

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- IC** as at 31/03/2018, which comprise the Balance Sheet, the Revenue Account for the period 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- IC** 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- IC** as at 31/03/2018.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM FIXED TERM PLAN- IC** for the Period 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.

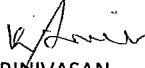
2. The Balance Sheet and Revenue Account **dealt with by this Report** are in agreement with the books of accounts of the Sundaram Mutual Fund.

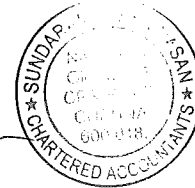
3.a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".

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:0042075)

Place: Chennai
Date : 29th June 2018


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2018

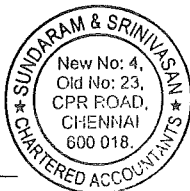
DESCRIPTION	SCHEDULE NO.	31-Mar-18
		Rs.
LIABILITIES		
Unit Capital	1	1,078,495,000
Reserves & Surplus	2	16,382,203
Current Liabilities & Provisions	3	178,776
		1,095,055,979
ASSETS		
Investments	4	1,070,722,237
Other Current Assets	5	24,333,742
		1,095,055,979

Notes on Accounts

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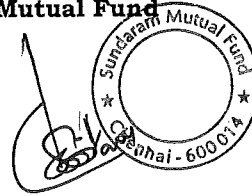
As per our Report of even date

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



K Srinivasan
K Srinivasan
Partner
(M.NO : 5809)

For
Sundaram Mutual Fund



Authorised Signatory

Place : Chennai
Date : 29th June 2018

REVENUE ACCOUNT FOR THE PERIOD FROM 09.01.2018 TO 31.03.2018

Description	Sch No.	09.01.2018 - 31.03.2018	
		Rs.	Rs.
REVENUE			
Interest	6	19,305,253	
		19,305,253	
TOTAL (A)			19,305,253
EXPENSES			
Net diminution in value of investment	7	2,480,028	
Loss on inter scheme transfer / sale of investments		799	
Management Fees		267,777	
Goods & Service Tax on Management Fees		48,200	
Custodian Fees		11,845	
Trusteeship Fees		12,153	
Commission to Agents		4,715	
Audit Fees		11,800	
Transfer Agent Fees & Expenses		32,895	
Investor Education Fees		48,612	
Other Operating expenses		4,226	
		2,923,050	
TOTAL (B)			2,923,050
SURPLUS / (DEFICIT) (A-B)			16,382,203
Surplus / (Deficit) transferred to Balance Sheet			16,382,203

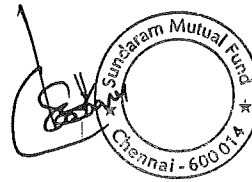
Notes on Accounts

8

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 : 29th June 2018

SCHEDULE : 1**Unit Capital**

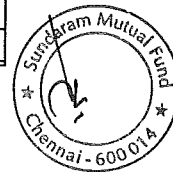
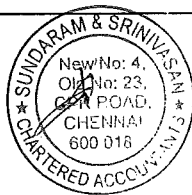
Description	31/03/2018	
	Units	Rs.
Initial capital	107,849,500	1,078,495,000
Unit Capital		
Opening Capital	-	-
Add: Units sold during the period	107,849,500	1,078,495,000
	107,849,500	1,078,495,000
Less : Units repurchased during the period	-	-
Units at the end of the period	107,849,500	1,078,495,000
		1,078,495,000

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2018	
	Rs.	Rs.
General Reserve		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	16,382,203	16,382,203
		16,382,203

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2018
	Rs.
Sundry Creditors	177,368
Others - Rates & Taxes	1,408
	178,776



SCHEDULE : 4**Investments**

Description	31/03/2018
	Rs.
<u>Listed/Awaiting listing on the Stock Exchange</u>	
Debentures & Bonds	315,039,613
Zero Coupon Bond	223,473,635
<u>Privately Placed/Unlisted</u>	
Debentures & Bonds	119,496,120
Government Securities	409,015,300
Others - Reverse Repo / CBLO	3,697,569
	1,070,722,237

SCHEDULE : 5**Other Current Assets**

Description	31/03/2018
	Rs.
Balance with banks in Current Accounts	10,524,784
CBLO Margin Account	340,901
Repo Margin Account	444,474
Outstanding and accrued Income	13,023,583
	24,333,742

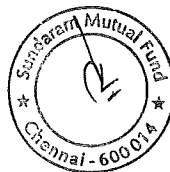
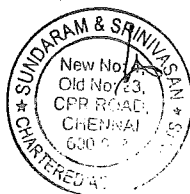


SCHEDULE : 6**Interest**

Description	09.01.2018 - 31.03.2018
	Rs.
Interest from banks and others	559,577
Interest on Debentures and Bonds	14,681,901
Discounting Charges	4,063,776
	19,305,253

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

Description	31/03/2018
	Rs.
Diminution in value of investments	
Government Securities	601,150
Debentures & Bonds	755,622
Zero Coupon Bond	1,123,256
Diminution in value of investments transferred to Revenue Account	2,480,028



SUNDARAM MUTUAL FUND
SUNDARAM FIXED TERM PLAN - SERIES IC
Schedules forming part of the Balance Sheet as at 31-Mar-2018
and the Revenue Account for the Period from 09.01.2018 to 31.03.2018

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.

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	09.01.2018 - 31.03.2018
Average daily net asset value	10,818.86
Management fee @ 0.11% of average daily net asset value.	2.68

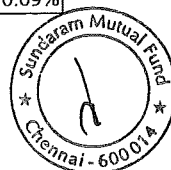
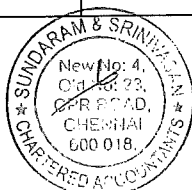
3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND:

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	09.01.2018 - 31.03.2018
PURCHASE VALUE (AMOUNT)	10,839.69
%	100.19%
SALES VALUE (AMOUNT)	10.00
%	0.09%



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	31.03.2018
Aggregate Fair Value of non traded / thinly traded investments valued	2,906.69
% to the asset under management	26.55%

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	09.01.2018 - 31.03.2018
INCOME	7.94%
EXPENDITURE #	0.18%

Total expenses includes 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.

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	09.01.2018 - 31.03.2018
Sundaram Finance Ltd (Sponsor)	5.13
Sundaram BNP Paribas Fund Services Ltd (R & T)	0.33

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

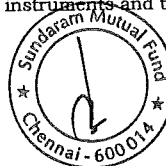
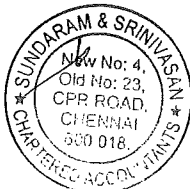
As the Financial Statements are prepared separately on each scheme, no further disclosure under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is considered necessary. There is no secondary reporting segment.

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/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

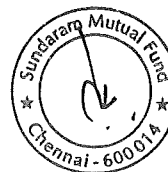
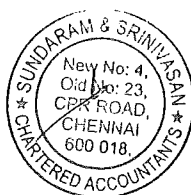
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		09.01.2018 - 31.03.2018			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.1790			
	(ii) income from profit on inter scheme sales/transfer of investments	-0.0000			
	(iii) income from profit on sale of investment to third parties	0.0000			
	(iv) transfer to revenue account from past year's reserves	0.0000			
(B)	Aggregate of expenses, write off, amortisation and charges	0.0271			
(C)	Net income	0.1519			
(D)	Net unrealised appreciation/(diminution) in value of investments	-0.0230			
		Regular Growth	Regular Dividend	Direct Growth	Direct Dividend
(E)	Net Assets Value	10.1517	10.1517	10.1519	10.1519
(F)	Highest repurchase price	NA	NA	NA	NA
	Lowest repurchase price	NA	NA	NA	NA
	Highest ongoing sale price	10.0000	10.0000	10.0000	10.0000
	Lowest ongoing sale price	10.0000	10.0000	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.18%			
(H)	Ratio of gross income. to average daily net assets by percentage	7.94%			

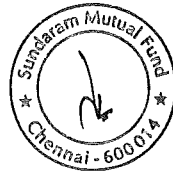
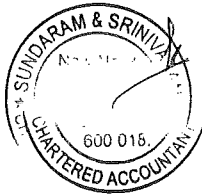
16 Computation of Distributable Income

	31.03.2018
	Rs.
Net Income as per revenue account	16,382,203
Add : Balance of Undistributed income as at 1st April brought forward	-
	16,382,203
Less : Income Distributed during the period	-
Distributable Income	16,382,203

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



ANNEXURE-II	
Sundaram Fixed Term Plan- IC	
% of total Investments within the classification	
	31-Mar-18
Debt Instruments	
(a) Listed / awaiting listing on Stock Exchange	
FINANCE	50.47%
(b) Privately Placed / Unlisted	
FINANCE	11.20%
(c) Govt Security	
SOVEREIGN	38.33%



SUNDARAM MUTUAL FUND						
Sundaram Fixed Term Plan- IC						
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
		(A)Debt Instruments				
		(a)Listed / awaiting listing on Stock Exchange				
1	INE556F08JA8	Small Industrial Development Bank of India - 7.52% - 10/02/2021	CARE AAA	128	1279.85	11.69
2	INE916DA7PI5	Kotak Mahindra Prime Ltd - 26/04/2021	CRISIL AAA	155	1220.74	11.15
3	INE377Y07029	Bajaj Housing Finance Ltd - 06/04/2021**	CRISIL AAA	100	1013.99	9.26
4	INE261F08956	National Bank for Agricultural & Rural Development - 7.4% - 01/02/2021**	CRISIL AAA	70	697.73	6.37
5	INE001A070S0	Housing Development Finance Corporation Ltd - 8.35% - 26/04/2021**	CRISIL AAA	5	504.43	4.61
6	INE134E08DM5	Power Finance Corporation Ltd - 9.18% - 15/04/2021**	CRISIL AAA	30	312.02	2.85
7	INE001A070O9	Housing Development Finance Corporation Ltd - 8.75% - 04/03/2021**	CRISIL AAA	3	305.49	2.79
8	INE115A07JB4	LIC Housing Finance Ltd - 8.75% - 12/02/2021	CRISIL AAA	5	50.88	0.46
		Sub Total			5385.13	49.18
		(b)Privately Placed / Unlisted				
1	INE756I07BU5	HDB Financial Services Ltd - 7.9407% - 15/04/2021**	CRISIL AAA	120	1194.96	10.91
		Sub Total			1194.96	10.91
		(c)Govt Security				
1	IN2920150405	8.21% Rajasthan State Development Loan 31/03/2021**	Sovereign	2500000	2552.61	23.31
2	IN2920150306	8.39% Rajasthan State Development Loan 15/03/2021**	Sovereign	1500000	1537.54	14.04
		Sub Total			4090.15	37.36
		Total for Debt Instruments			10670.25	97.46
		(B)Money Market Instruments				
		(a)Reverse Repo / CBLO				
1		CBLO			36.98	0.34
		Total for Money Market Instruments			36.98	0.34
		Cash and Other Net Current Assets			241.55	2.21
		Grand Total			10948.77	100.00

** Thinly traded / Non Traded Securities

