values declared in the past for the Schemes and has only resulted in inter-se adjustments between UPR and Reserve Fund (RF).

The following table summarizes the impact on the balances of UPR and the RF as on March 31, 2010 due to re-computation of UPR as stated above and utilization of UPR for dividend distribution since inception up to March 14, 2010, if any

(In Rupees)

Balance as per current method		Balance as per Revised method		Change in balance		Utilisation of UPR for dividend distribution since inception till March 14, 2010
UPR	RF	UPR	RF	UPR	RF	
(782,487)	5,984,984	(288,572)	5,491,069	493,915	(493,915)	-

19. Prior Year Comparatives

Prior year amounts have been re-classed / regrouped wherever applicable to confirm to the current year's presentation.

As per our report of even date.

For **S. R. Battiboi & Co.**
 Firm Registration Number - 301003E
 Chartered Accountants

AIG Trustee Company (India) Private Limited

AIG Global Asset Management Company (India) Private Limited

Per **Shrawan Jalan**
 Partner
 Membership No. 102102

N. Rangachary
 Director

Robert Conry
 Director

Sunil Mehta
 Chief Executive Officer

Avinder Singh Bindra
 Director

Vikrant Mehta
 Fund Manager

Mumbai, June 30, 2010

ANNEXURE 1

RELATED PARTY DISCLOSURES

(Annexure No. 1 as referred to in Notes to Accounts - Note 16)

The Scheme has entered into transactions with certain related parties. The information required in this regard in accordance with Accounting Standard 18 on 'Related Party Disclosures' issued by the ICAI and Regulation 25(8) of the SEBI Regulations, is provided below.

(i) Related party relationships

Name	Description of relationship
AIG Capital Corporation	Sponsor
AIG Global Asset Management Company (India) Private Limited,	Asset Management Company
AIG Trustee Company (India) Private Limited	Trustee Company
AIG Capital India Private Limited	Associate

Schemes of the Fund, under common control of the Sponsor

AIG India Equity Fund
AIG India Treasury Fund
AIG India Liquid Fund
AIG Infrastructure and Economic Reform Fund
AIG Short Term Fund
AIG World Gold Fund
AIG Quarterly Interval Fund - Series I
AIG Quarterly Interval Fund - Series II
AIG Fixed Maturity Plan I - Series I

(ii) Transactions, if any, with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulations are provided below:

(In Rupees)

Name of related party	Nature of transactions	Year ended 2010	Balance as at March 31, 2010	Year ended 2009	Balance as at March 31, 2009
Schemes under common control	Purchase of investments	Interscheme		Interscheme	
	AIG India Treasury Fund	9,384,781,657	-	14,789,122,341	-
	AIG Short Term Fund	-	-	3,047,426,096	-
	Other Schemes	175,880,634	-	1,549,105,271	-
	Sale of investments				
	AIG India Treasury Fund	17,739,234,481	-	26,325,104,170	-
	Other Schemes	367,579,664	-	6,380,404,607	-
AIG Trustee Company (India) Private Limited	Fees for trusteeship services	4,855	169	35,841	638
AIG Global Asset Management Company (India) Private Limited	Fees for management services	673,463	24,504	4,052,719	93,740
	Reimbursement to the scheme *	-	-	49,156,725	-

* The global financial crisis during 2008-09 and its impact on the Sponsor's and AMC's ultimate parent, AIG Inc., USA's financial position and rating resulted in disproportionately large redemptions in the scheme. In order to protect the interest of unit holders, the AMC reimbursed losses arising out of stress selling of securities to meet these redemption obligations.

ANNEXURE 1

Investment by Related Party

(In Rupees)

Related Party		2009-2010	2008-2009
		AIG India Liquid Fund	AIG India Liquid Fund
AIG Global Asset Management Company (India) Private Limited	Purchase	121,024,196.35	2,305,061,721.80
	Redemption	120,000,000.00	2,819,398,401.51
	Year End Outstanding	6,381,380.96	3,783,507.73
AIG India Equity Fund	Purchase	5,210,237,540.33	7,394,353,031.17
	Redemption	5,519,069,181.44	7,089,915,889.64
	Year End Outstanding	–	307,553,037.39
AIG Infrastructure and Economic Reform Fund	Purchase	4,457,585,958.73	5,675,208,484.99
	Redemption	4,593,554,145.21	5,542,313,629.26
	Year End Outstanding	–	135,023,284.37
AIG World Gold Fund	Purchase	960,500,000.00	7,290,131,818.70
	Redemption	983,174,961.58	7,270,209,392.40
	Year End Outstanding	–	22,503,880.73
AIG India Treasury Fund	Purchase	267,500,000.00	–
	Redemption	267,546,955.07	–
	Year End Outstanding	–	–
AIG Quarterly Interval Fund - Series I	Purchase	–	530,500,000.00
	Redemption	–	530,645,563.55
	Year End Outstanding	–	–
AIG Fixed Maturity Plan I - Series I	Purchase	–	3,825,000,000.00
	Redemption	–	3,826,370,730.67
	Year End Outstanding	–	–
AIG Quarterly Interval Fund - Series II	Purchase	–	356,600,000.00
	Redemption	–	356,789,005.19
	Year End Outstanding	–	–
AIG Short Term Fund	Purchase	491,500,000.00	–
	Redemption	491,599,864.41	–
	Year End Outstanding	–	–

PERSPECTIVE HISTORICAL PER UNIT STATISTICS FOR THE YEAR ENDED MARCH 31, 2010

	April 01, 2009 to March 31, 2010 Rupees	April 01, 2008 to March 31, 2009 Rupees	September 18, 2007 to March 31, 2008 Rupees
(a) Net asset value per unit at the end of the period (Note 2.5)			
Retail Plan - Bonus Option	N.A.	N.A.	N.A.
Retail Plan - Daily Dividend Option	1,001.0000	1,001.0000	1,000.7810
Retail Plan - Growth Option	1,174.2117	1,130.0073	1,041.0507
Retail Plan - Monthly Dividend Option	1,001.6410	1,001.9340	1,002.1287
Retail Plan - Quarterly Dividend Option	1,001.6410	1,001.9340	N.A.
Retail Plan - Weekly Dividend Option	1,001.2175	1,001.1617	1,001.0100
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	1,001.0000	1,001.0000	1,000.8059
Institutional Plan - Growth Option	1,183.3678	1,135.4058	1,042.8476
Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	1,001.2340	1,001.1699	1,001.0100
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	1,001.0000	1,001.0000	1,000.8141
Super Institutional Plan - Growth Option	1,186.3618	1,137.1417	1,043.3984
Super Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	1,001.2393	1,001.1726	1,001.0100
(b) Gross Income			
(i) income other than profit on sale of investment	354.36	562.59	39.40
(ii) income from profit on inter scheme sales/transfer of investment	(3.82)	5.32	0.28
(iii) income (net) from profit on sale of investments to third party	4.74	(20.43)	(0.38)
(iv) transfer of revenue account from past year's reserve	-	-	-
(c) Aggregate of expenses, writeoff, amortisation and charges (excluding change in unrealised depreciation in investments)	27.87	17.72	1.60
(d) Net Income (excluding change in unrealised depreciation in investments)	327.41	529.76	37.70
(e) Unrealised appreciation / (depreciation) in value of investments	-	(0.00)	(1.32)
(f) Redemption price			
- Highest			
Retail Plan - Bonus Option	N.A.	N.A.	1009.4200
Retail Plan - Daily Dividend Option	1001.2264	1001.0000	1000.7810
Retail Plan - Growth Option	1174.0836	1130.0073	1041.0507
Retail Plan - Monthly Dividend Option	1005.1177	1008.0187	1006.8376
Retail Plan - Quarterly Dividend Option	1013.0348	1007.5358	N.A.
Retail Plan - Weekly Dividend Option	1001.7972	1002.6588	1002.2878
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	1001.0000	1001.0000	1000.8060
Institutional Plan - Growth Option	1183.0914	1132.2980	1041.3939
Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	N.A.	1002.4427	1001.4129
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	1001.0000	1001.0000	1000.8141
Super Institutional Plan - Growth Option	1186.3618	1137.1417	1043.1526
Super Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	N.A.	1001.9733	1001.6583
- Lowest			
Retail Plan - Bonus Option	N.A.	N.A.	1006.6978
Retail Plan - Daily Dividend Option	1001.0000	1000.7810	1000.7810
Retail Plan - Growth Option	1130.3709	1041.2714	1000.9722
Retail Plan - Monthly Dividend Option	1001.0000	1000.7810	1000.7810
Retail Plan - Quarterly Dividend Option	1001.2879	1007.5358	N.A.
Retail Plan - Weekly Dividend Option	1001.0000	1001.0000	1001.0100
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.

	April 01, 2009 to March 31,2010 Rupees	April 01, 2008 to March 31,2009 Rupees	September 18, 2007 to March 31,2008 Rupees
Institutional Plan - Daily Dividend Option	1001.0000	1000.8059	1000.8059
Institutional Plan - Growth Option	1152.9096	1043.0772	1001.0050
Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	N.A.	1001.0100	1001.0100
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	1001.0000	1000.3000	1000.8140
Super Institutional Plan - Growth Option	1137.3474	1043.6310	1001.0159
Super Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	N.A.	1001.2365	1001.0100
(g) Purchase price			
– Highest			
Retail Plan - Bonus Option	N.A.	N.A.	1,000.0000
Retail Plan - Daily Dividend Option	1,001.2264	1,001.0000	1,000.7810
Retail Plan - Growth Option	1,174.2117	1,130.0073	1,041.0507
Retail Plan - Monthly Dividend Option	1,005.1177	1,008.0072	1,006.9983
Retail Plan - Quarterly Dividend Option	1,010.1509	1,003.1127	N.A.
Retail Plan - Weekly Dividend Option	1,001.5715	1,002.4731	1,002.1866
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	1,001.0000	1,001.0000	1,000.8060
Institutional Plan - Growth Option	1,182.9568	1,131.7000	1,041.6441
Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	1,001.0000	1,001.6888	1,002.3740
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	1,001.0000	1,001.0000	1,000.8141
Super Institutional Plan - Growth Option	1,186.2193	1,136.9456	1,043.3984
Super Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	1,001.0000	1,002.4549	1,002.3754
– Lowest			
Retail Plan - Bonus Option	N.A.	N.A.	1,000.0000
Retail Plan - Daily Dividend Option	1,001.0000	1,000.7810	1,000.0000
Retail Plan - Growth Option	1,131.3902	1,041.2714	1,000.0000
Retail Plan - Monthly Dividend Option	1,001.4959	1,000.7810	1,000.0000
Retail Plan - Quarterly Dividend Option	1,001.5526	1,000.0000	N.A.
Retail Plan - Weekly Dividend Option	1,001.0000	1,001.0000	1,000.0000
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	1,001.0000	1,000.8059	1,000.0000
Institutional Plan - Growth Option	1,152.7664	1,043.0772	1,000.0000
Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	N.A.	1,001.0000	1,000.0000
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	1,001.0000	1,000.0000	1,000.0000
Super Institutional Plan - Growth Option	1,137.3474	1,043.6310	1,000.0000
Super Institutional Plan - Monthly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	N.A.	1,001.0000	1,000.0000
(h) Price earnings ratio	N.A.	N.A.	N.A.
(i) Ratio of expenses to average daily net assets by percentage (annualised,excluding unrealised appreciation/depreciation on investments)	0.35	0.27	0.35
(j) Ratio of gross income/loss to average daily net assets by percentage (annualised, including unrealised appreciation / depreciation on investments and net profit or loss on sale of investments.)	4.51	8.76	8.37

The above per unit calculations are based on the number of units in issue at the end of the financial year/period