

**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-HI** as at 31/03/2018, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2018 and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

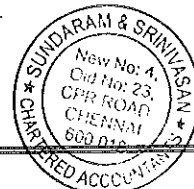
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Sundaram Mutual Fund **SUNDARAM FIXED TERM PLAN-HI** in accordance with the Eleventh Schedule of Securities and Exchange Board of India (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.



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

**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-HI** as at 31/03/2018.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN-HI** for the Year ended on 31/03/2018.

**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 : 29<sup>th</sup> June 2018

  
**K. SRINIVASAN**  
Partner  
Membership No. 5809



## BALANCE SHEET AS AT 31st MARCH, 2018

DESCRIPTION	SCHEDULE NO.	31-Mar-18	31-Mar-17
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	440,027,620	440,027,620
Reserves & Surplus	2	81,422,838	47,754,450
Current Liabilities & Provisions	3	152,971	74,006
		<b>521,603,429</b>	<b>487,856,076</b>
<b>ASSETS</b>			
Investments	4	514,366,439	481,819,524
Other Current Assets	5	7,236,990	6,036,552
		<b>521,603,429</b>	<b>487,856,076</b>

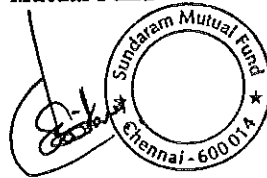
Notes on Accounts

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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 : 29th June 2018

## REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018

Description	Sch No.	2017 - 18		2016 - 17	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	41,406,578		39,414,442	
Net profit on inter scheme transfer / sale of investments		-		431,526	
Other Income		1,316		956	
<b>TOTAL (A)</b>		<b>41,407,894</b>	<b>41,407,894</b>	<b>39,846,924</b>	<b>39,846,924</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	1,273,242		-	
Management Fees		346,385		332,694	
Service Tax / Goods & Service Tax on Management Fees		59,776		49,625	
Custodian Fees		45,281		44,588	
Trusteeship Fees		25,264		23,439	
Commission to Agents		317,427		294,635	
Audit Fees		8,214		9,056	
Transfer Agent Fees & Expenses		9,796		-	
Investor Education Fees		101,054		93,754	
Other Operating Expenses		7,479		7,251	
<b>TOTAL (B)</b>		<b>2,193,918</b>	<b>2,193,885</b>	<b>855,042</b>	<b>855,042</b>
Less : Amount absorbed by AMC		33		-	
<b>Surplus /(Deficit) transferred to Balance Sheet ( A - B )</b>			<b>39,214,009</b>		<b>38,991,882</b>

Notes on Accounts

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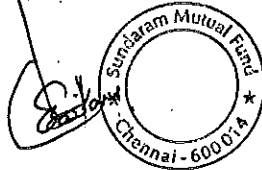
As per our Report of even date

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

K Srinivasan  
Partner  
(M.NO : 5809)



For  
Sundaram Mutual Fund



Authorised Signatory

Place : Chennai  
Date : 29th June 2018

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## SCHEDULE : 1

## Unit Capital

Description	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	44,002,762	440,027,620	44,002,762	440,027,620
Unit Capital Opening Capital	44,002,762	440,027,620	44,002,762	440,027,620
Add: Units sold during the Year	-	-	-	-
	44,002,762	440,027,620	44,002,762	440,027,620
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	44,002,762	440,027,620	44,002,762	440,027,620
		<u>440,027,620</u>		<u>440,027,620</u>

## SCHEDULE : 2

## Reserves &amp; Surplus

Description	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	42,208,829		3,216,947	
Add /(Less): Transfer from Revenue Account	39,214,009		38,991,882	
		81,422,838		42,208,829
Unrealised appreciation reserve Opening Balance	5,545,621		2,611,296	
Add/(Less) Net unrealized appreciation for the Year	(5,545,621)		2,934,325	
Unrealised Appreciation Reserve (Schedule 7)				5,545,621
		<u>81,422,838</u>		<u>47,754,450</u>

## SCHEDULE : 3

## Current Liabilities &amp; Provisions

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Sundry Creditors	152,484	72,673
Others - Rates & Taxes	487	1,333
	<u>152,971</u>	<u>74,006</u>

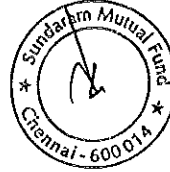
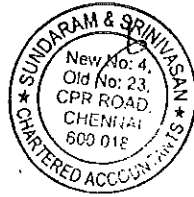


**SCHEDULE : 4****Investments**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
<b><u>Listed / awaiting listing on the stock exchange</u></b>		
Debentures & Bonds	328,498,638	309,382,047
Zero Coupon Bond	60,627,837	-
<b><u>Privately Placed/Unlisted</u></b>		
Zero Coupon Bond	120,243,250	167,437,477
Others - Reverse Repo / CBLO	4,996,714	5,000,000
	<b>514,366,439</b>	<b>481,819,524</b>

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

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts.	137,612	198,127
CBLO Margin Account	479,392	66,243
Repo Margin Account	625,043	297,907
Outstanding and accrued Income	5,994,943	5,474,275
	<b>7,236,990</b>	<b>6,036,552</b>

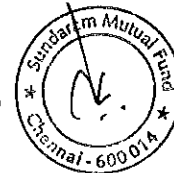
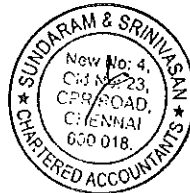


**SCHEDULE : 6****Interest**

Description	2017 - 18	2016 - 17
	Rs.	Rs.
Interest from banks and others	256,627	162,744
Interest on Debentures and Bonds	26,859,598	25,932,392
Discounting Charges	14,290,353	13,319,306
	<b>41,406,578</b>	<b>39,414,442</b>

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

Description	31/03/2018	31/03/2017
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Zero Coupon Bond	-	1,756,513
Debentures & Bonds	-	3,789,108
<b>Appreciation in value of investments ( Schedule 2 )</b>	-	<b>5,545,621</b>
<b>Diminution in value of investments</b>		
Debentures & Bonds	1,234,183	-
Zero Coupon Bond	39,059	-
<b>Diminution in value of investments transferred to Revenue Account</b>	<b>1,273,242</b>	-



**SUNDARAM MUTUAL FUND**  
**SUNDARAM FIXED TERM PLAN-HI**  
**Schedules forming part of the Balance Sheet as at 31-Mar-2018**  
**and the Revenue Account for the Year ended 31-Mar-2018**

**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) Interest Income on debt or money market instruments 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	2017 - 18	2016 - 17
Average daily net asset value	5,052.67	4,687.69
Management fee @ 0.07% of average daily net asset value.(Previous year 0.07%)	3.46	3.33

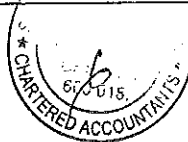
**3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND**

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	2017 - 18	2016 - 17
<b>PURCHASE VALUE (AMOUNT)</b>	262.93	505.65
%	5.20%	10.79%
<b>SALES VALUE (AMOUNT)</b>	-	280.86
%	-	5.99%





**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	31.03.2018	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 Year.	3,983.98	4,510.15
% to the asset under management	76.40%	92.46%

**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	2017 - 18	2016 - 17
<b>INCOME</b>	8.20%	8.50%
<b>EXPENDITURE #</b>	0.18%	0.18%

# Total expenses includes Service Tax / Goods & Service Tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996. - Refer Annexure IX for Planwise Expense Ratio.

**7 CONTINGENT LIABILITY**

Contingent liability as at 31st March 2018 is Rs. Nil. Previous Year Rs. Nil.

**8 AMOUNT PAID TO SPONSORS / ASSOCIATES**

	2017 - 18	2016 - 17
Sundaram BNP Paribas Fund Services Ltd (R & T)	0.10	-

**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-1

**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.

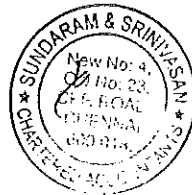
**13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES**

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/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 and term deposits. Movement of IEAI balances are provided in Annexure VII.



## 15 HISTORICAL PER UNIT STATISTICS

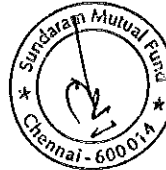
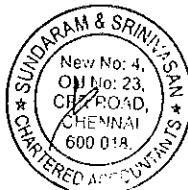
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	01.04.2017 to 31.03.2018		01.04.2016 to 31.03.2017		01.03.2016 to 31.03.2016	
	Rs.		Rs.		Rs.	
(A) Gross Income						
(i) Income other than profit on sale of investment	0.9410		0.8957		0.0715	
(ii) Income from profit on Inter scheme sales/transfer of investments	0.0000		0.0098		0.0000	
(iii) Income from profit on sale of investment to third parties	0.0000		0.0000		0.0029	
(iv) transfer to revenue account from past year's reserves	0.0000		0.0000		0.0000	
(B) Aggregate of expenses, write off, amortisation and charges	0.0499		0.0194		0.0013	
(C) Net Income	0.8912		0.8861		0.0731	
(D) Net unrealised appreciation/(diminution) in value of Investments	-0.0289		0.1260		0.0593	
	<b>Regular Growth</b>	<b>Direct Growth</b>	<b>Regular Growth</b>	<b>Direct Growth</b>	<b>Regular Growth</b>	<b>Direct Growth</b>
(E) Net Assets Value	11.839	11.8657	11.0798	11.0926	10.1318	10.1327
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA
Highest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000
Lowest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.18%		0.18%		0.15%	
(H) Ratio of gross Income to average daily net assets by percentage	8.20%		8.50%		8.74%	

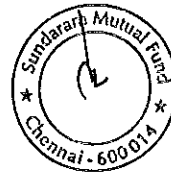
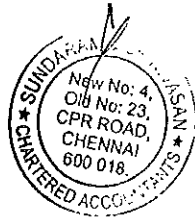
## 16 Computation of Distributable Income

	31.03.2018	31.03.2017
	Rs.	Rs.
Net Income as per revenue account	39,214,000	38,991,882
Add : Balance of Undistributed income as at 1st April brought forward	42,208,829	3,216,947
	81,422,838	42,208,829
Less : Income Distributed during the year	-	-
Distributable Income	81,422,838	42,208,829

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



ANNEXURE-II		
Sundaram Fixed Term Plan-HI		
% of total Investments within the classification		
	31-Mar-18	31-Mar-17
<b>Debt Instruments</b>		
<b>(a) Listed / awaiting listing on Stock Exchange</b>		
FINANCE	67.73%	91.39%
POWER	8.67%	8.61%
<b>(b) Privately Placed / Unlisted</b>		
FINANCE	23.61%	0.00%



SUNDARAM MUTUAL FUND						
Sundaram Fixed Term Plan-HI						
Portfolio Statement as at 31 March 2018						
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	INE115A07JH1	LIC Housing Finance Ltd - 09/04/2019**	CRISIL AAA	50	593.95	11.39
2	INE020B07IA8	Rural Electrification Corporation Ltd - 9.63% - 05/02/2019**	CRISIL AAA	58	590.27	11.32
3	INE134E07513	Power Finance Corporation Ltd - 9.69% - 02/03/2019**	CRISIL AAA	57	581.04	11.14
4	INE053F07850	Indian Railway Finance Corporation Ltd - 8.33% - 26/03/2019	CRISIL AAA	53	534.72	10.25
5	INE261F08592	National Bank for Agricultural & Rural Development - 7.98% - 13/03/2019**	CRISIL AAA	51	513.02	9.84
6	INE556F09593	Small Industrial Development Bank of India - 8.06% - 28/03/2019**	CARE AAA	50	503.27	9.65
7	INE752E07GJ5	Power Grid Corporation of India Ltd - 8.9% - 25/02/2019**	CRISIL AAA	20	253.38	4.86
8	INE752E07HG9	Power Grid Corporation of India Ltd - 8.64% - 08/07/2018**	CRISIL AAA	15	188.06	3.61
9	INE053F09FU0	Indian Railway Finance Corporation Ltd - 8.55% - 15/01/2019**	CRISIL AAA	5	50.55	0.97
10	INE556F09601	Small Industrial Development Bank of India - 8.04% - 15/03/2019**	CARE AAA	5	50.30	0.96
11	INE296A07BB9	Bajaj Finance Ltd - 10% - 25/04/2019**	CRISIL AAA	2	20.39	0.39
12	INE261F09EW8	National Bank for Agricultural & Rural Development - 01/01/2019**	CRISIL AAA	65	12.33	0.24
		<b>Sub Total</b>			<b>3891.26</b>	<b>74.62</b>
		<b>(b)Privately Placed / Unlisted</b>				
1	INE891K07259	Axis Finance Ltd - 06/05/2019**	IND AAA	50	601.55	11.54
2	INE296A07J05	Bajaj Finance Ltd - 06/05/2019**	IND AAA	50	600.88	11.52
		<b>Sub Total</b>			<b>1202.43</b>	<b>23.06</b>
		<b>Total for Debt Instruments</b>			<b>5093.70</b>	<b>97.68</b>
		<b>(B)Money Market Instruments</b>				
		<b>(a)Reverse Repo / CBLO</b>				
1		CBLO			49.97	0.96
		<b>Total for Money Market Instruments</b>			<b>49.97</b>	<b>0.96</b>
		Cash and Other Net Current Assets			70.84	1.36
		<b>Grand Total</b>			<b>5214.50</b>	<b>100.00</b>

\*\* Thinly traded / Non Traded Securities

