

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-FM** as at 31/03/2017, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2017 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-FM** 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.

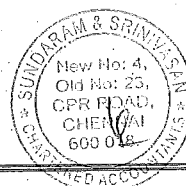
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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-FM** as at 31/03/2017.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN-FM** for the Year ended on 31/03/2017.



SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

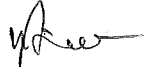
**23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.**

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	154,079,980	154,079,980
Reserves & Surplus	2	41,594,657	27,394,602
Current Liabilities & Provisions	3	36,509	36,817
		195,711,146	181,511,399
ASSETS			
Investments	4	188,660,760	175,344,627
Other Current Assets	5	7,050,386	6,166,772
		195,711,146	181,511,399

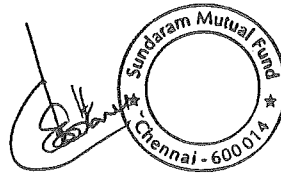
Notes on Accounts

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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 : 23rd June 2017

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

Description	Sch No.	2016-17		2015-16	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	15,512,348		15,072,321	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		1,006,903	
Net diminution on sale of investments written back		612,937		55,859	
Other Income		911		1,479	
TOTAL (A)		16,126,196	16,126,196	16,136,562	16,136,562
EXPENSES					
Net diminution in value of investment	7	559,007		612,937	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		780,832		-	
Loss on inter scheme transfer / sale of investments		-		3,336	
Management Fees		134,556		184,881	
Service Tax on Management Fees		20,062		25,614	
Custodian Fees		32,345		42,049	
Trusteeship Fees		9,451		9,329	
Commission to Agent		133,803		113,869	
Audit Fees		7,102		7,516	
Other Operating Expenses		2,080		12,026	
Investor Education Fees		37,795		37,309	
		1,717,033		1,048,865	
Less : Amount absorbed by AMC		-		22,464	
TOTAL (B)			1,717,033		1,026,402
SURPLUS / (DEFICIT) (A-B)			14,409,163		15,110,160
Add/(Less) : Balance in Equalisation Account			-		(14,360,535)
			14,409,163		749,625
Less: Income Distributed		4,160		-	
Distribution Tax		1,590	5,750	-	
Surplus /(Deficit) transferred to Balance Sheet			14,403,413		749,625

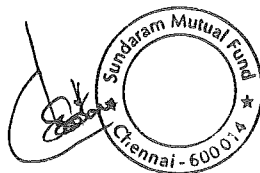
Notes on Accounts

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As per our Report of even date

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

For
Sundaram Mutual Fund



K Srinivasan
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	31,012,001	310,120,010	31,012,001	310,120,010
Unit Capital				
Opening Capital	15,407,998	154,079,980	31,012,001	310,120,010
Add: Units sold during the Year	-	-	-	-
	15,407,998	154,079,980	31,012,001	310,120,010
Less : Units repurchased during the Year	-	-	15,604,003	156,040,030
Units at the end of the Year	15,407,998	154,079,980	15,407,998	154,079,980
	154,079,980		154,079,980	

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2017		31/03/2016	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	27,189,412		26,439,787	
Add / (Less): Transfer from Revenue Account	14,403,413		749,625	
		41,592,825		27,189,412
Unrealised appreciation reserve				
Opening Balance	205,190		-	
Add/(Less) Net unrealized appreciation for the Year	(203,359)		205,190	
Unrealised Appreciation Reserve (Schedule 7)		1,831		205,190
		41,594,657		27,394,602

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Sundry Creditors	35,519	36,629
Others	990	188
	36,509	36,817

SCHEDULE : 4**Investments**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing in the Recognised the stock exchange	84,063,905	119,760,589
Certificate of Deposits	35,852,117	54,484,038
Commercial Papers	67,844,739	-
Others - Reverse Repo / CBLO	900,000	1,100,000
	188,660,760	175,344,627

SCHEDULE : 5**Other Current Assets**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	209,016	149,768
CBLO Margin Account	12,161	34,444
Repo Margin Account	54,692	59,439
Outstanding and accrued Income	155	5,923,121
Others	6,774,362	-
	7,050,386	6,166,772

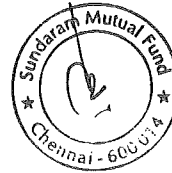


SCHEDULE : 6**Interest**

Description	2016-17	2015-16
	Rs.	Rs.
Interest from banks and others	439,162	694,325
Interest on Debentures and Bonds	10,477,204	11,872,488
Discounting Charges	4,595,982	2,505,508
	15,512,348	15,072,321

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	1,831	205,190
Appreciation in Value of Investments (Schdule 2)	1,831	205,190
Diminution in value of investments		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	558,223	612,937
Commercial Paper	783	-
Diminution in value of investments transferred to revenue A/C	559,007	612,937



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN-FM
Schedules forming part of the Balance Sheet as at 31st-Mar-2017
and the Revenue Account for the Year Ended 31st-Mar-2017

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. 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

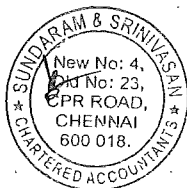
2 INVESTMENT MANAGER FEES

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

Description	2016-17	2015-16
Average daily net asset value	1,889.76	1,865.44
Management fee @ 0.07% of average daily net asset value. (Previous year 0.1%)	1.35	1.85

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	2016-17	2015-16
PURCHASE VALUE (AMOUNT)	1,279.84	4,536.04
%	67.73%	243.16%
SALES VALUE (AMOUNT)	1,187.70	6,136.74
%	62.85%	328.97%

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	31.03.2017	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 Year.	1,837.58	1,646.21
% to the asset under management	93.91%	90.71%

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	2016-17	2015-16
INCOME	8.53%	8.65%
EXPENDITURE #	0.20%	0.22%

#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 year Rs. Nil

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	2016-17	2015-16
Sundaram Finance Ltd (Sponsor)	NIL	0.11

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)

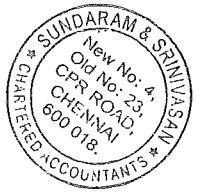
An annual charge of minimum 2bps (0.02% p.a.) of daily net assets, being part of total recurring expenses is set aside for IEAI as mandated by SEBI vide circular no. CIR/IMD/21/DF/21/2012 dated September 13, 2012. Accordingly accrued balance is transferred on periodic basis to a separate bank account maintained for the purpose. 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.



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - FM		
% of total Investments within the classification		
	31-Mar-17	31-Mar-16
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	64.31%	74.99%
POWER	35.69%	25.01%
Money Market Instruments		
(a) Certificate of Deposits		
BANK	100.00%	100.00%
(b) Commercial Papers		
FINANCE	67.62%	0.00%
FERROUS METALS	32.38%	0.00%

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SUNDARAM MUTUAL FUND						
Sundaram Fixed Term Plan-FM						
Portfolio Statement as at 31 March 2017						
SL 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	INE296A07BC7	Bajaj Finance Ltd - 9.9 - 25/04/2017**	CRISIL AAA	33	330.46	16.89%
2	INE445L08201	Nabha Power Ltd - 8.11 - 10/04/2017**	CRISIL AAA	30	300.06	15.33%
3	INE134E08IB7	Power Finance Corporation Ltd - 7.98 - 21/04/2017**	CRISIL AAA	17	170.09	8.69%
4	INE134E08HR5	Power Finance Corporation Ltd - 8.12 - 17/04/2017**	CRISIL AAA	4	40.02	2.05%
Total for Debt Instruments					840.64	42.96%
(B)Money Market Instruments						
(a)Certificate of Deposits						
1	INE092T16116	IDFC Bank Ltd - 24/04/2017**	CRISIL A1+	230	229.12	11.71%
2	INE141A16XK3	Oriental Bank of Commerce - 28/04/2017**	CRISIL A1+	130	129.41	6.61%
Sub Total					358.52	18.32%
(b)Commercial Papers						
1	INE053F14047	Indian Railway Finance Corporation Ltd - 12/04/2017**	CRISIL A1+	46	229.56	11.73%
2	INE261F14BA0	National Bank for Agricultural & Rural Development - 20/04/2017**	CRISIL A1+	46	229.23	11.72%
3	INE114A14DX0	Steel Authority of India Ltd - 10/04/2017**	CRISIL A1+	44	219.65	11.23%
Sub Total					678.45	34.67%
(c)Reverse Repo / CBLO						
1		Reverse Repo			9.00	0.46%
Sub Total					9.00	0.46%
Total for Money Market Instruments					1045.97	53.45%
Cash and Other Net Current Assets					70.14	3.58%
Grand Total					1956.75	100.00%

** Thinly traded / Non Traded Securities

