

**Independent auditor's report on the financial statements**  
**To the Board of Trustees of Sundaram Mutual Fund**

**1. Report on the Financial Statements.**

We have audited the accompanying financial statement of Sundaram Mutual Fund SUNDARAM FIXED TERM PLAN - SERIES DZ as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account for the year then ended 31/03/2015 and a summary of significant accounting policies and other explanatory information

**2. Management's Responsibility for the Financial Statements**

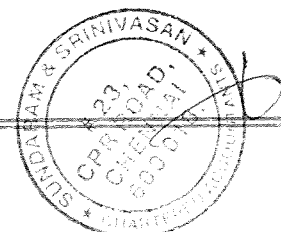
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM FIXED TERM PLAN - SERIES DZ in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("The Regulations"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Regulations for safeguarding the assets of the Mutual fund and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Mutual fund's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the mutual fund has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



# SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS  
23, C.P. RAMASWAMY ROAD,  
ALWARPET, CHENNAI - 600 018.

## 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said statements together with the notes forming part of Accounts give the information required by "The Regulations" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a. In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, SUNDARAM FIXED TERM PLAN - SERIES DZ as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM FIXED TERM PLAN - SERIES DZ for the year ended on 31/03/2015.

## 5. Report on Other Legal and Regulatory Requirements

As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

1. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

2. The Balance sheet, and Revenue Account dealt with by this Report are in agreement with the books of accounts of the Sundaram Mutual Fund.

3.a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".

b. In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.

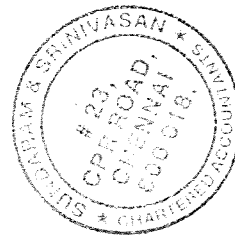
For and on behalf of SUNDARAM & SRINIVASAN  
Chartered Accountants (FRN No:004207S)

Place : Chennai  
Date : 29th June 2015

  
K.SRINIVASAN

Partner

Membership No. 5809



**BALANCE SHEET AS AT 31st MARCH, 2015**

	SCHEDULE NO.	31-Mar-15	31-Mar-14
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	243,362,330	243,362,330
Reserves & Surplus	2	35,687,476	12,280,665
Current Liabilities & Provisions	3	80,462	290,957
		<b>279,130,268</b>	<b>255,933,952</b>
<b>ASSETS</b>			
Investments	4	265,726,043	243,917,014
Other Current Assets	5	13,404,225	12,016,938
		<b>279,130,268</b>	<b>255,933,952</b>

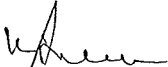
Notes on Accounts

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As per our Report of even date

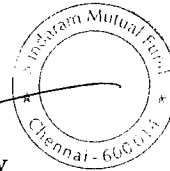
**For**  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)

**For**  
**Sundaram Mutual Fund**

  
K Srinivasan  
Partner  
(M.NO : 5809)



  
Authorised Signatory



Place : Chennai  
Date : 29th June 2015

## REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

	Schedule No.	01.04.2014 - 31.03.2015		26.09.2013 - 31.03.2014	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	24,218,907		11,900,172	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		429,408		5,360	
Other Income		-		3,735	
<b>TOTAL (A)</b>		<b>24,648,315</b>	<b>24,648,315</b>	<b>11,909,267</b>	<b>11,909,267</b>
<b>EXPENSES</b>					
Management fee		266,836		127,692	
Service Tax on AMC Fee		32,981		15,783	
Custodian charges		41,744		23,601	
Trusteeship fee		13,376		8,602	
Commission to Agents		1,314,912		619,012	
Audit fee		7,795		7,199	
Other Operating expenses		2,961		968	
Investor Education Fees		53,496		25,539	
Sebi Fees		1,182		-	
<b>TOTAL (B)</b>		<b>1,735,283</b>	<b>1,735,283</b>	<b>828,396</b>	<b>828,396</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>22,913,032</b>		<b>11,080,871</b>
<b>Surplus / (Deficit) transferred to Balance Sheet</b>			<b>22,913,032</b>		<b>11,080,871</b>

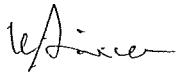
Notes on Accounts

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As per our Report of even date

For  
Sundaram & Srinivasan  
Chartered Accountants  
(FRN.: 004207S)

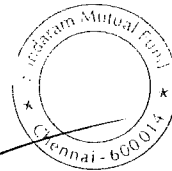
For  
Sundaram Mutual Fund



K Srinivasan  
Partner  
(M.NO : 5809)




Authorised Signatory



Place : Chennai  
Date : 29th June 2015

## SCHEDULE : 1

## Unit Capital

	31/03/2015		31/03/2014	
	Units	Rs.	Units	Rs.
Initial capital	24,336,233	243,362,330	24,336,233	243,362,330
Unit Capital				
Opening Capital	24,336,233	243,362,330	-	-
Add: Units sold during the Year	-	-	24,336,233	243,362,330
	24,336,233	243,362,330	24,336,233	243,362,330
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	24,336,233	243,362,330	24,336,233	243,362,330
		<u>243,362,330</u>		<u>243,362,330</u>

## SCHEDULE : 2

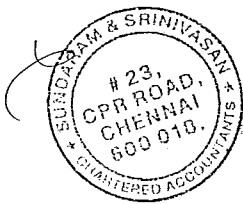
## Reserves &amp; Surplus

	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	11,080,871	-	-	-
Add /(Less): Transfer from Revenue Account	22,913,032	33,993,903	11,080,871	11,080,871
Unrealised appreciation reserve				
Opening Balance	1,199,794	-	-	-
Add/(Less) Net unrealized appreciation for the Year	493,779	1,693,573	1,199,794	1,199,794
Unrealised Appreciation Reserve (Schedule 7)		1,693,573		1,199,794
		<u>35,687,476</u>		<u>12,280,665</u>

## SCHEDULE : 3

## Current Liabilities &amp; Provisions

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	77,505	288,742
Others	2,957	2,215
	<u>80,462</u>	<u>290,957</u>



**SCHEDULE : 4****Investments**

	31/03/2015	31/03/2014
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	203,360,274	189,854,772
Others - Reverse Repo / CBLO	6,090,089	3,094,066
Zero Coupon Bond	56,275,680	50,968,176
	<b>265,726,043</b>	<b>243,917,014</b>

**SCHEDULE : 5****Other Current Assets**

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	275,613	99,776
CBLO Margin Account	309,228	-
Repo Margin Account	112,344	-
Outstanding and accrued Income	12,707,040	11,917,162
	<b>13,404,225</b>	<b>12,016,938</b>

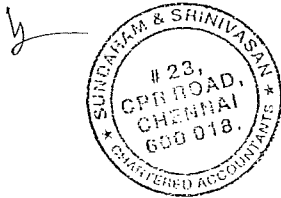


**SCHEDULE : 6****Interest**

	<b>01.04.2014 - 31.03.2015</b>	<b>26.09.2013 - 31.03.2014</b>
	Rs.	Rs.
Interest from banks and others	322,317	643,681
Interest on Debentures and Bonds	18,134,675	8,676,438
Discounting Charges	5,761,915	2,580,053
	<b>24,218,907</b>	<b>11,900,172</b>

**SCHEDULE : 7****Net unrealised appreciation/ ( diminution ) in value of Investments**

	<b>31/03/2015</b>	<b>31/03/2014</b>
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	1,489,601	922,071
Zero Coupon Bond	203,972	277,723
<b>Appreciation in the value of investments (Schedule 2)</b>	<b>1,693,573</b>	<b>1,199,794</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN - DZ**  
Schedules forming part of the Balance Sheet as at 31-Mar-2015  
and the Revenue Account for the Year Ended 31-Mar-2015

**SCHEDULE 8**  
**NOTES ON ACCOUNTS**

*All amounts mentioned rupees in lakhs*

**1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1. INVESTMENTS**

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies.

Investments are marked to market. In valuing the Scheme's investments:

**a) Government Securities**

· Government Securities are valued at the prices obtained from CRISIL & ICRA in accordance with the guidelines for valuation of securities for mutual funds issued by SEBI.

· Instruments bought on 'repo' basis have been valued at the resale price after deduction of applicable interest up to date of resale.

**b) Other Securities**

· Traded Securities are valued at the last quoted closing price on the stock exchange. Non-traded / thinly traded securities are valued in good faith and in true and fair manner through appropriate valuation policies and procedures.

For securities having residual maturity of less than 60 days are valued on the basis of amortisation or reference prices as per the valuation policy. With effect from 29th November 2013, securities having residual maturity of more than 60 days are valued based on the scrip level prices provided by AMFI approved agencies viz., CRISIL & ICRA in line with AMFI Circular No.42/2013-14 dated 19th November 2013.

In accordance with the guidance note on accounting for investments in the financial statement of mutual funds issued by The Institute of Chartered Accountants of India, the investments are valued separately category-wise and the net unrealised appreciation is directly transferred to unrealised appreciation reserve and the net diminution is debited to revenue account.

**1.2. INCOME RECOGNITION**

- (i) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (ii) Income on investments is accounted on accrual basis.
- (iii) Other income is accounted on cash basis.

**1.3. EXPENSES**

Expenses are accounted for on accrual basis.

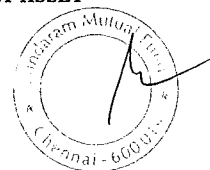
**2. INVESTMENT MANAGER FEES**

Management fee is computed on daily average net assets as under:

Description	01.04.2014-31.03.2015	26.09.2013 - 31.03.2014
Average daily net asset value	2,674.81	2,492.35
Management fee @ 0.10% of average daily net asset value (previous year 0.10%)	2.67	1.28

**3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.**

As Per Annexure - I





**4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE PERIOD.**

The aggregate value of investments purchased and sold (including matured) during the Period, as a percentage of average daily net asset value is as under :

Description	01.04.2014-31.03.2015	26.09.2013 - 31.03.2014
PURCHASE VALUE (AMOUNT)	702.32	2,891.62
%	26.26%	116.02%
SALES VALUE (AMOUNT)	578.22	488.88
%	21.62%	19.62%

**5. AGGREGATE FAIR VALUE OF NON-TRADED/THINLY TRADED INVESTMENTS-**

Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Period. :

Description	31.03.2015	31.03.2014
Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Period.	2,596.37	2,408.23
% to the asset under management	93.04%	94.20%

**6. INCOME / EXPENDITURE**

The total income and expenditure as a percentage of the daily average net assets, on an annualised basis, are given below.

DESCRIPTION	01.04.2014-31.03.2015	26.09.2013 - 31.03.2014
INCOME	9.21%	9.33%
EXPENDITURE	0.65%	0.65%

**7. CONTINGENT LIABILITY**

Contingent liability as at 31st March 2015 is Rs. Nil.

**8. AMOUNT PAID TO SPONSORS / ASSOCIATES**

	01.04.2014-31.03.2015	26.09.2013 - 31.03.2014
Sundaram Finance Ltd (Sponsor)	NIL	NIL
IndusInd Bank (Associate)	NIL	NIL

**9. TOTAL VALUE OF INVESTMENTS FALLING UNDER EACH MAJOR INDUSTRY GROUP WHICH CONSTITUTES NOT LESS THAN 5% OF THE TOTAL INVESTMENTS IS AS BELOW:**

(% of total investment within the classification)

Refer Annexure - II

**10. PORTFOLIO DISCLOSURE**

Full portfolio of the scheme is given in Annexure - III

**11. MOVEMENT IN UNIT CAPITAL**

As Per Schedule-I

**12. ACCOUNTING STANDARD 17 ON SEGMENT REPORTING**

As the Financial Statements are prepared separately on each scheme, no further disclosure under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is considered necessary. There is no secondary reporting segment.

**13. ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES**

Related party disclosures as required by the Accounting Standard 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given as Annexure - IV



## 14. HISTORICAL PER UNIT STATISTICS

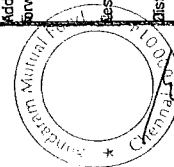
SFTPDZ

	2014-15 Rs.				2013-14 Rs.							
	Direct Half Yearly Dividend Option	Direct Quarterly Dividend Option	Direct Growth	Regular Quarterly Dividend Option	Regular Growth Option	Direct Half Yearly Dividend Option	Direct Quarterly Dividend Option	Direct Growth	Regular Quarterly Dividend Option	Regular Growth Option	Regular Half Yearly Dividend Option	
(A) Gross income												
(i) income other than profit on sale of investment				0.9852								0.4891
(ii) income from profit on inter scheme sales/transfer of investments				0.0000								0.0000
(iii) income from profit on sale of investment to third parties				0.0176								0.0002
(iv) transfer to revenue account from past year's reserves												
(B) Aggregate of expenses, write off, amortisation and charges				0.0713								0.0340
(C) Net income				0.9415								0.4553
(D) Net unrealised appreciation/(diminution) in value of investments				0.0696								0.0493
(E) Net Assets Value	11,553	11,553	11,553	11,553	11,4661	11,4662	11,4662	10,5311	10,5313	10,5315	10,5048	10,5046
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Highest ongoing sale price *	NA	NA	NA	NA	NA	NA	NA	10,0000	10,0000	10,0000	10,0000	10,0000
Lowest ongoing sale price *	NA	NA	NA	NA	NA	NA	NA	10,0000	10,0000	10,0000	10,0000	10,0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage				0.65%								0.65%
(H) Ratio of gross income to average daily net assets by percentage				9.21%								9.33%

## 15. Computation of Distributable Income

	31.03.15 Rs.	31.03.14 Rs.
Net Income as per revenue account	22,913,032	11,080,871
Add: Balance of Undistributed Income as at 1st April brought forward	11,080,871	-
	33,993,903	11,080,871
Less: Income Distributed during the year	-	-
Distributable Income	33,993,903	11,080,871

16. Previous year figures have been regrouped wherever necessary to conform with the current year's classification



ANNEXURE-II

SUNDARAM FIXED TERM PLAN DZ % of total Investments within the classification

2014-2015 2013-2014

DEBT INSTRUMENTS

a) Listed/awaiting listing on stock exchange

FINANCE	80.74%	80.44%
ENERGY	19.26%	19.56%

*b*



SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN DZ						
Portfolio Statement as at 31 March 2015						
S.NO	ISIN CODE	Name of the instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Investments
		A) Debt Instruments				
		a) Listed / awaiting listing on Stock Exchange				
1	INE667F07CD4	Sundaram BNP Paribas Home Finance Ltd**	CARE AA+	48	562.76	21.18%
2	INE514E08BC3	Export Import Bank of India**	CRISIL AAA	52	520.79	19.60%
3	INE909H07AV2	TATA Motors Finance Ltd**	CRISIL AA	51	513.16	19.31%
4	INE752E07HD6	Power Grid Corporation of India Ltd**	CRISIL AAA	40	499.98	18.82%
5	INE134E08FU3	Power Finance Corporation Ltd**	CRISIL AAA	50	499.68	18.80%
		Sub Total			2,596.37	97.71%
		Total for Debt Instruments			2,596.37	97.71%
		B) Money Market Instruments				
		a) Reverse Repo / CBLO				
1		CBLO			60.90	2.29%
		Sub Total			60.90	2.29%
		Total for Money Market Instruments			60.90	2.29%
		GRAND TOTAL			2,657.27	100.00%

\*\* Thinly traded / Non Traded securities

