

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 FL** 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 FL** 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 FL** as at 31/03/2016

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

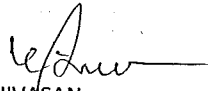
5. Report on Other Legal and Regulatory Requirements

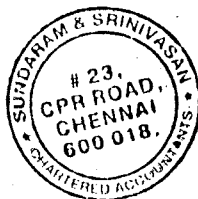
As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

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	571,480,750	571,480,750
Reserves & Surplus	2	106,633,914	54,586,777
Current Liabilities & Provisions	3	131,832	117,243
		678,246,496	626,184,770
ASSETS			
Investments	4	586,527,301	609,873,554
Deposits	5	65,000,000	-
Other Current Assets	6	26,719,195	16,311,216
		678,246,496	626,184,770

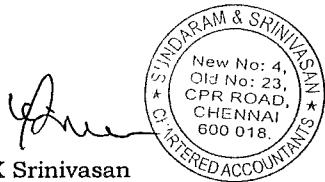
Notes on Accounts

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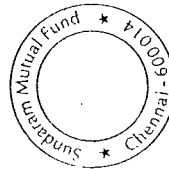
As per our Report of even date

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.	01.04.2015 - 31.03.2016		23.04.2014 - 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	7	56,675,834		51,170,127	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		2,669,247		-	
Other Income		901		-	
TOTAL (A)		59,345,982	59,345,982	51,170,127	51,170,127
EXPENSES					
Net diminution in value of investment	8	40,452		-	
Management fee		804,224		561,719	
Service Tax		112,125		69,428	
Custodian charges		44,419		43,400	
Trusteeship fee		32,625		28,178	
Commission to Agents		933,531		911,035	
Audit fee		16,740		20,473	
Other Operating expenses		6,119		8,290	
Investor Education Fees		130,507		112,706	
Sebi Fees		7,980		-	
TOTAL (B)		2,128,722	2,128,722	1,755,229	1,755,229
Surplus /(Deficit) transferred to Balance Sheet			57,217,260		49,414,898

Notes on Accounts

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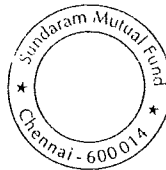
As per our Report of even date

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



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

For
Sundaram Mutual Fund



Authorised Signatory

Place : Chennai
Date : 30th June 2016

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SCHEDULE : 1**Unit Capital**

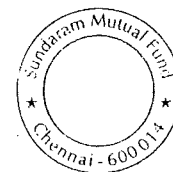
	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	57,148,075	571,480,750	57,148,075	571,480,750
Unit Capital				
Opening Capital	57,148,075	571,480,750	-	-
Add: Units sold during the Year	-	-	57,148,075	571,480,750
	57,148,075	571,480,750	57,148,075	571,480,750
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	57,148,075	571,480,750	57,148,075	571,480,750
		571,480,750		571,480,750

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	49,414,898		-	
Add /(Less): Transfer from Revenue Account	57,217,260	106,632,158	49,414,898	49,414,898
Unrealised appreciation reserve				
Opening Balance	5,171,879		-	
Add/(Less) Net unrealized appreciation for the Year	(5,170,123)		5,171,879	
Unrealised Appreciation Reserve (Schedule 8)		1,756		5,171,879
		106,633,914		54,586,777

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	131,039	110,232
Others	793	7,011
	131,832	117,243



SCHEDULE : 4**Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures & Bonds	122,969,568	464,724,665
Zero Coupon Bonds	137,486,238	125,474,748
Certificate of Deposits	149,671,495	12,086,490
Others - Reverse Repo / CBLO	176,400,000	7,587,651
	586,527,301	609,873,554

SCHEDULE : 5**Deposits**

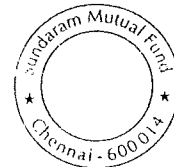
	31/03/2016	31/03/2015
	Rs.	Rs.
Deposits with Scheduled Bank	65,000,000	-
	65,000,000	-

SCHEDULE : 6**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	327,542	394,176
CBLO Margin Account	5,419,512	385,584
Repo Margin Account	9,352,473	140,085
Outstanding and accrued Income	11,619,668	15,391,371
	26,719,195	16,311,216



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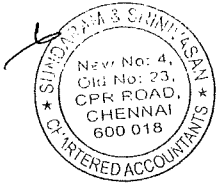


SCHEDULE : 7**Interest**

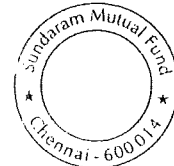
	01.04.2015 - 31.03.2016	23.04.2014 - 31.03.2015
	Rs.	Rs.
Interest from banks and others	1,880,868	640,593
Interest on Debentures and Bonds	37,416,748	38,765,724
Discounting Charges	17,378,218	11,763,810
	56,675,834	51,170,127

SCHEDULE : 8**Net unrealised appreciation/ (diminution) in value of Investments**

	31/03/2015	31/03/2015
	Rs.	Rs.
Appreciation in Value of Investments		
Certificate of Deposits	-	23,274
Zero Coupon Bond	1,756	755,680
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	-	4,392,925
Appreciation in the value of investments (Schedule 2)	1,756	5,171,879
Diminution in value of investments		
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	40,452	
Diminution in value of investments transferred to Revenue account	40,452	



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

SCHEDULE 9
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	01.04.2015 to 31.03.2016	23.04.2014 to 31.03.2015
Average daily net asset value	6,525.28	5,996.71
Management fee @ 0.12% of average daily net asset value. (Previous year 0.1%)	8.04	5.62

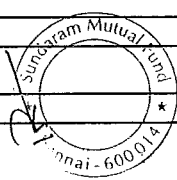
3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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	01.04.2015 to 31.03.2016	23.04.2014 to 31.03.2015
PURCHASE VALUE (AMOUNT)	3,993.27	5,927.79
%	61.20%	98.85%
SALES VALUE (AMOUNT)	5,406.01	NIL
%	82.85%	NIL



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.	4,101.27	6,022.86
% to the asset under management	60.48%	96.20%

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	01.04.2015 to 31.03.2016	23.04.2014 to 31.03.2015
INCOME	9.09%	9.08%
EXPENDITURE #	0.32%	0.31%

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

	01.04.2015 to 31.03.2016	23.04.2014 to 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	1.0990
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
INDUSIND BANK (ASSOCIATE)@	NIL	0.18

@ 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.

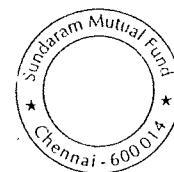
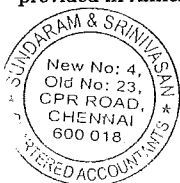
13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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

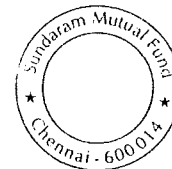
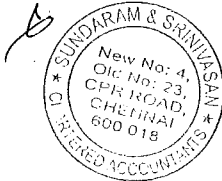
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	01.04.2015-31.03.2016				23.04.2014 - 31.03.2015			
	Rs.				Rs.			
(A) Gross income								
(i) Income other than profit on sale of investment	0.9918				0.8954			
(ii) Income from profit on inter scheme sales/transfer of investments	0.0000				0.0000			
(iii) Income from profit on sale of investment to third parties	0.0467				0.0000			
(iv) transfer to revenue account from past year's reserves								
(B) Aggregate of expenses, write off, amortisation and charges	0.0372				0.0307			
(C) Net income	1.0012				0.8647			
(D) Net unrealised appreciation/(diminution) in value of investments	-0.0007				0.0905			
	Growth	Quarterly Dividend	Half Yearly Dividend	Direct Growth	Growth	Quarterly Dividend	Yearly Dividend	Direct Growth
(E) Net Assets Value	11.8168	11.8168	11.8168	11.9008	10.933	10.9327	10.9327	10.9718
(F) Highest repurchase price	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Lowest repurchase price	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Highest ongoing sale price	0.0000	0.0000	0.0000	0.0000	10.0000	10.0000	10.0000	10.0000
Lowest ongoing sale price	0.0000	0.0000	0.0000	0.0000	10.0000	10.0000	10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.32%				0.31%			
(H) Ratio of gross income to average daily net assets by percentage	9.09%				9.08%			

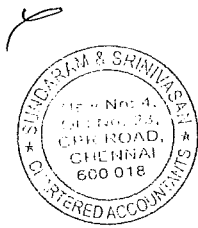
16 Computation of Distributable Income

	31.03.16	31.03.15
	Rs.	Rs.
Net Income as per revenue account	5,72,17,260	4,94,14,898
Add : Balance of Undistributed income as at 1st April brought forward	4,94,14,898	-
	10,66,32,158	4,94,14,898
Less : Income Distributed during the year	-	-
Distributable Income	10,66,32,158	4,94,14,898

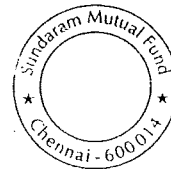
17. Previous year figures have been regrouped wherever necessary to conform with the current year's classification



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



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ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - FL						
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	INE202B07AL6	Dewan Housing Finance Corporation Ltd - 0.00 - 25/04/2016**	CRISIL AAA	113	1374.86	20.27%
2	INE296A07BD5	Bajaj Finance Ltd - 9.85 - 25/04/2016**	CRISIL AA+	123	1229.70	18.13%
Sub Total					2604.56	38.40%
Total for Debt Instruments					2604.56	38.40%
B) Money Market Instruments						
a) Certificate of Deposits						
1	INE008A16L02	IDBI Bank Ltd - 04/04/2016**	CRISIL A1+	500	499.61	7.37%
2	INE428A16QS1	Allahabad Bank - 04/04/2016**	ICRA A1+	500	499.51	7.37%
3	INE705A16NJ8	Vijaya Bank - 22/04/2016**	CARE A1+	500	497.60	7.34%
Sub Total					1496.71	22.07%
b) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			1764.00	26.02%
Sub Total					1764.00	26.02%
Total for Money Market Instruments					3260.71	48.09%
C) Others						
a) FDs with Commercial Banks						
1		Oriental Bank Of Commerce			650.00	9.59%
Sub Total					650.00	9.59%
Cash & Other Net Current Assets					265.87	3.92%
GRAND TOTAL					6781.15	100.00%

** Thinly traded / Non Traded securities

