

# 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 FI 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**

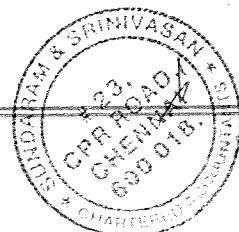
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM FIXED TERM PLAN - SERIES FI in accordance with the Eleventh Schedule of Securities and Exchange Board of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

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM FIXED TERM PLAN - SERIES FI 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	1,566,134,920	1,566,134,920
Reserves & Surplus	2	151,884,243	7,467,356
Current Liabilities & Provisions	3	133,012	55,451
		<b>1,718,152,175</b>	<b>1,573,657,727</b>
<b>ASSETS</b>			
Investments	4	1,717,315,833	1,573,349,545
Other Current Assets	5	836,342	308,182
		<b>1,718,152,175</b>	<b>1,573,657,727</b>

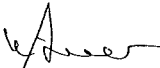
Notes on Accounts

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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

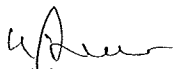
	Schedule No.	01.04.2014 - 31.03.2015		20.03.2014 - 31.03.2014	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	147,608,690		4,787,406	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		524,832		-	
Net profit on inter scheme transfer / sale of investments		202,591		486,608	
Net diminution on sale of investments written back		149,217		-	
<b>TOTAL (A)</b>		<b>148,485,330</b>	<b>148,485,330</b>	<b>5,274,014</b>	<b>5,274,014</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	127,029		149,217	
Management fee		820,931		25,783	
Service Tax on AMC Fees		101,467		3,187	
Trusteeship fee		82,292		2,578	
Commission to Agents		124,066		-	
Audit fee		24,643		11,236	
Other Operating expenses		4,672		17	
Custodian charges		48,986		2,061	
Investor Education Fees		329,176		10,313	
SEBI FEES		7,447		-	
<b>TOTAL (B)</b>		<b>1,670,709</b>	<b>1,670,709</b>	<b>204,392</b>	<b>204,392</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>146,814,621</b>		<b>5,069,622</b>
<b>Surplus / (Deficit) transferred to Balance Sheet</b>			<b>146,814,621</b>		<b>5,069,622</b>

Notes on Accounts

8


As per our Report of even date

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

  
K Srinivasan  
Partner  
(M.NO : 5809)



For  
**Sundaram Mutual Fund**

  
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>	156,613,492	1,566,134,920	156,613,492	1,566,134,920
<b>Unit Capital</b>				
Opening Capital	156,613,492	1,566,134,920	-	-
Add: Units sold during the year			156,613,492	1,566,134,920
	156,613,492	1,566,134,920	156,613,492	1,566,134,920
Less : Units repurchased during the year	-	-	-	-
			-	-
Units at the end of the year	156,613,492	1,566,134,920	156,613,492	1,566,134,920
		<b>1,566,134,920</b>		<b>1,566,134,920</b>

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

	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
<b>General Reserve</b>				
Opening Balance	5,069,622		-	
Add /(Less): Transfer from Revenue Account	146,814,621		5,069,622	
		<b>151,884,243</b>		<b>5,069,622</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	2,397,734		-	
Add/(Less) Net unrealized appreciation for the year	(2,397,734)		2,397,734	
Unrealised Appreciation Reserve (Schedule 7)		-		<b>2,397,734</b>
		<b>151,884,243</b>		<b>7,467,356</b>

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	124,119	52,287
Others	8,893	3,164
	<b>133,012</b>	<b>55,451</b>

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Certificate of Deposits	1,369,880,553	1,254,374,372
Others - Reverse Repo / CBLO	6,289,764	8,184,303
Zero Coupon Bonds - Listed	341,145,516	310,790,870
	<b>1,717,315,833</b>	<b>1,573,349,545</b>

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	202,463	295,624
CBLO Margin Account	318,615	-
Repo Margin Account	115,755	-
Outstanding and accrued Income	1,706	12,558
Others	197,803	-
	<b>836,342</b>	<b>308,182</b>



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

	<b>01.04.2014 - 31.03.2015</b>	<b>20.03.2014 - 31.03.2014</b>
	Rs.	Rs.
Interest from banks and others	816,076	742,094
Discounting Charges	146,792,614	4,045,312
	<b>147,608,690</b>	<b>4,787,406</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>		
Certificate of Deposits	-	2,397,734
<b>Appreciation in the value of investments (Schedule 2)</b>	-	<b>2,397,734</b>
<b>Diminution in value of investments</b>		
Zero Coupon Bond	17,065	149,217
Certificate of Deposits	109,964	-
<b>Diminution in value of investments transferred to Revenue account</b>	<b>127,029</b>	<b>149,217</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN FI**  
Schedules forming part of the Balance Sheet as at 31-Mar-2015  
and the Revenue Account for the year ended 31.03.2015

**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 appreciation reserve and the 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.

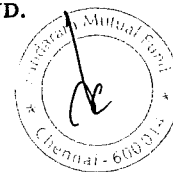
**2 INVESTMENT MANAGER FEES**

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

Description	01.04.2014 to 31.03.2015	20.03.2014 to 31.03.2014
Average daily net asset value	16,458.62	15,708.52
Management fee @ 0.05% of average daily net asset value (previous year 0.05%)	8.21	0.26

**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 to 31.03.2015	20.03.2014 to 31.03.2014
PURCHASE VALUE (AMOUNT)	23,591.74	17,879.34
%	143.34%	113.82%
SALES VALUE (AMOUNT)	23,584.58	2,295.49
%	143.30%	14.61%

**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.	16,444.79	14,920.56
% to the asset under management	99.61%	94.82%

**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 31.03.2015	20.03.2014 to 31.03.2014
INCOME	9.02%	10.21%
EXPENDITURE	0.09%	0.11%

**7 CONTINGENT LIABILITY**

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

**8 AMOUNT PAID TO SPONSORS / ASSOCIATES**

	01.04.2014 to 31.03.2015	20.03.2014 to 31.03.2014
Sundaram Finance Ltd (Sponsor)	NIL	0.0112
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**

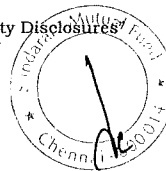
As Per Schedule-I

**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





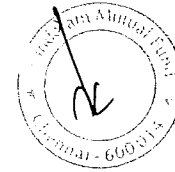
14 HISTORICAL PER UNIT STATISTICS		01.04.2014 - 31.03.2015					20.03.2014 - 31.03.2014				
		Rs.					Rs.				
(A)	Gross income										
	(i) income other than profit on sale of investment	0.9435					0.0306				
	(ii) Income from profit on inter scheme sales/transfer of investments	0.0013					0.0031				
	(iii) Income from profit on sale of investment to third parties	0.0034					0.0000				
	(iv) transfer to revenue account from past year's reserves	0.0000					0.0000				
(B)	Aggregate of expenses, write off, amortisation and charges	0.0099					0.0004				
(C)	Net Income	0.9383					0.0333				
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0008					0.0144				
		Regular Plan		Direct Plan			Regular Plan		Direct Plan		
		Growth Option	Quarterly Dividend Option	Growth Option	Quarterly Dividend Option	Half-yearly Dividend Option	Growth Option	Quarterly Dividend Option	Growth Option	Quarterly Dividend Option	Half-yearly Dividend Option
(E)	Net Assets Value	10.9579	10.9692	10.9566	10.9699	10.9688	10.0474	10.0474	10.0477	10.0477	10.0478
(F)	Highest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Lowest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Highest ongoing sale price *	NA	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000	10.0000
	Lowest ongoing sale price *	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	0.09%					0.11%				
(H)	Ratio of gross income to average daily net assets by percentage	9.02%					10.21%				

## 15 Computation of Distributable Income

	31.03.15	31.03.14
	Rs.	Rs.
Net Income as per revenue account	146,814,621	5,069,622
Add : Balance of Undistributed income as at 1st April brought forward	5,069,622	-
	151,884,243	5,069,622
Less : Income Distributed during the year	-	-
Distributable Income	151,884,243	5,069,622

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

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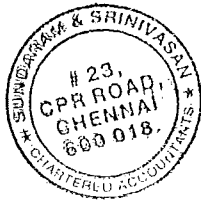
ANNEXURE-II

SUNDARAM FIXED TERM  
PLAN FI

% of total Investments within the classification

	2014-2015	2013-2014
<b>DEBT INSTRUMENTS</b>		
a) Listed/awaiting listing on stock exchange		
FINANCE	100.00%	100.00%
<b>Money Market Instruments</b>		
FINANCE	100.00%	100.00%

2



## ANNEXURE-III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - FI						
Portfolio Statement as at 31 March 2015						
S.NO	ISIN CODE	Name of the Instrument	Rating / Industry	Quantity	Net Value Rs. in Lacs	% of Investments
		A) Debt Instruments				
		a) Listed / awaiting listing on Stock Exchange				
1	INE296A07AT3	Bajaj Finance Ltd**	CRISIL AA+	250	2,745.99	15.99%
2	INE071G08528	ICICI Home Finance Company Ltd**	CRISIL AAA	60	665.47	3.88%
		Sub Total			3,411.46	19.87%
		Total for Debt Instruments			3,411.46	19.87%
		B) Money Market Instruments				
		a) Certificate of Deposits				
1	INE008A16YF2	IDBI Bank Ltd**	CRISIL A1+	5020	5,012.43	29.19%
2	INE428A16PA1	Allahabad Bank**	CRISIL A1+	4800	4,791.77	27.90%
3	INE476A16NP3	Canara Bank**	CRISIL A1+	3900	3,894.60	22.68%
		Sub Total			13,698.80	79.77%
		b) Reverse Repo / CBLO				
1		CBLO			62.90	0.37%
		Sub Total			62.90	0.37%
		Total for Money Market Instruments			13,761.70	80.13%
		GRAND TOTAL			17,173.16	100.00%

\*\* Thinly traded / Non Traded securities

