

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 CAP. PR. ORIENTED FUND SERIES 2 - 5 YEARS as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Period ended 08/03/2016 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 CAP. PR. ORIENTED FUND SERIES 2 - 5 YEARS 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.

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 :



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SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

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

a. In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, SUNDARAM CAP. PR. ORIENTED FUND SERIES 2 - 5 YEARS as at 31/03/2016

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM CAP. PR. ORIENTED FUND SERIES 2 - 5 YEARS for the Period ended on 08/03/2016.

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 : 30th June 2016


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2016

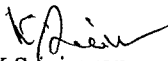
	SCHEDULE NO.	31-Mar-16	31-Mar-15
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	-	650,894,760
Reserves & Surplus	2	-	229,298,709
Current Liabilities & Provisions	3	2,174,475	887,201
		2,174,475	881,080,670
ASSETS			
Investments	4	-	874,240,034
Other Current Assets	5	2,174,475	6,840,636
		2,174,475	881,080,670

Notes on Accounts

8


As per our Report of even date

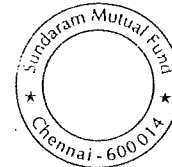
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)


K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund


Authorized Signatory



Place : Chennai
Date : 30th June 2016

REVENUE ACCOUNT FOR THE PERIOD FROM 01.04.2015 TO 08.03.2016

	Schedule No.	01.04.2015 - 08.03.2016		01.04.2014 - 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend	6	2,862,801		2,974,504	
Interest		54,251,639		55,193,665	
Other Income		2,560		-	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		35,939,797		-	
Net profit on inter scheme transfer / sale of investments		-		6,639	
Net diminution in value of investments written back		-		2,650,371	
TOTAL (A)		93,056,797	93,056,797	60,825,179	60,825,179
EXPENSES					
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		-		12,655	
Management fee		13,457,589		6,893,928	
Service Tax On AMC Fees		1,889,272		852,090	
Custodian charges		139,710		140,582	
Trusteeship fee		41,491		42,050	
Commission to Agents		1,708,927		9,384,348	
Audit fee		24,484		23,694	
Other operating expenses		11,730		152,154	
Investor Education fees		165,971		168,198	
SEBI Fees		11,249		3,535	
TOTAL (B)		17,450,423	17,450,423	17,673,234	17,673,234
SURPLUS / (DEFICIT) (A-B)			75,606,374		43,151,945
Add/(Less) : Balance in Equalisation Account			(224,699,028)		
			(149,092,654)		43,151,945
Surplus /(Deficit) transferred to Balance Sheet			(149,092,654)		43,151,945

Notes on Accounts

8

As per our Report of even date

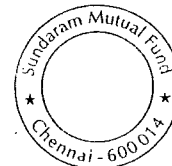
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

K Srinivasan
K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund

[Signature]
Authorised Signatory



Place : Chennai
Date : 30th June 2016

**SUNDARAM
MUTUAL FUND**

SUNDARAM CAPITAL PROTECTION ORIENTED FUND SERIES 2 - 5 YRS

SCHEDULE : 1

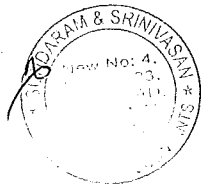
Unit Capital

	31.03.2016		31.03.2015	
	UNITS	Rs.	UNITS	Rs.
	Initial capital	65,089,476	650,894,760	65,089,476
Unit Capital				
Opening Capital	65,089,476	650,894,760	65,089,476	650,894,760
Add: Units sold during the Period	-	-	-	-
	65,089,476	650,894,760	65,089,476	650,894,760
Less : Units repurchased during the Period	65,089,476	650,894,760	-	-
Units at the end of the Period	-	-	65,089,476	650,894,760
		-		650,894,760

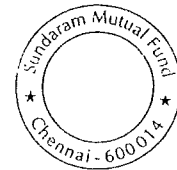
SCHEDULE : 2

Reserves & Surplus

	31.03.2016		31.03.2015	
	Rs.	Rs.	Rs.	Rs.
Unit Premium Reserve				
General Reserve				
Opening Balance	149,092,654		105,940,709	
Add /(Less): Transfer from Revenue Account	(149,092,654)	-	43,151,945	149,092,654
Unrealised appreciation reserve				
Opening Balance	80,206,055		25,228,051	
Add/(Less) Net unrealized appreciation for the Period	(80,206,055)		54,978,004	
Unrealised Appreciation Reserve (Schedule 7)		-		80,206,055
		-		229,298,709



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**SUNDARAM
MUTUAL FUND**

SUNDARAM CAPITAL PROTECTION ORIENTED FUND SERIES 2 - 5 YRS

SCHEDULE : 3

Current Liabilities & Provisions

	31.03.2016	31.03.2015
	Rs.	Rs.
Sundry Creditors	825,739	824,012
Others	1,348,736	63,189
	2,174,475	887,201

SCHEDULE : 4

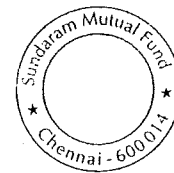
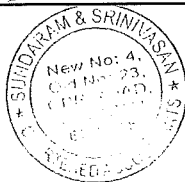
Investments

	31.03.2016	31.03.2015
	Rs.	Rs.
Equity Shares	-	232,521,846
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	-	551,696,489
Certificate of Deposits	-	73,448,670
Others - Reverse Repo / CBLO	-	16,573,029
	-	874,240,034

SCHEDULE : 5

Other Current Assets

	31.03.2016	31.03.2015
	Rs.	Rs.
Balance with banks in Current Accounts	2,159,196	530,952
CBLO Margin Account	-	833,568
Repo Margin Account	-	302,840
Outstanding and accrued Income	-	5,173,276
Others	15,279	-
	2,174,475	6,840,636

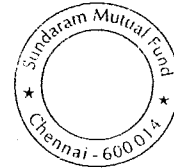


SCHEDULE : 6**Interest**

	01.04.2015 - 08.03.2016	01.04.2014 - 31.03.2015
	Rs.	Rs.
Interest from banks and others	2,628,333	1,384,067
Interest on Debentures and Bonds	45,014,107	53,350,486
Discounting Charges	6,609,199	459,112
	54,251,639	55,193,665

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

	31.03.2016	31.03.2015
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	-	78,168,031
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	-	1,927,205
Certificate of Deposits	-	110,819
Appreciation in value of Investments (Schedule 2)	-	80,206,055



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	08.03.2016	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.	0.00	5,361.23
% to the asset under management	0.00%	60.91%

6 INCOME / EXPENDITURE

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

DESCRIPTION	01.04.2015 to 08.03.2016	01.04.2014 to 31.03.2015
INCOME	11.21%	7.24%
EXPENDITURE #	2.10%	2.10%

Total expenses charged includes service tax on management fees charged to the investor over and above the normal expense charged as per SEBI CIR/IMD/DF/21/2012 dated September 13,2012.

7 CONTINGENT LIABILITY

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

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.2015 to 08.03.2016	01.04.2014 to 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	NIL
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
INDUSIND BANK (ASSOCIATE) @	NIL	NIL

@ Indusind Bank ceased to be an associate with effect from 27 June 2015

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)

NIL

10 PORTFOLIO DISCLOSURE

Full portfolio of the scheme is NIL

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 Investor Education & Awareness Initiatives (IEAI)

An annual charge of minimum 2bps (0.02% p.a.) of daily net assets, being part of total recurring expenses is set aside for IEAI as mandated by SEBI vide circular no. CIR/IMD/21/DF/21/2012 dated September 13, 2012. Accordingly accrued balance is transferred on periodic basis to a separate bank account maintained for the purpose. These funds are utilized by the AMC in accordance with SEBI Regulations.

The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.

