

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 HYBRID FUND SERIES - A as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account for the year then ended 31/03/2015 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, financial performance of the Sundaram Mutual Fund SUNDARAM HYBRID FUND SERIES - A 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 HYBRID FUND SERIES - A as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM HYBRID FUND SERIES - A for the year ended on 31/03/2015.

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.

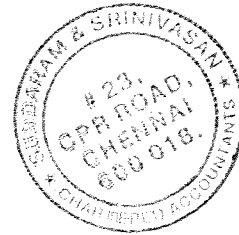
For and on behalf of SUNDARAM & SRINIVASAN
Chartered Accountants (FRN No:004207S)

Place : Chennai
Date : 29th June 2015


K.SRINIVASAN

Partner

Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2015

	SCHEDULE NO.	31-Mar-15	31-Mar-14
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	208,989,440	208,989,440
Reserves & Surplus	2	51,693,791	16,994,211
Current Liabilities & Provisions	3	196,207	535,887
		260,879,438	226,519,538
ASSETS			
Investments	4	253,177,900	219,251,685
Other Current Assets	5	7,701,538	7,267,853
		260,879,438	226,519,538

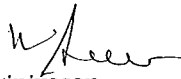
Notes on Accounts

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 : 29th June 2015

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

	Schedule No.	01.04.2014 TO 31.03.2015 ✓		08.08.2013 TO 31.03.2014 ✓	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend	6	1,185,477 ✓		118,584 ✓	
Interest		15,026,174 ✓		12,072,339 ✓	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		512,201 ✓		81,990 ✓	
Net profit on inter scheme transfer / sale of investments		165,409 ✓		26,994 ✓	
Other Income		- ✓		20,450 ✓	
TOTAL (A)		16,889,261 ✓	16,889,261 ✓	12,320,357 ✓	12,320,357 ✓
EXPENSES					
Management fee		1,137,266 ✓		645,769 ✓	
Service Tax on AMC Fees		140,566 ✓		79,817 ✓	
Trusteeship fee		12,359 ✓		10,389 ✓	
Custodian charges		46,383 ✓		34,736 ✓	
Commission to Agents		3,754,391 ✓		2,109,611 ✓	
Audit fee		7,621 ✓		7,000 ✓	
Other Operating expenses		3,976 ✓		11,746 ✓	
Investors Education Fees		49,438 ✓		28,078 ✓	
SEBI Fees		1,029 ✓		- ✓	
TOTAL (B)		5,153,029 ✓	5,153,029 ✓	2,927,146 ✓	2,927,146 ✓
SURPLUS / (DEFICIT) (A-B)			11,736,232 ✓		9,393,211 ✓
Surplus /(Deficit) transferred to Balance Sheet			11,736,232 ✓		9,393,211 ✓

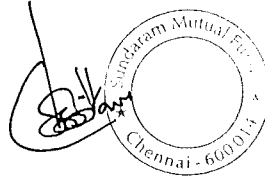
Notes on Accounts

8

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 2015

SCHEDULE : 1**Unit Capital**

	31/03/2015 ✓		31/03/2014 ✓	
	Units	Rs.	Units	Rs.
Initial capital	20,898,944	208,989,440	20,898,944	208,989,440
Unit Capital				
Opening Capital	20,898,944	208,989,440	-	-
Add: Units sold during the year	-	-	20,898,944	208,989,440
	20,898,944	208,989,440	20,898,944	208,989,440
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	20,898,944	208,989,440	20,898,944	208,989,440
	<u>208,989,440</u>		<u>208,989,440</u>	

SCHEDULE : 2**Reserves & Surplus**

	31/03/2015 ✓		31/03/2014 ✓	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	9,393,211	-	-	-
Add / (Less): Transfer from Revenue Account	11,736,232	9,393,211	9,393,211	9,393,211
		21,129,443		
Unrealised appreciation reserve				
Opening Balance	7,601,000	-	-	-
Add/(Less) Net unrealized appreciation for the year	22,963,348	7,601,000	7,601,000	7,601,000
Unrealised Appreciation Reserve (Schedule 7)		30,564,348		7,601,000
		<u>51,693,791</u>		<u>16,994,211</u>

SCHEDULE : 3**Current Liabilities & Provisions**

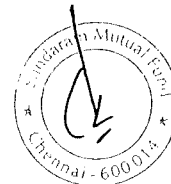
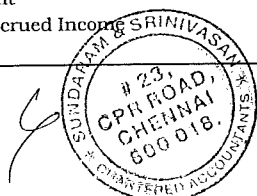
	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	185,374	528,760
Others	10,833	7,127
	<u>196,207</u>	<u>535,887</u>

SCHEDULE : 4**Investments**

	31/03/2015	31/03/2014
	Rs.	Rs.
Equity Shares - Listed	94,372,784	69,030,828
Rights Entitlement - Unlisted	-	20,170
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	109,178,996	105,086,875
Others - Reverse Repo / CBLO	1,597,400	1,996,172
Zero Coupon Bond - Listed	48,028,720	43,117,640
	<u>253,177,900</u>	<u>219,251,685</u>

SCHEDULE : 5**Other Current Assets**

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	441,442	292,151
CBLO Margin Account	83,769	-
Repo Margin Account	30,434	-
Outstanding and accrued Income	7,145,893	6,975,702
	<u>7,701,538</u>	<u>7,267,853</u>

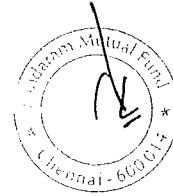


SCHEDULE : 6**Interest**

	01.04.2014 TO 31.03.2015	08.08.2013 TO 31.03.2014
	Rs.	Rs.
Interest from banks and others	391,542	2,608,914
Interest on Debentures and Bonds	9,976,558	6,617,532
Discounting Charges	4,658,074	2,845,893
	15,026,174	12,072,339

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

	31/03/2015	31/03/2014
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	27,806,488	5,765,052
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	2,337,027	1,668,121
Zero Coupon Bond	420,833	167,827
Appreciation in value of investments (Schedule 2)	30,564,348	7,601,000



**SUNDARAM MUTUAL FUND
SUNDARAM HYBRID FUND - A**

**Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Year ended 31st March 2015**

**SCHEDULE 8
NOTES ON ACCOUNTS**

All amounts mentioned rupees in

1 SIGNIFICANT ACCOUNTING POLICIES

1.1. INVESTMENTS

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies. 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.

Bonus/Rights entitlements are recognised on ex-bonus /ex- rights dates.

1.2. INCOME RECOGNITION

- (i) Dividend is accounted on accrual basis and recognized on ex-dividend dates.
- (ii) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (iii) Income on investments is accounted on accrual basis.
- (iii) Other income is accounted on cash basis.

1.3. EXPENSES

Expenses are accounted for on accrual basis.

2. INVESTMENT MANAGER FEES

Management fee is computed on daily average net assets as under:

Description	01.04.2014 to 31.03.2015	08.08.2013 to 31.03.2014
Average daily net asset value	2,471.68	2,171.13
Management fee @ 0.46% (previous year - 0.46%) of average daily net asset value.	11.37	6.46

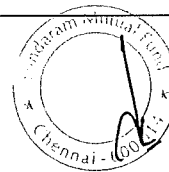
3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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	01.04.2014 to 31.03.2015	08.08.2013 to 31.03.2014
PURCHASE VALUE (AMOUNT)	173.56	2,151.46
%	7.02%	99.09%
SALES VALUE (AMOUNT)	115.86	80.94
%	4.69%	3.73%



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	01.04.2014 to 31.03.2015	08.08.2013 to 31.03.2014
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.	1,572.08 ✓	1,482.05 ✓
% to the asset under management	62.09% ✓	65.58% ✓

6. INCOME / EXPENDITURE

The total income and expenditure (excluding deferred revenue expenditure un-amortised) as a percentage of the daily average net assets, on an annualised basis, are given below.

DESCRIPTION	01.04.2014 to 31.03.2015	08.08.2013 to 31.03.2014
INCOME	6.83% ✓	8.78% ✓
EXPENDITURE	2.08% ✓	2.09% ✓

* With effect from 01st Oct, 2012 Service Tax on AMC fees is charged over and above the total expense ratio as per SEBI guidelines and is included in the above expense ratio.

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2015 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.2014 to 31.03.2015	08.08.2013 to 31.03.2014
Sundaram Finance Ltd (Sponsor)	0.60 ✓	13.05 ✓
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL ✓	NIL ✓
Amount paid to INDUSIND BANK (ASSOCIATE)	0.20 ✓	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

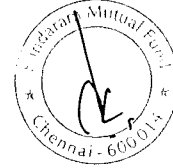
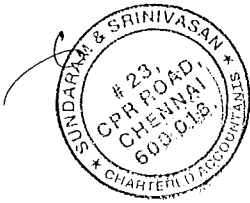
As Per Schedule-I

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 HISTORICAL PER UNIT STATISTICS

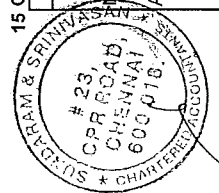
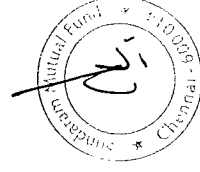
	01.04.2014 - 31.03.2015				08.08.2013 - 31.03.2014					
	Rs.				Rs.					
(A) Gross income										
(i) income other than profit on sale of investment				0.7757				0.5843		
(ii) income from profit on inter scheme sales/transfer of investments				0.0079				0.0039		
(iii) income from profit on sale of investment to third parties				0.0245				0.0012		
(iv) transfer to revenue account from past year's reserves										
(B) Aggregate of expenses, write off, amortisation and charges				0.2466				0.1401		
(C) Net income				0.5616				0.4493		
(D) Net unrealised appreciation/(diminution) in value of investments				1.4625				0.3637		
(E) Net Assets Value	Regular Growth	12.4704	Direct Growth	12.7836	Halfyearly Dividend	12.4704	Annual Dividend	12.4704	Direct Annual Dividend	12.7836
(F) Highest repurchase price		NA		NA		NA		NA		NA
Lowest repurchase price		NA		NA		NA		NA		NA
Highest ongoing sale price *		10.0000		10.0000		10.0000		10.0000		10.0000
Lowest ongoing sale price *		10.0000		10.0000		10.0000		10.0000		10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage				2.08%				2.09%		
(H) Ratio of gross income to average daily net assets by percentage				6.83%				8.78%		

* includes entry load as applicable

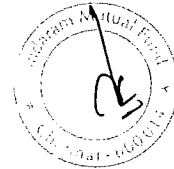
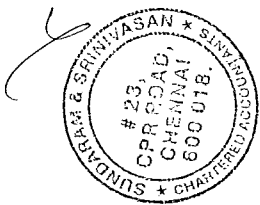
15 Computation of Distributable Income

	31.03.15	31.03.14
	Rs.	Rs.
Net Income as per revenue account	11,736,232	9,393,211
Add : Balance of Undistributed income as at 1st April brought forward	9,393,211	-
Less : Income Distributed during the year	-	-
Distributable Income	21,129,443	9,393,211

16. Previous year figures have been regrouped wherever necessary to confirm with the current year's classification



ANNEXURE-II		
SUNDARAMHYBRID FUND SERIES -A		
% of total Investments within the classification		
	2014-2015	2013 - 2014
DEBT INSTRUMENTS		
a) Listed/awaiting listing on stock exchange		
FINANCE	100%	100.00%
Money Market Instruments		
FINANCE	0%	0%
EQUITY INSTRUMENTS		
	2014-2015	2013 - 2014
AUTOMOBILE	6.47%	6.30%
CONSTRUCTION	6.89%	6.97%
CONSUMER GOODS	7.10%	9.38%
ENERGY	10.15%	13.93%
FINANCE	34.37%	29.57%
IT	18.86%	19.82%
PHARMA	7.84%	5.96%



ANNEXURE-III

SUNDARAM MUTUAL FUND						
SUNDARAM HYBRID FUND SERIES - A						
Portfolio Statement as at 31 March 2015						
S.NO	ISIN CODE	Name of the Instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Investment
A) Equity & Equity Related						
a) Listed / awaiting listing on Stock Exchange						
1	INE009A01021	Infosys Ltd	IT	3402	75.47	2.98%
2	INE001A01036	Housing Development Finance Corporation Ltd	FINANCIAL SERVICES	5696	74.94	2.96%
3	INE090A01021	ICICI Bank Ltd	FINANCIAL SERVICES	21550	67.99	2.69%
4	INE040A01026	HDFC Bank Ltd	FINANCIAL SERVICES	6383	65.28	2.58%
5	INE018A01030	Larsen & Toubro Ltd	CONSTRUCTION	3783	65.05	2.57%
6	INE467B01029	Tata Consultancy Service Ltd	IT	1817	46.41	1.83%
7	INE002A01018	Reliance Industries Ltd	ENERGY	5198	42.94	1.70%
8	INE044A01036	Sun Pharmaceuticals Industries Ltd	PHARMA	3451	35.33	1.40%
9	INE154A01025	ITC Ltd	CONSUMER GOODS	10521	34.28	1.35%
10	INE238A01034	AxIs Bank Ltd	FINANCIAL SERVICES	5175	28.99	1.15%
11	INE062A01020	State Bank of India Ltd	FINANCIAL SERVICES	10690	28.55	1.13%
12	INE155A01022	TATA Motors Ltd	AUTOMOBILE	5045	27.76	1.10%
13	INE237A01028	Kotak Mahindra Bank Ltd	FINANCIAL SERVICES	2034	26.71	1.05%
14	INE397D01024	Bharti Airtel Ltd	TELECOM	6000	23.60	0.93%
15	INE326A01037	Lupin Laboratories Ltd	PHARMA	1124	22.57	0.89%
16	INE043D01016	IDFC Ltd	FINANCIAL SERVICES	13387	22.35	0.88%
17	INE030A01027	Hindustan UniLever Ltd	CONSUMER GOODS	2440	21.31	0.84%
18	INE213A01029	Oil & Natural Gas Corp. Ltd	ENERGY	6800	20.83	0.82%
19	INE669C01036	Tech Mahindra Ltd	IT	3252	20.48	0.81%
20	INE860A01027	HCL Technologies Ltd	IT	2082	20.41	0.81%
21	INE075A01022	Wipro Ltd	IT	2419	15.21	0.60%
22	INE585B01010	Maruti Suzuki India Ltd	AUTOMOBILE	405	14.97	0.59%
23	INE029A01011	Bharat Petroleum Corporation Ltd	ENERGY	1771	14.36	0.57%
24	INE021A01026	Asian Paints Ltd	CONSUMER GOODS	1405	11.40	0.45%
25	INE089A01023	Dr.Reddy's Laboratories	PHARMA	309	10.78	0.43%
26	INE101A01026	Mahindra & Mahindra Ltd	AUTOMOBILE	898	10.67	0.42%
27	INE481G01011	Ultratech Cement Ltd	CEMENT & CEMENT PRODUCT	344	9.90	0.39%
28	INE669E01016	Idea Cellular Ltd	TELECOM	5225	9.61	0.38%
29	INE003A01024	Siemens Ltd	INDUSTRIAL MANUFACTURING	597	8.34	0.33%
30	INE158A01026	Hero Motocorp Ltd	AUTOMOBILE	290	7.66	0.30%
31	INE129A01019	Gas Authority of India Ltd	ENERGY	1813	7.03	0.28%
32	INE245A01021	Tata Power Company Ltd	ENERGY	7319	5.64	0.22%
33	INE079A01024	Gujarat Ambuja Cements Ltd	CEMENT & CEMENT PRODUCT	2125	5.43	0.21%
34	INE160A01022	Punjab National Bank	FINANCIAL SERVICES	3760	5.43	0.21%
35	INE059A01026	Cipla Ltd	PHARMA	750	5.34	0.21%
36	INE910H01017	Cairn India Ltd	ENERGY	2322	4.97	0.20%
37	INE205A01025	Sesa Sterlite Ltd	METALS	2579	4.89	0.19%
38	INE012A01025	ACC Ltd	CEMENT & CEMENT PRODUCT	308	4.81	0.19%
39	INE256A01028	Zee Entertainment Enterprises Ltd	MEDIA & ENTERTAINMENT	1249	4.27	0.17%
40	INE028A01039	Bank Of Baroda	FINANCIAL SERVICES	2520	4.12	0.16%
41	INE081A01012	Tata Steel Ltd	METALS	1283	4.06	0.16%
42	INE038A01020	Hindalco Industries Ltd.	METALS	2776	3.58	0.14%
Sub Total					943.72	37.28%
Total for Equity & Equity Related					943.72	37.28%
B) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE667F07BV8	Sundaram BNP Paribas Home Finance Ltd**	CARE AA+	40	480.29	18.97%
2	INE043D07BP9	IDFC Ltd**	[ICRA]AAA	44	444.47	17.56%
3	INE306N07823	TATA Capital Financial Services Ltd**	CRISIL AA+	40	408.23	16.12%
4	INE134E08FV1	Power Finance Corporation Ltd**	CRISIL AAA	24	239.09	9.44%
Sub Total					1,572.08	62.09%
Total for Debt Instruments					1,572.08	62.09%
C) Money Market Instruments						
a) Reverse Repo / CBLO						
1		CBLO			15.97	0.63%
Sub Total					15.97	0.63%
Total for Money Market Instruments					15.97	0.63%
GRAND TOTAL					2,531.77	100.00%

** Thinly traded / Non Traded securities

