

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 - H 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

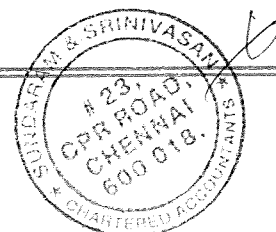
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM HYBRID FUND SERIES - H in accordance with the Eleventh Schedule of Securities and Exchange Board of India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

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM HYBRID FUND SERIES - H 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 ✓
		Rs.
LIABILITIES		
Unit Capital	1	233,991,710
Reserves & Surplus	2	34,681,867
Current Liabilities & Provisions	3	625,394
		269,298,971
ASSETS		
Investments	4	258,076,292
Other Current Assets	5	11,222,679
		269,298,971

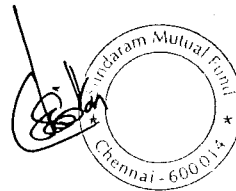
Notes on Accounts

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 PERIOD FROM 05.05.2014 TO 31.03.2015 ✓


	Schedule No.	05.05.2014 TO 31.03.2015	
		Rs.	Rs.
REVENUE			
Dividend		1,105,756	
Interest		14,128,920	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		305,384	
Net profit on inter scheme transfer / sale of investments		52,185	
		15,592,245	
TOTAL (A)			15,592,245
EXPENSES			
Management fee		1,837,581	
Service Tax on AMC Fees		227,125	
Trusteeship fee		11,627	
Custodian charges		56,460	
Commission to Agents		3,159,594	
Audit fee		12,781	
Other Operating expenses		4,330	
Investor Education Fees		46,504	
		5,356,002	
TOTAL (B)			5,356,002
SURPLUS / (DEFICIT) (A-B)			10,236,243
Surplus / (Deficit) transferred to Balance Sheet			10,236,243

Notes on Accounts

8

As per our Report of even date

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


K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund




Authorized Signatory

Place : Chennai
Date : 29th June 2015

SCHEDULE : 1**Unit Capital**

	31/03/2015	
	Units	Rs.
Initial capital		
	23,399,171	233,991,710
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	23,399,171	233,991,710
	23,399,171	233,991,710
Less : Units repurchased during the Period	-	-
Units at the end of the Period	23,399,171	233,991,710
		233,991,710

SCHEDULE : 2**Reserves & Surplus**

	31/03/2015	
	Rs.	Rs.
General Reserve		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	10,236,243	10,236,243
Unrealised appreciation reserve		
Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the period	24,445,624	24,445,624
Unrealised Appreciation Reserve (Schedule 7)		24,445,624
		34,681,867

SCHEDULE : 3**Current Liabilities & Provisions**

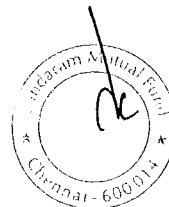
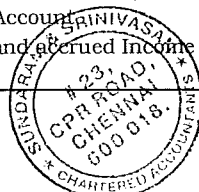
	31/03/2015
	Rs.
Sundry Creditors	606,187
Others	19,207
	625,394

SCHEDULE : 4**Investments**

	31/03/2015
	Rs.
Equity Shares	92,566,052
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	160,218,851
Others - Reverse Repo / CBLO	5,291,389
	258,076,292

SCHEDULE : 5**Other Current Assets**

	31/03/2015
	Rs.
Balance with banks in Current Accounts	253,072
CBLO Margin Account	267,645
Repo Margin Account	97,237
Outstanding and accrued income	10,604,725
	11,222,679



SCHEDULE : 6

Interest

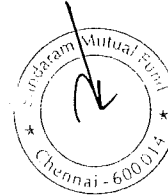
	05.05.2014 TO 31.03.2015
	Rs.
Interest from banks and others	563,188
Interest on Debentures and Bonds	13,565,732
	14,128,920

SCHEDULE : 7

Net unrealised appreciation/ (diminution) in value of Investments

	31/03/2015
	Rs.
Appreciation in Value of Investments	
Equity Shares	19,786,626
Debentures & Bonds listed / awaiting listing on the recognised. stock exchange	4,658,998
Appreciation in Value of Investments (schedule 2)	24,445,624

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SUNDARAM MUTUAL FUND
SUNDARAM HYBRID FUND - H
Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Period from 05.05.2014 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)

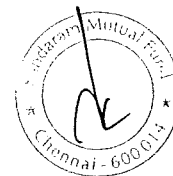
2. INVESTMENT MANAGER FEES

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

Description	05.05.2014 TO 31.03.2015
Average daily net asset value	2,563.86
Management fee @ 0.79% of average daily net asset value.	18.38

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	05.05.2014 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	2,336.23 ✓
%	91.12% ✓
SALES VALUE (AMOUNT)	44.69 ✓
%	1.74% ✓

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	05.05.2014 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.	1,602.18 ✓
% to the asset under management	59.63% ✓

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	05.05.2014 TO 31.03.2015
INCOME	6.71% ✓
EXPENDITURE	2.30% ✓

7. CONTINGENT LIABILITY

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

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	05.05.2014 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	5.93 ✓
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL ✓
Amount paid to INDUSIND BANK (ASSOCIATE)	8.64 ✓

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

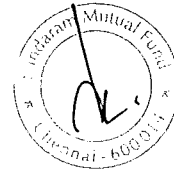
As Per Schedule-I

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

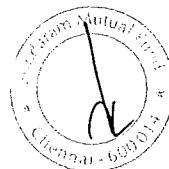
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		05.05.2014 - 31.03.2015				
		Rs.				
(A)	Gross income					
	(i) income other than profit on sale of investment	0.6511				
	(ii) income from profit on inter scheme sales/transfer of investments	0.0022				
	(iii) income from profit on sale of investment to third parties	0.0131				
	(iv) transfer to revenue account from past year's reserves					
(B)	Aggregate of expenses, write off, amortisation and charges	0.2289				
(C)	Net income	0.4375				
(D)	Net unrealised appreciation/(diminution) in value of investments	1.0447				
		Regular Plan			Direct Plan	
		Growth Option	Half-yearly Dividend Option	Annual Dividend Option	Growth Option	Half-yearly Dividend Option
(E)	Net Assets Value	11.4430	11.4430	11.4430	11.6248	11.6247
(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	2.30%				
(H)	Ratio of gross income to average daily net assets by percentage	6.71%				

15 Computation of Distributable Income

	31.03.15
	Rs.
Net Income as per revenue account	10,236,243
Add : Balance of Undistributed income as at 1st April brought forward	-
	10,236,243
Less : Income Distributed during the year	-
Distributable Income	10,236,243

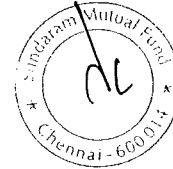
16. Since the scheme was launched during the year, previous year figures are not provided.



ANNEXURE-II		
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SUNDARAMHYBRID FUND SERIES -H		
% of total Investments within the classification		
		2014-2015
EQUITY INSTRUMENTS		
AUTO		9.31%
CONSTRUCTION		7.04%
CONSUMER GOODS		8.55%
ENERGY		9.42%
FINANCE		34.46%
IT		14.51%
PHARMA		7.67%
DEBT INSTRUMENTS		
a) Listed/awaiting listing on stock exchange		
FINANCE		100.00%
Money Market Instruments		
FINANCE		0%

4



SUNDARAM MUTUAL FUND						
SUNDARAM HYBRID FUND SERIES - H						
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	INE001A01036	Housing Development Finance Corporation Ltd	FINANCIAL SERVICES	6145	80.85	3.13%
2	INE090A01021	CICI Bank Ltd	FINANCIAL SERVICES	23865	75.29	2.92%
3	INE040A01026	HDFC Bank Ltd	FINANCIAL SERVICES	6640	67.91	2.63%
4	INE018A01030	Larsen & Toubro Ltd	CONSTRUCTION	3792	65.21	2.53%
5	INE154A01025	IITC Ltd	CONSUMER GOODS	15573	50.74	1.97%
6	INE009A01021	Infosys Ltd	IT	2218	49.20	1.91%
7	INE002A01018	Reliance Industries Ltd	ENERGY	5547	45.82	1.78%
8	INE467B01029	Tata Consultancy Service Ltd	IT	1528	39.02	1.51%
9	INE155A01022	TATA Motors Ltd	AUTOMOBILE	6850	37.69	1.46%
10	INE044A01036	Sun Pharmaceuticals Industries Ltd	PHARMA	3133	32.08	1.24%
11	INE062A01020	State Bank of India Ltd	FINANCIAL SERVICES	10990	29.35	1.14%
12	INE237A01028	Kotak Mahindra Bank Ltd	FINANCIAL SERVICES	2009	26.38	1.02%
13	INE030A01027	Hindustan Unilever Ltd	CONSUMER GOODS	2890	25.25	0.98%
14	INE238A01034	Axis Bank Ltd	FINANCIAL SERVICES	4330	24.26	0.94%
15	INE326A01037	Lupin Laboratories Ltd	PHARMA	1201	24.12	0.93%
16	INE397D01024	Bharti Airtel Ltd	TELECOM	5267	20.72	0.80%
17	INE101A01026	Mahindra & Mahindra Ltd	AUTOMOBILE	1643	19.52	0.76%
18	INE669C01036	Tech Mahindra Ltd	IT	2776	17.48	0.68%
19	INE585B01010	Maruti Suzuki India Ltd	AUTOMOBILE	436	16.12	0.62%
20	INE059A01026	Cipla Ltd	PHARMA	2080	14.82	0.57%
21	INE860A01027	HCL Technologies Ltd	IT	1486	14.57	0.56%
22	INE213A01029	Oil & Natural Gas Corp. Ltd	ENERGY	4751	14.55	0.56%
23	INE029A01011	Bharat Petroleum Corporation Ltd	ENERGY	1781	14.44	0.56%
24	INE075A01022	Wipro Ltd	IT	2240	14.09	0.55%
25	INE481G01011	Ultratech Cement Ltd	CEMENT & CEMENT PR	450	12.95	0.50%
26	INE158A01026	Hero Motocorp Ltd	AUTOMOBILE	487	12.86	0.50%
27	INE669E01016	Idea Cellular Ltd	TELECOM	5097	9.38	0.36%
28	INE081A01012	Tata Steel Ltd	METALS	2865	9.07	0.35%
29	INE003A01024	Siemens Ltd	INDUSTRIAL MANUFACT	616	8.60	0.33%
30	INE160A01022	Punjab National Bank	FINANCIAL SERVICES	5410	7.81	0.30%
31	INE129A01019	Gas Authority of India Ltd	ENERGY	1860	7.21	0.28%
32	INE079A01024	Ambuja Cements Ltd	CEMENT & CEMENT PR	2180	5.57	0.22%
33	INE256A01028	Zee Entertainment Enterprises Ltd	MEDIA & ENTERTAINME	1567	5.36	0.21%
34	INE910H01017	Cairn India Ltd	ENERGY	2426	5.19	0.20%
35	INE012A01025	ACC Ltd	CEMENT & CEMENT PR	295	4.61	0.18%
36	INE028A01039	Bank Of Baroda	FINANCIAL SERVICES	2600	4.25	0.16%
37	INE038A01020	Hindalco Industries Ltd.	METALS	2931	3.78	0.15%
38	INE205A01025	Sesa Sterlite Ltd	METALS	1877	3.56	0.14%
39	INE021A01026	Asian Paints Ltd	CONSUMER GOODS	384	3.12	0.12%
40	INE043D01016	IDFC Ltd	FINANCIAL SERVICES	1722	2.87	0.11%
Sub Total					925.67	35.87%
Total for Equity & Equity Related					925.67	35.87%
B) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE296A07889	Bajaj Finance Ltd**	CRISIL AA+	46	475.37	18.42%
2	INE043D07GJ1	IDFC Ltd**	[ICRA]AAA	45	464.24	17.99%
3	INE020B07IA8	Rural Electrification Corporation Ltd**	CRISIL AAA	43	448.26	17.37%
4	INE860H07466	Aditya Birla Finance Ltd**	IND AA+	21	214.31	8.30%
Sub Total					1,602.18	62.08%
Total for Debt Instruments					1,602.18	62.08%
C) Money Market Instruments						
a) Reverse Repo / CBLO						
1		CBLO			52.91	2.05%
Sub Total					52.91	2.05%
Total for Money Market Instruments					52.91	2.05%
GRAND TOTAL					2,580.76	100.00%

** Thinly traded / Non Traded securities

