

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 GJ** 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 GJ** 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 GJ** as at 31/03/2016

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN - SERIES GJ** 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	201,878,860	201,878,860
Reserves & Surplus	2	33,188,884	14,134,215
Current Liabilities & Provisions	3	79,718	51,100
		235,147,462	216,064,175
ASSETS			
Investments	4	223,847,808	205,709,850
Other Current Assets	5	11,299,654	10,354,325
		235,147,462	216,064,175

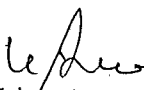
Notes on Accounts

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As per our Report of even date

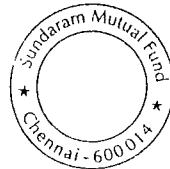
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

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		21.08.14-31.03.2015	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	20,354,878		11,918,640	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		860,397		-	
Other Income		472		-	
TOTAL (A)		21,215,747	21,215,747	11,918,640	11,918,640
EXPENSES					
Management fee		433,791		201,803	
Service Tax		60,479		24,943	
Custodian charges		42,509		27,704	
Trusteeship fee		11,283		6,394	
Commission to Agents		232,294		130,425	
Audit fee		7,556		12,471	
Other Operating expenses		2,188		3,167	
Investor Education Fees		45,130		25,575	
Sebi Fees		2,753		-	
		837,983		432,482	
Less : Expenses absorbed by AMC		4,144		-	
TOTAL (B)			833,839		432,482
SURPLUS / (DEFICIT) (A-B)			20,381,908		11,486,158
Surplus /(Deficit) transferred to Balance Sheet			20,381,908		11,486,158

Notes on Accounts

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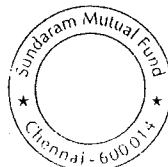
As per our Report of even date

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

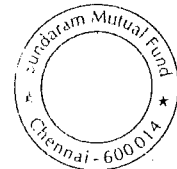
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SCHEDULE : 1**Unit Capital**

	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	20,187,886	201,878,860	20,187,886	201,878,860
Unit Capital Opening Capital	20,187,886	201,878,860	-	-
Add: Units sold during the Year	-	-	20,187,886	201,878,860
	20,187,886	201,878,860	20,187,886	201,878,860
Units at the end of the Year	20,187,886	201,878,860	20,187,886	201,878,860
		<u>201,878,860</u>		<u>201,878,860</u>

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	11,486,158		-	
Add /(Less): Transfer from Revenue Account	20,381,908		11,486,158	
		31,868,066		11,486,158
Unrealised appreciation reserve Opening Balance	2,648,057		-	
Add/(Less) Net unrealized appreciation for the Year	(1,327,239)		2,648,057	
Unrealised Appreciation Reserve (Schedule 7)		1,320,818		2,648,057
		<u>33,188,884</u>		<u>14,134,215</u>



SCHEDULE : 3**Current Liabilities & Provisions**

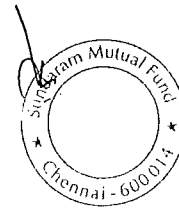
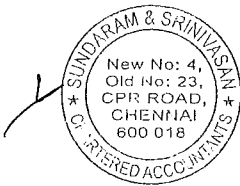
	31/03/2016	31/03/2015
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	79,320	47,135
Others	398	3,965
	79,718	51,100

SCHEDULE : 4**Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	176,344,501	161,689,149
Others - Reverse Repo / CBLO	1,100,000	1,797,075
Zero Coupon Bond	46,403,307	42,223,626
	223,847,808	205,709,850

SCHEDULE : 5**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	141,174	156,746
CBLO Margin Account	34,547	92,661
Repo Margin Account	59,617	33,664
Outstanding and accrued Income	11,064,316	10,071,254
	11,299,654	10,354,325

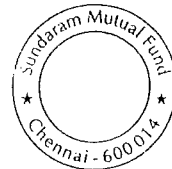


SCHEDULE : 6**Interest**

	01.04.2015- 31.03.2016	21.08.2014 - 31.03.2015
	Rs.	Rs.
Interest from banks and others	207,708	242,527
Interest on Debentures and Bonds	15,916,452	9,109,940
Discounting Charges	4,230,718	2,566,173
	20,354,878	11,918,640

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Appreciation in Value of Investments		
Zero Coupon Bond	17,557	68,595
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	1,303,261	2,579,462
Appreciation in value of investments (Schedule 2)	1,320,818	2,648,057



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN GJ
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*All amounts mentioned rupees in lakhs***NOTES ON ACCOUNTS****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 - 31.03.2016	21.08.2014 - 31.03.2015
Average daily net asset value	2,256.48	2,092.92
Management fee @ 0.19% of average daily net asset value. (Previous year 0.1%)	4.34	2.02

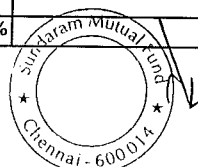
3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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 - 31.03.2016	21.08.2014 - 31.03.2015
PURCHASE VALUE (AMOUNT)	650.25	1,996.59
%	28.82%	95.40%
SALES VALUE (AMOUNT)	534.10	NIL
%	23.67%	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.	2,134.88	2,039.13
% to the asset under management	90.82%	94.40%

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 - 31.03.2016	21.08.2014 - 31.03.2015
INCOME	9.40%	9.32%
EXPENDITURE #	0.37%	0.33%

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 - 31.03.2016	21.08.2014 - 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	0.1350
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
INDUSIND BANK (ASSOCIATE) @	NIL	0.0150

@ 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.

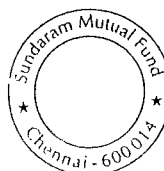
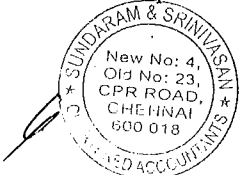
13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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

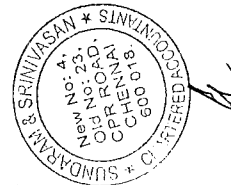
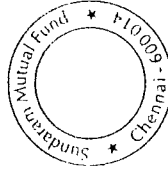
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	01.04.2015-31.03.2016				21.08.14-31.03.2015			
	Rs.				Rs.			
(A) Gross income								
(i) Income other than profit on sale of investment								
(ii) Income from profit on inter scheme sales/transfer of investments								
(iii) Income from profit 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								
(F) Highest repurchase price								
Lowest repurchase price								
Highest ongoing sale price								
Lowest ongoing sale price								
(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

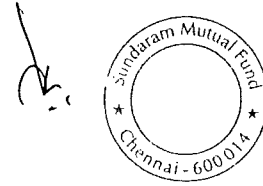
	31.03.16	31.03.16
	Rs.	Rs.
Net income as per revenue account	2,03,81,908	1,14,86,158
Add : Balance of Undistributed income as at 1st April brought forward	1,14,86,158	-
	3,18,68,066	1,14,86,158
Less : Income Distributed during the year	-	-
Distributable Income	3,18,68,066	1,14,86,158

17. Since the scheme was launched during the year, previous year figures are not provided.



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ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - GJ		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	76.03%	79.00%
RETAILING	20.83%	0.00%
CONSUMER GOODS	0.00%	21.00%
Money Market Instruments		
BANK	0.00%	100.00%
FINANCE	0.00%	100.00%



ANNEXURE - III

SUNDARAM MUTUAL FUND

SUNDARAM FIXED TERM PLAN - GJ

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	INE849A08041	Trent Ltd - 0.00 - 30/06/2017**	BWR AA	27	464.03	19.74%
2	INE134E08GC9	Power Finance Corporation Ltd - 9.32 - 19/08/2017**	CRISIL AAA	43	436.64	18.57%
3	INE001A07JC4	Housing Development Finance Corporation Ltd - 9.5 - 13/08/2017**	CRISIL AAA	43	434.83	18.50%
4	INE721A07HH0	Shriram Transport Finance Company Ltd - 9.85 - 15/07/2017**	CRISIL AA+	40000	402.94	17.14%
5	INE020B08757	Rural Electrification Corporation Ltd - 9.4 - 20/07/2017**	CRISIL AAA	39	396.45	16.87%
6	INE445L08201	Nabha Power Ltd - 8.11 - 10/04/2017**	ICRA AAA	7	69.88	2.97%
7	INE752E07GH9	Power Grid Corporation of India Ltd - 8.9 - 25/02/2017**	CRISIL AAA	1	12.60	0.54%
8	INE296A07BC7	Bajaj Finance Ltd - 9.9 - 25/04/2017**	CRISIL AA+	1	10.11	0.43%
		Sub Total			2227.48	94.76%
		Total for Debt Instruments			2227.48	94.76%
		B) Money Market Instruments				
		a) Reverse Repo / CBLO				
1		364 Days T Bill Maturing on 14/04/2016			11.00	0.47%
		Sub Total			11.00	0.47%
		Total for Money Market Instruments			11.00	0.47%
		Cash & Other Net Current Assets			112.20	4.77%
		GRAND TOTAL			2350.68	100.00%

** Thinly traded / Non Traded securities

