

# 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 GE** 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 GE** 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 GE** as at 31/03/2016

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN - SERIES GE** 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.
<b>LIABILITIES</b>			
Unit Capital	1	486,064,130	634,824,350
Reserves & Surplus	2	85,102,297	52,276,673
Current Liabilities & Provisions	3	69,941	87,421
		<b>571,236,368</b>	<b>687,188,444</b>
<b>ASSETS</b>			
Investments	4	541,786,938	686,876,184
Other Current Assets	5	29,449,430	312,260
		<b>571,236,368</b>	<b>687,188,444</b>

Notes on Accounts

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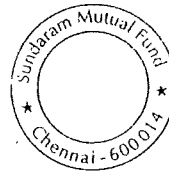
As per our Report of even date

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

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

	Schedule No.	01.04.2015 - 31.03.2016		06.05.2014 - 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	43,648,363		53,381,836	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		3,172,982		-	
Net profit on inter scheme transfer / sale of investments		2,363		-	
Net diminution on sale of investments written back		4,779		-	
Other Income		1,071		-	
<b>TOTAL (A)</b>		<b>46,829,558</b>	<b>46,829,558</b>	<b>53,381,836</b>	<b>53,381,836</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	148,557		4,779	
Management fee		562,850		478,682	
Service Tax		78,256		59,166	
Custodian charges		43,857		40,643	
Trusteeship fee		28,204		29,881	
Commission to Agents		99,576		348,520	
Audit fee		16,304		20,842	
Other Operating expenses		7,495		6,830	
Investor Education Fees		112,817		119,523	
Sebi Fees		8,758		-	
<b>TOTAL (B)</b>		<b>1,106,674</b>	<b>1,106,674</b>	<b>1,108,866</b>	<b>1,108,866</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>45,722,884</b>		<b>52,272,970</b>
Add/(Less) : Balance in Equalisation Account			(13,382,848)		-
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>32,340,036</b>		<b>52,272,970</b>

Notes on Accounts

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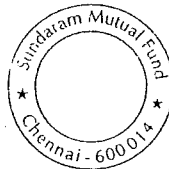
As per our Report of even date

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.
Initial capital	63,482,435	634,824,350	63,482,435	634,824,350
Unit Capital				
Opening Capital	63,482,435	634,824,350	-	-
Add: Units sold during the Year	-	-	63,482,435	634,824,350
Less : Units repurchased during the Year	63,482,435	634,824,350	63,482,435	634,824,350
	14,876,022	148,760,220	-	-
Units at the end of the Year	48,606,413	486,064,130	63,482,435	634,824,350
		<u>486,064,130</u>		<u>634,824,350</u>

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

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	52,272,970		-	
Add / (Less): Transfer from Revenue Account	32,340,036		52,272,970	
		84,613,006		52,272,970
Unrealised appreciation reserve				
Opening Balance	3,703		-	
Add / (Less) Net unrealized appreciation for the Year	485,588		3,703	
Unrealised Appreciation Reserve (Schedule 7)		489,291		3,703
		<u>85,102,297</u>		<u>52,276,673</u>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	69,349	81,004
Others	592	6,417
	<u>69,941</u>	<u>87,421</u>



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

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	412,656,814	-
Certificate of Deposits	128,730,124	551,371,121
Commercial Papers	-	134,806,200
Others - Reverse Repo / CBLO	400,000	698,863
	<b>541,786,938</b>	<b>686,876,184</b>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	143,348	244,375
CBLO Margin Account	13,257 *	38,497
Repo Margin Account	22,877	13,986
Outstanding and accrued Income	29,259,838	189
Amount Recoverable from AMC	10,110	-
Others	-	15,213
	<b>29,449,430</b>	<b>312,260</b>

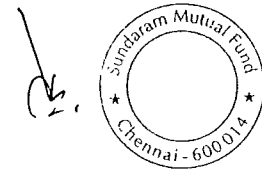
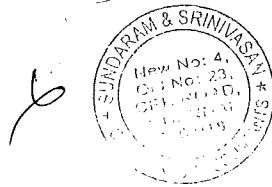


**SCHEDULE : 6****Interest**

	<b>01.04.2015 - 31.03.2016</b>	<b>06.05.2014 - 31.03.2015</b>
	Rs.	Rs.
Interest from banks and others	601,125	526,018
Interest on Debentures and Bonds	35,665,868	-
Discounting Charges	7,381,370	52,855,818
	<b>43,648,363</b>	<b>53,381,836</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>		
Commercial papers	-	3,703
Certificate of Deposits	489,291	-
<b>Appreciation in value of investments ( Schedule 2 )</b>	<b>489,291</b>	<b>3,703</b>
Certificate of Deposits	-	4,779
Non-Convertible Debentures	148,557	-
<b>Diminution in value of investments transferred to Revenue Account</b>	<b>148,557</b>	<b>4,779</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN GE**  
**Schedules forming part of the Balance Sheet as at 31-Mar-2016**  
**and the Revenue Account for the Year Ended 31st March 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 agency 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	06.05.2014 to 31.03.2015
Average daily net asset value	5,640.83	6,609.93
Management fee @ 0.10% of average daily net asset value (Previous year 0.07%)	5.63	4.79

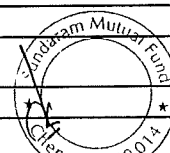
**3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.**

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	06.05.2014 to 31.03.2015
<b>PURCHASE VALUE (AMOUNT)</b>	<b>16,827.34</b>	<b>6,333.23</b>
%	298.31%	95.81%
<b>SALES VALUE (AMOUNT)</b>	<b>18,345.81</b>	<b>NIL</b>
%	325.23%	<b>NIL</b>





**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.	4,201.95	6,861.78
% to the asset under management	73.57%	99.87%

**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	06.05.2014 to 31.03.2015
INCOME	8.30%	8.93%
EXPENDITURE #	0.17%	0.18%

# 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**

	01.04.2015 to 31.03.2016	06.05.2014 to 31.03.2015
Sundaram Finance Ltd (Sponsor)	0.03	0.0894
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
INDUSIND BANK (ASSOCIATE) @	NIL	0.06

@ 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.

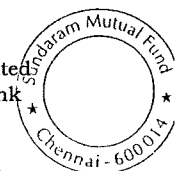
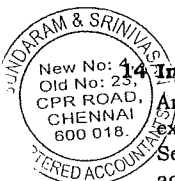
**13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES**

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.



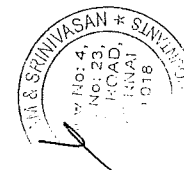
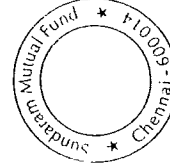
15 HISTORICAL PER UNIT STATISTICS

		SFTPGC		06.05.2014 - 31.03.2015	
		01.04.2015 - 31.03.2016		Rs.	
(A) Gross income					
(i) income other than profit on sale of investment		0.8981			0.8409
(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		0.0653			0.0000
(iv) transfer to revenue account from past year's reserves		0.0000			0.0000
(B) Aggregate of expenses, write off, amortisation and charges		0.0228			0.0175
(C) Net income		0.9407			0.8234
(D) Net unrealised appreciation/(diminution) in value of investments		0.0070			0.0000
(E) Net Assets Value		11.68040		11.68030	10.79560
(F) Highest repurchase price		10.88420		10.88420	0.00000
Lowest repurchase price		10.88420		10.88420	0.00000
Highest ongoing sale price		0.00000		0.00000	10.00000
Lowest ongoing sale price		0.00000		0.00000	10.00000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage		0.17%			0.18%
(H) Ratio of gross income to average daily net assets by percentage		8.30%			8.93%

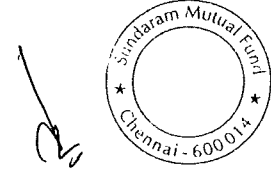
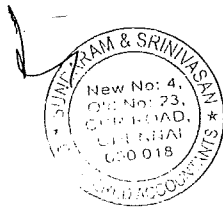
16 Computation of Distributable Income

	31.03.16	31.03.15
	Rs.	Rs.
Net Income as per revenue account	32,340,036	52,272,970
Add : Balance of Undistributed income as at 1st April brought forward	52,272,970	-
	84,613,006	52,272,970
Less : Income Distributed during the year	-	-
Distributable Income	84,613,006	52,272,970

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



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - GE		
% 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	75.57%	0.00%
POWER	24.43%	0.00%
<b>Money Market Instruments</b>		
BANK	50.00%	0.00%
FINANCE	50.00%	100.00%



## ANNEXURE - III

## SUNDARAM MUTUAL FUND

## SUNDARAM FIXED TERM PLAN – GE

## 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	INE916DA7HJ0	Kotak Mahindra Prime Ltd - 8.7572 - 22/05/2017**	CRISIL AAA	105	1050.74	18.39%
2	INE445L08201	Nabha Power Ltd - 8.11 - 10/04/2017**	ICRA AAA	101	1008.25	17.65%
3	INE134E08HS3	Power Finance Corporation Ltd - 8.12 - 22/05/2017	CRISIL AAA	100	1001.01	17.52%
4	INE476M07503	L&T Housing Finance Ltd - 8.8087 - 22/05/2017**	CARE AA+	35	874.40	15.31%
5	INE296A07BC7	Bajaj Finance Ltd - 9.9 - 25/04/2017**	CRISIL AA+	19	192.18	3.36%
<b>Sub Total</b>					<b>4126.57</b>	<b>72.24%</b>
<b>Total for Debt Instruments</b>					<b>4126.57</b>	<b>72.24%</b>
<b>B) Money Market Instruments</b>						
<b>a) Certificate of Deposits</b>						
1	INE008A16K29	IDBI Bank Ltd - 07/02/2017**	CRISIL A1+	1350	1268.57	22.21%
2	INE514E16AM7	Export Import Bank of India - 24/02/2017**	CRISIL A1+	20	18.74	0.33%
<b>Sub Total</b>					<b>1287.30</b>	<b>22.54%</b>
<b>b) Reverse Repo / CBLO</b>						
1		364 Days T Bill Maturing on 14/04/2016			4.00	0.07%
<b>Sub Total</b>					<b>4.00</b>	<b>0.07%</b>
<b>Total for Money Market Instruments</b>					<b>1291.30</b>	<b>22.61%</b>
Cash & Other Net Current Assets					294.29	5.15%
<b>GRAND TOTAL</b>					<b>5712.16</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

