

# 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 GLOBAL ADVANTAGE FUND** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Year 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 GLOBAL ADVANTAGE FUND** 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 GLOBAL ADVANTAGE FUND** as at 31/03/2016

b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund **SUNDARAM GLOBAL ADVANTAGE FUND** 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:0042075)

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	177,652,268	200,274,680
Reserves & Surplus	2	43,033,822	72,694,409
Current Liabilities & Provisions	3	2,472,666	2,921,856
		<b>223,158,756</b>	<b>275,890,945</b>
<b>ASSETS</b>			
Investments	4	200,138,571	274,055,549
Other Current Assets	5	23,020,185	1,835,396
		<b>223,158,756</b>	<b>275,890,945</b>

Notes on Accounts

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As per our Report of even date

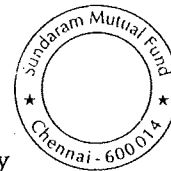
For  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)

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



For  
**Sundaram Mutual Fund**

Authorized Signatory



Place : Chennai

Date : 30th June 2016

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

	Schedule No.	2015 - 16		2014 - 15	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Dividend		254,900		255,735	
Income From MF Units (Exchange Accounts)		-		-	
Interest	6	637,753		1,999,321	
Net Gain on sale / redemption of investments (Other than inter-scheme transfer/sale)		-		33,614,912	
Unrealised appreciation in value of investments on exchange rate change	7	4,957,001		-	
Realised gain on foreign exchange transactions - On Settlement of trade		10,231,530		36,917,636	
Other Income		11,343		81,761	
<b>TOTAL (A)</b>		<b>16,092,527</b>	<b>16,092,527</b>	<b>72,869,365</b>	<b>72,869,365</b>
<b>EXPENSES</b>					
Net unrealised diminution in value of investment on price change	7	24,079,508		-	
Unrealised depreciation in value of Investment on exchange rate change		-		36,057,263	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		9,186,838		-	
Management fee		2,350,714		2,810,806	
Trusteeship fee		11,917		16,156	
Commission to Agents		1,005,996		877,817	
Audit fee		16,269		59,031	
Custodian charges		140,524		299,841	
Other Operating Expenses		17,151		2,065	
Service tax on AMC Fees		326,579		347,412	
Investor Education Fees		47,653		64,615	
SEBI Fees		3,502		39,700	
Less : Amount absorbed by AMC		37,186,651		40,574,707	
		90,187		-	
<b>TOTAL (B)</b>			<b>37,096,464</b>		<b>40,574,707</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>(21,003,937)</b>		<b>32,294,658</b>
Add/(Less) : Balance in Equalisation Account			(13,374,846)		(31,292,247)
			<b>(34,378,783)</b>		<b>1,002,411</b>
Less: Income Distributed				4,740,397	
Distribution Tax				1,792,642	
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(34,378,783)</b>		<b>(5,530,628)</b>

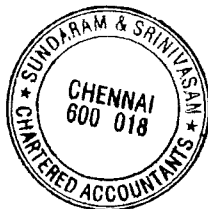
Notes on Accounts

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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

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

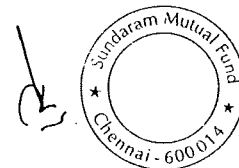
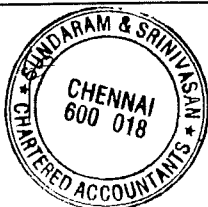
	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
<b>Initial capital</b>	<b>301,518,084</b>	<b>3,015,180,836</b>	<b>301,518,084</b>	<b>3,015,180,836</b>
<b>Unit Capital</b>				
Opening Capital	20,027,468	200,274,680	26,677,232	266,772,320
Add: Units sold during the Year	454,047	4,540,465	627,954	6,279,540
	20,481,515	204,815,145	27,305,186	273,051,860
Less : Units repurchased during the Year	2,716,288	27,162,877	7,277,718	72,777,180
Units at the end of the Year	17,765,227	177,652,268	20,027,468	200,274,680
		<b>177,652,268</b>		<b>200,274,680</b>

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

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
<b>Unit Premium Reserve</b>				
Opening Balance	(89,262,457)		(90,407,596)	
Amount Received on Sale / Repurchase of Units (net)	7,071,592	(82,190,865)	1,145,139	(89,262,457)
<b>General Reserve</b>				
Opening Balance	159,603,470		165,134,098	
Add /(Less): Transfer from Revenue Account	(34,378,783)	125,224,687	(5,530,628)	159,603,470
<b>Unrealised appreciation reserve</b>				
Opening Balance	2,353,396		35,688,933	
Add/(Less) Net unrealized appreciation	(2,353,396)		(33,335,537)	
Unrealised Appreciation Reserve ( Schedule 7 )		-		2,353,396
		<b>43,033,822</b>		<b>72,694,409</b>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	2,179,659	1,775,767
Income distribution payable	0	67,081
Others	293,007	1,079,008
	<b>2,472,666</b>	<b>2,921,856</b>

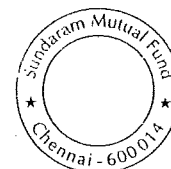


**SCHEDULE : 4****Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Units of Overseas Mutual Funds	197,738,571	260,477,646
Others - Reverse Repo / CBLO	2,400,000	13,577,903
	<b>200,138,571</b>	<b>274,055,549</b>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	534,643	902,489
Contract for Sale of Investments	22,279,781	-
CBLO Margin Account	75,296	681,596
Repo Margin Account	129,939	247,628
Outstanding and accrued Income	526	3,683
	<b>23,020,185</b>	<b>1,835,396</b>

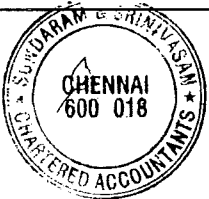


**SCHEDULE : 6****Interest**

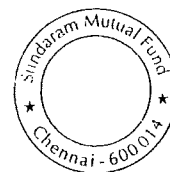
	<b>2015 - 16</b>	<b>2014-15</b>
	Rs.	Rs.
Interest on Repo	637,753	1,999,321
	<b>637,753</b>	<b>1,999,321</b>

**SCHEDULE : 7****Net unrealised appreciation in value of Investments**

	<b>2015 - 16</b>	<b>2014-15</b>
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Unrealised appreciation in value of investments on exchange rate change	45,801,101	40,844,100
<b>Appreciation on account of exchange difference trf to Revenue Account</b>	<b>45,801,101</b>	<b>40,844,100</b>
Unrealised appreciation in value of investments on price variance	-	2,353,396
<b>Unrealised appreciation in value of investments on price variance ( Schedule 2 )</b>	<b>-</b>	<b>2,353,396</b>
<b>Diminution in value of investments</b>		
Diminution in value of investments on account of price change	24,079,508	-
<b>Diminution in value of investments transfer to Revenue Account</b>	<b>24,079,508</b>	<b>-</b>



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**SUNDARAM MUTUAL FUND**  
**SUNDARAM GLOBAL ADVANTAGE FUND**  
Schedules forming part of the Balance Sheet as at 31<sup>st</sup> March 2016 and the  
Revenue Account for the year ended 31<sup>st</sup> March 2016

**SCHEDULE 8**

(All amounts mentioned rupees in lakhs)

**NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1 INVESTMENTS**

**a) Units of Overseas Mutual Funds**

Investments are in the nature of units of overseas mutual funds. These securities are valued at the last disclosed Net asset Value (NAV) at the local currency and converted into Indian Rupee value by applying the RBI reference rate/Cross currency rate through Bloomberg.

**b) Money Market Securities**

Instruments bought on 'repo' basis have been valued at the resale price after deduction of applicable interest up to date of resale.

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies, if any.

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 arising on account of the net asset value movement of the overseas mutual fund units is directly transferred to unrealised appreciation reserve and the net diminution arising there from is debited to revenue account.

**Foreign Exchange Transactions:**

Transactions expressed in currencies other than Indian Rupee are translated into Indian Rupees at the exchange rates applicable on the transaction dates.

Exchange differences arising on settlement of transactions are recognized as income or expense.

Assets and liabilities designated in currencies other than Indian Rupee are translated into Indian Rupee at the exchange rates at the end of each year.

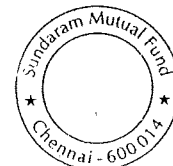
Exchange gain or loss on account of changes in the foreign exchange rates is considered as income or expense in the revenue account. The unrealized appreciation arising on account of changes in foreign exchange rate is reduced for calculating the distributable income.

**1 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 EXPENSES**

Expenses are accounted for on accrual basis.





#### 1.4 LOAD

In terms of SEBI ( Mutual Funds ) regulations, 1996 :

a) Out of the exit load charged to the investor, during the period from 01<sup>st</sup> April , 2012 to 30<sup>th</sup> September, 2012 a maximum of 1% of the redemption proceeds is maintained in a separate account which can be used by the AMC to pay commission to the distributor and for marketing and selling expenses of the scheme. Any balance in excess of 1% is credited to the scheme immediately and unutilised portion in the load account shall be credited to the scheme whenever felt appropriate by the AMC.

b) The entire exit load charged to the investor for the period 01<sup>st</sup> April 2014 to 31<sup>st</sup> March, 2015 net of service tax is fully credited to the scheme.

#### 1.5 EQUALISATION ACCOUNT

In terms of SEBI circular dated 15<sup>th</sup> March 2010, on Unit Premium Reserve, the equalisation account has been credited/debited with an appropriate portion ( excluding the Unit Premium Reserve and Unrealised Appreciation ) of the sale proceeds/repurchase price in respect of units sold / repurchased on or after 15<sup>th</sup> March 2010. The net balance in this account is transferred to revenue account for the year.

#### 1.6 UNIT PREMIUM RESERVE

In terms of SEBI circular dated 15 March 2010, on Unit Premium Reserve , when units are sold / repurchased on or after 15<sup>th</sup> March 2010 a part of the sale price / repurchase price representing unrealized gains is credited / debited to Unit Premium Reserve. The balance in Unit Premium Reserve will not be utilized for determination of distributable surplus.

### 2. INVESTMENT MANAGER FEES

Management fee is computed on daily average net assets as under:

Particulars	2015 - 16	2014 - 15
Average daily net asset value	2,382.69	3230.66
Management fee @ 0.99% (Previous period 0.87% ) of average daily net asset value	25.40	28.11

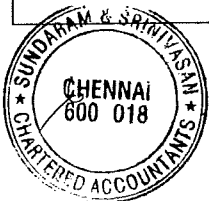
### 3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM BNP PARIBAS MUTUAL FUND.

As per Annexure - I

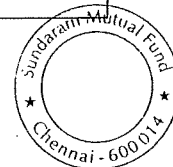
### 4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE YEAR

The aggregate value of investments purchased and sold (including matured) during the financial year as a percentage of average daily net asset value is as under:

Description	2015-16	2014-15
<b>PURCHASE VALUE (AMOUNT)</b>	0.00	1110.08
%	0.00%	34.36%
<b>SALES VALUE (AMOUNT)</b>	424.64	1607.69
%	17.82%	49.76%



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## 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.	NIL	NIL
% to the asset under management	NIL	NIL

## 6. INCOME / EXPENDITURE

The total income and expenditure as a percentage of the average daily net assets, during the year are given below.

Particulars	2015 - 16	2014 - 15
Income	6.75%	22.55%
Expenditure#	1.60%	1.40%

# The above Expense Ratio is inclusive of Service tax on AMC fees charged over and above the TER limits as per SEBI guidelines.

## 7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2016 is Rs. Nil. Previous Year Rs. Nil

## 8. AMOUNT PAID TO ASSOCIATES

	2015-16	2014-15
Sundaram Finance Ltd (Sponsor)	0.12	0.18
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
IndusInd Bank (Associate)@	NIL	0.01

@ Indusind Bank ceased to be an associate with effect from 27 June 2015

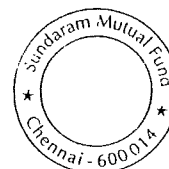
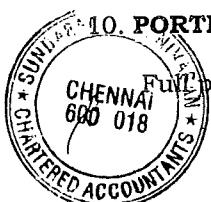
## 9. TOTAL VALUE OF INVESTMENTS (EXCLUDING MONEY MARKET INVESTMENTS) FALLING UNDER EACH MAJOR INDUSTRY GROUP WHICH CONSTITUTES NOT LESS THAN 5% OF THE TOTAL INVESTMENTS IS AS BELOW

(% of total investments within the classification)

	31.03.16	31.03.15
Investments in Overseas Securities		
Units of Mutual Funds	100%	100%

## 10. PORTFOLIO DISCLOSURE

Portfolio of the scheme is given in Annexure - II



## 11. MOVEMENT IN UNIT CAPITAL

Refer Schedule 1

## 12. UNCLAIMED REDEMPTION / DIVIDEND

The details of unclaimed dividends and redemption accounts are disclosed in Annexure VI

During the year ,the unclaimed redemption and dividend payable more than 90 days were transferred to a separate pool account.

As on 31st March 16, these sums were deployed in money market instruments in terms of SEBI circular no .SEBI/Cir/9/120/2000 dated November 24,2000

## 13. 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 and policy approved by Trustees.

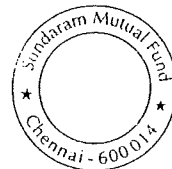
The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.

## 14. Audit Fees

The current year Audit Fees of Rs.16269 as per revenue account includes SEBI Audit fees Rs.2607



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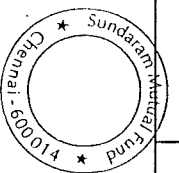
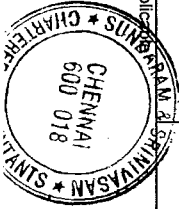


15. HISTORICAL PER UNIT STATISTICS

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	01.04.2015 - 31.03.2016				01.04.2014 - 31.03.2015				01.04.2013 - 31.03.2014			
	Rs.				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)	Amount paid/recovered on repurchase/sale of units towards unrealised appreciation											
(E)	Net unrealised appreciation/(diminution) in value of investments (including Exchange Rate appreciation)											
(F)	Net Assets Value											
(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											
	Regular Dividend	Regular Growth	Direct Dividend	Direct Growth	Regular Dividend	Regular Growth	Direct Dividend	Direct Growth	Regular Dividend	Regular Growth	Direct Dividend	Direct Growth
	11,13,48	12,98,62	11,91,57	13,18,83	12,22,25	14,25,72	13,03,41	14,38,99	13,42,6	14,51,01	14,20,34	14,59,36
	13,32,59	15,54,44	13,78,64	15,31,29	14,73,94	15,94,58	15,57,11	15,85,07	14,27,59	15,42,86	15,07,93	15,49,36
	9,49,70	11,07,81	10,64,04	12,33,39	11,85,54	13,64,03	15,57,11	14,00,33	12,27,88	13,27,03	12,94,19	13,31,1
	13,32,59	15,68,02	13,91,22	15,69,31	13,85,69	16,36,78	15,61,41	16,06,18	14,27,59	15,42,86	15,07,93	15,49,36
	9,49,70	11,07,81	10,15,62	11,55,05	12,60,89	13,70,86	12,73,02	13,82,2	12,27,88	13,27,03	12,94,19	13,31,1
	1.62%				1.40%				1.40%			
	2.90%				22.56%				9.46%			

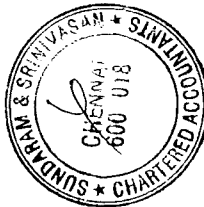
\* Includes entry load as applicable



Computation of Distributable Income		31.03.2016	31.03.2015
Net Income as per revenue account		(34,378,783)	1,002,411
Add : Balance of Undistributed income as at 1st April brought forward		82,702,107 48,323,324	88,232,735 89,235,146
Less: Unrealised appreciation in value of investments on exchange rate change		4,957,001 43,366,323	- 89,235,146
Less : Income Distributed during the year		-	6,533,039
Add : Unit Premium Reserve		43,366,323 (82,190,865)	82,702,107 (89,262,457)
Distributable Income		(38,824,542)	(6,560,350)

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17 Previous year figures have been regrouped/reclassified wherever necessary.



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ANNEXURE II

SUNDARAM GLOBAL ADVANTAGE					
S.NO	SUISIN CODE	Particulars	Quantity	Mkt Value Rs. in Lacs	% to Net Asset Value
		<b>A) Overseas Investments - Units of Mutual Funds</b>			
1	LU0048597586	FIDELITY INVESTMENT MGT (HK) LTD-FIDELITY FUNDS-MAJOR MARKET FUNDS-SOUTH EAST ASIA FUND	94,334.65	408.61	18.52%
2	LU0292107991	D B TRACKER EM ASIA	15,880.00	387.69	17.57%
3	LU0029875118	TEMPLETON ASIA GR FD PR SH CL A(YDIS)USD	19,415.50	314.89	14.27%
4	LU0078113064	MORGAN STANLEY INV MGT-MORGAN STANLEY SICAV- ASIAN PROPERTY FUND I CAP	17,264.77	233.17	10.57%
5	LU0266114668	MORGAN STANLEY INV MGT-MORGAN STANLEY SICAV- GLOBAL PROPERTY FUND CLASS I	9,090.65	182.77	8.28%
6	LU0292108619	D B TRACKER LATAM	5,884.00	136.31	6.18%
7	IE0009751193	NEVSKY EASTERN EUROPEAN	3,160.05	119.08	5.40%
8	GB0033737874	FIRST STATE GLOBAL RESOURCES FD CL A GBP	60,072.41	111.23	5.04%
9	LU0823414809	PARVEST EQUITY WORLD ENERGY	210.25	83.62	3.79%
		<b>Sub-total</b>		<b>1,977.39</b>	<b>89.62%</b>
		<b>B) Money Market Investments</b>			
		CBLO/Reverse Repo		24.00	1.09%
		<b>Sub-total</b>		<b>24.00</b>	<b>1.09%</b>
		<b>C) Others</b>			
		Net Current Assets		205.20	9.29%
		<b>Sub-total</b>		<b>205.20</b>	<b>9.29%</b>
		<b>GRAND TOTAL</b>		<b>2,206.41</b>	<b>100.00%</b>



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