

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 GU** 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 GU** 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,
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a. In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM FIXED TERM PLAN - SERIES GU** as at 31/03/2016

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

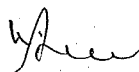
5. Report on Other Legal and Regulatory Requirements

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	800,767,000	800,767,000
Reserves & Surplus	2	83,725,367	13,841,779
Current Liabilities & Provisions	3	134,220	134,834
		884,626,587	814,743,613
ASSETS			
Investments	4	870,208,076	802,525,840
Other Current Assets	5	14,418,511	12,217,773
		884,626,587	814,743,613

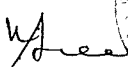
Notes on Accounts


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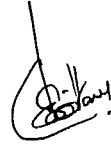
As per our Report of even date

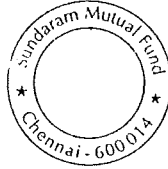
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

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		21.01.2015-31.03.2015	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	72,289,421		13,402,978	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		44,547		-	
Other Income		1,967		-	
TOTAL (A)		72,335,935	72,335,935	13,402,978	13,402,978
EXPENSES					
Net diminution in value of investment	7	235,628		408,890	
Loss on inter scheme transfer / sale of investments		32,504		-	
Management fee		1,059,269		185,667	
Service Tax		147,545		22,948	
Custodian charges		45,808		11,215	
Trusteeship fee		42,419		7,726	
Commission to Agents		824		154	
Audit fee		18,364		16,854	
Other Operating expenses		3,339		5,875	
Investor Education Fees		169,674		30,906	
Sebi Fees		10,384			
		1,765,758		690,235	
Less : Expenses absorbed by AMC		-		18,473	
TOTAL (B)			1,765,758		671,762
Surplus /(Deficit) transferred to Balance Sheet			70,570,177		12,731,216

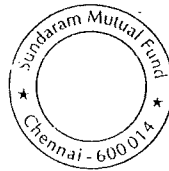
Notes on Accounts

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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

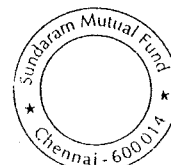
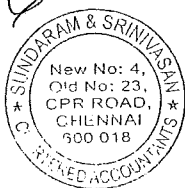
Place : Chennai
Date : 30th June 2016

SCHEDULE : 1**Unit Capital**

	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	80,076,700	800,767,000	80,076,700	800,767,000
Unit Capital				
Opening Capital	80,076,700	800,767,000	80,076,700	800,767,000
Add: Units sold during the Year	-	-	-	-
	80,076,700	800,767,000	80,076,700	800,767,000
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	80,076,700	800,767,000	80,076,700	800,767,000
	800,767,000		800,767,000	

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	12,731,216		-	
Add / (Less): Transfer from Revenue Account	70,570,177		12,731,216	
		83,301,393		12,731,216
Unrealised appreciation reserve				
Opening Balance	1,110,563		-	
Add/(Less) Net unrealized appreciation for the Year	(686,589)		1,110,563	
Unrealised Appreciation Reserve (Schedule 7)		423,974		1,110,563
		83,725,367		13,841,779



SCHEDULE : 3**Current Liabilities & Provisions**

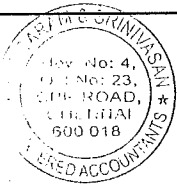
	31/03/2016	31/03/2015
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	133,011	124,767
Others	1,209	10,067
	134,220	134,834

SCHEDULE : 4**Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	701,801,656	644,392,429
Others - Reverse Repo / CBLO	1,100,000	4,792,201
Zero Coupon Bond	167,306,420	153,341,210
	870,208,076	802,525,840

SCHEDULE : 5**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	212,966	168,038
CBLO Margin Account	35,994	244,868
Repo Margin Account	62,116	88,962
Outstanding and accrued Income	14,087,220	11,697,432
Others	20,215	18,473
	14,418,511	12,217,773

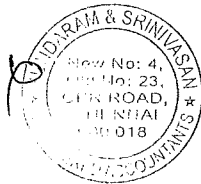


SCHEDULE : 6**Interest**

	01.04.2015- 31.03.2016	21.01.2015- 31.03.2015
	Rs.	Rs.
Interest from banks and others	303,290	701,368
Interest on Debentures and Bonds	57,376,403	10,261,000
Discounting Charges	14,609,728	2,440,610
	72,289,421	13,402,978

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 on the recognised stock exchange	423,974	1,110,563
Appreciation in value of investments (Schedule 2)	423,974	1,110,563
Diminution in value of investments		
Zero Coupon Bond	644,518	408,890
Diminution in value of investments trf to Revenue Account	644,518	408,890



SUNDARAM FIXED TERM PLAN GU

Schedules forming part of the Balance Sheet as at 31-Mar-2016
and the Revenue Account for the Year ended 31st Mar 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 to 31.03.2016	21.01.2015 to 31.03.2015
Average daily net asset value	8,483.58	8,058.32
Management fee @ 0.12% of average daily net asset value. (Previous year 0.02%)	10.59	1.86

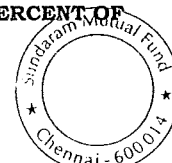
3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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	21.01.2015 to 31.03.2015
PURCHASE VALUE (AMOUNT)	2,179.01	9,737.91
%	25.69%	120.84%
SALES VALUE (AMOUNT)	1,588.25	1,650.33
%	18.72%	20.48%



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.	8,354.19	4,680.47
% to the asset under management	94.45%	57.46%

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	21.01.2015 to 31.03.2015
INCOME	8.57%	8.67%
EXPENDITURE #	0.18%	0.17%

Total expenses charged includes service tax on management fees charged to the investor over and at 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	21.01.2015 to 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	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.

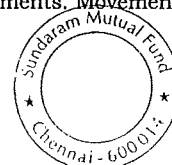
13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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.



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15 HISTORICAL PER UNIT STATISTICS

		SFTPGU					
		01.04.2015-31.03.2016			21.01.2015-31.03.2015		
		Rs.			Rs.		
(A)	Gross income						
	(i) income other than profit on sale of investment	0.9028			0.1674		
	(ii) income from profit on inter scheme sales/transfer of investments	-0.0004			0.0000		
	(iii) income from profit on sale of investment to third parties	0.0006			0.0000		
	(iv) transfer to revenue account from past year's reserves						
(B)	Aggregate of expenses, write off, amortisation and charges	0.0216			0.0084		
(C)	Net Income	0.8813			0.1590		
(D)	Net unrealised appreciation/(diminution) in value of investments	-0.0028			0.0088		
(E)	Net Assets Value	Growth	Direct Growth	Half Yearly Dividend	Growth	Direct Growth	Half Yearly Dividend
		11.0329	11.0453	11.0323	10.1705	10.1729	10.1705
(F)	Highest repurchase price	0.0000	0.0000	0.0000	0.0000	0.0000	0.00
	Lowest repurchase price	0.0000	0.0000	0.0000	0.0000	0.0000	0.00
	Highest ongoing sale price	0.0000	0.0000	0.0000	10.0000	10.0000	10.00
	Lowest ongoing sale price	0.0000	0.0000	0.0000	10.0000	10.0000	10.00
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.18%		0.17%			
(H)	Ratio of gross income to average daily net assets by percentage	8.57%		8.67%			

16 Computation of Distributable Income

	31.03.2016	31.03.2015
	Rs.	Rs.
Net Income as per revenue account	7,05,70,177	1,27,31,216
Add : Balance of Undistributed income as at 1st April brought forward	1,27,31,216	-
	8,33,01,393	1,27,31,216
Less : Income Distributed during the year	-	-
Distributable Income	8,33,01,393	1,27,31,216

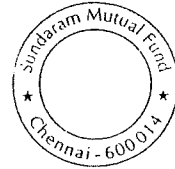
17. Previous year figures have been regrouped wherever necessary to confirm with the current year's classification



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - GU		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	81.56%	79.94%
POWER	18.44%	20.06%



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ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM FIXED TERM PLAN - GU						
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	INE134E08FD9	Power Finance Corporation Ltd - 8.72 - 08/02/2018**	CRISIL AAA	150	1516.68	17.15%
2	INE020B08815	Rural Electrification Corporation Ltd - 8.7 - 01/02/2018**	CRISIL AAA	150	1516.61	17.15%
3	INE445L08193	Nabha Power Ltd - 8.72 - 23/01/2018**	ICRA AAA	150	1511.64	17.09%
4	INE296A07EY5	Bajaj Finance Ltd - 0.00 - 14/02/2018**	ICRA AA+	135	1498.24	16.94%
5	INE774D07KM7	Mahindra & Mahindra Financial Services Ltd - 9.05 - 07/11/2017**	IND AAA	100	1003.35	11.34%
6	INE033L07BB3	TATA Capital Housing Finance Ltd - 8.95 - 14/02/2018**	CRISIL AA+	80	801.34	9.06%
7	INE752E07HR6	Power Grid Corporation of India Ltd - 8.84 - 21/10/2017**	CRISIL AAA	40	506.32	5.72%
8	INE261F09DY6	National Bank for Agricultural & Rural Development - 0.00 - 01/01/2018**	CRISIL AAA	1000	174.83	1.98%
9	INE445L08169	Nabha Power Ltd - 9.4 - 30/09/2017**	ICRA AAA	9	91.28	1.03%
10	INE001A07JC4	Housing Development Finance Corporation Ltd - 9.5 - 13/08/2017**	CRISIL AAA	7	70.79	0.80%
Sub Total					8691.08	98.26%
Total for Debt Instruments					8691.08	98.26%
B) Money Market Instruments						
a) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			11.00	0.12%
Sub Total					11.00	0.12%
Total for Money Market Instruments					11.00	0.12%
Cash & Other Net Current Assets					142.84	1.61%
GRAND TOTAL					8844.92	100.00%

** Thinly traded / Non Traded securities

