

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 31/03/2017, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2017 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 and 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.

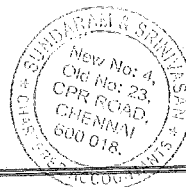
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 31/03/2017.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM HYBRID FUND-SERIES-F** for the Year ended on 31/03/2017.



SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

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

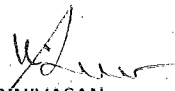
5. Report on Other Legal and Regulatory Requirements

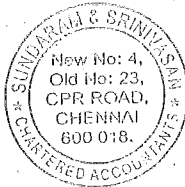
As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

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 : 23rd June 2017


K. SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2017

DESCRIPTION	SCHEDULE NO.	31-Mar-17	31-Mar-16
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	274,909,630	274,909,630
Reserves & Surplus	2	74,290,344	44,357,328
Current Liabilities & Provisions	3	2,042,153	740,588
		351,242,127	320,007,546
ASSETS			
Investments	4	343,345,963	313,184,996
Other Current Assets	5	7,896,164	6,822,550
		351,242,127	320,007,546

Notes on Accounts

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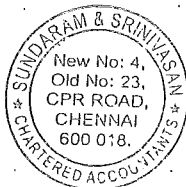
As per our Report of even date

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

For
Sundaram Mutual Fund



K Srinivasan
Partner
(M.NO : 5809)



Authorised Signatory

Place : Chennai
Date : 23rd June 2017

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017

Description	Schedule No.	2016-17		2015-16	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		1,505,518		1,484,803	
Interest	6	19,288,003		18,575,925	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		1,673,129	
Net profit on inter scheme transfer / sale of investments		1,369,489		2,832,421	
Other Income		2,188		862	
TOTAL (A)		22,165,198	22,165,198	24,567,140	24,567,140
EXPENSES					
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)	7	888,787		-	
Management Fees		6,860,499		5,801,172	
Service Tax on AMC Fees		1,023,606		817,353	
Custodian charges		63,744		58,490	
Trusteeship Fees		16,774		15,872	
Commission to Agents		1,169,195		1,791,469	
Audit Fees		8,133		8,352	
Other Operating expenses		9,900		8,556	
Investor Education Fees		67,094		63,501	
TOTAL (B)		10,107,732	10,107,732	8,564,765	8,564,765
SURPLUS / (DEFICIT) (A-B)			12,057,466		16,002,375
Less: Income Distributed		2,998,460		-	
Distribution Tax		1,164,730	4,163,190	-	
Surplus / (Deficit) transferred to Balance Sheet			7,894,276		16,002,375

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 : 23rd June 2017

SCHEDULE : 1**Unit Capital**

Description	31/03/2017		31/03/2016	
	Units	Rs.	Units	Rs.
Initial capital	27,490,963	274,909,630	27,490,963	274,909,630
Unit Capital				
Opening Capital	27,490,963	274,909,630	27,490,963.00	274,909,630
Add: Units sold during the year	-	-	-	-
	27,490,963	274,909,630	27,490,963	274,909,630
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	27,490,963	274,909,630	27,490,963	274,909,630
	274,909,630	274,909,630	274,909,630	274,909,630

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2017		31/03/2016	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	28,237,905		12,235,530	
Add /(Less): Transfer from Revenue Account	7,894,276		16,002,375	
		36,132,181		28,237,905
Unrealised appreciation reserve				
Opening Balance	16,119,423		32,068,390	
Add/(Less): Net unrealized appreciation for the year	22,038,740		(15,948,967)	
Unrealised Appreciation Reserve (Schedule 7)		38,158,163		16,119,423
		74,290,344		44,357,328

SCHEDULE : 3**Current Liabilities & Provisions**

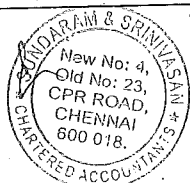
Description	31/03/2017	31/03/2016
	Rs.	Rs.
Sundry Creditors	819,108	735,027
Distributed Income Payable	1,126,303	-
Others	96,742	5,561
	2,042,153	740,588

SCHEDULE : 4**Investments**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Equity Shares	120,823,417	101,116,739
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	212,622,546	191,976,669
Certificate of Deposits	-	16,791,588
Others - Reverse Repo / CBLO	9,900,000	3,300,000
	343,345,963	313,184,996

SCHEDULE : 5**Other Current Assets**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	1,446,333	316,702
CBLO Margin Account	128,438	83,263
Repo Margin Account	577,612	143,688
Outstanding and accrued Income	5,743,781	6,278,897
	7,896,164	6,822,550

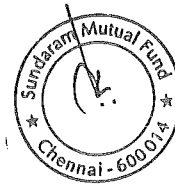


SCHEDULE : 6**Interest**

Description	2016-17	2015-16
	Rs.	Rs.
Interest from banks and others	515,558	532,883
Interest on Debentures and Bonds	18,044,876	18,039,404
Discounting Charges	727,569	3,638
	19,288,003	18,575,925

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	34,894,941	13,416,321
Debentures & Bonds listed / awaiting listing on the recognised stock exchange	3,263,222	2,638,268
Certificate of Deposits	-	64,834
Appreciation in Value of Investments (Schedule 2)	38,158,163	16,119,423



SUNDARAM MUTUAL FUND
SUNDARAM HYBRID FUND-SERIES-F
Schedules forming part of the Balance Sheet as at 31-Mar-2017
and the Revenue Account for the Year ended 31-Mar-2017

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. Front end discount, if any, received from the issuer is reduced from the cost of the investment.

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

- a) All expenses are accounted on an accrual basis and are within the limits of SEBI (Mutual Funds) Regulations 1996.
- b) Common recurring expenses, if any are allocated to the schemes on the basis of Assets under Management of the respective schemes.

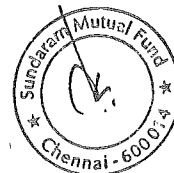
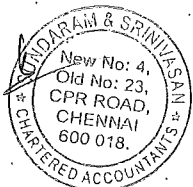
2. INVESTMENT MANAGER FEES

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

Description	2016-17	2015-16
Average daily net asset value	3,354.37	3,174.73
Management fee @ 2.05% of average daily net asset value (Previous year 1.83%)	68.60	58.01

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	2016-17	2015-16
PURCHASE VALUE (AMOUNT)	635.75	1,547.41
%	18.95%	48.74%
SALES VALUE (AMOUNT)	637.80	1,388.79
%	19.01%	43.75%

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	31.03.2017	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 year	2,013.71	1,397.99
% to the asset under management	57.67%	43.79%

6. INCOME / EXPENDITURE

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

DESCRIPTION	2016-17	2015-16
INCOME	6.61%	7.74%
EXPENDITURE #	2.75%	2.70%

#Total expenses includes service tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996.

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2017 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

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

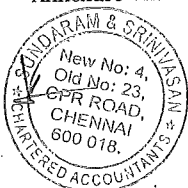
Related party disclosures as required by the Accounting Standard 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given as Annexure - IV

14. UNCLAIMED REDEMPTION AND UNCLAIMED DIVIDEND AMOUNT

The details of unclaimed redemption and unclaimed dividend are disclosed in Annexure VI.

15. 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. From 01.04.2016, 50% of 2bps accrued on daily net assets is transferred to AMFI and the balances are utilized by the AMC in accordance with SEBI Guidelines. The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.



16 HISTORICAL PER UNIT STATISTICS	01.04.2016 to 31.03.2017			01.04.2015 to 31.03.2016			04.04.2014 to 31.03.2015		
	Rs.			Rs.			Rs.		
(A) Gross income									
(i) Income other than profit on sale of investment									
(ii) Income from profit on inter scheme sales/transfer of investments									
(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									
(C) Net income									
(D) Net unrealised appreciation/(diminution) in value of investments									
(E) Net Assets Value									
(F) Highest repurchase price									
Lowest repurchase price									
Highest ongoing sale price									
Lowest ongoing sale price									
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage									
(H) Ratio of gross income to average daily net assets by percentage									

17 Computation of Distributable Income

	31.03.2017	31.03.2016
	Rs.	Rs.
Net income as per revenue account	12,057,466	16,002,375
Add : Balance of Undistributed income as at 1st April brought forward	28,237,905	12,235,530
	40,295,371	28,237,905
Less : Income Distributed during the year	4,163,190	-
Distributable Income	36,132,181	28,237,905

18 Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's classification.



ANNEXURE-II		
SUNDARAM HYBRID FUND SERIES - F		
% of total Investments within the classification		
	31-Mar-17	31-Mar-16
Equity Instruments		
Listed / awaiting listing on Stock Exchange		
AUTO	8.23%	8.98%
BANKS	30.12%	24.71%
CONSTRUCTION PROJECT	5.93%	5.47%
CONSUMER NON DURABLES	11.25%	9.50%
FINANCE	8.87%	7.80%
PETROLEUM PRODUCTS	7.86%	8.86%
PHARMACEUTICALS	6.61%	7.30%
SOFTWARE	10.30%	16.37%
Debt Instruments		
Listed / awaiting listing on Stock Exchange		
FINANCE	75.47%	84.89%
POWER	24.53%	15.11%



SUNDARAM MUTUAL FUND						
Sundaram Hybrid Fund-Series-F						
Portfolio Statement as at 31 March 2017						
SL 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	8312	119.90	3.43%
2	INE001A01036	Housing Development Finance Corporation Ltd	Finance	7134	107.16	3.07%
3	INE154A01025	ITC Ltd	Consumer Non Durables	32470	91.01	2.61%
4	INE237A01028	Kotak Mahindra Bank Ltd Ltd	Banks	8968	78.22	2.24%
5	INE090A01021	ICICI Bank Ltd	Banks	26025	72.05	2.06%
6	INE018A01030	Larsen & Toubro Ltd	Construction Project	4547	71.61	2.05%
7	INE002A01018	Reliance Industries Ltd	Petroleum Products	5052	66.73	1.91%
8	INE009A01021	Infosys Ltd	Software	5452	55.73	1.60%
9	INE062A01020	State Bank of India	Banks	18949	55.60	1.59%
10	INE585B01010	Maruti Suzuki India Ltd	Auto	770	46.32	1.33%
11	INE044A01036	Sun Pharmaceutical Industries Ltd	Pharmaceuticals	4866	33.49	0.96%
12	INE238A01034	Axis Bank Ltd	Banks	6320	31.02	0.89%
13	INE030A01027	Hindustan UniLever Ltd	Consumer Non Durables	3345	30.50	0.87%
14	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	4354	28.29	0.81%
15	INE733E01010	NTPC Ltd	Power	16718	27.75	0.79%
16	INE059A01026	Cipla Ltd	Pharmaceuticals	4534	26.88	0.77%
17	INE467B01029	Tata Consultancy Services Ltd	Software	1093	26.58	0.76%
18	INE860A01027	HCL Technologies Ltd	Software	3025	26.46	0.76%
19	INE101A01026	Mahindra & Mahindra Ltd	Auto	1956	25.17	0.72%
20	INE481G01011	Ultratech Cement Ltd	Cement	532	21.20	0.61%
21	INE158A01026	Hero MotoCorp Ltd	Auto	638	20.56	0.59%
22	INE326A01037	Lupin Ltd	Pharmaceuticals	1347	19.47	0.56%
23	INE669C01036	Tech Mahindra Ltd	Software	3416	15.68	0.45%
24	INE021A01026	Asian Paints Ltd	Consumer Non Durables	1342	14.41	0.41%
25	INE129A01019	GAIL (India) Ltd	Gas	2940	11.08	0.32%
26	INE910H01017	Cairn India Ltd	Oil	3549	10.85	0.31%
27	INE081A01012	Tata Steel Ltd	Ferrous Metals	2142	10.34	0.30%
28	INE256A01028	Zee Entertainment Enterprises Ltd	Media & Entertainment	1857	9.95	0.28%
29	INE003A01024	Siemens Ltd	Industrial Capital Goods	729	9.15	0.26%
30	INE205A01025	Vedanta Ltd	Non - Ferrous Metals	3283	9.03	0.26%
31	INE038A01020	Hindalco Industries Ltd	Non - Ferrous Metals	4565	8.90	0.25%
32	INE079A01024	Ambuja Cements Ltd	Cement	3225	7.63	0.22%
33	INE155A01022	Tata Motors Ltd	Auto	1585	7.38	0.21%
34	INE028A01039	Bank of Baroda	Banks	4097	7.09	0.20%
35	INE012A01025	ACC Ltd	Cement	348	5.03	0.14%
Total for Equity & Equity Related					1208.23	34.60%
(B) Debt Instruments						
(a) Listed / awaiting listing on Stock Exchange						
1	INE860H07466	Aditya Birla Finance Ltd - 9.75 - 04/04/2019**	IND AA+	51	526.49	15.08%
2	INE134E07513	Power Finance Corporation Ltd - 9.69 - 02/03/2019**	CRISIL AAA	50	521.56	14.94%
3	INE020B071A8	Rural Electrification Corporation Ltd - 9.63 - 05/02/2019**	CRISIL AAA	38	395.71	11.33%
4	INE556F09601	Small Industrial Development Bank of India - 8.04 - 15/03/2019**	CARE AAA	36	366.05	10.48%
5	INE296A07KG9	Bajaj Finance Ltd - 8.8479 - 04/04/2019**	IND AAA	20	203.90	5.84%
6	INE053F07850	Indian Railway Finance Corporation Ltd - 8.33 - 26/03/2019**	CRISIL AAA	11	112.52	3.22%
Sub Total					2126.23	60.89%
Total for Debt Instruments					2126.23	60.89%
(C) Money Market Instruments						
1		Reverse Repo			99.00	2.84%
Total for Money Market Instruments					99.00	2.84%
Cash and Other Net Current Assets					58.54	1.68%
Grand Total					3492.00	100.00%

