

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-HA** 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-HA** 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.

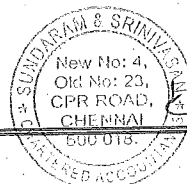
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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-HA** as at 31/03/2017.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN-HA** 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)**

Place: Chennai  
Date : 23<sup>rd</sup> June 2017

  
K.SRINIVASAN  
Partner  
Membership No. 5809



**BALANCE SHEET AS AT 31st MARCH, 2017**

DESCRIPTION	SCHEDULE NO.	31-Mar-17	31-Mar-16
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	1,205,168,000	1,205,168,000
Reserves & Surplus	2	146,587,533	30,625,285
Current Liabilities & Provisions	3	120,061	106,152
		<b>1,351,875,594</b>	<b>1,235,899,437</b>
<b>ASSETS</b>			
Investments	4	1,315,116,534	1,203,487,911
Other Current Assets	5	36,759,060	32,411,526
		<b>1,351,875,594</b>	<b>1,235,899,437</b>

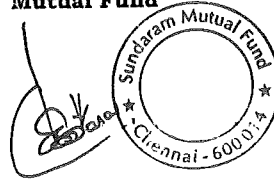
Notes on Accounts

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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

## REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

Description	Schedule No.	01.04.2016 to 31.03.2017		23.11.2015 to 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	111,043,822		37,942,922	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		467,933	
Net diminution on investments written back		5,261,553		-	
Other Income		784		526	
<b>TOTAL (A)</b>		<b>116,306,159</b>	<b>116,306,159</b>	<b>38,411,381</b>	<b>38,411,381</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	-		7,359,912	
Loss on inter scheme transfer / sale of investments		12,864		-	
Management Fees		756,768		246,754	
Service Tax on Management Fees		112,910		35,780	
Custodian Fees		48,714		20,369	
Trusteeship Fees		64,984		21,591	
Commission to Agent		1,388		362	
Audit Fees		20,659		11,449	
Other Operating Expenses		16,000		3,516	
Investor Education Fees		259,934		86,363	
<b>TOTAL (B)</b>		<b>1,294,221</b>	<b>1,294,221</b>	<b>7,786,096</b>	<b>7,786,096</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>115,011,938</b>		<b>30,625,285</b>
Less: Income Distributed		3,020		-	
Distribution Tax		1,180	4,200	-	
<b>Surplus / (Deficit) transferred to Balance Sheet</b>			<b>115,007,738</b>		<b>30,625,285</b>

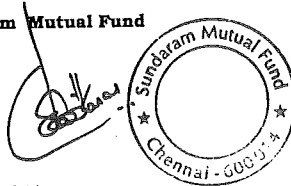
Notes on Accounts

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As per our Report of even date

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

For  
Sundaram Mutual Fund



Authorised Signatory

K Srinivasan  
Partner  
(M.NO : 5809)



Place : Chennai  
Date : 23rd June 2017

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

Description	31/03/2017		31/03/2016	
	Units	Rs.	Units	Rs.
<b>Initial capital</b>	<b>120,516,800</b>	<b>1,205,168,000</b>	<b>120,516,800</b>	<b>1,205,168,000</b>
<b>Unit Capital</b>				
Opening Capital	120,516,800	1,205,168,000	-	-
Add: Units sold during the year			120,516,800	1,205,168,000
	120,516,800	1,205,168,000	120,516,800	1,205,168,000
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	120,516,800	1,205,168,000	120,516,800	1,205,168,000
	<b>120,516,800</b>	<b>1,205,168,000</b>	<b>120,516,800</b>	<b>1,205,168,000</b>

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

Description	31/03/2017		31/03/2016	
	Rs.	Rs.	Rs.	Rs.
<b>General Reserve</b>				
Opening Balance	30,625,285	-	-	-
Add/(Less): Transfer from Revenue Account	115,007,738	145,633,023	30,625,285	30,625,285
<b>Unrealised appreciation reserve</b>				
Opening Balance	-	-	-	-
Add/(Less) Net unrealized appreciation for the year	954,510	954,510	-	-
Unrealised Appreciation Reserve (Schedule 7)				
		954,510		
		<b>146,587,533</b>		<b>30,625,285</b>

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Sundry Creditors	114,896	105,124
Others	5,165	1,028
	<b>120,061</b>	<b>106,152</b>

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	1,078,217,094	987,490,381
Others - Reverse Repo / CBLO	300,000	1,400,000
Zero Coupon Bond	236,599,440	214,597,530
	<b>1,315,116,534</b>	<b>1,203,487,911</b>

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	357,237	229,225
CBLO Margin Account	4,432	45,330
Repo Margin Account	19,932	78,226
Outstanding and accrued Income	36,377,459	32,055,140
Amount Recoverable from AMC	-	3,605
	<b>36,759,060</b>	<b>32,411,526</b>

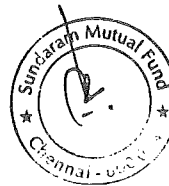


**SCHEDULE : 6****Interest**

Description	01.04.2016 to 31.03.2017	23.11.2015 to 31.03.2016
	Rs.	Rs.
Interest from banks and others	119,716	228,896
Interest on Debentures and Bonds	91,860,156	31,133,046
Discounting Charges	19,063,950	6,580,980
	<b>111,043,822</b>	<b>37,942,922</b>

**SCHEDULE : 7****Net Unrealised Appreciation/ ( Diminution ) in value of Investments**

Description	01.04.2016 to 31.03.2017	23.11.2015 to 31.03.2016
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Zero Coupon Bond	954,510	-
<b>Net Appreciation in value of investments ( Schedule 2 )</b>	<b>954,510</b>	-
<b>Diminution in value of investments</b>		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	2,098,359	5,376,462
Zero Coupon Bond	-	1,983,450
<b>Diminution in value of investments</b>	<b>2,098,359</b>	<b>7,359,912</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN HA**  
**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**  
**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 to 31.03.2017	23.11.2015 to 31.03.2016
Average daily net asset value	12,996.72	12,157.44
Management fee @ 0.06% of average daily net asset value. (Previous year 0.06%)	7.57	2.47

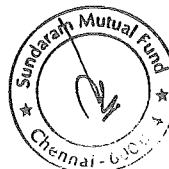
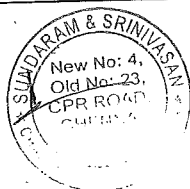
**3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND**

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	01.04.2016 to 31.03.2017	23.11.2015 to 31.03.2016
<b>PURCHASE VALUE (AMOUNT)</b>	936.50	25,866.29
%	7.21%	212.76%
<b>SALES VALUE (AMOUNT)</b>	42.43	13,804.68
%	0.33%	113.55%



**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.	7,153.15	10,787.00
% to the asset under management	52.92%	87.29%

**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 to 31.03.2017	23.11.2015 to 31.03.2016
<b>INCOME</b>	8.95%	8.90%
<b>EXPENDITURE #</b>	0.10%	0.10%

#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.

**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)

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.

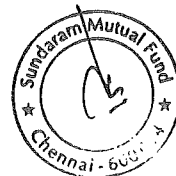
**13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES**

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.





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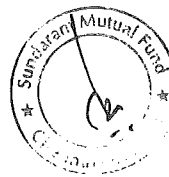
## 15 HISTORICAL PER UNIT STATISTICS

	01.04.2016 to 31.03.2017				23.11.2015 to 31.03.2016			
	Rs.				Rs.			
(A) Gross income								
(i) income other than profit on sale of investment	0.9651				0.3148			
(ii) income from profit on inter scheme sales/transfer of investments	0.0000				0.0000			
(iii) income from profit on sale of investment to third parties	0.0000				0.0039			
(iv) transfer to revenue account from past year's reserves								
(B) Aggregate of expenses, write off, amortisation and charges	0.0107				0.0646			
(C) Net income	0.9543				0.2541			
(D) Net unrealised appreciation/(diminution) in value of investments	-0.0016				-0.0611			
	Regular Growth	Regular Quarterly Dividend	Regular Halfyearly Dividend	Direct Growth	Regular Growth	Regular Quarterly Dividend	Regular Halfyearly Dividend	Direct Growth
(E) Net Assets Value	11.2074	10.5544	10.4014	11.216	10.2519	10.2522	10.2528	10.2541
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA
Highest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000
Lowest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.10%				0.10%			
(H) Ratio of gross income to average daily net assets by percentage	8.95%				8.90%			

## 16 Computation of Distributable Income

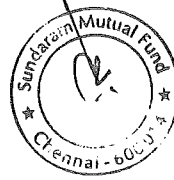
	31.03.2017	31.03.2016
	Rs.	Rs.
Net Income as per revenue account	11,50,11,938	3,06,25,285
Add : Balance of Undistributed income as at 1st April brought forward	3,06,25,285	-
	14,56,37,223	3,06,25,285
Less : Income Distributed during the year	4,200	-
Distributable Income	<b>14,56,33,023</b>	<b>3,06,25,285</b>

17 Previous year figures have been regrouped wherever necessary to conform with the current year's



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - HA		
% of total Investments within the classification		
	31-Mar-17	31-Mar-16
<b>Debt Instruments</b>		
<b>Listed / awaiting listing on Stock Exchange</b>		
FINANCE	94.68%	69.81%
BANK	0.00%	30.19%
POWER	5.32%	0.00%

4



SUNDARAM MUTUAL FUND						
Sundaram Fixed Term Plan-HA						
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
		<b>(A)Debt Instruments</b>				
		<b>(a)Listed / awaiting listing on Stock Exchange</b>				
1	INE261F08550	National Bank for Agricultural & Rural Development - 7.9 - 27/11/2018**	CRISIL AAA	240	2431.17	17.99%
2	INE020B07HY0	Rural Electrification Corporation Ltd - 9.38 - 06/11/2018	CRISIL AAA	230	2375.87	17.58%
3	INE071G08700	ICICI Home Finance Company Ltd - 07/12/2018**	ICRA AAA	420	2365.99	17.50%
4	INE134E08BH9	Power Finance Corporation Ltd - 11.25 - 28/11/2018**	CRISIL AAA	222	2355.98	17.43%
5	INE001A07OG5	Housing Development Finance Corporation Ltd - 8.35 - 30/11/2018	CRISIL AAA	15	1519.44	11.24%
6	INE514E08DD7	Export Import Bank of India - 9.7 - 21/11/2018**	CRISIL AAA	50	519.97	3.85%
7	INE514E08DF2	Export Import Bank of India - 9.6 - 02/12/2018**	CRISIL AAA	50	519.58	3.84%
8	INE752E07HG9	Power Grid Corporation of India Ltd - 8.64 - 08/07/2018**	CRISIL AAA	38	483.58	3.58%
9	INE514E08DA3	Export Import Bank of India - 9.28 - 15/10/2018	CRISIL AAA	35	361.06	2.67%
10	INE752E07LS6	Power Grid Corporation of India Ltd - 8.93 - 20/10/2018**	CRISIL AAA	21	215.51	1.59%
		<b>Total for Debt Instruments</b>			<b>13148.17</b>	<b>97.27%</b>
		<b>(B)Money Market Instruments</b>				
1		Reverse Repo			3.00	0.02%
		<b>Total for Money Market Instruments</b>			<b>3.00</b>	<b>0.02%</b>
		Cash and Other Net Current Assets			366.39	2.71%
		<b>Grand Total</b>			<b>13517.56</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded Securities

