

# SUNDARAM & SRINIVASAN

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

## 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 EW as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account for the period ended 09/02/2015 and a summary of significant accounting policies and other explanatory information

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

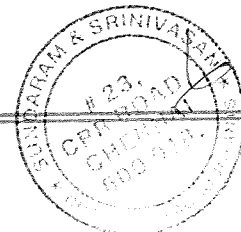
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM FIXED TERM PLAN - SERIES EW in accordance with the Eleventh Schedule of Securities and Exchange Board of 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 EW as at 31/03/2015

b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund SUNDARAM FIXED TERM PLAN - SERIES EW for the period ended on 09/02/2015.

**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)

  
K.SRINIVASAN

Place : Chennai  
Date : 29th June 2015

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	-	1,092,348,590
Reserves & Surplus	2	-	17,384,981
Current Liabilities & Provisions	3	10,234	143,246
		<b>10,234</b>	<b>1,109,876,817</b>
<b>ASSETS</b>			
Investments	4	-	1,109,560,208
Other Current Assets	5	10,234	316,609
		<b>10,234</b>	<b>1,109,876,817</b>

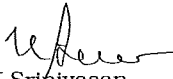
Notes on Accounts

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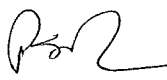
As per our Report of even date

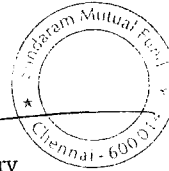
**For**  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)

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

  
K Srinivasan  
Partner  
(M.NO : 5809)



  
Authorised Signatory



Place : Chennai  
Date : 29th June 2015

## REVENUE ACCOUNT FOR THE PERIOD FROM 01.04.2014 TO 09.02.2015

	Schedule No.	01.04.2014-09.02.2015		06.02.2014 TO 31.03.2014	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	90,925,703		15,365,252	
<b>TOTAL (A)</b>		<b>90,925,703</b>	<b>90,925,703</b>	<b>15,365,252</b>	<b>15,365,252</b>
<b>EXPENSES</b>					
Management fee		993,098		162,551	
Service Tax on AMC Fee		122,747		20,091	
Custodian charges		42,126		6,742	
Trusteeship fee		49,770		8,122	
Commission to Agents		55,949		8	
Audit fee		20,685		11,236	
Other Operating expenses		3,165		7,156	
Investor Education Fees		262,995		32,510	
Sebi Fees		5,209		-	
<b>TOTAL (B)</b>		<b>1,555,744</b>	<b>1,555,744</b>	<b>248,416</b>	<b>248,416</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>89,369,959</b>		<b>15,116,836</b>
Add/(Less) : Balance in Equalisation Account			(104,486,795)		-
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(15,116,836)</b>		<b>15,116,836</b>

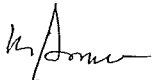
Notes on Accounts

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As per our Report of even date

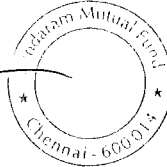
For  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)

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.
<b>Initial capital</b>				
Opening Capital	109,234,859	1,092,348,590	109,234,859	1,092,348,590
<b>Unit Capital</b>				
Opening Capital	109,234,859	1,092,348,590	-	-
Add: Units sold during the Period	-	-	109,234,859	1,092,348,590
	109,234,859	1,092,348,590	109,234,859	1,092,348,590
Less : Units repurchased during the Period	109,234,859	1,092,348,590	-	-
Units at the end of the Period	-	-	109,234,859	1,092,348,590
				<b>1,092,348,590</b>

**SCHEDULE : 2****Reserves & Surplus**

	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
<b>General Reserve</b>				
Opening Balance	15,116,836	-	-	-
Add /(Less): Transfer from Revenue Account	(15,116,836)	-	15,116,836	15,116,836
<b>Unrealised appreciation reserve</b>				
Opening Balance	2,268,145	-	-	-
Add/(Less) Net unrealized appreciation for the Period	(2,268,145)	-	2,268,145	2,268,145
Unrealised Appreciation Reserve ( Schedule 7)		-		2,268,145
				<b>17,384,981</b>

**SCHEDULE : 3****Current Liabilities & Provisions**

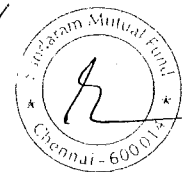
	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	10,234	134,805
Others	-	8,441
	<b>10,234</b>	<b>143,246</b>

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Certificate of Deposits	-	884,018,452
Commercial Papers	-	221,449,604
Others - Reverse Repo / CBLO	-	4,092,152
		<b>1,109,560,208</b>

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	10,234	310,332
Outstanding and accrued Income	-	6,277
	<b>10,234</b>	<b>316,609</b>



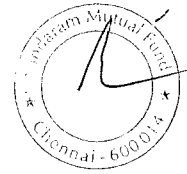
**SCHEDULE : 6****Interest**

	<b>01/04/2014 TO 09/02/2015</b>	<b>06.02.2014 TO 31.03.2014</b>
	Rs.	Rs.
Interest from banks and others	625,613	1,120,685
Discounting Charges	90,300,089	14,244,567
	<b>90,925,703</b>	<b>15,365,252</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>		
Commercial paper	-	523,498
Certificate of Deposits	-	1,744,647
<b>Appreciation in value of investments ( Schedule 2 )</b>	-	<b>2,268,145</b>

4



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN EW**  
Schedules forming part of the Balance Sheet as at 31-Mar-2015  
and the Revenue Account for the Period from 01.04.2014 to 09.02.2015

**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	01.04.2014-09.02.2015	06.02.2014 to 31.03.2014
Average daily net asset value	11,533.88	10,987.71
Management fee @ 0.10% of average daily net asset value (previous year 0.10%)	9.93	1.63

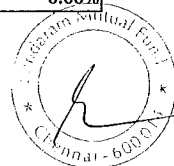
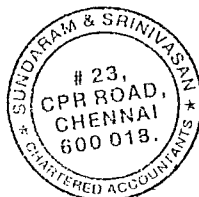
**3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.**

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	01.04.2014-09.02.2015	06.02.2014 to 31.03.2014
<b>PURCHASE VALUE (AMOUNT)</b>	-	<b>10,889.55</b>
%	0.00%	99.11%
<b>SALES VALUE (AMOUNT)</b>	<b>11,935.00</b>	-
%	103.48%	0.00%



**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.	NIL	11,016.36
% to the asset under management	NIL	99.27%

**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 to 09.02.2015	06.02.2014 to 31.03.2014
INCOME	9.13%	9.45%
EXPENDITURE	0.16%	0.15%

**7 CONTINGENT LIABILITY**

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

**8 AMOUNT PAID TO SPONSORS / ASSOCIATES**

	01.04.2014 to 09.02.2015	06.02.2014 to 31.03.2014
Sundaram Finance Ltd (Sponsor)	NIL	NIL
Sundaram Finance Distribution Ltd (subsidiary of 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)

Not Applicable

**10 PORTFOLIO DISCLOSURE**

Not Applicable

**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

