

# 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 INCOME INTERVAL QTRLY PLAN -E 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**

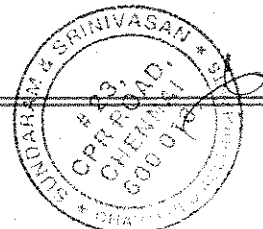
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM FIXED INCOME INTERVAL QTRLY PLAN -E in accordance with the Eleventh Schedule of Securities and Exchange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

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM FIXED INCOME INTERVAL QTRLY PLAN -E 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.

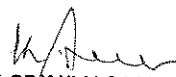
2. The Balance sheet, and Revenue Account dealt with by this Report are in agreement with the books of accounts of the Sundaram Mutual Fund.

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)

Place : Chennai  
Date : 29<sup>th</sup> 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	17,048,070	20,132,555
Reserves & Surplus	2	3,151,255	4,260,796
Current Liabilities & Provisions	3	12,434	25,722
		<b>20,211,759</b>	<b>24,419,073</b>
<b>ASSETS</b>			
Investments	4	19,271,407	24,076,621
Deposits	5	-	11,007
Other Current Assets	6	940,352	331,445
		<b>20,211,759</b>	<b>24,419,073</b>

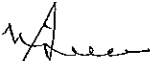
Notes on Accounts

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As per our Report of even date

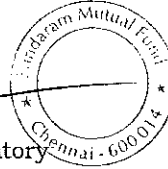
**For**  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)

**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.	2014 - 2015		2013 - 2014	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	7	1,936,597	/	13,921,435	/
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		7,214	/	474	/
<b>TOTAL (A)</b>		<b>1,943,811</b>	<b>1,943,811</b> /	<b>13,921,909</b>	<b>13,921,909</b> /
<b>EXPENSES</b>					
Management fee		9,651	/	51,548	/
Service Tax on AMC Fee		1,192	/	6,371	/
Custodian charges		-	/	15,340	/
Trusteeship fee		1,206	/	12,471	/
Audit fee		11,437	/	14,179	/
Other operating expenses		12,689	/	-	/
Investor Education Fees		4,822	/	25,775	/
SEBI FEES		611	/	223	/
<b>SUB TOTAL</b>		<b>41,608</b>		<b>125,907</b>	
Less : Amount absorbed by AMC		14,393		-	
<b>TOTAL (B)</b>			<b>27,215</b> /		<b>125,907</b> /
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>1,916,596</b>		<b>13,796,002</b>
Add/(Less) : Balance in Equalisation Account			(1,873,855) /		(4,662,760) /
			<b>42,741</b>		<b>9,133,242</b>
Less: Income Distributed		866,494	/	5,952,407	/
Distribution Tax		285,780	/	1,778,312	/
			<b>1,152,274</b>		<b>7,730,719</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(1,109,533)</b> /		<b>1,402,523</b> /

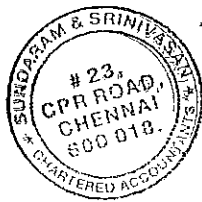
Notes on Accounts

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As per our Report of even date

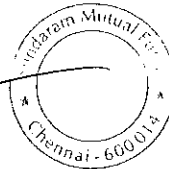
For  
Sundaram & Srinivasan  
Chartered Accountants  
(FRN.: 004207S)

K Srinivasan  
Partner  
(M.NO : 5809)



For  
Sundaram Mutual Fund

Authorized Signatory



Place : Chennai  
Date : 29th June 2015

## SCHEDULE : 1

## Unit Capital

	31/03/2015		31/03/2014	
	UNITS	Rs.	UNITS	Rs.
Initial capital	158,787,407	1,587,874,073	158,787,407	1,587,874,073
Unit Capital Opening Capital	2,013,256	20,132,555	3,535,769	35,357,690
Add: Units sold during the year	337,291	3,372,919	35,731,121	357,311,206
Less : Units repurchased during the year	2,350,547	23,505,474	39,266,890	392,668,896
	645,740	6,457,404	37,253,634	372,536,341
Units at the end of the Year	1,704,807	17,048,070	2,013,256	20,132,555
		17,048,070		20,132,555

## SCHEDULE : 2

## Reserves &amp; Surplus

	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	4,260,786		2,858,263	
Add /(Less): Transfer from Revenue Account	(1,109,533)		1,402,523	
		3,151,253		4,260,786
Unrealised appreciation reserve Opening Balance	10		5,518	
Add/(Less) Net unrealized appreciation for the year	(8)		(5,508)	
Unrealised Appreciation Reserve (Schedule 8)		2		10
		3,151,255		4,260,796

## SCHEDULE : 3

## Current Liabilities &amp; Provisions

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	11,358	14,190
Unclaimed Redemption Payable *	-	10,443
Others	1,076	1,089
	12,434	25,722

\* Refer schedule 9-Note 14

## SCHEDULE : 4

## Investments

	31/03/2015	31/03/2014
	Rs.	Rs.
Treasury Bills	9,886,680	19,884,660
Others - Reverse Repo / CBLO	9,384,727	4,191,961
	19,271,407	24,076,621

## SCHEDULE : 5

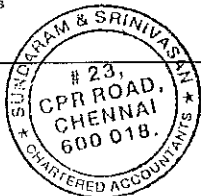
## Deposits

	31/03/2015	31/03/2014
	Rs.	Rs.
Deposits with Scheduled Bank	-	11,007
	-	11,007

## SCHEDULE : 6

## Other Current Assets

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	289,222	314,834
CBLO Margin Account	471,075	-
Repo Margin Account	171,144	-
Outstanding and accrued Income	2,545	6,431
Others	6,366	10,180
	940,352	331,445



**SCHEDULE : 7**

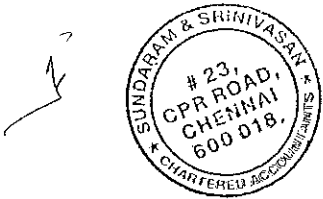
**Interest**

	2014 - 2015	2013 - 2014
	Rs.	Rs.
Interest from banks and others	1,336,698	2,012,137
Discounting Charges	599,899	11,893,817
Sundry Income	-	15,481
	<b>1,936,597</b>	<b>13,921,435</b>

**SCHEDULE : 8**

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Treasury Bills	2	10
<b>Appreciation in value of investments (Schedule 2)</b>	<b>2</b>	<b>10</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED INCOME INTERVAL FUND-QUARTERLY SERIES-PLAN E**  
Schedules forming part of the Balance Sheet as at 31-Mar-2015  
and the Revenue Account for the Year ended 31-Mar-2015

**SCHEDULE 9***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.

**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 unutilised portion shall be carried forward to the next year.

b) The exit Load charged to the investor net of service tax is fully credited to the Scheme.

**1.5. EQUALISATION ACCOUNT**

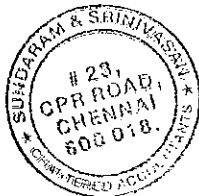
In terms the regulation the equalisation account has been credited/debited with an appropriate portion of the sale proceeds/repurchase price in respect of units sold / repurchased. The net balance in this account is transferred to revenue account for the Year.

**2 INVESTMENT MANAGER FEES**

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

Description	2014-2015	2013-2014
Average daily net asset value	241.05	1,288.71
Management fee @ 0.04% of average daily net asset value. (Previous year 0.04%)	0.10	0.52

**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 YEAR.**

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

Description	2014-2015	2013-2014
PURCHASE VALUE (AMOUNT)	633.95 ✓	4,805.18 ✓
%	263.00% ✓	372.87% ✓
SALES VALUE (AMOUNT)	740.00 ✓	5,055.11 ✓
%	307.00% ✓	392.26% ✓

**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 Year. :

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 Year.	NIL ✓	198.85 ✓
% to the asset under management	0.00% ✓	81.52% ✓

**6 INCOME / EXPENDITURE**

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

DESCRIPTION	2014-2015	2013-2014
INCOME	8.06% ✓	10.80% ✓
EXPENDITURE *	0.11% ✓	0.10% ✓

\* With effect from 01st Oct, 2012 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 Rs. Nil. Previous Year Rs. Nil

**8 AMOUNT PAID TO SPONSORS / ASSOCIATES**

	2014-2015	2013-2014
Sundaram Finance Ltd (Sponsor)	0.02 ✓	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)

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 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. As on 31st March 15, these sums were deployed in money market instruments in terms of SEBI





14. HISTORICAL PER UNIT STATISTICS	2014-2015		2013-2014		2012-2013	
	Rs.		Rs.		Rs.	
(A) Gross income	1.1360		6.9149		10.0523	
(i) income other than profit on sale of investment						
(ii) income from profit on inter-scheme sales/transfer of investments	0.0000		0.0000		0.0000	
(iii) income from profit on sale of investment to third parties	0.0042		0.0002		0.0000	
(iv) transfer to revenue account from past year's reserves	0.0000		0.0000		0.0000	
(B) Aggregate of expenses, write off, amortisation and charges	0.0244		0.0625		0.1241	
(C) Net income	1.1158		6.8526		9.9282	
(D) Net unrealised appreciation/(diminution) in value of investments	0.0000		0.0000		0.0016	
(E) Net Assets Value						
(F) Highest repurchase price	16.5772		15.3146		13.9395	
	16.4474		15.1819		13.8153	
Lowest repurchase price	15.5002		14.1034		12.9474	
	15.5036		15.1819		13.8271	
Highest ongoing sale price	15.5002		14.3729		12.9474	
	15.5002		10.0000		10.0000	
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.17%		0.10%		0.12%	
	8.06%		10.80%		9.73%	
(H) Ratio of gross income to average daily net assets by percentage						

15. Computation of Distributable Income

	31.03.14	31.03.13	31.03.12
	Rs.		
Net Income as per revenue account	42,741	2,912,448	104,707,072
Add : Balance of Undistributed income as at 1st April brought forward	2,858,283	40,843,866	21,338,989
	2,901,004	43,756,314	126,046,057
Less : Income Distributed during the year	1,152,274	40,898,051	85,202,191
Distributable income	1,748,730	2,858,263	40,843,866

16. Previous Years figures have been regrouped wherever necessary to confirm with the current years classification



## ANNEXURE-III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN E						
Portfolio Statement as at 31 March 2015						
S.NO	ISIN CODE	Name of the instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Investment
		A) Money Market Instruments				
1	IN002014X475	a) Treasury Bills 91 Days - T Bill 22/05/2015	Sovereign	100000	98.87	51.30%
		Sub Total			98.87	51.30%
1		b) Reverse Repo / CBLO CBLO			93.85	48.70%
		Sub Total			93.85	48.70%
		GRAND TOTAL			192.72	100.00%

\*\* Thinly traded / Non Traded securities

## ANNEXURE-II

SUNDARAM FIXED TERM PLAN SHIT  
E

% of total investments within the classification

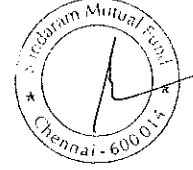
2014-2015      2013-2014

Money Market Instruments

FINANCE

0.00%

0.00%



*W. Srinivasan*

