

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

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

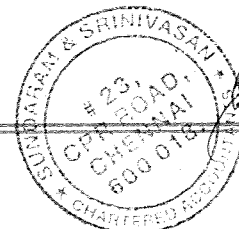
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM FIXED TERM PLAN - SERIES GK in accordance with the Eleventh Schedule of Securities and Exchange Board of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

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM FIXED TERM PLAN - SERIES GK for the period 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)

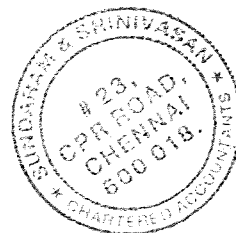
Place : Chennai

Date : 29th June 2015

  
K.SRINIVASAN

Partner

Membership No. 5809



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

	SCHEDULE NO.	31-Mar-15
		Rs.
<b>LIABILITIES</b>		
Unit Capital	1	223,499,350
Reserves & Surplus	2	13,601,608
Current Liabilities & Provisions	3	71,327
		<b>237,172,285</b>
<b>ASSETS</b>		
Investments	4	229,728,896
Other Current Assets	5	7,443,389
		<b>237,172,285</b>

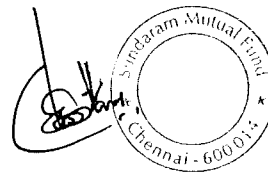
Notes on Accounts


8

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 17.09.2014 TO 31.03.2015**

	Schedule No.	17.09.2014 TO 31.03.2015	
		Rs.	Rs.
<b>REVENUE</b>			
Interest	6	11,828,110	
<b>TOTAL (A)</b>		<b>11,828,110</b>	<b>11,828,110</b>
<b>EXPENSES</b>			
Management fee		198,760	
Service Tax on AMC Fees		24,567	
Custodian charges		24,322	
Trusteeship fee		6,203	
Commission to Agents		480,334	
Audit fee		12,599	
Other Expenses		2,366	
Investor Education Fees		24,815	
<b>TOTAL (B)</b>		<b>773,966</b>	<b>773,966</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>11,054,144</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>11,054,144</b>

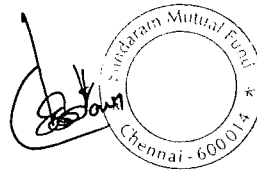
Notes on Accounts


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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	
	Units	Rs.
<b>Initial capital</b>	22,349,935	223,499,350
<b>Unit Capital</b>		
Opening Capital	-	-
Add: Units sold during the Period	22,349,935	223,499,350
Less : Units repurchased during the Period	-	-
Units at the end of the Period	22,349,935	223,499,350
		<b>223,499,350</b>

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

	31/03/2015	
	Rs.	Rs.
<b>General Reserve</b>		
Opening Balance	-	
Add /(Less): Transfer from Revenue Account	11,054,144	11,054,144
<b>Unrealised appreciation reserve</b>		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the Period	2,547,464	2,547,464
Unrealised Appreciation Reserve (Schedule 7)		2,547,464
		<b>13,601,608</b>

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

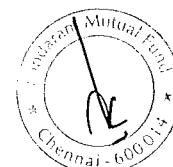
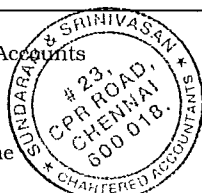
	31/03/2015
	Rs.
Sundry Creditors	67,025
Others	4,302
	<b>71,327</b>

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

	31/03/2015
	Rs.
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	134,233,992
Others - Reverse Repo / CBLO	2,096,588
Zero Coupon Bond	93,398,316
	<b>229,728,896</b>

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

	31/03/2015
	Rs.
Balance with banks in Current Accounts	174,905
CBLO Margin Account	107,919
REPO Margin Account	39,208
Outstanding and accrued Income	7,121,357
	<b>7,443,389</b>



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

	<b>17.09.2014 TO 31.03.2015</b>
	Rs.
Interest from banks and others	375,228
Interest on Debentures and Bonds	6,525,099
Discounting Charges	4,927,783
	<b>11,828,110</b>

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

	<b>31/03/2015</b>
	Rs.
<b>Appreciation in Value of Investments</b>	
Zero Coupon Bond	470,533
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	2,076,931
<b>Appreciation in value of investments ( Schedule 2 )</b>	<b>2,547,464</b>



## SUNDARAM FIXED TERM PLAN GK

Schedules forming part of the Balance Sheet as at 31-Mar-2015  
and the Revenue Account for the Period from 17.09.2014 to 31.03.2015

## SCHEDULE 8

All amounts mentioned rupees in lakhs

## NOTES ON ACCOUNTS

## 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.

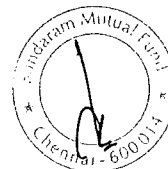
## 2 INVESTMENT MANAGER FEES

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

Description	17.09.2014 to 31.03.2015
Average daily net asset value	2,310.54
Management fee @ 0.16% of average daily net asset value (Previous year nil)	1.99

## 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	17.09.2014 to 31.03.2015
<b>PURCHASE VALUE (AMOUNT)</b>	<b>2,207.53</b>
%	95.54%
<b>SALES VALUE (AMOUNT)</b>	<b>NIL</b>
%	<b>NIL</b>

**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
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.	<b>2,062.23</b>
% to the asset under management	<b>86.98%</b>

**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	17.09.2014 to 31.03.2015
<b>INCOME</b>	<b>9.53%</b>
<b>EXPENDITURE*</b>	<b>0.62%</b>

\* Service Tax on AMC fees is charged over and above the total expense ratio as per SEBI guidelines and is included in the above expense ratio.

**7 CONTINGENT LIABILITY**

Contingent liability as at 31st March 2015 is Nil.

**8 AMOUNT PAID TO SPONSORS / ASSOCIATES**

	17.09.2014 to 31.03.2015
Sundaram Finance Ltd (Sponsor)	<b>0.0075</b>
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	<b>NIL</b>
INDUSIND BANK (ASSOCIATE)	<b>NIL</b>

**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**

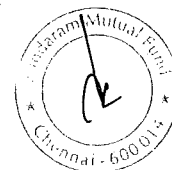
As Per Schedule-I

**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

SFTPGK

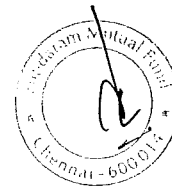
		17.09.2014 - 31.03.2015			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.5292			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) income from profit on sale of investment to third parties	0.0000			
	(iv) transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.0346			
(C)	Net income	0.4946			
(D)	Net unrealised appreciation/(diminution) in value of investments	0.1140			
		Direct Plan		Regular Plan	
		Growth Option	Half-yearly Dividend	Growth	Quarterly Dividend
(E)	Net Assets Value	10.6316	10.6316	10.6003	10.6003
(F)	Highest repurchase price	0.0000	0.0000	0.0000	0.0000
	Lowest repurchase price	0.0000	0.0000	0.0000	0.0000
	Highest ongoing sale price *	10.0000	10.0000	10.0000	10.0000
	Lowest ongoing sale price *	10.0000	10.0000	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.62%			
(H)	Ratio of gross income to average daily net assets by percentage	9.53%			

## 15 Computation of Distributable Income

	31.03.15
	Rs.
Net Income as per revenue account	11,054,144
Add : Balance of Undistributed income as at 1st April brought forward	-
	11,054,144
Less : Income Distributed during the year	-
Distributable Income	11,054,144

16. Since the scheme was launched during the year, previous year figures are not provided.

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ANNEXURE-II

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

2014-2015

DEBT INSTRUMENTS

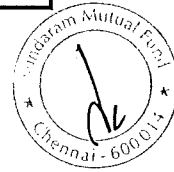
a) Listed/awaiting listing on stock  
exchange

FINANCE	70.00%
POWER	30.00%

Money Market Instruments

FINANCE	100.00%
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## ANNEXURE-III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN-GK						
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
		<b>A) Debt Instruments</b>				
		<b>a) Listed / awaiting listing on Stock Exchange</b>				
1	INE296A07DD1	Bajaj Finance Ltd**	[ICRA]AA+	44	469.49	20.44%
2	INE202B07BR1	Dewan Housing Finance Corp Ltd**	CARE AAA	44	464.49	20.22%
3	INE134E08GC9	Power Finance Corporation Ltd**	CRISIL AAA	44	448.88	19.54%
4	INE694L07040	Talwandi Sabo Power Ltd**	CRISIL AA+	40	404.57	17.61%
5	INE445L08169	Nabha Power Ltd**	[ICRA]AAA	27	274.80	11.96%
6	INE020B08757	Rural Electrification Corporation Ltd**	CRISIL AAA	11	112.45	4.89%
7	INE020B07JB4	Rural Electrification Corporation Ltd**	CRISIL AAA	10	101.64	4.42%
		Sub Total			2,276.32	99.09%
		Total for Debt Instruments			2,276.32	99.09%
		<b>B) Money Market Instruments</b>				
		<b>a) Reverse Repo / CBLO</b>				
1		CBLO			20.97	0.91%
		Sub Total			20.97	0.91%
		Total for Money Market Instruments			20.97	0.91%
		<b>GRAND TOTAL</b>			<b>2,297.29</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

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