

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 DY** 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 DY** 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 DY** as at 31/03/2016

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN - SERIES DY** 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	222,240,650	222,240,650
Reserves & Surplus	2	53,992,232	33,251,802
Current Liabilities & Provisions	3	99,081	89,554
		276,331,963	255,582,006
ASSETS			
Investments	4	262,455,962	242,542,565
Other Current Assets	5	13,876,001	13,039,441
		276,331,963	255,582,006

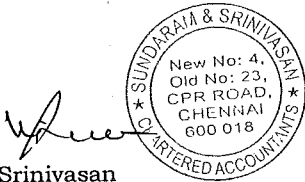
Notes on Accounts

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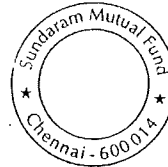
As per our Report of even date

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	24,344,755		32,662,176	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		23,890		18,321	
Other Income		484		-	
TOTAL (A)		24,369,129	24,369,129	32,680,497	32,680,497
EXPENSES					
Net diminution in value of investment	7	760,333		-	
Loss on inter scheme transfer / sale of investments		72,666		-	
Management fee		287,541		757,976	
Service Tax on AMC Fee		40,101		93,686	
Custodian charges		42,878		42,069	
Trusteeship fee		13,288		17,772	
Commission to Agents		752,966		1,264,063	
Audit fee		8,048		9,411	
Other Operating expenses		1,803		3,267	
Other Expenses		3,257		-	
Investor Education Fees		53,150		71,086	
Sebi Fees		3,257		2,092	
TOTAL (B)		2,039,288	2,039,288	2,261,422	2,261,422
Expenses absorbed by amc		-		-	
SURPLUS / (DEFICIT) (A-B)			22,329,841		30,419,075
Add/(Less) : Balance in Equalisation Account			-		(19,248,960)
			22,329,841		11,170,115
Surplus /(Deficit) transferred to Balance Sheet			22,329,841		11,170,115

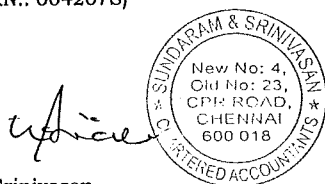
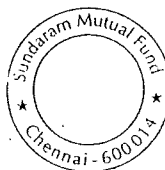
Notes on Accounts

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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)

Authorized Signatory

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Place : Chennai
Date : 30th June 2016

SCHEDULE : 1**Unit Capital**

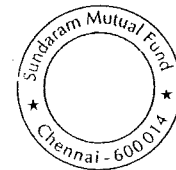
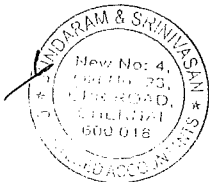
	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	43,071,790	430,717,900	43,071,790	430,717,900
Unit Capital				
Opening Capital	22,224,065	222,240,650	43,071,790.00	430,717,900
Add: Units sold during the year	-	-	-	-
Less : Units repurchased during the year	22,224,065	222,240,650	43,071,790	430,717,900
	-	-	20,847,725	208,477,250
Units at the end of the year	22,224,065	222,240,650	22,224,065	222,240,650
		<u>222,240,650</u>		<u>222,240,650</u>

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	31,662,391		20,492,276	
Add /(Less): Transfer from Revenue Account	22,329,841	53,992,232	11,170,115	31,662,391
Unrealised appreciation reserve				
Opening Balance	1,589,411		470,323	
Add/(Less) Net unrealized appreciation for the year	(1,589,411)		1,119,088	
Unrealised Appreciation Reserve (Schedule 7)		-		1,589,411
		<u>53,992,232</u>		<u>33,251,802</u>

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	98,794	87,227
Others	287	2,327
	<u>99,081</u>	<u>89,554</u>

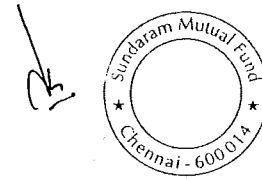
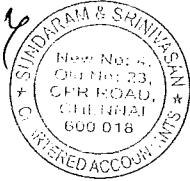


SCHEDULE : 4**Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	255,483,515	239,647,277
Certificate of Deposits	6,772,447	-
Others - Reverse Repo / CBLO	200,000	2,895,288
	262,455,962	242,542,565

SCHEDULE : 5**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	252,935	225,797
CBLO Margin Account	8,426	146,684
Repo Margin Account	14,542	53,291
Outstanding and accrued Income	13,600,098	12,613,669
	13,876,001	13,039,441

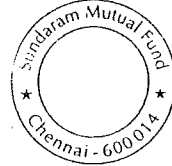
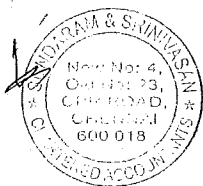


SCHEDULE : 6**Interest**

	2015-16	2014-15
	Rs.	Rs.
Interest from banks and others- Repo	169,966	524,836
Interest on Debentures and Bonds- Investments	23,885,522	11,421,932
Discounting Charges	289,267	20,715,408
	24,344,755	32,662,176

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	-	1,589,411
Appreciation in value of investments (Schedule 2)	-	1,589,411
Diminution in value of investments		
Certificate of Deposits	686	-
Debentures & Bonds listed / awaiting listing in the Recognised the stock exchange	759,647	-
Diminution in value of investments transferred to Revenue account	760,333	



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN - DY
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.

When the future contracts of equity derivative instruments are squared off on or before the expiry of contract, the difference between the settlement price and contractual price is recognized in Revenue Account.

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	2,657.43	3,554.21
Management fee @ 0.11% of average daily net asset value. (Previous year 0.21%)	2.88	7.58

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.

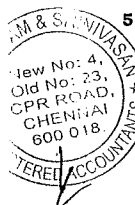
The aggregate value of investments purchased and sold (including matured) during the year, as a percentage of average daily net asset value is as under :

Description	2015-16	2014-15
PURCHASE VALUE (AMOUNT)	575.53	3,152.56
%	21.66%	88.70%
SALES VALUE (AMOUNT)	327.25	5,405.59
%	12.31%	152.09%

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	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 year.	2,142.97	2,396.47
% to the asset under management	77.58%	93.80%



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	9.17%	9.19%
EXPENDITURE #	0.45%	0.64%

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.

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	2015-16	2014-15
Sundaram Finance Ltd (Sponsor)	NIL	0.27
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.

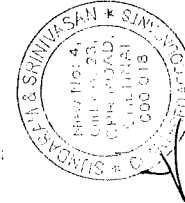
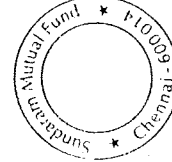


15 HISTORICAL PER UNIT STATISTICS	01.04.2015 - 31.03.2016				01.04.2014 - 31.03.2015				26.09.2013 - 31.03.2014											
	Rs.				Rs.				Rs.											
(A) Gross income																				
(i) Income other than profit on sale of investment																				
(ii) Income from profit on inter scheme sales/transfer of investments																				
(iii) Income from profit on sale of investment to third parties																				
(iv) transfer to revenue account from past year's reserves																				
(B) Aggregate of expenses, write off, amortisation and charges																				
(C) Net income																				
(D) Net unrealised appreciation/(diminution) in value of investments																				
(E) Net Assets Value	12.5732	12.526	12.4581	12.3892	11.5956	11.552	11.4733	NIL	11.5372	11.4733	NIL	10.5483	10.5086	10.4844	10.5423	10.4842	10.5086			
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	10.9822	10.9216	10.9717	NA	NA	NA	NA	NA	NA	NA		
Lowest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	10.9219	10.9216	10.9717	NA	NA	NA	NA	NA	NA	NA		
Highest ongoing sale price	NA	NA	NA	NA	NA	NA	NA	NA	10.9822	10.9216	10.9717	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000		
Lowest ongoing sale price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000		
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage																				
(H) Ratio of gross income to average daily net assets by percentage																				

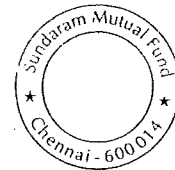
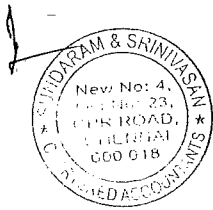
16 Computation of Distributable Income

	31.03.16	31.03.15
	Rs.	Rs.
Net Income as per revenue account	2,23,29,841	1,11,70,115
Add : Balance of Undistributed Income as at 1st April brought forward	3,16,62,391	2,04,92,276
	5,39,92,232	3,16,62,391
Less : Income Distributed during the year	-	-
Distributable Income	5,39,92,232	3,16,62,391

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



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - DY		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	80.82%	60.46%
ENERGY	0.00%	39.54%
POWER	19.18%	0.00%
Money Market Instruments		
BANK	100.00%	0.00%



ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - DY						
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	INE020807JAG	Rural Electrification Corporation Ltd - 8.97 - 08/09/2016**	CRISIL AAA	51	511.62	18.52%
2	INE134E07398	Power Finance Corporation Ltd - 9.8 - 27/09/2016**	CRISIL AAA	48	483.54	17.50%
3	INE721A07GK6	Shriram Transport Finance Company Ltd - 10.72 - 24/09/2016**	CARE AA+	48	482.50	17.47%
4	INE001A07LU2	Housing Development Finance Corporation Ltd - 9.75 - 10/10/2016	CRISIL AAA	38	381.72	13.82%
5	INE445L08037	Nabha Power Ltd - 9.35 - 07/09/2016**	ICRA AAA	29	291.44	10.55%
6	INE694L07032	Talwandi Sabo Power Ltd - 9.6 - 16/09/2016**	CRISIL AA-	20	198.54	7.19%
7	INE027E07071	Family Credit Ltd - 9.95 - 10/06/2016**	ICRA AA+	7	175.34	6.35%
8	INE134E08DT0	Power Finance Corporation Ltd - 9.41 - 01/09/2016**	CRISIL AAA	3	30.14	1.09%
Sub Total					2554.84	92.49%
Total for Debt Instruments					2554.84	92.49%
B) Money Market Instruments						
a) Certificate of Deposits						
1	INE528G16D07	Yes Bank Ltd - 28/09/2016**	ICRA A1+	40	38.58	1.40%
2	INE528G16B74	Yes Bank Ltd - 23/08/2016**	ICRA A1+	30	29.14	1.06%
Sub Total					67.72	2.45%
b) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			2.00	0.07%
Sub Total					2.00	0.07%
Total for Money Market Instruments					69.72	2.52%
Cash & Other Net Current Assets					137.77	4.99%
GRAND TOTAL					2762.33	100.00%

** Thinly traded / Non Traded securities

