

# 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 HYBRID FUND SERIES - F as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account for the period then ended 31/03/2015 and a summary of significant accounting policies and other explanatory information

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

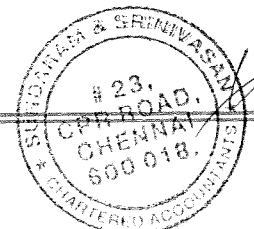
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM HYBRID FUND SERIES - F in accordance with the Eleventh Schedule of Securities and Exchange Board of India (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 - F as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM HYBRID FUND SERIES - F for the period 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.

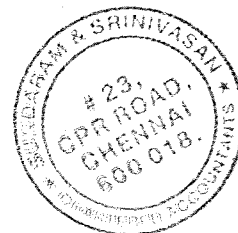
3.a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".

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
		<b>Rs.</b>
<b>LIABILITIES</b>		
Unit Capital	1	274,909,630
Reserves & Surplus	2	44,303,920
Current Liabilities & Provisions	3	775,949
		<b>319,989,499</b>
<b>ASSETS</b>		
Investments	4	310,705,609
Other Current Assets	5	9,283,890
		<b>319,989,499</b>

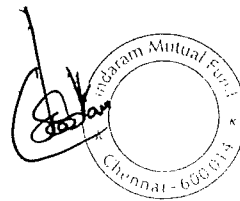
Notes on Accounts

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

## REVENUE ACCOUNT FOR THE PERIOD FROM 04.04.2014 TO 31.03.2015

	Schedule No.	04.04.2014 TO 31.03.2015	
		Rs.	Rs.
<b>REVENUE</b>			
Dividend		1,345,797	
Interest	6	17,766,196	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		361,453	
Net profit on inter scheme transfer / sale of investments		592,453	
		<b>20,065,899</b>	
<b>TOTAL (A)</b>			<b>20,065,899</b>
<b>EXPENSES</b>			
Management fee		2,371,817	
Service Tax on AMC Fees		293,156	
Trusteeship fee		14,972	
Custodian charges		69,436	
Commission to Agents		4,992,786	
Audit fee		13,070	
Other Operating expenses		15,242	
Investor Education Fees		59,890	
		<b>7,830,369</b>	
<b>TOTAL (B)</b>			<b>7,830,369</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>12,235,530</b>
<b>Surplus / (Deficit) transferred to Balance Sheet</b>			<b>12,235,530</b>

Notes on Accounts

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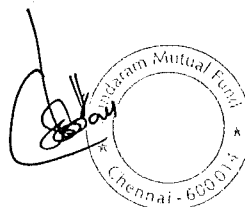
As per our Report of even date

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

**For**  
**Sundaram Mutual Fund**



K Srinivasan  
Partner  
(M.NO : 5809)

Authorised Signatory

Place : Chennai  
Date : 29th June 2015

SUNDARAM MUTUAL FUND

SUNDARAM HYBRID PLAN SERIES F

**SCHEDULE : 1**

**Unit Capital**

	31/03/2015	
	Units	Rs.
<b>Initial capital</b>	27,490,963	274,909,630
<b>Unit Capital</b>		
Opening Capital	-	-
Add: Units sold during the Period	27,490,963	274,909,630
	27,490,963	274,909,630
Less : Units repurchased during the Period	-	-
Units at the end of the Period	27,490,963	274,909,630

**274,909,630**

**SCHEDULE : 2**

**Reserves & Surplus**

	31/03/2015	
	Rs.	Rs.
<b>General Reserve</b>		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	12,235,530	12,235,530
<b>Unrealised appreciation reserve</b>		
Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the period	32,068,390	32,068,390
Unrealised Appreciation Reserve (Schedule 7)		32,068,390
		<b>44,303,920</b>

**44,303,920**

**SCHEDULE : 3**

**Current Liabilities & Provisions**

	31/03/2015
	Rs.
Sundry Creditors	753,249
Others	22,700
	<b>775,949</b>

**SCHEDULE : 4**

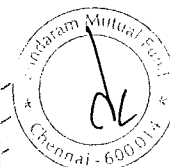
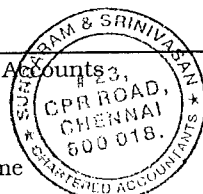
**Investments**

	31/03/2015
	Rs.
Equity Shares	114,677,760
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	188,739,710
Others - Reverse Repo / CBLO	7,288,139
	<b>310,705,609</b>

**SCHEDULE : 5**

**Other Current Assets**

	31/03/2015
	Rs.
Balance with banks in Current Accounts	240,754
CBLO Margin Account	365,695
Repo Margin Account	132,859
Outstanding and accrued Income	8,544,582
	<b>9,283,890</b>



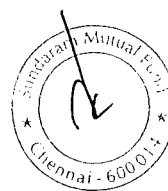
**SCHEDULE : 6****Interest**

	<b>04.04.2014 TO 31.03.2015</b>
	<b>Rs.</b>
Interest from banks and others	1,191,753
Interest on Debentures and Bonds	16,574,443
	<b>17,766,196</b>

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

	<b>31/03/2015</b>
	<b>Rs.</b>
<b>Appreciation in Value of Investments</b>	
Equity Shares	25,416,468
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	6,651,922
<b>Appreciation in Value of Investments (schedule 2)</b>	<b>32,068,390</b>

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**SUNDARAM MUTUAL FUND  
SUNDARAM HYBRID FUND - F**

Schedules forming part of the Balance Sheet as at 31-Mar-2015 ✓  
and the Revenue Account for the Period from 04.04.2014 TO 31.03.2015 ✓

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.

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.

Accrual of expenses, in addition to TER, for distribution expenses incurred for bringing in inflows from beyond top 15 cities (as notified by Association of Mutual Funds of India (AMFI)) is accrued in accordance with regulation 52(6A)

**2. INVESTMENT MANAGER FEES**

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

Description	04.04.2014 TO 31.03.2015
Average daily net asset value	3,019.03
Management fee @ 0.79% (previous year 0.46%) of average daily net asset value.	23.72

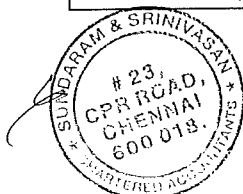
**3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.**

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	04.04.2014 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	3,695.70
%	122.41%
SALES VALUE (AMOUNT)	947.14
%	31.37%



## 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	04.04.2014 TO 31.03.2015
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.	1,887.39 ✓
% to the asset under management	59.13% ✓

## 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	04.04.2014 TO 31.03.2015
INCOME	6.70% ✓
EXPENDITURE	2.62% ✓

## 7. CONTINGENT LIABILITY

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

## 8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	04.04.2014 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	1.65 ✓
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL ✓
Amount paid to INDUSIND BANK (ASSOCIATE)	16.99 ✓

## 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

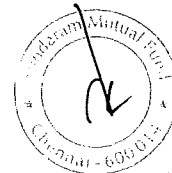
As Per Schedule-I

## 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



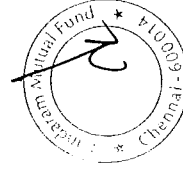


14. HISTORICAL PER UNIT STATISTICS	04.04.2014 - 31.03.2015		SHYBF			
	Rs.					
(A) Gross income	0.6952					
(i) income other than profit on sale of investment	0.0216					
(ii) income from profit on inter scheme sales/transfer of investments	0.0131					
(iii) income from profit on sale of investment to third parties						
(iv) transfer to revenue account from past year's reserves						
(B) Aggregate of expenses, write off, amortisation and charges	0.2848					
(C) Net income	0.4451					
(D) Net unrealised appreciation/(diminution) in value of investments	1.1665					
(E) Net Assets Value	Regular Plan			Direct Plan		
	Growth Option	Half-yearly Dividend Option	Annual Dividend Option	Growth Option	Half-yearly Dividend Option	Annual Dividend Option
(F) Highest repurchase price	11.6088	11.6088	11.6088	11.8057	11.8057	11.8058
Lowest repurchase price	NA	NA	NA	NA	NA	NA
Highest ongoing sale price *	NA	NA	NA	NA	NA	NA
Lowest ongoing sale price *	10.0000	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	2.62%					
(H) Ratio of gross income to average daily net assets by percentage	6.70%					

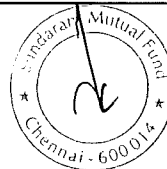
\* includes entry load as applicable

15 Computation of Distributable Income	31.03.15
	Rs.
Net Income as per revenue account	12,235,530
Add : Balance of Undistributed income as at 1st April brought forward	-
Less : Income Distributed during the year	12,235,530
Distributable Income	12,235,530

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



ANNEXURE-II		
SUNDARAMHYBRID FUND SERIES -F	% of total Investments within the classification	
	2014-2015	
<b>EQUITY INSTRUMENTS</b>		
AUTO	8.57%	
CONSTRUCTION	6.82%	
ENERGY	9.37%	
FINANCE	34.76%	
IT	14.91%	
PHARMA	8.51%	
CONSUMER GOODS	8.28	
<b>DEBT INSTRUMENTS</b>		
a) Listed/awaiting listing on stock exchange		
FINANCE	73.00%	
POWER	14.00%	
ENERGY	13.00%	
<b>Money Market Instruments</b>		
FINANCE	0%	



## ANNEXURE-III

SUNDARAM MUTUAL FUND						
SUNDARAM HYBRID FUND-SERIES - F						
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
<b>A) Equity &amp; Equity Related</b>						
<b>a) Listed / awaiting listing on Stock Exchange</b>						
1	INE001A01036	Housing Development Finance Corporation Ltd	FINANCIAL SERVICES	7134	93.86	3.02%
2	INE040A01026	HDFC Bank Ltd	FINANCIAL SERVICES	8066	82.49	2.65%
3	INE090A01021	ICICI Bank Ltd	FINANCIAL SERVICES	26025	82.11	2.64%
4	INE018A01030	Larsen & Toubro Ltd	CONSTRUCTION	4547	78.19	2.52%
5	INE009A01021	Infosys Ltd	IT	2726	60.47	1.95%
6	INE002A01018	Reliance Industries Ltd	ENERGY	6688	55.24	1.78%
7	INE154A01025	ITC Ltd	CONSUMER GOODS	16845	54.89	1.77%
8	INE467B01029	Tata Consultancy Service Ltd	IT	1824	46.58	1.50%
9	INE155A01022	TATA Motors Ltd	AUTOMOBILE	7073	38.92	1.25%
10	INE044A01036	Sun Pharmaceuticals Industries Ltd	PHARMA	3739	38.28	1.23%
11	INE237A01028	Kotak Mahindra Bank Ltd	FINANCIAL SERVICES	2896	38.03	1.22%
12	INE238A01034	Axis Bank Ltd	FINANCIAL SERVICES	6320	35.40	1.14%
13	INE062A01020	State Bank of India Ltd	FINANCIAL SERVICES	12690	33.89	1.09%
14	INE059A01026	Cipla Ltd	PHARMA	4534	32.30	1.04%
15	INE030A01027	Hindustan UniLever Ltd	CONSUMER GOODS	3345	29.22	0.94%
16	INE326A01037	Lupin Laboratories Ltd	PHARMA	1347	27.05	0.87%
17	INE075A01022	Wipro Ltd	IT	3981	25.03	0.81%
18	INE101A01026	Mahindra & Mahindra Ltd	AUTOMOBILE	1956	23.23	0.75%
19	INE397D01024	Bharti Airtel Ltd	TELECOM	5485	21.57	0.69%
20	INE669C01036	Tech Mahindra Ltd	IT	3416	21.51	0.69%
21	INE585B01010	Maruti Suzuki India Ltd	AUTOMOBILE	523	19.34	0.62%
22	INE043D01016	IDFC Ltd	FINANCIAL SERVICES	11340	18.93	0.61%
23	INE213A01029	Oil & Natural Gas Corpn. Ltd	ENERGY	6013	18.42	0.59%
24	INE029A01011	Bharat Petroleum Corporation Ltd	ENERGY	2177	17.65	0.57%
25	INE860A01027	HCL Technologies Ltd	IT	1772	17.37	0.56%
26	INE158A01026	Hero Motocorp Ltd	AUTOMOBILE	638	16.84	0.54%
27	INE481G01011	Ultratech Cement Ltd	CEMENT & CEMENT PRODUCTS	532	15.31	0.49%
28	INE669E01016	Idea Cellular Ltd	TELECOM	6840	12.59	0.41%
29	INE021A01026	Asian Paints Ltd	CONSUMER GOODS	1342	10.89	0.35%
30	INE003A01024	Siemens Ltd	INDUSTRIAL MANUFACTURING	729	10.18	0.33%
31	INE160A01022	Punjab National Bank	FINANCIAL SERVICES	6105	8.82	0.28%
32	INE129A01019	Gas Authority of India Ltd	ENERGY	2205	8.55	0.28%
33	INE205A01025	Sesa Sterlite Ltd	METALS	4377	8.29	0.27%
34	INE079A01024	Ambuja Cements Ltd	CEMENT & CEMENT PRODUCTS	3225	8.23	0.26%
35	INE910H01017	Cairn India Ltd	ENERGY	3549	7.59	0.24%
36	INE081A01012	Tata Steel Ltd	METALS	2142	6.78	0.22%
37	INE256A01028	Zee Entertainment Enterprises Ltd	MEDIA & ENTERTAINMENT	1857	6.35	0.20%
38	INE038A01020	Hindalco Industries Ltd.	METALS	4565	5.89	0.19%
39	INE012A01025	ACC Ltd	CEMENT & CEMENT PRODUCTS	348	5.44	0.18%
40	INE028A01039	Bank Of Baroda	FINANCIAL SERVICES	3070	5.02	0.16%
		<b>Sub Total</b>			<b>1,146.74</b>	<b>36.91%</b>
		<b>Total for Equity &amp; Equity Related</b>			<b>1,146.74</b>	<b>36.91%</b>
<b>B) Debt Instruments</b>						
<b>a) Listed / awaiting listing on Stock Exchange</b>						
1	INE134E07406	Power Finance Corporation Ltd**	CRISIL AAA	50	520.87	16.76%
2	INE860H07466	Aditya Birla Finance Ltd**	IND AA+	51	520.47	16.75%
3	INES14E08DA3	Export Import Bank of India**	CRISIL AAA	33	340.55	10.96%
4	INE752E07GJ5	Power Grid Corporation of India Ltd**	CRISIL AAA	20	255.31	8.22%
5	INE020B07IAB	Rural Electrification Corporation Ltd**	CRISIL AAA	24	250.19	8.05%
		<b>Sub Total</b>			<b>1,887.39</b>	<b>60.75%</b>
		<b>Total for Debt Instruments</b>			<b>1,887.39</b>	<b>60.75%</b>
<b>C) Money Market Instruments</b>						
<b>a) Reverse Repo / CBLO</b>						
1		CBLO			72.88	2.35%
		<b>Sub Total</b>			<b>72.88</b>	<b>2.35%</b>
		<b>Total for Money Market Instruments</b>			<b>72.88</b>	<b>2.35%</b>
		<b>GRAND TOTAL</b>			<b>3,107.01</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

