

# 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 DW** 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 DW** 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

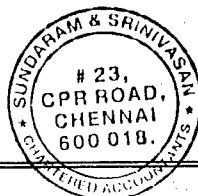
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform 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 FIXED TERM PLAN - SERIES DW** as at 31/03/2016

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN - SERIES DW** 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.
<b>LIABILITIES</b>			
Unit Capital	1	60,053,330	60,053,330
Reserves & Surplus	2	15,474,518	9,689,585
Current Liabilities & Provisions	3	33,678	12,399
		<b>75,561,526</b>	<b>69,755,314</b>
<b>ASSETS</b>			
Investments	4	71,282,921	65,650,248
Other Current Assets	5	4,278,605	4,105,066
		<b>75,561,526</b>	<b>69,755,314</b>

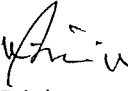
Notes on Accounts


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As per our Report of even date

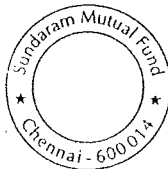
For  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)

For  
**Sundaram Mutual Fund**

  
K Srinivasan  
Partner  
(M.NO : 5809)



  
Authorised Signatory



Place : Chennai  
Date : 30th June 2016

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## REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

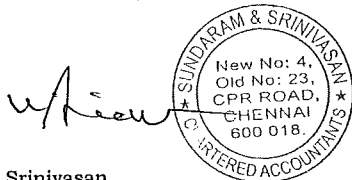
	Schedule No.	2015-16		2014-15	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	6,552,732		16,851,472	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		17,413		-	
Other Income		406		-	
<b>TOTAL (A)</b>		<b>6,570,551</b>		<b>16,851,472</b>	
<b>EXPENSES</b>			<b>6,570,551</b>		<b>16,851,472</b>
Net diminution in value of investment	7	111,601		-	
Loss on inter scheme transfer / sale of investments		2,413		-	
Management fee		50,447		384,396	
Service Tax on AMC Fee		7,031		47,511	
Custodian charges		41,724		41,267	
Trusteeship fee		3,629		8,965	
Commission to Agents		71,450		106,844	
Audit fee		6,485		7,440	
Other Operating expenses		1,589		-	
Investor Education Fees		14,521		35,862	
Sebi Fees		889		1,403	
		<b>311,779</b>		<b>633,688</b>	
Less:Expnses absorbed from amc		26,171		-	
<b>TOTAL (B)</b>			<b>285,608</b>		<b>633,688</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>6,284,943</b>		<b>16,217,784</b>
Add/(Less) : Balance in Equalisation Account					(22,892,039)
			<b>6,284,943</b>		<b>(6,674,255)</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>6,284,943</b>		<b>(6,674,255)</b>

Notes on Accounts

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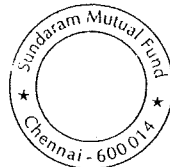
As per our Report of even date

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



K Srinivasan  
Partner  
(M.NO : 5809)

For  
Sundaram Mutual Fund



Authorised Signatory

Place : Chennai  
Date : 30th June 2016

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**SCHEDULE : 1****Unit Capital**

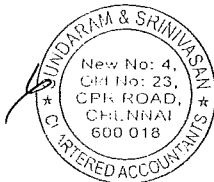
	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
<b>Initial capital</b>	28,673,573	286,735,730	28,673,573	286,735,730
<b>Unit Capital</b>				
Opening Capital	6,005,333	60,053,330	28,673,573	286,735,730
Add: Units sold during the Year	-	-	-	-
	6,005,333	60,053,330	28,673,573	286,735,730
Less : Units repurchased during the Year	-	-	22,668,240	226,682,400
Units at the end of the Year	6,005,333	60,053,330	6,005,333	60,053,330
		<b>60,053,330</b>		<b>60,053,330</b>

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

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
<b>Unit Premium Reserve</b>				
<b>General Reserve</b>				
Opening Balance	9,189,575		15,863,830	
Add /(Less): Transfer from Revenue Account	6,284,943		(6,674,255)	
		<b>15,474,518</b>		<b>9,189,575</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	500,010		863,299	
Add/(Less) Net unrealized appreciation for the Year	(500,010)		(363,289)	
Unrealised Appreciation Reserve (Schedule 7)		-		<b>500,010</b>
		<b>15,474,518</b>		<b>9,689,585</b>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	33,612	11,522
Others	66	877
	<b>33,678</b>	<b>12,399</b>



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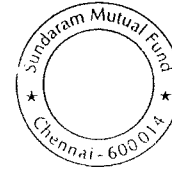


**SCHEDULE : 4****Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	66,824,761	62,355,610
Certificate of Deposits	3,858,160	-
Others - Reverse Repo / CBLO	600,000	3,294,638
	<b>71,282,921</b>	<b>65,650,248</b>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	302,669	251,020
CBLO Margin Account	20,495	166,115
Repo Margin Account	35,368	60,351
Outstanding and accrued Income	3,920,073	3,627,580
	<b>4,278,605</b>	<b>4,105,066</b>

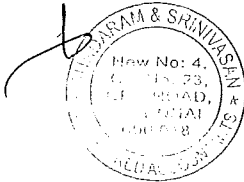
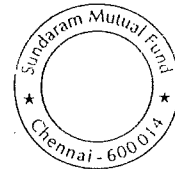


**SCHEDULE : 6****Interest**

	<b>2015-16</b>	<b>2014-15</b>
	Rs.	Rs.
Interest from banks and others- Repo	132,083	444,348
Interest on Debentures and Bonds- Investments	6,217,583	3,204,385
Discounting Charges	203,066	13,202,739
	<b>6,552,732</b>	<b>16,851,472</b>

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

	<b>31/03/2016</b>	<b>31/03/2015</b>
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	-	500,010
<b>Appreciation in Value of Investments ( Schedule 2 )</b>	-	<b>500,010</b>
<b>Diminution in value of investments</b>		
Certificate of Deposits	1,436	-
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	110,165	-
<b>Diminution in value of investments transferred to revenue A/C</b>	<b>111,601</b>	-

**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN - DW**  
**Schedules forming part of the Balance Sheet as at 31-Mar-2016**  
**and the Revenue Account for the Period 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	726.06	1,793.04
Management fee @ 0.07% of average daily net asset value. (Previous year 0.21%)	0.50	3.84

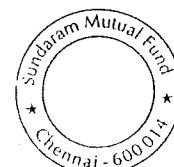
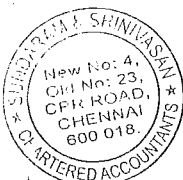
**3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.**

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	2015-16	2014-15
<b>PURCHASE VALUE (AMOUNT)</b>	<b>229.35</b>	<b>1,532.37</b>
%	31.59%	85.46%
<b>SALES VALUE (AMOUNT)</b>	<b>141.71</b>	<b>4,000.00</b>
%	19.52%	223.09%



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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	31.03.16	31.03.15
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.	696.78	623.55
% to the asset under management	92.25%	89.41%

**6. INCOME / EXPENDITURE**

The total income and expenditure (excluding deferred revenue expenditure un-amortised) as a percentage of the daily average net assets, on an annualised basis, are given below.

DESCRIPTION	2015-16	2014-15
INCOME	9.05%	9.40%
EXPENDITURE #	0.24%	0.35%

# 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	0.14
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)

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.

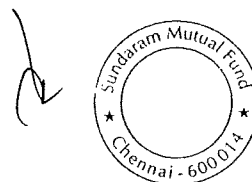
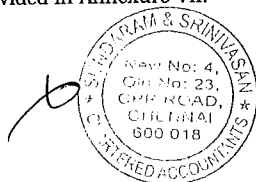
**13. ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES**

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.

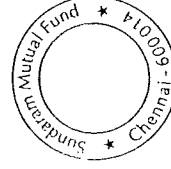
The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.



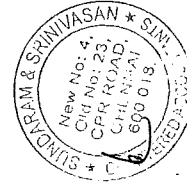
	15 HISTORICAL PER UNIT STATISTICS		SFTPDW			
	01.04.2015 - 31.03.2016	01.04.2014 - 31.03.2015	13.09.2013 - 31.03.2014	Rs.		
(A) Gross income						
(i) Income other than profit on sale of investment	1.0912	2.8061	0.5626			
(ii) Income from profit on inter scheme sales/transfer of investments	0.0000	0.0000	0.0000			
(iii) Income from profit on sale of investment to third parties	0.0029	0.0000	0.0000			
(iv) Transfer to revenue account from past year's reserves						
(B) Aggregate of expenses, write off, amortisation and charges	0.0476	0.1065	0.0094			
(C) Net income	1.0466	2.7006	0.5533			
(D) Net unrealised appreciation/(diminution) in value of investments	-0.0186	0.0833	0.0301			
(E) Net Assets Value	12.6152	11.6358	10.5763	Direct Growth Option	10.5763	10.5768
(F) Highest repurchase price	NA	11.0141	NA	Quarterly Dividend Option	NA	NA
Lowest repurchase price	NA	10.9935	10.9953	Growth Option	10.9953	NA
Highest ongoing sale price	NA	NA	10.0000		10.0000	10.0000
Lowest ongoing sale price	NA	NA	10.0000		10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.24%	0.35%	0.17%			
(H) Ratio of gross income to average daily net assets by percentage	9.05%	9.40%	9.95%			

	16 Computation of Distributable Income	
	31.03.16	31.03.15
Net income as per revenue account	Rs. 6,284,943	Rs. (6,674,265)
Add: Balance of Undistributed income as at 1st April brought forward	9,189,575	15,863,830
	15,474,518	9,189,575
Less: Income Distributed during the year	-	-
Distributable Income	15,474,518	9,189,575

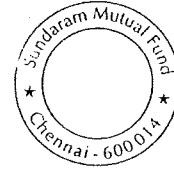
17. Previous year figures have been regrouped whenever necessary to confirm with the current year's classification



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ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - DW		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
<b>Debt Instruments</b>		
<b>Listed / awaiting listing on Stock Exchange</b>		
FINANCE	80.45%	57.91%
ENERGY	0.00%	42.09%
POWER	19.55%	0.00%
<b>Money Market Instruments</b>		
BANK	100.00%	0.00%



SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - DW						
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
<b>A) Debt Instruments</b>						
<b>a) Listed / awaiting listing on Stock Exchange</b>						
1	INE115A07EH2	LIC Housing Finance Ltd - 10.6 - 06/09/2016**	CRISIL AAA	14	140.98	18.67%
2	INE020B07JA6	Rural Electrification Corporation Ltd - 8.97 - 08/09/2016**	CRISIL AAA	14	140.44	18.59%
3	INE445L08037	Nabha Power Ltd - 9.35 - 07/09/2016**	ICRA AAA	13	130.65	17.30%
4	INE027E07071	Family Credit Ltd - 9.95 - 10/06/2016**	ICRA AA+	5	125.24	16.58%
5	INE134E07398	Power Finance Corporation Ltd - 9.8 - 27/09/2016**	CRISIL AAA	12	120.89	16.01%
6	INE721A07GK6	Shriram Transport Finance Company Ltd - 10.72 - 24/09/2016**	CARE AA+	1	10.05	1.33%
<b>Sub Total</b>					<b>668.25</b>	<b>88.48%</b>
<b>Total for Debt Instruments</b>					<b>668.25</b>	<b>88.48%</b>
<b>B) Money Market Instruments</b>						
<b>a) Certificate of Deposits</b>						
1	INE528G16D07	Yes Bank Ltd - 28/09/2016**	ICRA A1+	40	38.58	5.11%
<b>Sub Total</b>					<b>38.58</b>	<b>5.11%</b>
<b>b) Reverse Repo / CBLO</b>						
1		364 Days T Bill Maturing on 14/04/2016			6.00	0.79%
<b>Sub Total</b>					<b>6.00</b>	<b>0.79%</b>
<b>Total for Money Market Instruments</b>					<b>44.58</b>	<b>5.90%</b>
Cash & Other Net Current Assets					42.45	5.62%
<b>GRAND TOTAL</b>					<b>755.28</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

