

# 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 GLOBAL ADVANTAGE FUND 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**

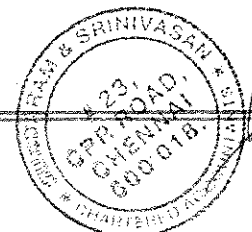
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM GLOBAL ADVANTAGE FUND in accordance with the Eleventh Schedule of Securities and Exchange Board of India (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 GLOBAL ADVANTAGE FUND as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM GLOBAL ADVANTAGE FUND 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:0042075)

  
K.SRINIVASAN

Partner

Membership No. 5809

Place : Chennai

Date : 29th June 2015



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

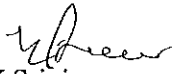
	SCHEDULE NO.	31-Mar-15	31-Mar-14
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	200,274,680	266,772,320
Reserves & Surplus	2	72,694,409	110,415,435
Current Liabilities & Provisions	3	2,921,856	5,102,814
		<b>275,890,945</b>	<b>382,290,569</b>
<b>ASSETS</b>			
Investments	4	274,055,549	379,752,464
Deposits	5	-	674,529
Other Current Assets	6	1,835,396	1,863,576
		<b>275,890,945</b>	<b>382,290,569</b>

Notes on Accounts

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As per our Report of even date

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


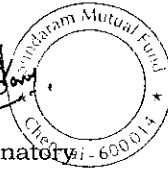
  
K Srinivasan  
Partner  
(M.NO : 5809)



Place : Chennai

Date : 29th June 2015

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

  
  
Authorized Signatory

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

	Schedule No.	2014-15		Rs.	2013-14		
		Rs.	Rs.		Rs.	Rs.	
<b>REVENUE</b>							
Dividend	7	255,735			307,679		
Interest		1,999,321			7,136,678		
Net Gain on sale / redemption of investments (Other than inter-scheme transfer/sale)		33,614,912					
Unrealised appreciation in value of investments on exchange rate change		-			33,680,644		
Realised gain on foreign exchange transactions							
- On sale of investments							
- On Settlement of trade							
Other Income		36,917,636		152	152		
		81,761			81,667		
<b>TOTAL (A)</b>		<b>72,869,365</b>	<b>72,869,365</b>		<b>41,206,820</b>	<b>41,206,820</b>	
<b>EXPENSES</b>							
Unrealised depreciation in value of Investment on exchange rate change	8		36,057,263				
Management fee		2,810,806			3,789,050		
Service tax on AMC Fees		347,412			468,327		
Custodian charges		299,841			122,535		
Trusteeship fee		16,156			36,861		
Commission to Agents		877,817			1,194,764		
Marketing expenses		-			272,733		
Audit fee		59,031			60,330		
Investor Education Fees		64,615			87,096		
Other Operating Expenses		39,700			48,400		
SEBI Fees		2,065			2,729		
			4,517,444	4,517,444		6,082,825	
<b>TOTAL (B)</b>				<b>40,874,707</b>			<b>6,082,825</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>				<b>32,294,658</b>			<b>35,123,995</b>
Add/(Less) : Balance in Equalisation Account				(31,292,247)			(23,802,577)
				<b>1,002,411</b>			<b>11,321,418</b>
Less: Income Distributed			4,740,397			10,717,340	
Distribution Tax		1,792,642	6,533,039		1,572,950	12,290,290	
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(5,530,628)</b>			<b>(958,872)</b>	

Notes on Accounts

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As per our Report of even date

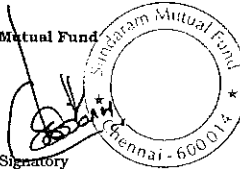
For  
Sundaram & Srinivasan  
Chartered Accountants  
(FRN.: 004207S)

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> (301518083.59 units of Rs.10 each)	<b>301,518,084</b>	<b>3,015,180,836</b>	<b>301,518,084</b>	<b>3,015,180,836</b>
<b>Unit Capital</b>				
Opening Capital	26,677,232	266,772,320	34,410,061	344,100,611
Add: Units sold during the Year	627,954	6,279,540	1,640,205	16,402,050
	27,305,186	273,051,860	36,050,266	360,502,661
Less : Units repurchased during the Year	7,277,718	72,777,180	9,373,034	93,730,341
Units at the end of the Year	20,027,468	200,274,680	26,677,232	266,772,320
	<b>200,274,680</b>		<b>266,772,320</b>	

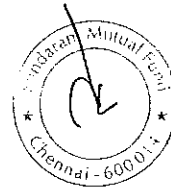
**SCHEDULE : 2****Reserves & Surplus**

	31/03/2015		31/03/2014	
	Rs.		Rs.	
<b>Unit Premium Reserve</b>				
Opening Balance	(90,407,596)		(82,431,876)	
Amount Received on Sale / Repurchase of Units (net)	1,145,139		(7,975,720)	
		(89,262,457)		(90,407,596)
<b>General Reserve</b>				
Opening Balance	165,134,098		166,102,970	
Add / (Less): Transfer from Revenue Account	(5,530,628)		(968,872)	
		<b>159,603,470</b>		<b>165,134,098</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	35,688,933		44,316,939	
Add/(Less) Net unrealized appreciation	(33,335,537)		(8,628,006)	
Unrealised Appreciation Reserve ( Schedule 8 )		<b>2,353,396</b>		<b>35,688,933</b>
		<b>72,694,409</b>		<b>110,415,435</b>

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	1,775,767	2,133,022
Income distribution payable	67,081	166,818
Unclaimed Redemption Payable *	-	1,045,703
Others	1,079,008	1,757,271
	<b>2,921,856</b>	<b>5,102,814</b>

\* Refer Schedule 9 Note 12



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

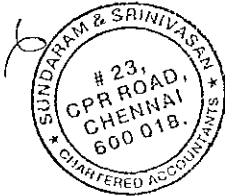
	31/03/2015	31/03/2014
	Rs.	Rs.
Units of Overseas Mutual Funds	260,477,646	346,017,162
Others - Reverse Repo / CBLO	13,577,903	33,735,302
	<b>274,055,549</b>	<b>379,752,464</b>

**SCHEDULE : 5****Deposits**

	31/03/2015	31/03/2014
	Rs.	Rs.
Deposits with Scheduled Bank	-	674,529
	-	<b>674,529</b>

**SCHEDULE : 6****Other Current Assets**

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	902,489	1,811,818
CBLO Margin Account	681,596	-
Repo Margin Account	247,628	-
Outstanding and accrued Income	3,683	51,758
	<b>1,835,396</b>	<b>1,863,576</b>



**SCHEDULE : 7****Interest**

	<b>2014-15</b>	<b>2013-14</b>
	Rs.	Rs.
Interest on Repo	1,999,321	7,136,678
	<b>1,999,321</b>	<b>7,136,678</b>

**SCHEDULE : 8****Net unrealised appreciation in value of Investments**

	<b>2014-15</b>	<b>2013-14</b>
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Unrealised appreciation in value of investments on exchange rate change	40,844,100	76,901,363
Unrealised appreciation in value of investments on price variance ( Schedule 2 )	2,353,396	35,688,933
<b>Appreciation in Value of Investments ( Schedule 2 )</b>	<b>43,197,496</b>	<b>112,590,296</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM GLOBAL ADVANTAGE FUND**  
Schedules forming part of the Balance Sheet as at 31<sup>st</sup> March 2015 and the  
Revenue Account for the year ended 31<sup>st</sup> March 2015

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**SCHEDULE 9**

**NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 INVESTMENTS**

**a) Units of Overseas Mutual Funds**

Investments are in the nature of units of overseas mutual funds. These securities are valued at the last disclosed Net asset Value (NAV) at the local currency and converted into Indian Rupee value by applying the RBI reference rate/Cross currency rate through Bloomberg.

**b) Money Market Securities**

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

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

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 arising on account of the net asset value movement of the overseas mutual fund units is directly transferred to unrealised appreciation reserve and the net diminution arising there from is debited to revenue account.

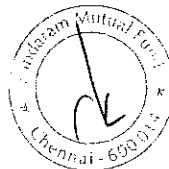
**Foreign Exchange Transactions:**

Transactions expressed in currencies other than Indian Rupee are translated into Indian Rupees at the exchange rates applicable on the transaction dates.

Exchange differences arising on settlement of transactions are recognized as income or expense.

Assets and liabilities designated in currencies other than Indian Rupee are translated into Indian Rupee at the exchange rates at the end of each year.

Exchange gain or loss on account of changes in the foreign exchange rates is considered as income or expense in the revenue account. The unrealized appreciation arising on account of changes in foreign exchange rate is reduced for calculating the distributable income.





## 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.

### 1.4 LOAD

a) Entry load collected during the year from systematic investment plan registered prior to Aug.2009 is maintained in a separate account, which can be used by AMC towards distribution, commission etc of the scheme. The scheme unutilised portion shall be carried forward to the next year.

b) The exit load charged to the investor for the period 01<sup>st</sup> April 2014 to 31<sup>st</sup> March, 2015 net of service tax is fully credited to the scheme.

### 1.5 EQUALISATION ACCOUNT

In terms of SEBI circular dated 15<sup>th</sup> March 2010, on Unit Premium Reserve, the equalisation account has been credited/debited with an appropriate portion ( excluding the Unit Premium Reserve and Unrealised Appreciation ) of the sale proceeds/repurchase price in respect of units sold / repurchased on or after 15<sup>th</sup> March 2010. The net balance in this account is transferred to revenue account for the year.

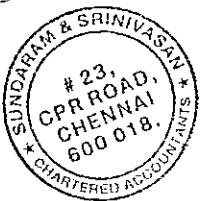
### 1.6 UNIT PREMIUM RESERVE

In terms of SEBI circular dated 15 March 2010, on Unit Premium Reserve , when units are sold / repurchased on or after 15<sup>th</sup> March 2010 a part of the sale price / repurchase price representing unrealized gains is credited / debited to Unit Premium Reserve. The balance in Unit Premium Reserve will not be utilized for determination of distributable surplus.

## 2. INVESTMENT MANAGER FEES

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

Particulars	Rs. in lakhs	
	2014 - 15	2013 - 14
Average daily net asset value	3230.66	4354.83
Management fee @ 0.87%(Previous period 0.87% ) of average daily net asset value	28.11	37.89



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

**As per Annexure - I**

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

The aggregate value of investments purchased and sold (including matured) during the financial year as a percentage of average daily net asset value is as under: (Rs. in lakhs)

Period	Purchase Value (Amount)	%	Sales Value (Amount)	%
2014 - 15	1110.08	34.36%	1607.69	49.76%
2013 - 14	1.50	0.03%	NIL	NIL

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

Aggregate 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 is Rs. Nil (Previous period Rs. NIL lacs) representing (Previous period NIL % )of Net assets value.

**6. INCOME / EXPENDITURE**

The total income and expenditure as a percentage of the average daily net assets, during the year are given below.

Particulars	2014 - 15	2013 - 14
Income	22.55%	9.46%
Expenditure	1.40%	1.40 %

**7. CONTINGENT LIABILITY**

Contingent liability as at 31<sup>st</sup> March 2015 is NIL (Previous period Nil)

**8. AMOUNT PAID TO ASSOCIATES**

(I.) An amount of Rs.0.18 lakhs (Previous year Rs. 0.19 lakhs) has been paid / payable as brokerage to Sundaram Finance Ltd, sponsor, and an amount of 0.01 lakhs ( Previous Year NIL )has been paid /payable as brokerage to Indusind bank ltd( associate) towards sale of units.



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

(% of total investments within the classification)

	31.03.15	31.03.14
<b>Investments in Overseas Securities</b>		
Units of Mutual Funds	100%	100%

10. **PORTFOLIO DISCLOSURE**

Full portfolio of the scheme is given in **Annexure - II**

11. **MOVEMENT IN UNIT CAPITAL**

Refer Schedule 1

12. **UNCLAIMED REDEMPTION / DIVIDEND**

The details of unclaimed dividends and redemption accounts are disclosed in Annexure VI

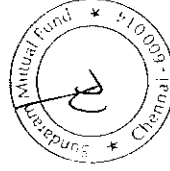
During the year the unclaimed redemption and dividend payable more than 90 days were transferred to a separate pool account.

As on 31<sup>st</sup> March 2015 , these sums were deployed in money market instruments in terms SEBI circular no SEBI / Cir / 9 /120 /2000 dated November 24,2000.



	01.04.2014 - 31.03.2015		01.04.2013 - 31.03.2014		01.04.2012 - 31.03.2013	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(A) Gross Income						
(i) income other than profit on sale of investment	0.117		0.282		2.4027	
(ii) income from profit on inter scheme sales/transfer of investments	0.000		0.000		-1.3931	
(iii) income from profit on sale of investment to third parties	3.522		0.000		1.1210	
Aggregate of expenses, write off, amortisation and charges	0.226		0.228		0.1369	
Net Income	3.413		0.054		1.9937	
(D) Net unrealised appreciation/(diminution) in value of investments (including Exchange Rate appreciation)	2.157		4.220		2.5440	
(E) Net Assets Value	12.2225	14.2572	13.0341	14.3899	14.5936	13.7216
(F) Highest repurchase price	14.7394	15.8468	15.5711	15.8507	15.4886	14.0478
Lowest repurchase price	11.8554	13.6403	15.5711	14.0033	13.311	11.6530
Highest ongoing sale price *	13.8569	16.3678	15.6141	16.0618	15.4936	14.4273
Lowest ongoing sale price *	12.5089	13.7086	12.7302	13.822	13.311	10.6658
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	1.40%					0.90%
(H) Ratio of gross income to average daily net assets by percentage	22.56%					22.72%

\* includes entry load as applicable



## Computation of Distributable Income

	31.03.2015	31.03.2014
Net Income as per revenue account	1,002,411	11,321,418
Add : Balance of Undistributed income as at 1st April brought forward	88,232,735	122,882,251
	89,235,146	134,203,669
Less: Unrealised appreciation in value of investments on exchange rate change	- 36,057,263	33,680,644
	125,292,409	100,523,025
Less : Income Distributed during the year	6,533,039	12,290,290
	118,759,370	88,232,735
Add : Unit Premium Reserve	- 89,262,457	- 90,407,596
	29,496,913	- 2,174,861
Distributable Income		

15 Previous year figures have been regrouped/reclassified wherever necessary.



SUNDARAM GLOBAL ADVANTAGE					
Portfolio Statement for the month ended 31 March 2015					
S.NO	SUISIN CODE	Particulars	Quantity	Mkt Value Rs. in Lacs	% to Net Asset Value
<b>A) Overseas Investments - Units of Mutual Funds</b>					
1	LU0048597586	MAJOR MARKET FUNDS-SOUTH EAST ASIA FUND	102,794.73	462.41	16.87%
2	LU0292107991	D B TRACKER EM ASIA	17,297.00	457.90	16.71%
3	LU0029875118	TEMPLETON ASIA GR FD PR SH CL A(YDIS)USD	21,043.26	432.15	15.77%
4	LU0078113064	ASIAN PROPERTY FUND I CAP	18,803.82	258.81	9.44%
5	LU0823414809	PARVEST EQUITY WORLD ENERGY	415.44	193.93	7.08%
6	LU0266114668	GLOBAL PROPERTY FUND CLASS I	9,894.27	192.85	7.04%
7	LU0102008223	PARVEST EQUITY LATIN AMERICA	9,085.26	184.98	6.75%
8	LU0292108619	D B TRACKER LATAM	6,406.00	154.69	5.64%
9	GB0033737874	FIRST STATE GLOBAL RESOURCES FD CL A GBP	65,486.77	140.37	5.12%
10	IE0009751193	NEVSKY EASTERN EUROPEAN	3,440.48	126.69	4.62%
<b>Sub-total</b>				<b>2,604.78</b>	<b>95.05%</b>
<b>B) Money Market Investments</b>					
CBLO/Reverse Repo				135.78	4.95%
<b>Sub-total</b>				<b>135.78</b>	<b>4.95%</b>
<b>GRAND TOTAL</b>				<b>2740.56</b>	<b>100.00%</b>

