

AUDITORS' REPORT

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

Trustees to

AIG GLOBAL INVESTMENT GROUP MUTUAL FUND
AIG INDIA TREASURY FUND (formerly known as AIG INDIA TREASURY PLUS)

1. We have audited the attached balance sheet of AIG GLOBAL INVESTMENT GROUP MUTUAL FUND - AIG INDIA TREASURY FUND, (formerly known as AIG INDIA TREASURY PLUS 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	1,334,511,610	2,191,023,714
Other Current Assets	2	52,174,165	947,294,403
TOTAL		1,386,685,775	3,138,318,117
Liabilities			
Unit Capital	3	1,159,156,931	3,034,441,150
Reserves and Surplus	4	123,670,245	100,610,668
Current Liabilities and Provisions	5	103,858,599	3,266,299
TOTAL		1,386,685,775	3,138,318,117
Notes to Accounts	8		

(In Rupees)

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2010						March 31, 2010
	Retail Growth Option	Retail Bonus 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)	47,182,835	-	67,684,102	27,933,475	2,767,677	177,316	145,745,405
Number of Units in Issue	3,977,930.835	-	6,760,973.201	2,789,524.951	276,246.632	17,698.223	13,822,373.842
Net Asset Value per Unit	11.8612	-	10.0110	10.0137	10.0189	10.0189	

RECONCILIATION OF NET ASSET VALUE PER UNIT	March 31, 2009						March 31, 2009
	Retail Growth Option	Retail Bonus 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)	59,683,211	-	39,727,404	11,810,435	3,615,832	195,819	115,032,701
Number of Units in Issue	5,267,478.604	-	3,968,375.136	1,179,535.432	360,797.266	19,539.417	10,795,725.855
Net Asset Value per Unit	11.3305	-	10.0110	10.0128	10.0218	10.0218	

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

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

Ruchir Parekh
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	Institutional Monthly Dividend Option	Total Institutional	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	Super Institutional Monthly Dividend Option	Total Super Institutional	
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	158,021	108,095,370	92,065,588	126,355	200,445,334	695,671,518	240,611,127	220,696	133,096	936,636,437	1,282,827,176
Number of Units in Issue	13,209.985	10,797,659.577	9,193,808.856	12,611.111	20,017,289.529	58,006,032.368	24,034,674.687	22,038.991	13,283.708	82,076,029.754	115,915.693
Net Asset Value per Unit	11.9623	10.0110	10.0139	10.0194		11.9931	10.0110	10.0139	10.0195		

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	Institutional Monthly Dividend Option	Total Institutional	Super Institutional Growth Option	Super Institutional Daily Dividend Option	Super Institutional Weekly Dividend Option	Super Institutional Monthly Dividend Option	Total Super Institutional	
Net Assets as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Note 2.1)	61,785,758	42,588,399	36,886,995	121,417	141,382,569	675,396,327	2,137,413,416	211,887	65,614,918	2,878,636,548	3,135,051,818
Number of Units in Issue	5,424,158.070	4,254,160.253	3,683,954.374	12,114.593	13,374,387.290	59,199,610.912	213,506,484.527	21,161.414	6,546,745.010	279,274,001.863	303,444,115.008
Net Asset Value per Unit	11.3908	10.0110	10.0129	10.0224		11.4088	10.0110	10.0129	10.0225		

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

Ruchir Parekh
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, 2009 to March 31, 2009 Rupees
Income And Gains			
Interest and Discount	6	290,108,928	832,046,875
Profit on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)		9,523,770	–
Other Income		8,815	–
TOTAL		299,641,513	832,046,875
Expenses And Losses			
Net change in Unrealised Depreciation in Value of Investments	7	(26,482,310)	(3,141,535)
Loss on sale/redemption of Investments (Other than Interscheme transfers/sale) (Note 2.4)		–	37,642,720
Loss on Interscheme transfer/sale of Investments (Note 2.4)		897,858	2,922,970
Investment Management and Advisory Fees (Note 3)		12,943,016	15,070,946
Trustee Fees (Note 4)		62,576	89,396
Registrar and Transfer Agent Fees		2,741,062	3,663,590
Custodian Fees (Note 5)		160,493	–
Audit Fees (Note 6)		661,185	425,412
Selling and Distribution Expenses		6,020,908	5,130,117
Other Operating Expenses (Note 8)		1,722,776	2,755,403
		(1,272,436)	64,559,019
Net Surplus for the Year		300,913,949	767,487,856
Net Unrealised Appreciation in Value of Investments	7	7,098	–
Net Surplus including Net Unrealised Depreciation in Value of Investments		300,921,047	767,487,856
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

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Director

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Fund Manager

Mumbai, June 30, 2010

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	300,921,047		767,487,855	
Add / (Less) : Change in Unrealised Appreciation in the value of Investments	(26,489,408)		(3,141,535)	
Adjustments for:-				
(Increase)/Decrease in Investments at Cost	1,186,801,511		2,546,098,803	
(Increase)/Decrease in Other Current Assets	40,516,177		(276,773,120)	
Increase/(Decrease) in Current Liabilities	1,174,024		(6,299,307)	
Initial Issue Expenses (incurred) / recovered during the Year /Period				
Net Cash Generated from/(used in) Operations (A)		1,502,923,352		3,027,372,696
B Cashflow from Financing Activities				
Increase/(Decrease) in Unit Capital	(2,007,499,700)		(2,072,311,438)	
Increase/(Decrease) in Unit Premium	(116,330,429)		(243,156,142)	
Adjustments for:-				
Increase/(Decrease) in Sundry Creditors for Units Redeemed by Investors	99,418,276		(221,295,204)	
(Increase)/Decrease in Sundry Debtors for Units Issued to Investors	550,418,015		(421,175,920)	
Dividend paid during the Year/Period	(29,315,559)		(91,689,207)	
Net Cash (used in)/Generated from Financing Activities (B)		(1,503,309,398)		(3,049,627,911)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B)		(386,046)		(22,255,215)
Cash and Cash Equivalents as at the beginning of the Year/Period	1,052,098		23,307,313	
Cash and Cash Equivalents as at the close of the Year/Period	666,052	(386,046)	1,052,098	(22,255,215)
Components of Cash and Cash Equivalents				
Balances with Banks in Current Accounts	666,052		1,052,098	
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
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AIG Global Asset Management Company (India) Private Limited

Sunil Mehta
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Ruchir Parekh
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 Rupees	Market / Fair Value Rupees	Cost Rupees	Market / Fair Value 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	–	–	595,880,018	584,720,687
Securitized Debt	–	–	271,058,330	254,554,221
Government of India Securities**	49,922,891	49,923,051	–	–
Commercial Papers	–	–	48,670,031	48,670,050
Certificate of Deposit	1,093,580,272	1,093,587,210	1,100,224,583	1,101,405,694
Reverse Repos / CBLO*	191,001,349	191,001,349	201,673,061	201,673,061
TOTAL	1,334,504,512	1,334,511,610	2,217,506,023	2,191,023,714

*CBLO - Collateralised Borrowing and Lending Obligation

** Represents Treasury Bill placed with Clearing Corporation of India Limited as a Collateral.

	March 31, 2010 Rupees	March 31, 2009 Rupees
SCHEDULE 2		
Other Current Assets		
Balance with Banks in Current Account	666,052	1,052,098
Sales Contracts Awaiting Completion - Non Convertible Debentures	–	303,800,000
Unit Subscription Receivable	1,028,000	174,869
Switch Receivable	50,480,113	601,751,259
Interest Receivable on :		
-Debentures/Bonds	–	21,151,684
-Securitized Debt	–	19,363,624
Receivable from the Investment Manager	–	870
TOTAL	52,174,165	947,294,403

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		March 31, 2010			
	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units		
Issued and Subscribed: Units of Rs.10 each fully paid up Initial Issue Amount	1,335,000	133,500,000	25,000	2,500,000	3,310,000	331,000,000	10,065,000	1,006,500,000	45,000	4,500,000	35,000	3,500,000	280,000,000	28,000,000,000	825,000,000	82,500,000,000
	1,335,000	133,500,000	25,000	2,500,000	3,310,000	331,000,000	10,065,000	1,006,500,000	45,000	4,500,000	35,000	3,500,000	280,000,000	28,000,000,000	825,000,000	82,500,000,000
Outstanding: Initial issue and subscription At the beginning of the year Issued during the year	52,674,786	5,267,478,604	-	-	39,683,751	3,968,375,136	11,795,354	1,179,535,432	3,607,973	360,797,266	195,394	19,539,417	54,241,581	5,424,158,070	42,541,603	4,254,160,253
	315,362,033	31,536,203,323	-	-	736,871,263	73,687,126,341	73,594,402	7,359,440,240	18,501,946	1,850,194,633	516,337	51,633,715	844,795,263	84,475,526,344	2,287,825,364	228,782,536,379
Redeemed during the year At the end of the year	388,036,819	38,803,681,927	-	-	776,555,014	77,655,501,477	85,389,756	8,538,975,672	22,109,919	2,210,991,899	711,731	71,173,132	899,036,844	89,903,684,414	2,330,386,967	233,036,696,632
	328,257,511	32,825,751,092	-	-	708,945,293	70,894,528,276	57,494,507	5,749,450,721	19,347,453	1,934,745,267	534,749	53,474,869	898,904,744	89,890,474,429	2,222,390,371	222,239,037,055
	39,779,308	3,977,930,835	-	-	67,609,731	6,760,973,201	27,895,249	2,789,524,951	2,762,466	276,246,632	176,982	17,698,263	132,100	13,209,985	107,976,596	10,797,659,577

	March 31, 2009		March 31, 2009		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	Rupees	Units	Rupees	Units
Issued and Subscribed: Units of Rs.10 each fully paid up Initial Issue Amount	1,335,000	133,500,000	25,000	2,500,000	3,310,000	331,000,000	10,065,000	1,006,500,000	45,000	4,500,000	35,000	3,500,000	280,000,000	28,000,000,000	825,000,000	82,500,000,000
	1,335,000	133,500,000	25,000	2,500,000	3,310,000	331,000,000	10,065,000	1,006,500,000	45,000	4,500,000	35,000	3,500,000	280,000,000	28,000,000,000	825,000,000	82,500,000,000
Outstanding: Initial issue and subscription At the beginning of the year Issued during the year	8,649,763	864,976,300	5,637	563,700	22,472,433	2,247,243,300	46,906,992	4,690,699,200	10,511,008	1,051,100,800	553,942	55,394,200	163,394,769	16,339,476,900	420,084,728	42,008,472,800
	180,589,563	18,058,956,335	-	-	372,228,716	37,222,871,602	162,083,240	16,208,324,009	2,301,301	230,130,135	4,516,353	451,635,279	1,473,871	147,387,128,854	2,979,821	297,982,174,892
Redeemed during the year At the end of the year	189,239,226	18,923,922,635	5,637	563,700	394,701,149	39,470,114,902	208,990,232	20,899,023,209	12,812,309	1,281,230,935	5,070,295	507,029,479	1,637,266	163,726,605,754	3,939,906	393,990,647,692
	136,564,540	13,656,454,031	5,637	563,700	355,017,398	35,501,739,766	197,194,878	19,719,487,777	9,204,337	920,433,669	4,874,901	487,490,062	1,583,024	158,302,447,884	3,357,364	335,736,487,439
	52,674,786	5,267,478,604	-	-	39,683,751	3,968,375,136	11,795,354	1,179,535,432	3,607,973	360,797,266	195,394	19,539,417	54,241,581	5,424,158,070	42,541,603	4,254,160,253

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	(3,651,759)	(2,845,373)
Added during the year	(116,184,992)	(806,386)
Adjustments during the year (Refer Note No. 18)	115,858,615	
At the end of the year	<u>(3,978,136)</u>	<u>(3,651,759)</u>
Reserve Fund		
At the beginning of the year	104,262,428	70,495,564
Balance Transferred from Revenue Account	23,385,953	33,766,864
At the end of the year [including net unrealised appreciation in value of investments Rs. 7,098 ,Previous year Rs. 1,181,130]	<u>127,648,381</u>	<u>104,262,428</u>
TOTAL	<u>123,670,245</u>	<u>100,610,668</u>
 SCHEDULE 5		
Current Liabilities and Provisions		
Current Liabilities		
Investment Management and Advisory Fees Payable	783,940	536,525
Trustee Fees Payable	2,332	3,680
Registrar and Transfer Agent Fees Payable	90,061	148,821
Custodian Fees Payable	91,115	-
Audit Fees Payable	72,832	119,711
Selling and Distribution Expenses Payable	2,335,645	738,942
Dividend Distribution Tax Payable	67,732	926,452
Unit Redemption Payable	100,000,000	510,370
Inter-Scheme Payable	-	71,354
Others Payable	414,942	210,444
TOTAL	<u>103,858,599</u>	<u>3,266,299</u>

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	8,854,548	153,469,219
Securitized Debt	(7,441,184)	157,592,715
Government Securities	4,005,617	2,794,457
CBLO	21,183,220	11,581,630
Certificate of Deposit / Commercial Papers	263,506,727	506,603,539
Reverse Repos	-	5,315
TOTAL	290,108,928	832,046,875
SCHEDULE 7		
Unrealised Appreciation / (Depreciation) in Value of Investments (Note 9)		
(a) Privately Placed Non Convertible Debentures / Bonds		
At the beginning of the year	-	10,738,474
At the end of the year	-	-
Net change in unrealised appreciation / (depreciation) in value of investments during the year	-	(10,738,474)
(b) Non Convertible Debentures / Bonds Listed / Awaiting Listing		
At the beginning of the year	(11,159,331)	(11,546,727)
At the end of the year	-	(11,159,331)
Net change in unrealised appreciation / (depreciation) in value of investments during the year	11,159,331	387,396
(c) Securitized Debt		
At the beginning of the year	(16,504,109)	(29,521,442)
At the end of the year	-	(16,504,109)
Net change in unrealised appreciation / (depreciation) in value of investments during the year	16,504,109	13,017,333
(d) Government of India Securities		
At the beginning of the year	-	8,300
At the end of the year	-	-
Net change in unrealised appreciation / (depreciation) in value of investments during the year	-	(8,300)
(e) Certificate of Deposit		
At the beginning of the year	1,181,111	697,550
At the end of the year	6,938	1,181,111
Net change in unrealised appreciation / (depreciation) in value of investments during the year	(1,174,173)	483,561
(f) Commercial Paper		
At the beginning of the year	19	-
At the end of the year	-	19
Net change in unrealised appreciation / (depreciation) in value of investments during the year	(19)	19
(g) Treasury Bills		
At the beginning of the year	-	-
At the end of the year	160	-
Net change in unrealised appreciation / (depreciation) in value of investments during the year	160	-
Total net change in unrealised appreciation / (depreciation) in value of investments during the year	26,489,408	3,141,535

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	11,100,000	10,936	85.25	100.00
Bank of Baroda 12-07-2010	2,500,000	2,465	19.21	22.54
Punjab National Bank 12-08-2010	2,500,000	2,451	19.10	22.41
United Bank of India 08-04-2010	2,200,000	2,198	17.14	20.10
State Bank of Patiala 20-04-2010	1,500,000	1,496	11.66	13.68
Axis Bank Ltd. 27-04-2010	1,200,000	1,196	9.32	10.94
Bank of India 11-03-2011	1,200,000	1,130	8.81	10.33
		10,936	85.25	100.00
TREASURY BILLS				
91 Days Treasury Bills 16-04-2010	500,000	499	3.89	100.00
TOTAL		499	3.89	100.00
CBLO				
TOTAL		1,910	14.89	100.00
OTHER CURRENT ASSETS				
TOTAL ASSETS		13,867	108.10	
LESS : CURRENT LIABILITIES		1,039	8.10	
NET ASSETS		12,828	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 Treasury Fund (the "Scheme") is an open-ended income 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 optimal returns commensurate with low risk and a high liquidity, from a portfolio constituted of debt securities and money market 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 realised profit or loss and unrealised 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 Central Government securities are stated at their traded prices on the balance sheet date, as released by an independent agency, currently Crisil Limited, suggested by the Association of Mutual Funds in India (the "AMFI").

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 0.21% (Previous Year : 0.17%) 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	6991.29	1,181,110.87
– Depreciation	53.35	–
Commercial Paper		
– Appreciation	–	19.25
– Depreciation	–	–
Non Convertible Debentures		
– Appreciation	–	767,078.92
– Depreciation	–	11,926,410.31
Pass Through Certificate		
– Appreciation	–	–
– Depreciation	–	16,504,109
Treasury Bills		
– Appreciation	159.71	–
– Depreciation	–	–

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	40,087,626,859.18	78,074,483,198
– As a percentage of average daily net assets	640.72%	873.63%
Sales		
– Amount	41,243,404,474.96	81,023,537,095
– As a percentage of average daily net assets	659.19%	906.63%

* 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	325,233,064.61	794,622,720
– As a percentage of average daily net assets	5.20%	8.89%
Expenses		
– Amount	24,312,017.42	27,134,865
– As a percentage of average daily net assets	0.39%	0.30%

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 associates / 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 31 March 2010	Aggregate cost of acquisition during the year ended 31 March 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	-	-

(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 31 March 2010	Aggregate cost of acquisition during the year ended 31 March 2009	Outstanding as at March 31, 2010 (At Market / Fair Value)	Outstanding as at March 31, 2009 (At Market / Fair Value)
GVK Power Infrastructure Ltd	AIGEF	2,338.44	-	818.51	-
	AIGINFRA	1,784.33	-	1,121.25	-
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 31 March 2010	Aggregate cost of acquisition during the year ended 31 March 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	-	-	-
Sundaram Finance Ltd	AIGFMP-I	3,345.84	-	-	-
	AIGLF	-	5,141.42	-	-
Union Bank of India	AIGSTF	-	7,154.05	-	-
	AIGTF	-	11,830.26	-	-
	AIGWGF	-	5,433.96	-	-
	AIGEF	1,455.89	992.91	-	587.40
United Bank of India	AIGINFRA	-	992.91	-	-
	AIGLF	10,237.21	7,930.88	-	2,368.11
	AIGTF	9,119.60	12,820.99	-	-
	AIGWGF	-	2,978.73	-	-
	AIGTF	11,129.24	-	2,198.19	-
YES Bank Ltd	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	
(3,699,002)	127,369,247	(3,978,137)	127,648,381	(279,135)	279,135	1,892

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

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

Ruchir Parekh
Debt 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
AIG Global Investment Corporation (ASIA) Ltd.	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 Liquid Fund	17,739,234,481	-	26,325,104,170	-
	AIG Short Term Fund	-	-	5,771,797,727	-
	Other Schemes	1,661,918,343	-	3,988,614,154	-
	Sale of investments				
	AIG India Liquid Fund	9,384,781,657	-	14,789,122,341	-
	AIG Short Term Fund	-	-	2,519,303,116	-
	AIG World Gold Fund	-	-	3,287,626,570	-
	Other Schemes	2,395,053,128	-	4,233,548,653	-
	AIG Trustee Company (India) Private Limited	Fees for trusteeship services	62,576	2,332	89,396
AIG Global Asset Management Company (India) Private Limited	Fees for management services	12,943,016	783,940	15,070,946	536,525.00
	Reimbursement to the scheme *	-	-	142,916,902	-

* 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 Treasury Fund	AIG India Treasury Fund
AIG Global Asset Management Company (India) Private Limited	Purchase	545,136,014.81	1,372,587,863.27
	Redemption	538,100,000.00	1,261,351,004.34
	Year End Outstanding	125,625,721.53	113,725,716.81
AIG India Equity Fund	Purchase	1,425,000,000.00	5,655,300,000.00
	Redemption	1,301,600,950.24	5,649,274,077.46
	Year End Outstanding	134,130,500.81	10,001,928.71
AIG Infrastructure and Economic Reform Fund	Purchase	904,000,000.00	2,904,500,000.00
	Redemption	735,318,724.31	2,906,428,339.48
	Year End Outstanding	169,134,047.03	–
AIG World Gold Fund	Purchase	210,000,000.00	3,968,000,000.00
	Redemption	150,045,094.98	3,970,831,980.43
	Year End Outstanding	60,063,831.38	–
AIG Global Investment Corporation(ASIA) Ltd	Purchase	800,000,000.00	–
	Redemption	650,000,000.00	–
	Year End Outstanding	157,772,084.08	–

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.	10.4296
Retail Plan - Daily Dividend Option	10.0110	10.0110	10.0106
Retail Plan - Growth Option	11.8612	11.3305	10.4296
Retail Plan - Monthly Dividend Option	10.0189	10.0218	10.0248
Retail Plan - Quarterly Dividend Option	10.0189	10.0218	10.0252
Retail Plan - Weekly Dividend Option	10.0137	10.0128	10.0110
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	10.0110	10.0110	10.0109
Institutional Plan - Growth Option	11.9623	11.3908	10.4488
Institutional Plan - Monthly Dividend Option	10.0194	10.0224	10.0072
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	10.0139	10.0129	10.0110
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	10.0110	10.0110	10.0110
Super Institutional Plan - Growth Option	11.9931	11.4088	10.4548
Super Institutional Plan - Monthly Dividend Option	10.0195	10.0225	N.A.
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	10.0139	10.0129	10.0110
(b) Gross Income			
(i) income other than profit on sale of investment	2.50	2.74	1.37
(ii) income from profit on inter scheme sales/transfer of investment	(0.01)	(0.01)	(0.02)
(iii) income (net) from profit on sale of investments to third party	0.08	(0.12)	0.02
(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)	0.21	0.09	0.07
(d) Net Income (excluding change in unrealised depreciation in investments)	2.37	2.52	1.31
(e) Unrealised appreciation / (depreciation) in value of investments	-	(0.09)	(0.06)
(f) Redemption price			
- Highest			
Retail Plan - Bonus Option	N.A.	10.9386	10.3875
Retail Plan - Daily Dividend Option	10.0136	10.0132	10.0140
Retail Plan - Growth Option	11.8579	11.3305	10.4124
Retail Plan - Monthly Dividend Option	10.0515	10.0816	10.0739
Retail Plan - Quarterly Dividend Option	10.1127	10.1603	10.1620
Retail Plan - Weekly Dividend Option	10.0182	10.0222	10.0221
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	10.0110	10.0136	10.0139
Institutional Plan - Growth Option	11.9589	11.3887	10.4389
Institutional Plan - Monthly Dividend Option	10.0472	10.0397	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	10.0146	10.0217	10.0210
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	10.0110	10.0137	10.0134
Super Institutional Plan - Growth Option	11.9931	11.4066	10.4548
Super Institutional Plan - Monthly Dividend Option	10.0398	10.0293	10.0729
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	N.A.	10.0204	10.0202
- Lowest			
Retail Plan - Bonus Option	N.A.	10.9386	10.2738
Retail Plan - Daily Dividend Option	10.0110	10.0106	10.0106
Retail Plan - Growth Option	11.3346	10.4343	10.0644
Retail Plan - Monthly Dividend Option	10.0110	10.0106	10.0106
Retail Plan - Quarterly Dividend Option	10.0110	10.0408	10.1620
Retail Plan - Weekly Dividend Option	10.0110	10.0110	10.0110
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	September18, 2007 to March 31,2008 Rupees
Institutional Plan - Daily Dividend Option	10.0110	10.0109	10.0109
Institutional Plan - Growth Option	11.4081	10.4867	10.0131
Institutional Plan - Monthly Dividend Option	10.0472	10.0290	N.A.
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	10.0110	10.0110	10.0110
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	10.0110	10.0110	10.0110
Super Institutional Plan - Growth Option	11.4220	10.4719	10.0132
Super Institutional Plan - Monthly Dividend Option	10.0398	10.0052	10.0235
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	N.A.	10.0026	10.0110
(g) Purchase price			
- Highest			
Retail Plan - Bonus Option	N.A.	10.9386	10.0000
Retail Plan - Daily Dividend Option	10.0147	10.0132	10.0140
Retail Plan - Growth Option	11.8593	11.3305	10.4296
Retail Plan - Monthly Dividend Option	10.0592	10.0781	10.0753
Retail Plan - Quarterly Dividend Option	10.1326	10.2192	10.1747
Retail Plan - Weekly Dividend Option	10.0182	10.0213	10.0234
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	10.0110	10.0131	10.0140
Institutional Plan - Growth Option	11.9148	11.3887	10.4166
Institutional Plan - Monthly Dividend Option	10.0340	10.0522	10.0000
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	10.0150	10.0207	10.0201
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	10.0110	10.0137	10.0140
Super Institutional Plan - Growth Option	11.9931	11.4088	10.4548
Super Institutional Plan - Monthly Dividend Option	10.0110	10.0215	10.0110
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	10.0110	10.0203	10.0200
- Lowest			
Retail Plan - Bonus Option	N.A.	10.4343	10.0000
Retail Plan - Daily Dividend Option	10.0110	10.0106	10.0000
Retail Plan - Growth Option	11.3428	10.4458	10.0000
Retail Plan - Monthly Dividend Option	10.0194	10.0106	10.0000
Retail Plan - Quarterly Dividend Option	10.0515	10.0110	10.0000
Retail Plan - Weekly Dividend Option	10.0110	10.0110	10.0000
Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Institutional Plan - Daily Dividend Option	10.0110	10.0109	10.0000
Institutional Plan - Growth Option	11.4377	10.4563	10.0000
Institutional Plan - Monthly Dividend Option	10.0340	10.0109	10.0000
Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Institutional Plan - Weekly Dividend Option	10.0150	10.0110	10.0000
Super Institutional Plan - Bonus Option	N.A.	N.A.	N.A.
Super Institutional Plan - Daily Dividend Option	10.0110	10.0110	10.0000
Super Institutional Plan - Growth Option	11.4264	10.4597	10.0000
Super Institutional Plan - Monthly Dividend Option	N.A.	10.0000	10.0000
Super Institutional Plan - Quarterly Dividend Option	N.A.	N.A.	N.A.
Super Institutional Plan - Weekly Dividend Option	N.A.	10.0000	10.0000
(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)	0.39	0.30	0.46
(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.)	5.20	8.89	8.72

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