

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 – M** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Period 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 – M** 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

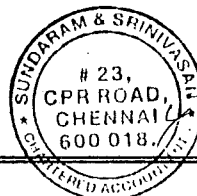
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform 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 – M** as at 31/03/2016

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM HYBRID PLAN SERIES – M** for the Period 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
		Rs.
LIABILITIES		
Unit Capital	1	1,695,351,480
Reserves & Surplus	2	48,840,763
Current Liabilities & Provisions	3	2,409,932
		1,746,602,175
ASSETS		
Investments	4	1,670,800,132
Other Current Assets	5	75,802,043
		1,746,602,175


Notes on Accounts

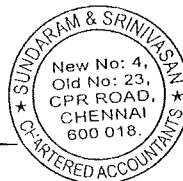
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As per our Report of even date

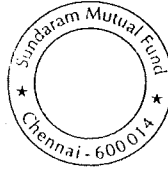
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund


K. Srinivasan
Partner
(M.NO : 5809)




Authorised Signatory



Place : Chennai
Date : 30th June 2016

REVENUE ACCOUNT FOR THE PERIOD FROM 03.06.2015 TO 31.03.2016

	Schedule No.	03.06.2015 TO 31.03.2016	
		Rs.	Rs.
REVENUE			
Dividend		2,447,372	
Interest	6	107,035,390	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		68,004	
Net profit on inter scheme transfer / sale of investments		1,060,200	
Other Income		10,559	
		110,621,525	
TOTAL (A)			110,621,525
EXPENSES			
Net diminution in value of investment	7	23,501,844	
Management fee		27,477,918	
Service Tax		3,909,660	
Custodian charges		42,532	
Trusteeship fee		71,099	
Commission to Agents		6,449,181	
Audit fee		26,465	
Other Operating expenses		66,177	
Investor Education Fees		284,432	
		61,829,308	
TOTAL (B)			61,829,308
Surplus /(Deficit) transferred to Balance Sheet			48,792,217

Notes on Accounts

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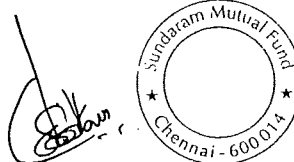
As per our Report of even date

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



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

For
Sundaram Mutual Fund



Authorised Signatory

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Place : Chennai

Date : 30th June 2016

SCHEDULE : 1**Unit Capital**

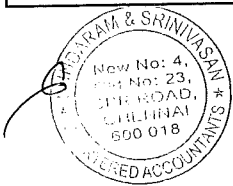
	31/03/2016	
	Units	Rs.
Initial capital		
	169,535,148	1,695,351,480
Unit Capital		
Opening Capital	-	-
Add: Units sold during the period	169,535,148	1,695,351,480
Less : Units repurchased during the period	169,535,148	1,695,351,480
Units at the end of the period	169,535,148	1,695,351,480
		1,695,351,480

SCHEDULE : 2**Reserves & Surplus**

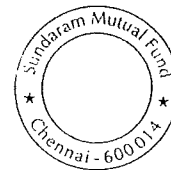
	31/03/2016	
	Rs.	Rs.
General Reserve		
Opening Balance	-	
Add /(Less): Transfer from Revenue Account	48,792,217	48,792,217
Unrealised appreciation reserve		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the Period	48,546	48,546
Unrealised Appreciation Reserve (Schedule 7)		48,546
		48,840,763

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2016
	Rs.
Sundry Creditors	2,380,926
Others	29,006
	2,409,932



↓



SCHEDULE : 4**Investments**

	31/03/2016
	Rs.
Equity Shares	262,117,732
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	1,367,292,400
Certificate of Deposits	37,390,000
Others - Reverse Repo / CBLO	4,000,000
	1,670,800,132

SCHEDULE : 5**Other Current Assets**

	31/03/2016
	Rs.
Balance with banks in Current Accounts	206,092
CBLO Margin Account	76,905
Repo Margin Account	132,715
Outstanding and accrued Income	75,386,331
	75,802,043



SCHEDULE : 6**Interest**

	03.06.2015 TO 31.03.2016
	Rs.
Interest from banks and others	6,233,635
Interest on Debentures and Bonds	100,793,981
Discounting Charges	7,774
	107,035,390

SCHEDULE : 7**Net Unrealised Appreciation/ (Diminution) in value of Investments**

	31/03/2016
	Rs.
Appreciation in Value of Investments	
Certificate of Deposits	48,546
Net Appreciation in value of investments (Schedule 2)	48,546
Diminution in value of investments	
Equity Shares	21,344,874
Debentures & Bonds listed / awaiting listing in the recognised stock exchange	2,156,970
Diminution in value of investments trf to Revenue Account	23,501,844



SUNDARAM MUTUAL FUND
SUNDARAM HYBRID FUND - M
Schedules forming part of the Balance Sheet as at 31-Mar-2016
and the Revenue Account for the Period from 03.06.2015 to 31.03.2016

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.

1.2. INCOME RECOGNITION

- (i) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (ii) 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	03.06.2015 to 31.03.2016
Average daily net asset value	17,176.40
Management fee @ 1.93% of average daily net asset value.	274.78

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	03.06.2015 to 31.03.2016
PURCHASE VALUE (AMOUNT)	21,806.21
%	126.95%
SALES VALUE (AMOUNT)	4,556.18
%	26.53%



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	31/03/2016
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.	13,672.92
% to the asset under management	78.39%

6 INCOME / EXPENDITURE

The total income and expenditure as a percentage of the daily average net assets, on an annualised basis, are given below.

	03.06.2015 to 31.03.2016
INCOME	7.78%
EXPENDITURE #	2.70%

Total expenses charged includes service tax on management fees charged to the investor over and above the normal expense charged and Additional Total Expense ratio 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.

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	03.06.2015 to 31.03.2016
Sundaram Finance Ltd (Sponsor)	10.61
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
INDUSIND BANK (ASSOCIATE) @	63.90
@ 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

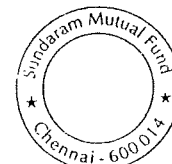
14 Investor Education & Awareness Initiatives (IEAI)

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.



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15 HISTORICAL PER UNIT STATISTICS

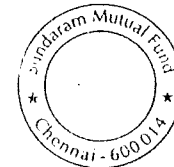
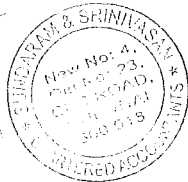
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		03.06.2015 TO 31.03.2016					
		Rs.					
(A)	Gross income						
	(i) income other than profit on sale of investment	0.6458					
	(ii) income from profit on inter scheme sales/transfer of investments	0.0063					
	(iii) income from profit on sale of investment to third parties	0.0004					
	(iv) transfer to revenue account from past year's reserves						
(B)	Aggregate of expenses, write off, amortisation and charges	0.3647					
(C)	Net income	0.2878					
(D)	Net unrealised appreciation/(diminution) in value of investments	0.1386					
		Annual Dividend	Direct Growth	Direct Half Yearly Dividend	Direct Annual Dividend	Growth	Half Yearly Dividend
(E)	Net Assets Value	10.288	10.3242	10.3242	10.3236	10.288	10.288
(F)	Highest repurchase price	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	Lowest repurchase price	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	Highest ongoing sale price	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
	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	2.70%					
(H)	Ratio of gross income to average daily net assets by percentage	7.78%					

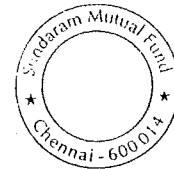
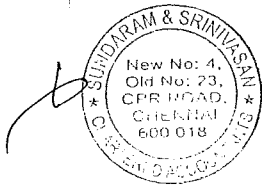
16 Computation of Distributable Income

	31.03.2016
	Rs.
Net Income as per revenue account	4,87,92,217
Add : Balance of Undistributed Income as at 1st April brought forward	-
	4,87,92,217
Less : Income Distributed during the year	-
Distributable Income	4,87,92,217

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



ANNEXURE-II	
SUNDARAM HYBRID FUND SERIES - M	
% of total Investments within the classification	
	31-Mar-16
Equity Instruments	
Listed / awaiting listing on Stock Exchange	
AUTO	5.63%
BANKS	29.93%
CONSTRUCTION PROJECT	6.40%
FINANCE	10.68%
PETROLEUM PRODUCTS	11.36%
SOFTWARE	24.00%
Debt Instruments	
Listed / awaiting listing on Stock Exchange	
FINANCE	100.00%



ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM HYBRID FUND-SERIES - M						
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	INE009A01021	Infosys Ltd	Software	31428	382.89	2.20%
2	INE040A01026	HDFC Bank Ltd	Banks	28800	308.49	1.77%
3	INE001A01036	Housing Development Finance Corporation Ltd	Finance	25329	280.04	1.61%
4	INE002A01018	Reliance Industries Ltd	Petroleum Products	26172	273.55	1.57%
5	INE090A01021	ICICI Bank Ltd	Banks	86407	204.48	1.17%
6	INE467B01029	Tata Consultancy Services Ltd	Software	8028	202.33	1.16%
7	INE018A01030	Larsen & Toubro Ltd	Construction Project	13790	167.78	0.96%
8	INE238A01034	Axis Bank Ltd	Banks	29237	129.86	0.74%
9	INE062A01020	State Bank of India Ltd	Banks	57490	111.67	0.64%
10	INE397D01024	Bharti Airtel Ltd	Telecom - Services	22915	80.39	0.46%
11	INE585B01010	Maruti Suzuki India Ltd	Auto	2053	76.30	0.44%
12	INE044A01036	Sun Pharmaceuticals Industries Ltd	Pharmaceuticals	8733	71.61	0.41%
13	INE101A01026	Mahindra & Mahindra Ltd	Auto	5884	71.24	0.41%
14	INE522F01014	Coal India Ltd	Minerals/Mining	17329	50.59	0.29%
15	INE860A01027	HCL Technologies Ltd	Software	5403	43.99	0.25%
16	INE326A01037	Lupin Ltd	Pharmaceuticals	2944	43.55	0.25%
17	INE021A01026	Asian Paints Ltd	Consumer Non Durables	3985	34.61	0.20%
18	INE481G01011	Ultratech Cement Ltd	Cement	1041	33.61	0.19%
19	INE528G01019	Yes Bank Ltd	Banks	3456	29.90	0.17%
20	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	2689	24.32	0.14%
Sub Total					2621.18	15.03%
Total for Equity & Equity Related					2621.18	15.03%
B) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE020B07HYO	Rural Electrification Corporation Ltd - 9.38 - 06/11/2018**	CRISIL AAA	300	3092.04	17.73%
2	INE134E07406	Power Finance Corporation Ltd - 9.81 - 07/10/2018**	CRISIL AAA	250	2595.70	14.88%
3	INE202B07EY1	Dewan Housing Finance Corporation Ltd - 9.25 - 24/12/2018**	CARE AAA	250	2484.94	14.25%
4	INE523E07CE0	L & T Finance Ltd - 8.8501 - 24/12/2018**	CARE AA+	80	2002.38	11.48%
5	INE261F08568	National Bank for Agricultural & Rural Development - 7.86 - 07/12/2018**	CRISIL AAA	150	1495.95	8.58%
6	INE476M07610	L&T Housing Finance Ltd - 8.8798 - 24/12/2018**	ICRA AA+	40	1001.05	5.74%
7	INE860H07BH4	Aditya Birla Finance Ltd - 8.8699 - 24/12/2018**	ICRA AA+	100	1000.87	5.74%
Sub Total					13672.92	78.39%
Total for Debt Instruments					13672.92	78.39%
C) Money Market Instruments						
a) Certificate of Deposits						
1	INE112A16JY4	Corporation Bank - 09/03/2017**	CRISIL A1+	400	373.90	2.14%
Sub Total					373.90	2.14%
b) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			40.00	0.23%
Sub Total					40.00	0.23%
Total for Money Market Instruments					413.90	2.37%
Cash & Other Net Current Assets					733.92	4.21%
GRAND TOTAL					17441.92	100.00%

** Thinly traded / Non Traded securities

