

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-HM** as at 31/03/2017, which comprise the Balance Sheet, the Revenue Account for the Period 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-HM** 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-HM** as at 31/03/2017.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN-HM** for the Period ended on 31/03/2017.



SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

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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
		Rs.
LIABILITIES		
Unit Capital	1	424,308,000
Reserves & Surplus	2	31,913,254
Current Liabilities & Provisions	3	59,370
		456,280,624
ASSETS		
Investments	4	440,375,165
Other Current Assets	5	15,905,459
		456,280,624

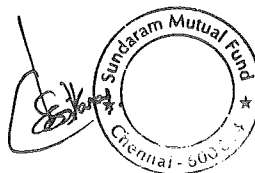
Notes on Accounts

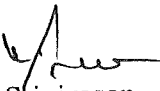
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As per our Report of even date

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 PERIOD FROM 27.06.2016 TO 31.03.2017

Description	Sch No.	27.06.2016 to 31.03.2017	
		Rs.	Rs.
REVENUE			
Interest	6	26,737,412	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		58,195	
Net profit on inter scheme transfer / sale of investments		991,305	
Other Income		1,878	
TOTAL (A)		27,788,790	27,788,790
EXPENSES			
Management Fees		193,468	
Service Tax on Management Fees		29,021	
Custodian Fees		34,825	
Trusteeship Fees		16,891	
Commission to Agent		166,651	
Audit Fees		7,800	
Investor Education Fees		67,563	
TOTAL (B)		516,219	516,219
SURPLUS / (DEFICIT) (A-B)			27,272,571
Less: Income Distributed		6,070	
Distribution Tax		2,330	8,400
Surplus /(Deficit) transferred to Balance Sheet			27,264,171

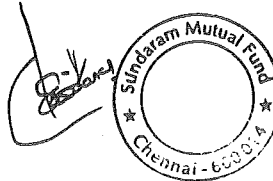
Notes on Accounts

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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
K Srinivasan
Partner
(M.NO : 5809)



Place : Chennai
Date : 23rd June 2017

SCHEDULE : 1**Unit Capital**

Description	31/03/2017	
	Units	Rs.
Initial capital	42,430,800	424,308,000
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	42,430,800	424,308,000
	42,430,800	424,308,000
Less : Units repurchased during the Period	-	-
Units at the end of the Period	42,430,800	424,308,000
		424,308,000

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2017	
	Rs.	Rs.
General Reserve		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	27,264,171	27,264,171
Unrealised appreciation reserve		
Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the Period	4,649,083	4,649,083
Unrealised Appreciation Reserve (Schedule 7)		4,649,083
		31,913,254

SCHEDULE : 3**Current Liabilities & Provisions**

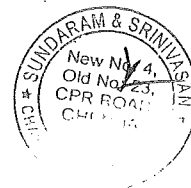
Description	31/03/2017
	Rs.
Sundry Creditors	58,200
Others	1,170
	59,370

SCHEDULE : 4**Investments**

Description	31/03/2017
	Rs.
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	214,550,963
Government Securities	168,840,152
Others - Reverse Repo / CBLO	2,900,000
Zero Coupon Bond	54,084,050
	440,375,165

SCHEDULE : 5**Other Current Assets**

Description	31/03/2017
	Rs.
Balance with banks in Current Accounts	267,746
CBLO Margin Account	38,734
Repo Margin Account	174,196
Outstanding and accrued income	15,424,783
	15,905,459

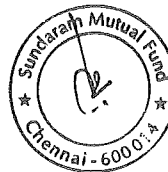


SCHEDULE : 6**Interest**

Description	27.06.2016 to 31.03.2017
	Rs.
Interest from banks and others	206,520
Interest on Debentures and Bonds	23,069,897
Discounting Charges	3,460,995
	26,737,412

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

Description	31/03/2017
	Rs.
Appreciation in Value of Investments	
Zero Coupon Bond	623,055
Central Government Securities	2,351,810
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	1,674,218
Appreciation in Value of Investments (Schedule 2)	4,649,083



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN-HM
Schedules forming part of the Balance Sheet as at 31-Mar-2017
and the Revenue Account for the Period from 27.06.2016 to 31.03.2017

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	27.06.2016 to 31.03.2017
Average daily net asset value	4,435.35
Management fee @ 0.06% of average daily net asset value.	1.93

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	27.06.2016 to 31.03.2017
PURCHASE VALUE (AMOUNT)	8,443.96
%	190.38%
SALES VALUE (AMOUNT)	4,130.27
%	93.12%



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
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.	4,232.27
% to the asset under management	92.77%

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	27.06.2016 to 31.03.2017
INCOME	8.23%
EXPENDITURE #	0.15%

#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

	27.06.2016 to 31.03.2017
Sundaram Finance Ltd (Sponsor)	0.18

9 TOTAL VALUE OF INVESTMENTS FALLING UNDER EACH MAJOR INDUSTRY GROUP WHICH CONSTITUTES NOT LESS (% 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

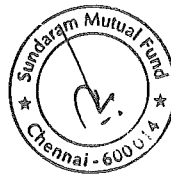
As the Financial Statements are prepared separately on each scheme, no further disclosure under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is considered necessary. There is no secondary reporting segment.

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

SFTPHM

		27.06.2016 to 31.03.2017		
		Rs.		
(A)	Gross income			
	(i) income other than profit on sale of investment	0.6302		
	(ii) income from profit on inter scheme sales/transfer of investments	0.0234		
	(iii) income from profit on sale of investment to third parties	0.0014		
	(iv) transfer to revenue account from past year's reserves			
(B)	Aggregate of expenses, write off, amortisation and charges	0.0122		
(C)	Net income	0.6428		
(D)	Net unrealised appreciation/(diminution) in value of investments	0.1096		
		Regular Growth	Regular Dividend	Direct Growth
(E)	Net Assets Value	10.7191	10.3186	10.7564
(F)	Highest repurchase price	NA	NA	NA
	Lowest repurchase price	NA	NA	NA
	Highest ongoing sale price	10.0000	10.0000	10.0000
	Lowest ongoing sale price	10.0000	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.15%		
(H)	Ratio of gross income to average daily net assets by percentage	8.23%		

16 Computation of Distributable Income

	31.03.2016
	Rs.
Net Income as per revenue account	27,264,171
Add : Balance of Undistributed income as at 1st April brought forward	-
	27,264,171
Less : Income Distributed during the year	-
Distributable Income	27,264,171

17 Since the scheme was launched during the year, previous year figures are not provided.



ANNEXURE-II	
SUNDARAM FIXED TERM PLAN - HM	
% of total Investments within the classification	
	31-Mar-17
Debt Instruments	
Listed / awaiting listing on Stock Exchange	
FINANCE	96.60%

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SUNDARAM MUTUAL FUND						
Sundaram Fixed Term Plan-HM						
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	INE296A07LH5	Bajaj Finance Ltd - 02/07/2019**	IND AAA	50	540.84	11.85%
2	INE020B07IV4	Rural Electrification Corporation Ltd - 9.02 - 18/06/2019**	CRISIL AAA	49	507.76	11.13%
3	INE261F08642	National Bank for Agricultural & Rural Development - 7.85 - 31/05/2019**	CRISIL AAA	50	507.45	11.12%
4	INE756I07894	HDB Financial Services Ltd - 8.54 - 12/06/2019**	CRISIL AAA	49	497.81	10.91%
5	INE115A07IU6	LIC Housing Finance Ltd - 8.69 - 17/05/2019**	CRISIL AAA	48	490.01	10.74%
6	INE752E07JS0	Power Grid Corporation of India Ltd - 9.3 - 28/06/2019**	CRISIL AAA	7	91.28	2.00%
7	INE053F09FY2	Indian Railway Finance Corporation Ltd - 8.19 - 27/04/2019**	CRISIL AAA	5	51.19	1.12%
		Sub Total			2686.35	58.88%
		(b)Govt Security				
1	IN2920160057	7.86% Rajasthan State Development Loan 23/06/2019**	Sovereign	1661000	1688.40	37.01%
		Sub Total			1688.40	37.01%
		Total for Debt Instruments			4374.75	95.89%
		(B)Money Market Instruments				
1		Reverse Repo			29.00	0.64%
		Total for Money Market Instruments			29.00	0.64%
		Cash and Other Net Current Assets			158.46	3.47%
		Grand Total			4562.21	100.00%

** Thinly traded / Non Traded Securities

