

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 PLAN SERIES – H** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2016 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 PLAN 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.

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 :



SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS
23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.

- a. In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM HYBRID PLAN SERIES – H** as at 31/03/2016
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM HYBRID PLAN SERIES – H** for the Year ended on 31/03/2016.


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 : 30th June 2016


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2016

	SCHEDULE NO.	31-Mar-16	31-Mar-15
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	233,991,710	233,991,710
Reserves & Surplus	2	35,451,778	34,681,867
Current Liabilities & Provisions	3	600,183	625,394
		270,043,671	269,298,971
ASSETS			
Investments	4	258,218,088	258,076,292
Other Current Assets	5	11,825,583	11,222,679
		270,043,671	269,298,971

Notes on Accounts

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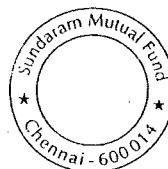
As per our Report of even date

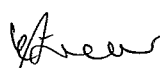
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

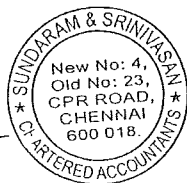
For
Sundaram Mutual Fund



Authorized Signatory




K Srinivasan
Partner
(M.NO : 5809)



Place : Chennai
Date : 30th June 2016

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

	Schedule No.	01.04.2015 TO 31.03.2016		05.05.2014 TO 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		1,206,023		1,105,756	
Interest	6	16,215,546		14,128,920	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		8,058		305,384	
Net profit on inter scheme transfer / sale of investments		996,453		52,185	
Other Income		763		-	
TOTAL (A)		18,426,843	18,426,843	15,592,245	15,592,245
EXPENSES					
Management fee		4,889,647		1,837,581	
Service Tax on AMC Fees		688,952		227,125	
Trusteeship fee		13,380		11,627	
Custodian charges		47,804		56,460	
Commission to Agents		1,197,765		3,159,594	
Audit fee		7,940		12,781	
Other Operating expenses		3,972		4,330	
Investor Education Fees		53,523		46,504	
SEBI Fees		3,439		-	
TOTAL (B)		6,906,422	6,906,422	5,356,002	5,356,002
SURPLUS / (DEFICIT) (A-B)			11,520,421		10,236,243
Add/(Less) : Balance in Equalisation Account			-		-
			11,520,421		10,236,243
Surplus /(Deficit) transferred to Balance Sheet			11,520,421		10,236,243

Notes on Accounts

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As per our Report of even date

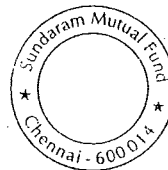
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund

Authorized Signatory



Place : Chennai
Date : 30th June 2016

SCHEDULE : 1

Unit Capital

	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	23,399,171	233,991,710	23,399,171	233,991,710
Unit Capital Opening Capital	23,399,171	233,991,710	-	-
Add: Units sold during the year	-	-	23,399,171	233,991,710
Less : Units repurchased during the year	23,399,171	233,991,710	23,399,171	233,991,710
Units at the end of the year	23,399,171	233,991,710	23,399,171	233,991,710
		233,991,710		233,991,710

SCHEDULE : 2

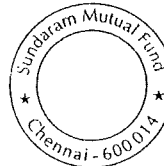
Reserves & Surplus

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	10,236,243	-	-	-
Add / (Less): Transfer from Revenue Account	11,520,421	21,756,664	10,236,243	10,236,243
Unrealised appreciation reserve Opening Balance	24,445,624	-	-	-
Add / (Less) Net unrealized appreciation for the year	(10,750,510)	13,695,114	24,445,624	24,445,624
Unrealised Appreciation Reserve (Schedule 7)				
		35,451,778		34,681,867

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2016	31/03/2015
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	595,490	606,187
Others	4,693	19,207
	600,183	625,394

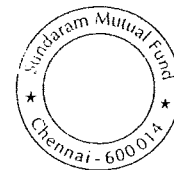


SCHEDULE : 4**Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Equity Shares	82,980,139	92,566,052
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	168,937,949	160,218,851
Others - Reverse Repo / CBLO	6,300,000	5,291,389
	258,218,088	258,076,292

SCHEDULE : 5**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	276,380	253,072
CBLO Margin Account	196,087	267,645
Repo Margin Account	338,387	97,237
Outstanding and accrued Income	11,014,729	10,604,725
	11,825,583	11,222,679

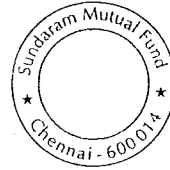
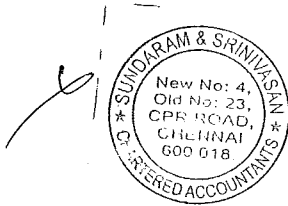


SCHEDULE : 6**Interest**

	01.04.2015 TO 31.03.2016	05.05.2014 TO 31.03.2015
	Rs.	Rs.
Interest from banks and others	368,801	563,188
Interest on Debentures and Bonds	15,846,745	13,565,732
	16,215,546	14,128,920

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

	31/03/2016	31/03/2015
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	10,186,236	19,786,626
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	3,508,878	4,658,998
Appreciation in Value of Investments (Schedule 2)	13,695,114	24,445,624



**SUNDARAM MUTUAL FUND
SUNDARAM HYBRID FUND - H**

**Schedules forming part of the Balance Sheet as at 31-Mar-2016
and the Revenue Account for the Year ended 31-Mar-2016**

**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.
- (iv) Other income is accounted on cash basis.

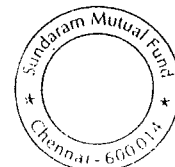
1.3. EXPENSES

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)

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	01.04.2015 to 31.03.2016	05.05.2014 TO 31.03.2015
Average daily net asset value	2,676.01	2,563.86
Management fee @ 1.83% of average daily net asset value. (Previous year 0.79%)	48.90	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 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	01.04.2015 to 31.03.2016	05.05.2014 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	700.91	2,336.23
%	26.19%	91.12%
SALES VALUE (AMOUNT)	625.48	44.69
%	23.37%	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 year. :

Description	31.03.2016	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 year.	1,345.12	1,602.18
% to the asset under management	49.92%	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	01.04.2015 to 31.03.2016	05.05.2014 TO 31.03.2015
INCOME	6.89%	6.71%
EXPENDITURE #	2.58%	2.30%

Total expenses charged includes service tax on management fees charged to the investor over and above the normal expense charged as per SEBI CIR/IMD/DF/21/2012 dated September 13,2012.

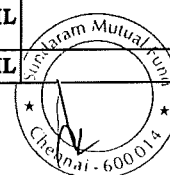
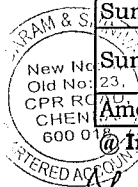
7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2016 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.2015 to 31.03.2016	05.05.2014 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	5.93
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Amount paid to INDUSIND BANK (ASSOCIATE) @	NIL	8.64

@ Indusind Bank ceased to be an associate with effect from 27 June 2015



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.

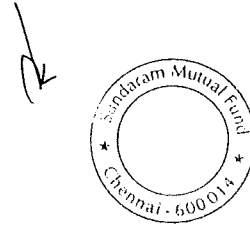
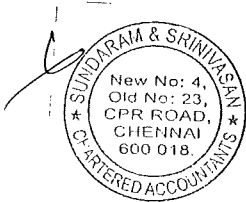
13. ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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/21/DF/21/2012 dated September 13, 2012. Accordingly accrued balance is transferred on periodic basis to a separate bank account maintained for the purpose. These funds are utilized by the AMC in accordance with SEBI Regulations.

The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.



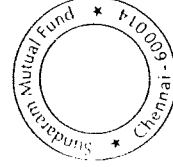
15 HISTORICAL PER UNIT STATISTICS

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	01.04.2015 TO 31.03.2016 Rs.				05.05.2014 TO 31.03.2015 Rs.			
(A) Gross income								
(i) income other than profit on sale of investment				0.7446				0.6511
(ii) income from profit on inter scheme sales/transfer of investments				0.0426				0.0022
(iii) income from profit on sale of investment to third parties				0.0003				0.0131
(iv) transfer to revenue account from past year's reserves								
(B) Aggregate of expenses, write off, amortisation and charges				0.2952				0.2289
(C) Net income				0.4923				0.4375
(D) Net unrealised appreciation/(diminution) in value of investments				0.5853				1.0447
(E) Net Assets Value	Regular Growth	Direct Growth	Regular Halfyearly Div	11.4614	Regular Growth	Direct Growth	Regular Halfyearly Div	11.443
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA
Highest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000
Lowest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage				2.58%				2.30%
(H) Ratio of gross income to average daily net assets by percentage				6.89%				6.71%

16 Computation of Distributable Income

	31.03.16 Rs.	31.03.15 Rs.
Net Income as per revenue account	1,15,20,421	1,02,36,243
Add : Balance of Undistributed income as at 1st April brought forward	1,02,36,243	-
Less : Income Distributed during the year	2,17,56,664	1,02,36,243
Distributable Income	2,17,56,664	1,02,36,243

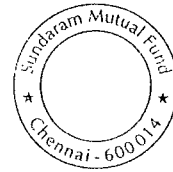


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17. Previous year figures have been regrouped wherever necessary to confirm with the current year's classification

ANNEXURE-II		
SUNDARAM HYBRID FUND SERIES - H		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
Equity Instruments		
Listed / awaiting listing on Stock Exchange		
AUTO	9.57%	9.31%
BANKS	24.58%	0.00%
CONSTRUCTION PROJECT	5.56%	7.04%
CONSUMER GOODS	0.00%	8.55%
CONSUMER NON DURABLES	9.59%	0.00%
ENERGY	0.00%	9.42%
FINANCE	8.19%	34.46%
IT	0.00%	14.51%
PETROLEUM PRODUCTS	8.93%	0.00%
PHARMACEUTICALS	6.52%	7.67%
SOFTWARE	15.72%	0.00%
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	88.55%	100.00%
POWER	11.45%	0.00%



SUNDARAM MUTUAL FUND						
SUNDARAM HYBRID FUND SERIES - H						
Portfolio Statement as at 31 March 2016						
S.NO	ISIN CODE	Name of the instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
A) Equity & Equity Related						
a) Listed / awaiting listing on Stock Exchange						
1	INE040A01026	HDFC Bank Ltd	Banks	6640	71.12	2.64%
2	INE001A01036	Housing Development Finance Corporation Ltd	Finance	6145	67.94	2.52%
3	INE002A01018	Reliance Industries Ltd	Petroleum Products	5547	57.98	2.15%
4	INE090A01021	ICICI Bank Ltd	Banks	23865	56.48	2.10%
5	INE009A01021	Infosys Ltd	Software	4436	54.04	2.01%
6	INE154A01025	ITC Ltd	Consumer Non Durables	15573	51.12	1.90%
7	INE018A01030	Larsen & Toubro Ltd	Construction Project	3792	46.14	1.71%
8	INE467B01029	Tata Consultancy Services Ltd	Software	1528	38.51	1.43%
9	INE155A01022	TATA Motors Ltd	Auto	7492	28.96	1.07%
10	INE237A01028	Kotak Mahindra Bank Ltd	Banks	4018	27.35	1.02%
11	INE044A01036	Sun Pharmaceuticals Industries Ltd	Pharmaceuticals	3133	25.69	0.95%
12	INE030A01027	Hindustan Unilever Ltd	Consumer Non Durables	2890	25.13	0.93%
13	INE062A01020	State Bank of India Ltd	Banks	10990	21.35	0.79%
14	INE101A01026	Mahindra & Mahindra Ltd	Auto	1643	19.89	0.74%
15	INE238A01034	Axis Bank Ltd	Banks	4330	19.23	0.71%
16	INE397D01024	Bharti Airtel Ltd	Telecom - Services	5267	18.48	0.69%
17	INE326A01037	Lupin Ltd	Pharmaceuticals	1201	17.77	0.66%
18	INE585B01010	Maruti Suzuki India Ltd	Auto	436	16.20	0.60%
19	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	1781	16.11	0.60%
20	INE481G01011	Ultratech Cement Ltd	Cement	450	14.53	0.54%
21	INE158A01026	Hero Motocorp Ltd	Auto	487	14.35	0.53%
22	INE669C01036	Tech Mahindra Ltd	Software	2776	13.18	0.49%
23	INE075A01022	Wipro Ltd	Software	2240	12.64	0.47%
24	INE860A01027	HCL Technologies Ltd	Software	1486	12.10	0.45%
25	INE059A01026	Cipla Ltd	Pharmaceuticals	2080	10.65	0.40%
26	INE213A01029	Oil & Natural Gas Corporation Ltd	Oil	4751	10.17	0.38%
27	INE081A01012	Tata Steel Ltd	Ferrous Metals	2865	9.16	0.34%
28	INE003A01024	Siemens Ltd	Industrial Capital Goods	616	6.77	0.25%
29	INE129A01019	Gas Authority of India Ltd	Gas	1860	6.63	0.25%
30	INE256A01028	Zee Entertainment Enterprises Ltd	Media & Entertainment	1567	6.06	0.23%
31	INE669E01016	Idea Cellular Ltd	Telecom - Services	5097	5.62	0.21%
32	INE079A01024	Ambuja Cements Ltd	Cement	2180	5.07	0.19%
33	INE160A01022	Punjab National Bank	Banks	5410	4.58	0.17%
34	INE012A01025	ACC Ltd	Cement	295	4.08	0.15%
35	INE028A01039	Bank Of Baroda	Banks	2600	3.82	0.14%
36	INE910H01017	Cairn India Ltd	Oil	2426	3.73	0.14%
37	INE021A01026	Asian Paints Ltd	Consumer Non Durables	384	3.33	0.12%
38	INE038A01020	Hindalco Industries Ltd.	Non - Ferrous Metals	2931	2.58	0.10%
39	INE205A01025	Vedanta Ltd (Ex:Sesa Sterlite Ltd)	Non - Ferrous Metals	1408	1.27	0.05%
Sub Total					829.80	30.80%
Total for Equity & Equity Related					829.80	30.80%
B) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE296A07BB9	Bajaj Finance Ltd - 10 - 25/04/2019**	CRISIL AA+	46	475.45	17.65%
2	INE092T08857	IDFC Ltd - 9.5 - 29/04/2019**	ICRA AAA	45	461.45	17.13%
3	INE134E07513	Power Finance Corporation Ltd - 9.69 - 02/03/2019	CRISIL AAA	27	281.76	10.46%
4	INE860H07466	Aditya Birla Finance Ltd - 9.75 - 04/04/2019**	IND AA+	21	214.81	7.97%
5	INE694L07057	Talwandi Sabo Power Ltd - 9.27 - 10/11/2017**	CRISIL AA-	20	193.41	7.18%
6	INE020B071A8	Rural Electrification Corporation Ltd - 9.63 - 05/02/2019**	CRISIL AAA	6	62.50	2.32%
Sub Total					1689.38	62.70%
Total for Debt Instruments					1689.38	62.70%
C) Money Market Instruments						
a) Reverse Repo / CBLO						
364 Days T Bill Maturing on 14/04/2016					63.00	2.34%
Sub Total					63.00	2.34%
Total for Money Market Instruments					63.00	2.34%
Cash & Other Net Current Assets					112.25	4.17%
GRAND TOTAL					2694.43	100.00%

** Thinly traded / Non Traded securities

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