

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-DV** as at 31/03/2017, which comprise the Balance Sheet, the Revenue Account for the Period ended 19/09/2016 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 and financial performance of the Sundaram Mutual Fund **SUNDARAM FIXED TERM PLAN-DV** 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.

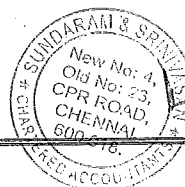
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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 :

- a. In case of Balance Sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM FIXED TERM PLAN-DV** as at 31/03/2017.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN-DV** for the Period ended on 19/09/2016.



SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.

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)



K.SRINIVASAN
Partner
Membership No. 5809

Place: Chennai
Date : 23rd June 2017



BALANCE SHEET AS AT 31st MARCH, 2017

DESCRIPTION	SCHEDULE NO.	31-Mar-17	31-Mar-16
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	-	102,719,870
Reserves & Surplus	2	-	27,112,202
Current Liabilities & Provisions	3	5,250	37,375
		5,250	129,869,447
ASSETS			
Investments	4	-	123,518,015
Other Current Assets	5	5,250	6,351,432
		5,250	129,869,447

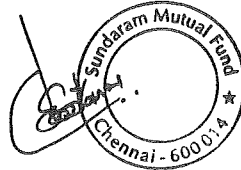
Notes on Accounts

8

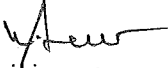
As per our Report of even date

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

For
Sundaram Mutual Fund



Authorised Signatory


K Srinivasan
Partner
(M.NO : 5809)



Place : Chennai
Date : 23rd June 2017

REVENUE ACCOUNT FOR THE PERIOD FROM 01.04.2016 TO 19.09.2016

Description	Sch No.	01.04.2016 - 19.09.2016		01.04.2015 - 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	5,129,523		11,103,158	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		21,680	
Net profit on inter scheme transfer / sale of investments		-		6,562	
Net diminution on sale of investments written back		10,788		-	
Other Income		373		550	
		5,140,684		11,131,950	
TOTAL (A)			5,140,684		11,131,950
EXPENSES					
Net diminution in value of investment	7	-		10,788	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		412,132		-	
Management Fees		49,390		109,938	
Service Tax on Management Fees		7,322		15,319	
Custodian Fees		292		42,031	
Trusteeship Fees		3,116		6,242	
Commission to Agent		64,792		111,012	
Audit Fees		6,703		6,875	
Other Operating Expenses		1,489		3,736	
Investor Education Fees		12,464		24,968	
		557,700		330,909	
Less : Amount absorbed by AMC		-		23,996	
TOTAL (B)			557,700		306,913
SURPLUS / (DEFICIT) (A-B)			4,582,984		10,825,037
Add/(Less) : Balance in Equalisation Account			(31,687,270)		-
Surplus /(Deficit) transferred to Balance Sheet			(27,104,286)		10,825,037

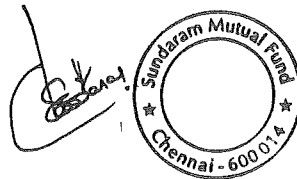
Notes on Accounts

8

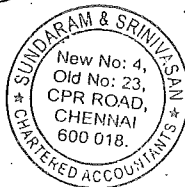
As per our Report of even date

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

For
Sundaram Mutual Fund



K Srinivasan
Partner
(M.NO : 5809)



Authorised Signatory

Place : Chennai
Date : 23rd June 2017

SCHEDULE : 1**Unit Capital**

Description	31/03/2017		31/03/2016	
	Units	Rs.	Units	Rs.
Initial capital	29,772,113	297,721,130	29,772,113	297,721,130
Unit Capital				
Opening Capital	10,271,987	102,719,870	10,271,987	102,719,870
Add: Units sold during the year	-	-	-	-
	10,271,987	102,719,870	10,271,987	102,719,870
Less : Units repurchased during the year	10,271,987	102,719,870	-	-
	-	-	10,271,987	102,719,870
Units at the end of the year	-	-	-	-
				102,719,870

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2017		31/03/2016	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	27,104,286	-	16,279,249	-
Add /(Less): Transfer from Revenue Account	(27,104,286)	-	10,825,037	27,104,286
Unrealised appreciation reserve				
Opening Balance	7,916	-	856,722	-
Add/(Less) Net unrealized appreciation for the year	(7,916)	-	(848,806)	-
Unrealised Appreciation Reserve (Schedule 7)	-	-	-	7,916
				27,112,202

SCHEDULE : 3**Current Liabilities & Provisions**

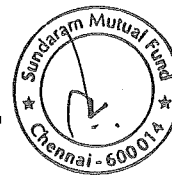
Description	31/03/2017	31/03/2016
	Rs.	Rs.
Sundry Creditors	5,250	37,240
Others	-	135
	5,250	37,375

SCHEDULE : 4**Investments**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	-	99,401,344
Certificate of Deposits	-	8,742,861
Others - Reverse Repo / CBLO	-	1,000,000
Zero-Coupon Bond	-	14,373,810
	-	123,518,015

SCHEDULE : 5**Other Current Assets**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	5,250	269,278
CBLO Margin Account	-	32,866
Repo Margin Account	-	56,716
Outstanding and accrued income	-	5,992,572
	5,250	6,351,432

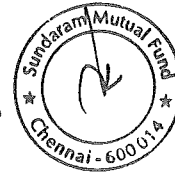


SCHEDULE : 6**Interest**

Description	01.04.2016 - 19.09.2016	01.04.2015 - 31.03.2016
	Rs.	Rs.
Interest from banks and others	583,596	188,588
Interest on Debentures and Bonds	3,506,006	9,094,257
Discounting Charges	1,039,921	1,820,313
	5,129,523	11,103,158

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Appreciation in Value of Investments		
Certificate of Deposits	-	1,875
Zero Coupon Bonds	-	6,041
Appreciation in value of investments (Schedule 2)	-	7,916
Diminution in value of investments		
Debentures & Bonds listed / awaiting listing in the Recognised stock exchange	-	10,788
Diminution in value of investments transferred to revenue A/C	-	10,788



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN-DV
Schedules forming part of the Balance Sheet as at 31st-Mar-2017
and the Revenue Account for the period from 01.04.2016 to 19.09.2016

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. Front end discount, if any, received from the issuer is reduced from the cost of the investment.

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

a) All expenses are accounted on an accrual basis and are within the limits of SEBI (Mutual Funds) Regulations 1996
b) Common recurring expenses, if any are allocated to the schemes on the basis of Assets under Management of the respective schemes

2. INVESTMENT MANAGER FEES

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

Description	01.04.2016 - 19.09.2016	01.04.2015 - 31.03.2016
Average daily net asset value	1,322.48	1,248.36
Management fee @ 0.08% of average daily net asset value. (Previous Period 0.09%)	0.49	1.10

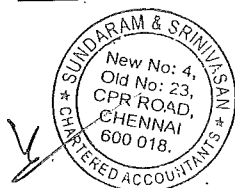
3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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	01.04.2016 - 19.09.2016	01.04.2015 - 31.03.2016
PURCHASE VALUE (AMOUNT)	177.37	314.84
%	13.41%	25.22%
SALES VALUE (AMOUNT)	1,408.86	195.35
%	106.53%	15.65%



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	31.03.2017	31.03.2016
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.	-	1,165.16
% to the asset under management	0.00%	89.74%

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	01.04.2016 - 19.09.2016	01.04.2015 - 31.03.2016
INCOME	8.25%	8.92%
EXPENDITURE #	0.23%	0.24%

#Total expenses includes service tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996.

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2017 is Rs. Nil. Previous Period Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

NIL

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

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. 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. From 01.04.2016, 50% of 2bps accrued on daily net assets is transferred to AMFI and the balances are utilized by the AMC in accordance with SEBI Guidelines.

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

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

