

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 DO** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2016 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 FIXED TERM PLAN - SERIES DO** 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

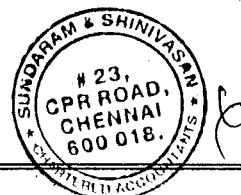
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform 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 :



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 FIXED TERM PLAN - SERIES DO** as at 31/03/2016
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN - SERIES DO** for the Year ended on 31/03/2016.

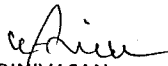
5. Report on Other Legal and Regulatory Requirements

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:0042075)

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	436,233,640	436,233,640
Reserves & Surplus	2	119,410,703	74,868,245
Current Liabilities & Provisions	3	57,683	54,594
		555,702,026	511,156,479
ASSETS			
Investments	4	526,933,870	485,169,858
Other Current Assets	5	28,768,156	25,986,621
		555,702,026	511,156,479

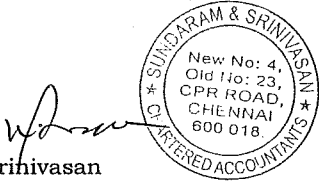
Notes on Accounts

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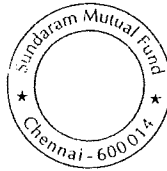
As per our Report of even date

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

For
Sundaram Mutual Fund



K Srinivasan
Partner
(M.NO : 5809)



Authorised Signatory

Place : Chennai

Date : 30th June 2016

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

	Schedule No.	2015-16		2014-15	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	48,089,744		74,396,815	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		99,061		-	
Net profit on inter scheme transfer / sale of investments		3,707		11,554	
Other Income		511		-	
TOTAL (A)		48,193,023	48,193,023	74,408,369	74,408,369
EXPENSES					
Management fee		352,966		2,470,448	
Service Tax on AMC Fee		49,188		305,347	
Custodian charges		44,230		44,189	
Trusteeship fee		26,669		40,114	
Commission to Agents		9,027		66,710	
Audit fee		16,245		17,089	
Other Operating expenses		2,400		10,326	
Investor Education Fees		106,671		160,457	
Sebi Fees		6,514		6,138	
TOTAL (B)		613,910	613,910	3,120,818	3,120,818
SURPLUS / (DEFICIT) (A-B)			47,579,113		71,287,551
Add/(Less) : Balance in Equalisation Account					(79,686,749)
Surplus / (Deficit) transferred to Balance Sheet			47,579,113		(8,399,198)

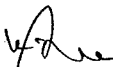
Notes on Accounts

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As per our Report of even date

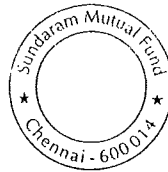
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)







Authorised Signatory

Place : Chennai
Date : 30th June 2016

SCHEDULE : 1

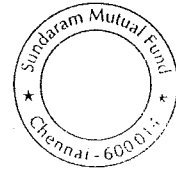
Unit Capital

	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	125,338,835	1,253,388,350	125,338,835	1,253,388,350
Unit Capital				
Opening Capital	43,623,364	436,233,640	125,338,835.00	1,253,388,350
Add: Units sold during the year	-	-	-	-
	43,623,364	436,233,640	125,338,835	1,253,388,350
Less : Units repurchased during the year	-	-	81,715,471	817,154,710
Units at the end of the year	43,623,364	436,233,640	43,623,364	436,233,640
		<u>436,233,640</u>		<u>436,233,640</u>

SCHEDULE : 2

Reserves & Surplus

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	70,970,842		79,370,040	
Add /(Less): Transfer from Revenue Account	47,579,113		(8,399,198)	
		118,549,955		70,970,842
Unrealised appreciation reserve				
Opening Balance	3,897,403		1,446,965	
Add/(Less) Net unrealized appreciation for the year	(3,036,655)		2,450,438	
Unrealised Appreciation Reserve (Schedule 7)		860,748		3,897,403
		<u>119,410,703</u>		<u>74,868,245</u>



SCHEDULE : 3**Current Liabilities & Provisions**

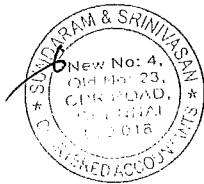
	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	57,201	50,825
Others	482	3,769
	57,683	54,594

SCHEDULE : 4**Investments**

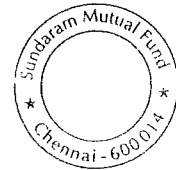
	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing on stock exchange	424,967,424	404,202,906
Certificate of Deposits	14,783,415	-
Others - Reverse Repo / CBLO	1,600,000	2,795,451
Zero Coupon Bond	85,583,031	78,171,501
	526,933,870	485,169,858

SCHEDULE : 5**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	326,711	215,011
CBLO Margin Account	50,259	142,303
Repo Margin Account	86,732	51,700
Outstanding and accrued Income	28,271,667	25,511,977
Others	32,787	65,630
	28,768,156	25,986,621



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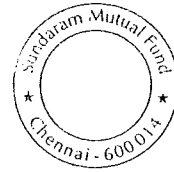
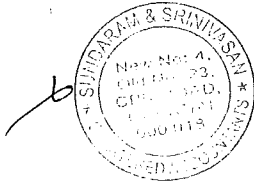


SCHEDULE : 6**Interest**

	2015-16	2014-15
	Rs.	Rs.
Interest from banks and others	275,131	1,272,665
Interest on Debentures and Bonds	39,928,510	23,971,780
Discounting Charges	7,886,103	49,152,370
	48,089,744	74,396,815

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

	31.03.2016	31.03.2015
	Rs.	Rs.
Appreciation in Value of Investments		
Certificate of Deposits	24,228	-
Debentures & Bonds listed / awaiting listing on stock exchange	743,404	3,431,440
Zero Coupon Bond	93,115	465,963
Appreciation in value of investments (Schedule 2)	860,748	3,897,403



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN - DO
Schedules forming part of the Balance Sheet as at 31-Mar-2016
and the Revenue Account for the Year Ended 31-Mar-2016

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 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	2015-16	2014-15
Average daily net asset value	5,333.55	8,022.72
Management fee @ 0.07% of average daily net asset value. (Previous year 0.31%)	3.53	24.70

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

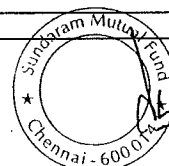
4 AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE PERIOD.

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

Description	2015-16	2014-15
PURCHASE VALUE (AMOUNT)	770.09	4,785.92
%	14.44%	59.65%
SALES VALUE (AMOUNT)	384.69	13,770.16
%	7.21%	171.64%



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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	31.03.2016	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.	4,824.75	4,823.75
% to the asset under management	86.84%	94.39%

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	2015-16	2014-15
INCOME	9.04%	9.27%
EXPENDITURE #	0.12%	0.40%

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 2016 is Rs. Nil. Previous Year Rs. Nil

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	2015-16	2014-15
Sundaram Finance Ltd (Sponsor)	NIL	0.08
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
IndusInd Bank (Associate) @	NIL	0.04

@ 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)

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

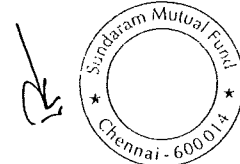
14 Investor Education & Awareness Initiatives (IEAI)

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.



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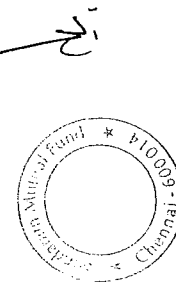


15 HISTORICAL PER UNIT STATISTICS	01.04.2015 - 31.03.2016		01.04.2014 - 31.03.2015		07.08.2013 - 31.03.2014	
	Rs.		Rs.		Rs.	
(A) Gross Income						
(i) Income other than profit on sale of investment		1,1024		1,7054		0.650975
(ii) Income from profit on inter scheme sale/transfer of investments		0.0001		0.0003		0.0000
(iii) Income from profit on sale of investment to third parties		0.0023		0.0000		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		0.0141		0.0715		0.0174
(C) Net Income		1.0884		1.6342		0.6332
(D) Net unrealised appreciation/(diminution) in value of investments		0.0167		0.0893		0.0115
(E) Net Assets Value	Growth Option	Direct Growth Option	Growth Option	Direct Growth Option	Half Yearly Dividend Option	Direct Growth Option
	12.6966	12.7374	11.6921	11.7154	NIL	10.6398
	12.6652	12.9399	10.9633	10.9772	10.9606	NA
	NA	NA	10.9633	10.9772	10.9606	NA
	NA	NA	NA	NA	NA	10.0000
	NA	NA	NA	NA	NA	10.0000
	NA	NA	NA	NA	NA	10.0000
(F) Highest repurchase price						
Lowest repurchase price						
Highest ongoing sale price						
Lowest ongoing sale price						
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage		0.12%		0.46%		0.26%
(H) Ratio of gross income to average daily net assets by percentage		9.04%		9.27%		9.70%

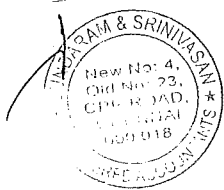
16 Computation of Distributable Income

	31.03.2016	31.03.2015
	Rs.	Rs.
Net income as per revenue account	47,579,113	(8,399,198)
Add: Balance of Undistributed Income as at 1st April brought forward	70,970,942	79,370,040
	118,549,955	70,970,942
Less: Income Distributed during the year	-	-
Distributable Income	118,549,955	70,970,942

17. Previous year figures have been regrouped wherever necessary to confirm with the current year's classifications.



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - DO		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	82.65%	63.87%
ENERGY	0.00%	36.13%
POWER	16.76%	0.00%
Money Market Instruments		
BANK	100.00%	0.00%



SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - DO						
Portfolio Statement as at 31 March 2016						
S.NO	ISIN CODE	Name of the Instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
A) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE115A07AX7	LIC Housing Finance Ltd - 9.74 - 15/07/2016**	CRISIL AAA	101	1012.19	18.22%
2	INE020B07IX0	Rural Electrification Corporation Ltd - 9.27 - 08/08/2016**	CRISIL AAA	95	953.20	17.16%
3	INE134E08GB1	Power Finance Corporation Ltd - 9.16 - 31/07/2016**	CRISIL AAA	95	952.19	17.14%
4	INE137K08016	HPCL Mittal Energy Ltd - 0.00 - 11/06/2016**	ICRA AA-	87	855.83	15.40%
5	INE121A07HT8	Cholamandalam Investment and Finance Company Ltd - 9.899 - 24/06/2016**	ICRA AA	70	701.31	12.62%
6	INE261F09BZ7	National Bank for Agricultural & Rural Development - 8.45 - 18/05/2016**	CRISIL AAA	35	350.03	6.30%
7	INE202B07AW3	Dewan Housing Finance Corporation Ltd - 10.7 - 03/06/2016**	CARE AAA	21	210.55	3.79%
8	INE020B08583	Rural Electrification Corporation Ltd - 9.45 - 10/08/2016**	CRISIL AAA	4	40.16	0.72%
9	INE092T08667	IDFC Bank Ltd - 9.54 - 11/07/2016**	ICRA AAA	3	30.04	0.54%
Sub Total					5105.50	91.89%
Total for Debt Instruments					5105.50	91.89%
B) Money Market Instruments						
a) Certificate of Deposits						
1	INE476A16QN1	Canara Bank - 15/06/2016**	CRISIL A1+	150	147.83	2.66%
Sub Total					147.83	2.66%
b) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			16.00	0.29%
Sub Total					16.00	0.29%
Total for Money Market Instruments					163.83	2.95%
Cash & Other Net Current Assets					286.80	5.16%
GRAND TOTAL					5556.14	100.00%

** Thinly traded / Non Traded securities

