

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 ER** 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 ER** 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

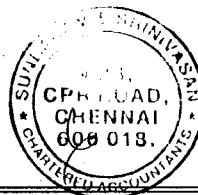
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform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



1034

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 ER** as at 31/03/2016

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

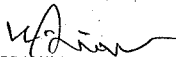
5. Report on Other Legal and Regulatory Requirements

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: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	502,327,710	601,327,170
Reserves & Surplus	2	111,432,848	75,935,754
Current Liabilities & Provisions	3	146,349	109,927
		613,906,907	677,372,851
ASSETS			
Investments	4	579,681,609	636,764,266
Other Current Assets	5	34,225,298	40,608,585
		613,906,907	677,372,851

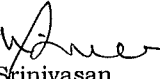
Notes on Accounts

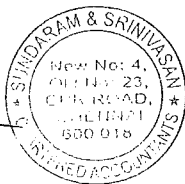
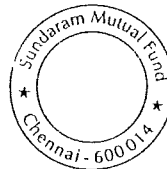
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As per our Report of even date

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

1036

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

	Schedule No.	2015-16		2014-15	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	52,372,521		58,930,015	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		677,477		375,247	
Net diminution on sale of investments written back		33,134		-	
Other Income		3,865		-	
TOTAL (A)		53,086,997	53,086,997	59,305,262	59,305,262
EXPENSES					
Net diminution in value of investment	7	837,410		33,134	
Management fee		856,408		780,592	
Service Tax on AMC Fee		119,048		96,482	
Custodian charges		44,795		43,654	
Trusteeship fee		30,362		32,496	
Commission to Agents		987,278		1,300,042	
Audit fee		16,584		10,910	
Other Operating expenses		23,650		4,593	
Investor Education Fees		121,456		129,976	
Sebi Fees		8,633		2,895	
TOTAL (B)		3,045,624	3,045,624	2,434,774	2,434,774
SURPLUS / (DEFICIT) (A-B)			50,041,373		56,870,488
Add/(Less) : Balance in Equalisation Account			(13,818,826)		-
Surplus /(Deficit) transferred to Balance Sheet			36,222,547		56,870,488


Notes on Accounts


8


As per our Report of even date

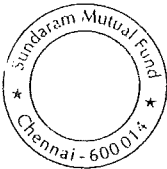
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)




Authorised Signatory



Place : Chennai
Date : 30th June 2016

1037

SCHEDULE : 1**Unit Capital**

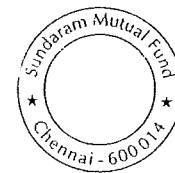
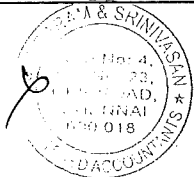
	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	60,132,717	601,327,170	60,132,717	601,327,170
Unit Capital				
Opening Capital	60,132,717	601,327,170	60,132,717	601,327,170
Add: Units sold during the Year	-	-	-	-
	60,132,717	601,327,170	60,132,717	601,327,170
Less : Units repurchased during the Year	9,899,946	98,999,460	-	-
Units at the end of the Year	50,232,771	502,327,710	60,132,717	601,327,170
		502,327,710		601,327,170

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
Unit Premium Reserve				
Opening Balance	-	-	-	-
Add : Amount Received on Sale / Repurchase of Units (net)	(16,227)	-	-	-
Less : Adjusted towards Expenses		(16,227)	-	-
General Reserve				
Opening Balance	75,226,528	18,356,040	18,356,040	75,226,528
Add /(Less): Transfer from Revenue Account	36,222,547	111,449,075	56,870,488	75,226,528
Unrealised appreciation reserve				
Opening Balance	709,226	1,714,781	1,714,781	709,226
Add/(Less) Net unrealized appreciation for the Year	(709,226)	-	(1,005,555)	-
Unrealised Appreciation Reserve (Schedule 7)		-		709,226
		111,432,848		75,935,754

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	145,500	102,284
Others	849	7,643
	146,349	109,927

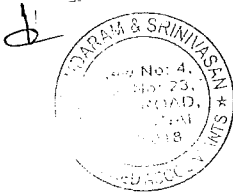
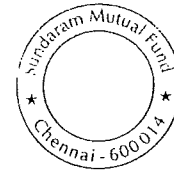


SCHEDULE : 4**Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	577,981,609	432,034,704
Certificate of Deposits	-	170,684,966
Others - Reverse Repo / CBLO	1,700,000	34,044,596
	579,681,609	636,764,266

SCHEDULE : 5**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	217,458	261,498
CBLO Margin Account	53,524	1,709,625
Repo Margin Account	92,366	621,117
Outstanding and accrued Income	33,861,950	38,016,345
	34,225,298	40,608,585

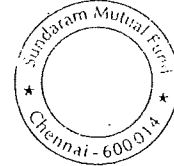



SCHEDULE : 6**Interest**

	2015-16	2014-15
	Rs.	Rs.
Interest from banks and others	1,491,781	735,795
Interest on Debentures and Bonds	46,720,090	45,896,274
Discounting Charges	4,160,650	12,297,946
	52,372,521	58,930,015

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Appreciation in Value of Investments		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange		709,226
Appreciation in value of investments (Schedule 2)	-	709,226
Diminution in value of investments		
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	837,410	-
Money Market Instruments		33,134
Diminution in value of investments transferred to revenue account	837,410	33,134



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN -ER
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	6,072.68	6,498.75
Management fee @ 0.14% of average daily net asset value. (Previous year 0.12%)	8.56	7.81

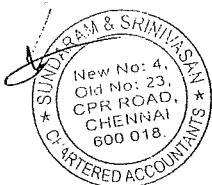
3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

As Per Annexure - I

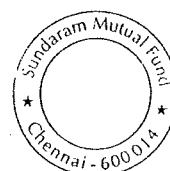
4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE year.

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)	9,376.46	2,789.54
%	154.40%	42.92%
SALES VALUE (AMOUNT)	9,453.03	2,699.31
%	155.66%	41.54%



1041



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 year.	5,617.39	6,027.19
% to the asset under management	91.53%	89.00%

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	8.74%	9.13%
EXPENDITURE #	0.36%	0.37%

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)	1.88	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)

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.

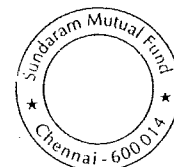
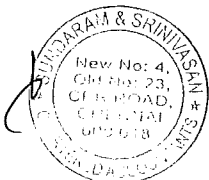
13. ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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.

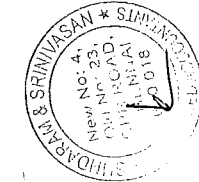
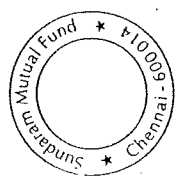


15 HISTORICAL PER UNIT STATISTICS

	01.04.2015 - 31.03.2016			01.04.2014 - 31.03.2015			28.11.2013 - 31.03.2014																
	Rs.			Rs.			Rs.																
(A) Gross income																							
(i) income other than profit on sale of investment			1.0433			0.9800			0.3092														
(ii) income from profit on inter scheme sales/transfer of investments			0.0000			0.0000			0.0030														
(iii) income from profit on sale of investment to third parties			0.0135			0.0062			0.0058														
(iv) transfer to revenue account from past year's reserves			0.0000			0.0000																	
(B) Aggregate of expenses, write off, amortisation and charges			0.0440			0.0399			0.0128														
(C) Net income			1.0129			0.9463			0.3052														
(D) Net unrealised appreciation/(diminution) in value of investments			-0.0167			0.0112			0.0285														
(E) Net Assets Value	Growth Option	12.1714	Half Yearly Dividend Option	12.1723	0	Quarterly Dividend Option	0	Growth Option	11.2402	Half Yearly Dividend Option	11.2402	Quarterly Dividend Option	11.2402	Direct Growth Option	11.2918	Growth Option	10.3286	Half Yearly Dividend Option	10.3286	Quarterly Dividend Option	10.3286	Direct Growth Option	10.3407
(F) Highest repurchase price		11.3882		11.3882	11.3882		11.3882		11.4464		11.4464		11.4464		11.4467		11.4467		11.4467		11.4467		11.4467
Lowest repurchase price		11.3882		11.3882	11.3882		11.3882		11.4464		11.4464		11.4464		11.4467		11.4467		11.4467		11.4467		11.4467
Highest ongoing sale price		NA		NA	NA		NA		NA		NA		NA		NA		NA		NA		NA		NA
Lowest ongoing sale price		NA		NA	NA		NA		NA		NA		NA		NA		NA		NA		NA		NA
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage			0.36%						0.37%						0.37%				0.37%				
(H) Ratio of gross income to average daily net assets by percentage			8.74%						9.13%						9.22%				9.22%				

16 Computation of Distributable Income

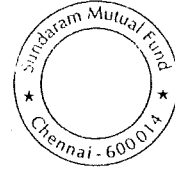
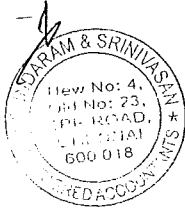
	31.03.16	31.03.15
	Rs.	Rs.
Net Income as per revenue account	36,222,547	56,870,488
Add : Balance of Undistributed income as at 1st April brought forward	75,226,528	18,356,040
	111,449,075	75,226,528
Less : Income Distributed during the year	-	-
Distributable Income	111,449,075	75,226,528



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

ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - ER		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	80.00%	100.00%
POWER	20.00%	0.00%
Money Market Instruments		
BANK	100.00%	100.00%



ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - ER						
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	INE020B07JB4	Rural Electrification Corporation Ltd - 9.06 - 23/09/2017**	CRISIL AAA	115	1166.21	19.00%
2	INE033L07CP1	TATA Capital Housing Finance Ltd - 8.8376 - 02/01/2018**	CRISIL AA+	114	1140.52	18.58%
3	INE774D07MD2	Mahindra & Mahindra Financial Services Ltd - 8.6743 - 02/01/2018**	IND AAA	114	1139.17	18.56%
4	INE134E08GE5	Power Finance Corporation Ltd - 9.3 - 26/08/2017**	CRISIL AAA	100	1015.38	16.54%
5	INE445L08169	Nabha Power Ltd - 9.4 - 30/09/2017**	ICRA AAA	64	649.11	10.58%
6	INE445L08177	Nabha Power Ltd - 9.4 - 17/10/2017**	ICRA AAA	50	507.00	8.26%
7	INE752E07IN3	Power Grid Corporation of India Ltd - 9.35 - 29/08/2017**	CRISIL AAA	6	61.09	1.00%
8	INE134E08GC9	Power Finance Corporation Ltd - 9.32 - 19/08/2017**	CRISIL AAA	5	50.77	0.83%
9	INE134E08E25	Power Finance Corporation Ltd - 8.91 - 15/10/2017**	CRISIL AAA	5	50.56	0.82%
		Sub Total			5779.82	94.18%
		Total for Debt Instruments			5779.82	94.18%
		B) Money Market Instruments				
		a) Reverse Repo / CBLO				
1		364 Days T Bill Maturing on 14/04/2016			17.00	0.28%
		Sub Total			17.00	0.28%
		Total for Money Market Instruments			17.00	0.28%
		Cash & Other Net Current Assets			340.79	5.55%
		GRAND TOTAL			6137.13	100.00%

** Thinly traded / Non Traded securities

