

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-HB** 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-HB** 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.

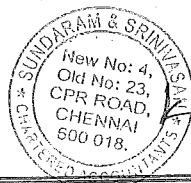
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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-HB** as at 31/03/2017.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN-HB** 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	3,606,570,000	3,606,570,000
Reserves & Surplus	2	441,359,329	86,342,367
Current Liabilities & Provisions	3	528,292	269,222
		4,048,457,621	3,693,181,589
ASSETS			
Investments	4	3,969,651,004	3,622,726,130
Other Current Assets	5	78,806,617	70,455,459
		4,048,457,621	3,693,181,589


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

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

Description	Sch No.	01.04.2016 to 31.03.2017		03.12.2015 to 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	329,968,308		104,506,916	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		1,836,526	
Net diminution on investments written back		18,260,195		-	
Other Income		1,097		1,843	
TOTAL (A)		348,229,600	348,229,600	106,345,285	106,345,285
EXPENSES					
Net diminution in value of investment	7	-		18,741,172	
Loss on inter scheme transfer / sale of investments		915		127,560	
Management Fees		2,367,372		667,407	
Service Tax on Management Fees		353,336		96,774	
Custodian Fees		62,752		21,579	
Trusteeship Fees		194,402		60,040	
Commission to Agent		198		55	
Audit Fees		50,366		11,450	
Other Operating Expenses		46,897		48,241	
Investor Education Fees		777,609		240,152	
		3,853,847		20,014,430	
Less : Amount absorbed by AMC		-		11,512	
TOTAL (B)			3,853,847		20,002,918
SURPLUS / (DEFICIT) (A-B)			344,375,753		86,342,367
Surplus /(Deficit) transferred to Balance Sheet			344,375,753		86,342,367

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	360,657,000	3,606,570,000	360,657,000	3,606,570,000
Unit Capital				
Opening Capital	360,657,000	3,606,570,000	-	-
Add: Units sold during the year	-	-	360,657,000	3,606,570,000
	360,657,000	3,606,570,000	360,657,000	3,606,570,000
Less : Units repurchased during the year	-	-	-	-
	360,657,000	3,606,570,000	360,657,000	3,606,570,000
Units at the end of the year	360,657,000	3,606,570,000	360,657,000	3,606,570,000
		3,606,570,000		3,606,570,000

SCHEDULE : 2**Reserves & Surplus**

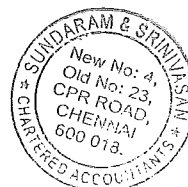
Description	31/03/2017		31/03/2016	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	86,342,367	-	-	-
Add /(Less): Transfer from Revenue Account	344,375,753	430,718,120	86,342,367	86,342,367
Unrealised appreciation reserve				
Opening Balance	-	-	-	-
Add/(Less) Net unrealized appreciation for the Period	10,641,209	10,641,209	-	-
Unrealised Appreciation Reserve (Schedule 7)		10,641,209		
		441,359,329		86,342,367

SCHEDULE : 3**Current Liabilities & Provisions**

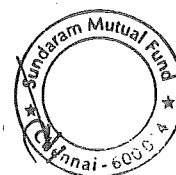
Description	31/03/2017	31/03/2016
	Rs.	Rs.
Sundry Creditors	501,463	266,133
Others	26,829	3,089
	528,292	269,222

SCHEDULE : 4**Investments**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	2,344,108,384	2,150,557,450
Others - Reverse Repo / CBLO	100,000	900,000
Zero Coupon Bond	1,625,442,620	1,471,268,680
	3,969,651,004	3,622,726,130

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	200,698	248,921
CBLO Margin Account	1,848	31,067
Repo Margin Account	8,311	53,613
Outstanding and accrued Income	78,595,760	70,121,858
	78,806,617	70,455,459

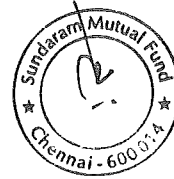
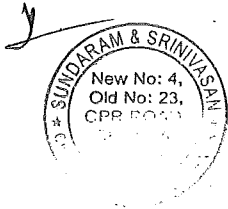


SCHEDULE : 6**Interest**

Description	01.04.2016 to 31.03.2017	03.12.2015 to 31.03.2016
	Rs.	Rs.
Interest from banks and others	331,672	1,280,187
Interest on Debentures and Bonds	196,032,580	62,029,375
Discounting Charges	133,604,056	41,197,354
	329,968,308	104,506,916

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Appreciation in Value of Investments		
Zero Coupon Bond	10,641,209	-
Net Appreciation in value of investments (Schedule 2)	10,641,209	-
Diminution in value of investments		
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	480,977	8,812,498
Zero Coupon Bond	-	9,928,674
Net Diminution in value of investments trf to Revenue Account	480,977	18,741,172



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN-HB
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:

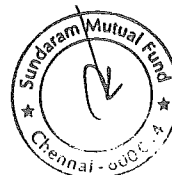
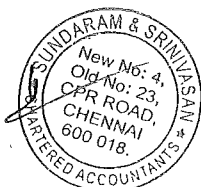
Description	01.04.2016 to 31.03.2017	03.12.2015 to 31.03.2016
Average daily net asset value	38,880.38	36,321.23
Management fee @ 0.06% of average daily net asset value. (Previous Period 0.02%)	23.67	6.67

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	03.12.2015 to 31.03.2016
PURCHASE VALUE (AMOUNT)	1,896.84	1,00,558.44
%	4.88%	276.86%
SALES VALUE (AMOUNT)	10.87	64,500.90
%	0.03%	177.58%



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 Period.	28,087.33	33,598.10
% to the asset under management	69.39%	90.98%

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	03.12.2015 to 31.03.2016
INCOME	8.96%	8.86%
EXPENDITURE #	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.



15 HISTORICAL PER UNIT STATISTICS

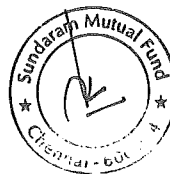
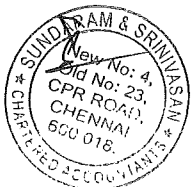
SFTPHB

	01.04.2016 to 31.03.2017		03.12.2015 to 31.03.2016	
	Rs.		Rs.	
(A) Gross income				
(i) income other than profit on sale of investment	0.9655		0.2898	
(ii) income from profit on inter scheme sales/transfer of investments	0.0000		-0.0004	
(iii) income from profit on sale of investment to third parties	0.0000		0.0051	
(iv) transfer to revenue account from past year's reserves				
(B) Aggregate of expenses, write off, amortisation and charges	0.0107		0.0551	
(C) Net income	0.9549		0.2394	
(D) Net unrealised appreciation/(diminution) in value of investments	0.0282		-0.0520	
	Regular Growth	Direct Growth	Regular Growth	Direct Growth
(E) Net Assets Value	11.2148	11.2237	10.2373	10.2393
(F) Highest repurchase price	NA	NA	NA	NA
Lowest repurchase price	NA	NA	10.0000	10.0000
Highest ongoing sale price	NA	NA	10.0000	10.0000
Lowest ongoing sale price	NA	NA		
(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	8.96%		8.86%	

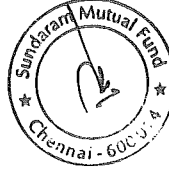
16 Computation of Distributable Income

	31.03.2017	31.03.2016
	Rs.	Rs.
Net Income as per revenue account	34,43,75,753	8,63,42,367
Add : Balance of Undistributed income as at 1st April brought forward	8,63,42,367	-
	43,07,18,120	8,63,42,367
Less : Income Distributed during the year	-	-
Distributable Income	43,07,18,120	8,63,42,367

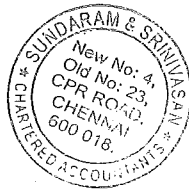
17 Previous year figures have been regrouped wherever necessary to conform with the current year's classification



ANNEXURE-II		
SUNDARAM FIXED TERM PLAN - HB		
% of total Investments within the classification		
	31-Mar-17	31-Mar-16
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	92.80%	80.17%
BANK	0.00%	19.83%
POWER	7.20%	0.00%



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SUNDARAM MUTUAL FUND						
Sundaram Fixed Term Plan-HB						
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	INE261F08568	National Bank for Agricultural & Rural Development - 7.86 - 07/12/2018**	CRISIL AAA	720	7290.75	18.01%
2	INE020B07HY0	Rural Electrification Corporation Ltd - 9.38 - 06/11/2018	CRISIL AAA	690	7127.61	17.61%
3	INE296A07IL3	Bajaj Finance Ltd - 17/12/2018**	IND AAA	580	6558.77	16.20%
4	INE756I07746	HDB Financial Services Ltd - 17/12/2018**	CRISIL AAA	500	5648.72	13.95%
5	INE134E08BH9	Power Finance Corporation Ltd - 11.25 - 28/11/2018**	CRISIL AAA	428	4542.15	11.22%
6	INE071G08734	ICICI Home Finance Company Ltd - 17/12/2018**	ICRA AAA	720	4046.94	10.00%
7	INE134E08HZ8	Power Finance Corporation Ltd - 8 - 22/10/2018**	CRISIL AAA	150	1517.50	3.75%
8	INE752E07L56	Power Grid Corporation of India Ltd - 8.93 - 20/10/2018**	CRISIL AAA	129	1323.84	3.27%
9	INE752E07FA6	Power Grid Corporation of India Ltd - 9.33 - 15/12/2018**	CRISIL AAA	40	517.54	1.28%
10	INE752E07LA4	Power Grid Corporation of India Ltd - 8.7 - 15/07/2018**	CRISIL AAA	50	509.51	1.26%
11	INE752E07HG9	Power Grid Corporation of India Ltd - 8.64 - 08/07/2018**	CRISIL AAA	40	509.03	1.26%
12	INE514E08DA3	Export Import Bank of India - 9.28 - 15/10/2018	CRISIL AAA	10	103.16	0.25%
Total for Debt Instruments					39695.51	98.06%
(B)Money Market Instruments						
1		Reverse Repo			1.00	#
Sub Total					1.00	#
Total for Money Market Instruments					1.00	#
Cash and Other Net Current Assets					782.78	1.93%
Grand Total					40479.29	100.00%

** Thinly traded / Non Traded Securities

percentage to NAV of security is less than 0.01%

