

# 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 INCOME INTERVAL QTRLY SERIES PLAN -E** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Period ended 24/08/2015 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 INCOME INTERVAL QTRLY SERIES PLAN -E** 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 INCOME INTERVAL QTRLY SERIES PLAN -E** as at 31/03/2016
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED INCOME INTERVAL QTRLY SERIES PLAN -E** for the Period ended on 24/08/2015.


**5. Report on Other Legal and Regulatory Requirements**

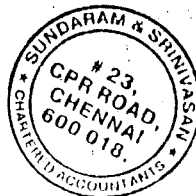
As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

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**

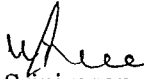
|                                  | SCHEDULE NO. | 31-Mar-16    | 31-Mar-15         |
|----------------------------------|--------------|--------------|-------------------|
|                                  |              | Rs.          | Rs.               |
| <b>LIABILITIES</b>               |              |              |                   |
| Unit Capital                     | 1            | -            | 17,048,070        |
| Reserves & Surplus               | 2            | -            | 3,151,255         |
| Current Liabilities & Provisions | 3            | 5,225        | 12,434            |
|                                  |              | <b>5,225</b> | <b>20,211,759</b> |
| <b>ASSETS</b>                    |              |              |                   |
| Investments                      | 4            | -            | 19,271,407        |
| Other Current Assets             | 5            | 5,225        | 940,352           |
|                                  |              | <b>5,225</b> | <b>20,211,759</b> |

Notes on Accounts

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As per our Report of even date

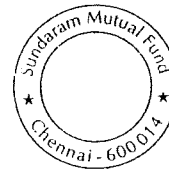
**For**  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)

  
K Srinivasan  
Partner  
(M.NO : 5809)



**For**  
**Sundaram Mutual Fund**

Authorised Signatory



Place : Chennai

Date : 30th June 2016

## REVENUE ACCOUNT FOR THE PERIOD FROM 01.04.2015 TO 24.08.2015


|  | Schedule No. | 01.04.2015 - 24.08.2015 |                    | 01.04.2014 - 31.03.2015 |                    |
|--|--------------|-------------------------|--------------------|-------------------------|--------------------|
|  |              | Rs.                     | Rs.                | Rs.                     | Rs.                |
| <b>REVENUE</b>   |              |                         |                    |                         |                    |
| Interest   | 6            | 607,904                 |                    | 1,936,597               |                    |
| Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale) |              | -                       |                    | 7,214                   |                    |
| Sundry Income  |              | 1,182                   |                    |                         |                    |
| <b>TOTAL (A)</b>   |              | <b>609,086</b>          | <b>609,086</b>     | <b>1,943,811</b>        | <b>1,943,811</b>   |
| <b>EXPENSES</b>  |              |                         |                    |                         |                    |
| Management fee   |              | 3,291                   |                    | 9,651                   |                    |
| Service Tax on AMC Fee   |              | 438                     |                    | 1,192                   |                    |
| Trusteeship fee  |              | 409                     |                    | 1,206                   |                    |
| Commission to Agents   |              | 1,372                   |                    | -                       |                    |
| Audit fee  |              | 6,644                   |                    | 11,437                  |                    |
| Other operating expenses   |              | 2,889                   |                    | 12,689                  |                    |
| Investor Education Fees  |              | 1,637                   |                    | 4,822                   |                    |
| SEBI FEES  |              | 257                     |                    | 611                     |                    |
| <b>SUB TOTAL</b>   |              | <b>16,937</b>           |                    | <b>41,608</b>           |                    |
| Less : Amount absorbed by AMC  |              | 7,711                   |                    | 14,393                  |                    |
| <b>TOTAL (B)</b>   |              |                         | <b>9,226</b>       |                         | <b>27,215</b>      |
| <b>SURPLUS / (DEFICIT) (A-B)</b>   |              |                         | <b>599,860</b>     |                         | <b>1,916,596</b>   |
| Add/(Less) : Balance in Equalisation Account   |              |                         | (3,508,247)        |                         | (1,873,855)        |
|  |              |                         | <b>(2,908,387)</b> |                         | <b>42,741</b>      |
| Less: Income Distributed   |              | 175,416                 |                    | 866,494                 |                    |
| Distribution Tax   |              | 67,450                  | <b>242,866</b>     | 285,780                 | <b>1,152,274</b>   |
| <b>Surplus /(Deficit) transferred to Balance Sheet</b>                               |              |                         | <b>(3,151,253)</b> |                         | <b>(1,109,533)</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



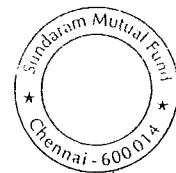
Place : Chennai  
Date : 30th June 2016

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

|  | 31/03/2016         |                      | 31/03/2015         |                      |
|--|--------------------|----------------------|--------------------|----------------------|
|  | UNITS              | Rs.                  | UNITS              | Rs.                  |
| <b>Initial capital</b>                     | <b>158,787,407</b> | <b>1,587,874,073</b> | <b>158,787,407</b> | <b>1,587,874,073</b> |
| <b>Unit Capital</b>                        |                    |                      |                    |                      |
| Opening Capital                            | 1,704,807          | 17,048,070           | 2,013,256          | 20,132,555           |
| Add: Units sold during the Period          | 34,999             | 349,990              | 337,291            | 3,372,919            |
|  | 1,739,806          | 17,398,060           | 2,350,547          | 23,505,474           |
| Less : Units repurchased during the Period | 1,739,806          | 17,398,060           | 645,740            | 6,457,404            |
| Units at the end of the Period             | -                  | -                    | 1,704,807          | 17,048,070           |
|  |                    |                      |                    | <b>17,048,070</b>    |

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

|   | 31/03/2016  |     | 31/03/2015  |                  |
|---|-------------|-----|-------------|------------------|
|   | Rs.         | Rs. | Rs.         | Rs.              |
| <b>General Reserve</b>                                |             |     |             |                  |
| Opening Balance                                       | 3,151,253   |     | 4,260,786   |                  |
| Add / (Less): Transfer from Revenue Account           | (3,151,253) |     | (1,109,533) |                  |
|   |             | -   |             | <b>3,151,253</b> |
| <b>Unrealised appreciation reserve</b>                |             |     |             |                  |
| Opening Balance                                       | 2           |     | 10          |                  |
| Add/(Less) Net unrealized appreciation for the Period | (2)         |     | (8)         |                  |
| Unrealised Appreciation Reserve ( Schedule 7 )        |             | -   |             | <b>2</b>         |
|   |             | -   |             | <b>3,151,255</b> |



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

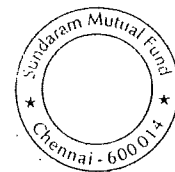
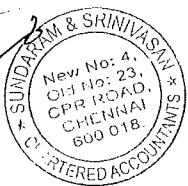
|                            | 31/03/2016   | 31/03/2015    |
|----------------------------|--------------|---------------|
|                            | Rs.          | Rs.           |
| <b>Current Liabilities</b> |              |               |
| Sundry Creditors           | 5,225        | 11,358        |
| Others                     | -            | 1,076         |
|                            | <b>5,225</b> | <b>12,434</b> |

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

|                              | 31/03/2016 | 31/03/2015        |
|------------------------------|------------|-------------------|
|                              | Rs.        | Rs.               |
| Treasury Bills               | -          | 9,886,680         |
| Others - Reverse Repo / CBLO | -          | 9,384,727         |
|                              | -          | <b>19,271,407</b> |

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

|  | 31/03/2016   | 31/03/2015     |
|--|--------------|----------------|
|  | Rs.          | Rs.            |
| Balance with banks in Current Accounts | 5,225        | 289,222        |
| CBLO Margin Account                    | -            | 471,075        |
| Repo Margin Account                    | -            | 171,144        |
| Outstanding and accrued Income         | -            | 2,545          |
| Others                                 | -            | 6,366          |
|  | <b>5,225</b> | <b>940,352</b> |

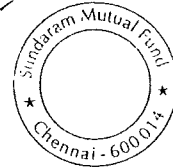


**SCHEDULE : 6****Interest**

|                                | <b>01.04.2015 -<br/>24.08.2015</b> | <b>01.04.2014 -<br/>31.03.2015</b> |
|--------------------------------|------------------------------------|------------------------------------|
|                                | <b>Rs.</b>                         | <b>Rs.</b>                         |
| Interest from banks and others | 298,806                            | 1,336,698                          |
| Discounting Charges            | 309,098                            | 599,899                            |
|                                | <b>607,904</b>                     | <b>1,936,597</b>                   |

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

| <b>Appreciation in Value of Investments</b>                | <b>31/03/2016</b> | <b>31/03/2015</b> |
|--|-------------------|-------------------|
|  | <b>Rs.</b>        | <b>Rs.</b>        |
| Treasury Bills   | 0                 | 2                 |
| <b>Appreciation in value of investments ( Schedule 2 )</b> | -                 | 2                 |



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED INCOME INTERVAL FUND-QUARTERLY SERIES-PLAN E**  
 Schedules forming part of the Balance Sheet as at 31-Mar-2016  
 and the Revenue Account for the Period from 01.04.2015 to 24.08.2015

**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.

**1.4. LOAD**

a) Entry load collected during the Period from systematic investment plan registered prior to Aug 2009 is maintained in a separate account, which can be used by AMC towards distribution, commission etc of the scheme. The unutilised portion shall be carried forward to the next Period.

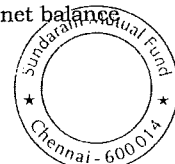
b) The exit Load charged to the investor net of service tax is fully credited to the Scheme.

**1.5. EQUALISATION ACCOUNT**

In terms the regulation the equalisation account has been credited/debited with an appropriate portion of the sale proceeds/repurchase price in respect of units sold / repurchased. The net balance in this account is transferred to revenue account for the Period.



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**2 INVESTMENT MANAGER FEES**

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

| Description   | 01.04.2015 to<br>24.08.2015 | 01.04.14-31.03.15 |
|---|-----------------------------|-------------------|
| Average daily net asset value   | 205.08                      | 241.05            |
| Management fee @ 0.04% of average daily net asset value.(Previous Period 0.04%) | 0.03                        | 0.10              |

**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 PERIOD.**

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

| Description                    | 01.04.2015 to 24.08.2015 | 01.04.14-31.03.15 |
|--------------------------------|--------------------------|-------------------|
| <b>PURCHASE VALUE (AMOUNT)</b> | 188.04                   | 633.95            |
| %                              | 91.69%                   | 263.00%           |
| <b>SALES VALUE (AMOUNT)</b>    | 290.00                   | 740.00            |
| %                              | 141.41%                  | 307.00%           |

**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 Period. :

| Description  | 24.08.2015 | 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 Period. | NIL        | NIL        |
| % to the asset under management  | 0.00%      | 0.00%      |

**6 INCOME / EXPENDITURE**

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

| DESCRIPTION          | 01.04.2015 to 24.08.2015 | 01.04.14-31.03.15 |
|----------------------|--------------------------|-------------------|
| <b>INCOME</b>        | 7.45%                    | 8.06%             |
| <b>EXPENDITURE #</b> | 0.11%                    | 0.11%             |

# 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.

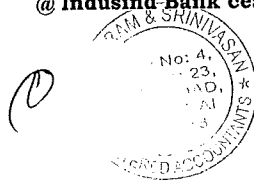
**7 CONTINGENT LIABILITY**

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

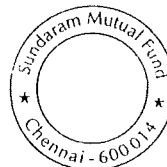
**8 AMOUNT PAID TO SPONSORS / ASSOCIATES**

|   | 01.04.2015 to<br>24.08.2015 | 01.04.14-31.03.15 |
|---|-----------------------------|-------------------|
| Sundaram Finance Ltd (Sponsor)                            | 0.00                        | 0.02              |
| 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



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**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)

NIL

**10 PORTFOLIO DISCLOSURE**

Full portfolio of the scheme is NIL

**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 UNCLAIMED REDEMPTION / DIVIDEND**

The details of unclaimed dividends and redemption accounts are disclosed in Annexure VI. During the Period, the unclaimed redemption and dividend payable more than 90 days were As on 31st March 16, these sums were deployed in money market instruments in terms of SEBI

**15 Audit fees**

The current year audit fees of Rs 6644/- as per Revenue account includes SEBI audit fees of Rs 772/-

**16 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.

