

# 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 GK** 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 GK** 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 GK** as at 31/03/2016
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN - SERIES GK** 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**

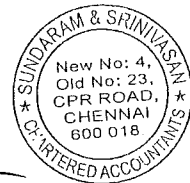
	SCHEDULE NO.	31-Mar-16	31-Mar-15
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	223,499,350	223,499,350
Reserves & Surplus	2	32,401,602	13,601,608
Current Liabilities & Provisions	3	85,687	71,327
		<b>255,986,639</b>	<b>237,172,285</b>
<b>ASSETS</b>			
Investments	4	248,040,435	229,728,896
Other Current Assets	5	7,946,204	7,443,389
		<b>255,986,639</b>	<b>237,172,285</b>

Notes on Accounts

8

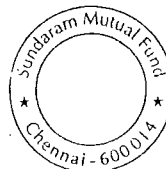
As per our Report of even date

**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

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

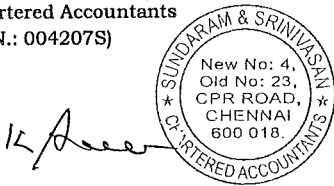
	Schedule No.	01.04.2015 TO 31.03.2016		17.09.2014 TO 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	22,717,606		11,828,110	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		1,861		-	
Other Income		397		-	
<b>TOTAL (A)</b>		<b>22,719,864</b>	<b>22,719,864</b>	<b>11,828,110</b>	<b>11,828,110</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	68,106		-	
Management fee		480,203		198,760	
Service Tax on AMC Fees		66,942		24,567	
Custodian charges		42,466		24,322	
Trusteeship fee		12,323		6,203	
Commission to Agents		841,392		480,334	
Audit fee		7,733		12,599	
Other Expenses		1,543		2,366	
Investor Education Fees		49,302		24,815	
Sebi Fees		3,022		-	
<b>TOTAL (B)</b>		<b>1,573,032</b>	<b>1,573,032</b>	<b>773,966</b>	<b>773,966</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>21,146,832</b>		<b>11,054,144</b>
Add/(Less) : Balance in Equalisation Account			-		-
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>21,146,832</b>		<b>11,054,144</b>

Notes on Accounts

8

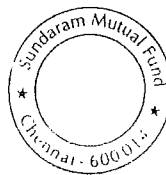
As per our Report of even date

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



K Srinivasan  
Partner  
(M.NO : 5809)

For  
Sundaram Mutual Fund



Authorised Signatory

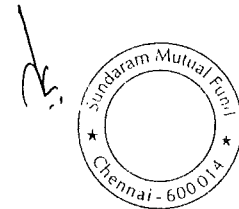
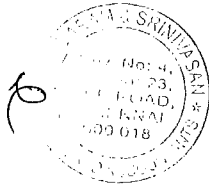
Place : Chennai  
Date : 30th June 2016

**SCHEDULE : 1****Unit Capital**

	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
<b>Initial capital</b>	<b>22,349,935</b>	<b>223,499,350</b>	<b>22,349,935</b>	<b>223,499,350</b>
<b>Unit Capital</b>				
Opening Capital	22,349,935.00	223,499,350	-	-
Add: Units sold during the Year	-	-	22,349,935	223,499,350
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	22,349,935	223,499,350	22,349,935	223,499,350
		<b>223,499,350</b>		<b>223,499,350</b>

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

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
<b>General Reserve</b>				
Opening Balance	11,054,144	-	-	-
Add /(Less): Transfer from Revenue Account	21,146,832	32,200,976	11,054,144	11,054,144
<b>Unrealised appreciation reserve</b>				
Opening Balance	2,547,464	-	-	-
Add/(Less) Net unrealized appreciation for the Year	(2,346,838)	200,626	2,547,464	2,547,464
Unrealised Appreciation Reserve (Schedule 7)		200,626		2,547,464
		<b>32,401,602</b>		<b>13,601,608</b>



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

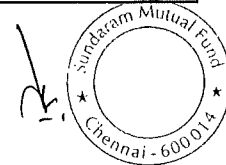
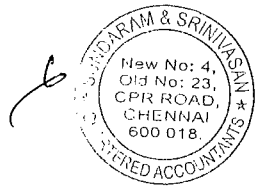
	31/03/2016	31/03/2015
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	85,249	67,025
Others	438	4,302
	<b>85,687</b>	<b>71,327</b>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	144,562,203	134,233,992
Others - Reverse Repo / CBLO	1,100,000	2,096,588
Zero Coupon Bond	102,378,232	93,398,316
	<b>248,040,435</b>	<b>229,728,896</b>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	121,178	174,905
CBLO Margin Account	34,291	107,919
REPO Margin Account	59,176	39,208
Outstanding and accrued Income	7,731,559	7,121,357
	<b>7,946,204</b>	<b>7,443,389</b>

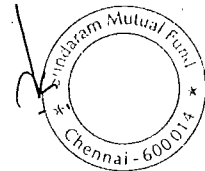
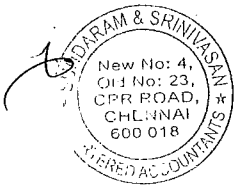


**SCHEDULE : 6****Interest**

	<b>31/03/2016</b>	<b>31/03/2015</b>
	Rs.	Rs.
Interest from banks and others	159,564	375,228
Interest on Debentures and Bonds	13,039,487	6,525,099
Discounting Charges	9,518,554	4,927,783
	<b>22,717,606</b>	<b>11,828,110</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>		
Zero Coupon Bond	-	470,533
Non-Convertible Debentures	200,626	
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	-	2,076,931
<b>Appreciation in Value of Investments (schedule 2)</b>	<b>200,626</b>	<b>2,547,464</b>
<b>Diminution in value of investments</b>		
Zero Coupon Bond	68,106	-
<b>Diminution in value of investments transferred to reveune A/C</b>	<b>68,106</b>	-



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN GK**  
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	01.04.2015 - 31.03.2016	17.09.2014 - 31.03.2015
Average daily net asset value	2,465.05	2,310.54
Management fee @ 0.19% of average daily net asset value.(Previous year 0.16%)	4.80	1.99

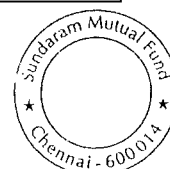
**3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.**

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	17.09.2014 - 31.03.2015
<b>PURCHASE VALUE (AMOUNT)</b>	<b>215.78</b>	<b>2,207.53</b>
%	8.75%	95.54%
<b>SALES VALUE (AMOUNT)</b>	<b>88.02</b>	<b>NIL</b>
%	3.57%	<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.	2,357.59	2,062.23
% to the asset under management	92.15%	86.98%

**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	17.09.2014 - 31.03.2015
INCOME	9.22%	9.53%
EXPENDITURE #	0.61%	0.62%

# 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	17.09.2014 - 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	0.0075
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

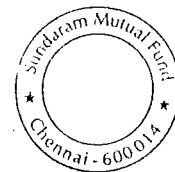
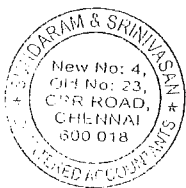
SFTPGK

	01.04.2015 TO 31.03.2016				17.09.2014 TO 31.03.2015			
	Rs.				Rs.			
(A) Gross Income								
(i) Income other than profit on sale of investment	1.0165				0.5292			
(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	0.0001				0.0000			
(iv) transfer to revenue account from past year's reserves								
(B) Aggregate of expenses, write off, amortisation and charges	0.0704				0.0346			
(C) Net Income	0.9462				0.4946			
(D) Net unrealised appreciation/(diminution) in value of investments	0.0059				0.1140			
	Direct Growth	Direct Half Yearly Dividend	Growth	Quarterly Dividend	Direct Growth	Direct Half Yearly Dividend	Growth	Quarterly Dividend
(E) Net Assets Value	11.4911	11.4913	11.431	11.431	10.632	10.6316	10.6	10.6003
(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	0.61%				0.62%			
(H) Ratio of gross income to average daily net assets by percentage	9.22%				9.53%			

## 16 Computation of Distributable Income

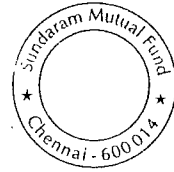
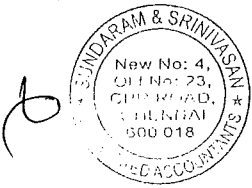
	31.03.16	31.03.15
	Rs.	Rs.
Net Income as per revenue account	2,11,46,832	1,10,54,144
Add : Balance of Undistributed Income as at 1st April brought forward	1,10,54,144	-
	3,22,00,976	1,10,54,144
Less : Income Distributed during the year	-	-
Distributable Income	3,22,00,976	1,10,54,144

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



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - GK		
% 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	73.12%	70.00%
POWER	26.88%	30.00%
<b>Money Market Instruments</b>		
FINANCE	0.00%	100.00%

*(Handwritten mark)*



## ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - GK						
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	INE296A07DD1	Bajaj Finance Ltd - 0.00 - 10/10/2017**	ICRA AA+	44	513.20	20.05%
2	INE202B07BR1	Dewan Housing Finance Corporation Ltd - 0.00 - 10/10/2017**	CARE AAA	44	510.58	19.95%
3	INE134E08GC9	Power Finance Corporation Ltd - 9.32 - 19/08/2017**	CRISIL AAA	47	477.25	18.65%
4	INE694L07040	Talwandi Sabo Power Ltd - 9.7 - 18/09/2017**	CRISIL AA-	40	390.03	15.24%
5	INE445L08169	Nabha Power Ltd - 9.4 - 30/09/2017**	ICRA AAA	27	273.84	10.70%
6	INE020B07JB4	Rural Electrification Corporation Ltd - 9.06 - 23/09/2017**	CRISIL AAA	19	192.68	7.53%
7	INE020B08757	Rural Electrification Corporation Ltd - 9.4 - 20/07/2017**	CRISIL AAA	11	111.82	4.37%
		<b>Sub Total</b>			<b>2469.40</b>	<b>96.50%</b>
		<b>Total for Debt Instruments</b>			<b>2469.40</b>	<b>96.50%</b>
		<b>B) Money Market Instruments</b>				
		<b>a) Reverse Repo / CBLO</b>				
1		364 Days T Bill Maturing on 14/04/2016			11.00	0.43%
		<b>Sub Total</b>			<b>11.00</b>	<b>0.43%</b>
		<b>Total for Money Market Instruments</b>			<b>11.00</b>	<b>0.43%</b>
		Cash & Other Net Current Assets			78.60	3.07%
		<b>GRAND TOTAL</b>			<b>2559.00</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

