

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-N** as at 31/03/2018, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2018 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-N** 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-N** as at 31/03/2018.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM HYBRID FUND-SERIES-N** for the Year ended on 31/03/2018.

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)



K. Srinivasan

K.SRINIVASAN
Partner
Membership No. 5809

Place: Chennai
Date : 29th June 2018

BALANCE SHEET AS AT 31st MARCH, 2018

DESCRIPTION	SCHEDULE NO.	31-Mar-18	31-Mar-17
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	917,135,000	917,135,000
Reserves & Surplus	2	162,029,618	107,510,228
Current Liabilities & Provisions	3	3,689,836	2,704,548
		1,082,854,454	1,027,349,776
ASSETS			
Investments	4	1,039,403,271	988,417,710
Other Current Assets	5	43,451,183	38,932,066
		1,082,854,454	1,027,349,776

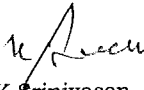
Notes on Accounts


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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 2018

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

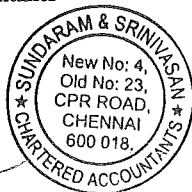
Description	Schedule No.	2017 - 18		2016 - 17	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		2,228,137		1,865,368	
Interest	6	72,254,026		71,025,528	
Net profit on inter scheme transfer / sale of investments		-		1,830,314	
Net diminution on sale of investments written back		-		11,597,398	
Other Income		6,029		2,689	
		74,488,192		86,321,297	
TOTAL (A)			74,488,192		86,321,297
EXPENSES					
Net diminution in value of investment	7	4,911,219		-	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		104,244		264,171	
Loss on inter scheme transfer / sale of investments		116,382		-	
Management Fees		19,746,899		18,322,663	
Service Tax / Goods & Service Tax on Management Fees		3,402,293		2,734,031	
Transfer Agents Fees & Expenses		207,514		-	
Custodian Fees		182,958		180,015	
Trusteeship Fees		53,124		49,331	
Commission to Agents		5,074,187		3,443,235	
Audit Fees		16,656		18,513	
Investor Education Fees		212,494		197,330	
Other Operating Expenses		17,950		21,799	
		34,045,920		25,231,088	
Less : Amount absorbed by AMC		89		-	
TOTAL (B)			34,045,831		25,231,088
SURPLUS / (DEFICIT) (A-B)			40,442,361		61,090,209
Less: Income Distributed		2,876,180		3,460,683	
Distribution Tax		1,105,980		1,330,730	
Surplus /(Deficit) transferred to Balance Sheet			36,460,201		56,298,796

Notes on Accounts

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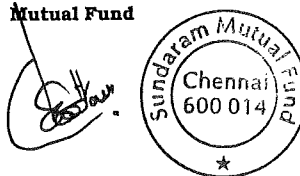
As per our Report of even date

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



K Srinivasan
Partner
(M.NO : 5809)

For
Sundaram Mutual Fund



Authorised Signatory

Place : Chennai
Date : 29th June 2018

SCHEDULE : 1**Unit Capital**

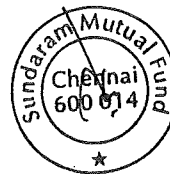
Description	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	91,713,500	917,135,000	91,713,500	917,135,000
Unit Capital				
Opening Capital	91,713,500	917,135,000	91,713,500	917,135,000
Add: Units sold during the Year	-	-	-	-
	91,713,500	917,135,000	91,713,500	917,135,000
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	91,713,500	917,135,000	91,713,500	917,135,000
	917,135,000		917,135,000	

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	84,687,946		28,389,150	
Add /(Less): Transfer from Revenue Account	36,460,201	121,148,147	56,298,796	84,687,946
Unrealised appreciation reserve				
Opening Balance	22,822,282		699,436	
Add/(Less): Net unrealized appreciation for the Year	18,059,189		22,122,846	
Unrealised Appreciation Reserve (Schedule 7)		40,881,471		22,822,282
		162,029,618		107,510,228

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Sundry Creditors	1,019,030	1,033,992
Distributed Income Payable	1,921,311	1,536,468
Others - Rates & Taxes	749,495	134,088
	3,689,836	2,704,548

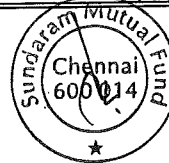


SCHEDULE : 4**Investments**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Listed Securities on the Stock Exchange		
Equity Shares	211,329,433	181,714,134
Listed / Awaiting Listing on the Stock Exchange		
Debentures & Bonds	608,088,616	583,409,956
Zero Coupon Bond	91,966,185	204,593,620
Privately Placed / Unlisted		
Zero Coupon Bond	127,619,300	-
Others		
Others - Reverse Repo / CBLO	399,737	18,700,000
	1,039,403,271	988,417,710

SCHEDULE : 5**Other Current Assets**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts	356,074	1,884,467
CBLO Margin Account	42,104	243,848
Repo Margin Account	54,896	1,096,630
Outstanding and accrued Income	42,998,109	35,707,121
	43,451,183	38,932,066

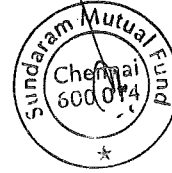
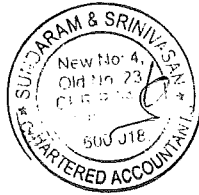


SCHEDULE : 6**Interest**

Description	2017 - 18	2016 - 17
	Rs.	Rs.
Interest from banks and others	720,865	852,076
Interest on Debentures and Bonds	55,654,588	58,366,112
Discounting Charges	15,878,573	11,807,340
	72,254,026	71,025,528

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

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	40,881,471	17,665,253
Zero Coupon Bond	-	307,342
Debentures & Bonds	-	4,849,687
Appreciation in value of Investments (Schedule 2)	40,881,471	22,822,282
Diminution in value of investments		
Debentures & Bonds	4,331,853	-
Zero Coupon Bond	579,366	-
Diminution in value of investments transferred to Revenue Account	4,911,219	-



SUNDARAM MUTUAL FUND
SUNDARAM HYBRID FUND-SERIES-N
Schedules forming part of the Balance Sheet as at 31-Mar-2018
and the Revenue Account for the Year ended 31-Mar-2018

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) Interest Income on debt or money market instruments 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	2017 - 18	2016 - 17
Average daily net asset value	10,623.89	9,865.78
Management fee @ 1.86% of average daily net asset value (Previous Year 1.86%)	197.47	183.23

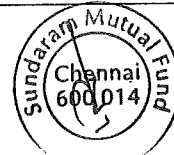
3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND

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	2017 - 18	2016 - 17
PURCHASE VALUE (AMOUNT)	723.06	1,711.53
%	6.81%	17.35%
SALES VALUE (AMOUNT)	304.86	1,601.42
%	2.87%	16.23%



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	31.03.2018	31.03.2017
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	5,165.06	5,057.35
% to the asset under management	47.86%	49.36%

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	2017 - 18	2016 - 17
INCOME	7.01%	8.75%
EXPENDITURE #	2.72%	2.53%

Total expenses includes Service Tax / Goods & Service Tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996. - Refer Annexure IX for Planwise Expense Ratio.

7 CONTINGENT LIABILITY

Contingent liability as at 31st March 2018 is Rs. Nil Previous year Rs. Nil

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	2017 - 18	2016 - 17
Sundaram BNP Paribas Fund Services Ltd (R & T)	2.08	-

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

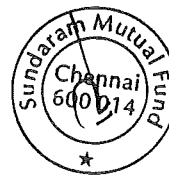
Related party disclosures as required by the Accounting Standard 18 - " Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given as Annexure - IV

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/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 and term deposits. Movement of IEAI balances are provided in Annexure VII.



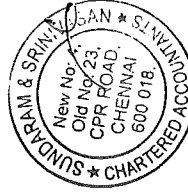
16 HISTORICAL PER UNIT STATISTICS

	01.04.2017 to 31.03.2018				01.04.2016 to 31.03.2017				16.06.2015 to 31.03.2016			
	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	11,8661	10,7744	10,6029	12,0067	11,2251	10,7166	10,4085	11,3038	10,3170	10,3170	10,3170	10,3520
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Highest ongoing sale price	NA	NA	NA	NA	NA	NA	NA	NA	10,0000	10,0000	10,0000	10,0000
Lowest ongoing sale price	NA	NA	NA	NA	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			2.72%				2.53%				2.55%	
(H) Ratio of gross income to average daily net assets by percentage			7.01%				8.75%				7.96%	

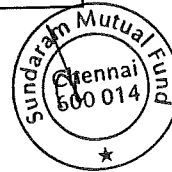
17 Computation of Distributable Income

	31.03.2018	31.03.2017
	Rs.	Rs.
Net Income as per revenue account	40,442,361	61,090,209
Add: Balance of Undistributed income as at 1st April brought forward	84,687,946	28,369,150
	125,130,307	89,479,359
Less: Income Distributed during the year	3,982,160	4,791,413
Distributable Income	121,148,147	84,687,946

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



ANNEXURE-II		
Sundaram Hybrid Fund-Series-N		
% of total Investments within the classification		
	31-Mar-18	31-Mar-17
Equity Instruments		
Listed / awaiting listing on Stock Exchange		
AUTO	13.62%	10.53%
BANKS	36.11%	37.76%
CONSTRUCTION PROJECT	6.77%	6.31%
CONSUMER NON DURABLES	9.49%	8.89%
FINANCE	10.89%	10.42%
PETROLEUM PRODUCTS	9.67%	9.27%
SOFTWARE	10.68%	11.82%
Debt Instruments		
(a) Listed / awaiting listing on Stock Exchange		
FINANCE	81.85%	100.00%
(b) Privately Placed / Unlisted		
FINANCE	15.42%	0.00%



SUNDARAM MUTUAL FUND						
Sundaram Hybrid Fund-Series-N						
Portfolio Statement as at 31 March 2018						
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	16037	302.47	2.80
2	INE001A01036	Housing Development Finance Corporation Ltd	Finance	12611	230.23	2.13
3	INE237A01028	Kotak Mahindra Bank Ltd	Banks	18877	197.79	1.83
4	INE009A01021	Infosys Ltd	Software	17244	195.17	1.81
5	INE090A01021	ICICI Bank Ltd	Banks	65907	183.45	1.70
6	INE585B01010	Maruti Suzuki India Ltd	Auto	1694	150.11	1.39
7	INE018A01030	Larsen & Toubro Ltd	Construction Project	10912	143.05	1.33
8	INE002A01018	Reliance Industries Ltd	Petroleum Products	15668	138.30	1.28
9	INE154A01025	ITC Ltd	Consumer Non Durables	46733	119.40	1.11
10	INE021A01026	Asian Paints Ltd	Consumer Non Durables	7246	81.18	0.75
11	INE062A01020	State Bank of India	Banks	31810	79.49	0.74
12	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	15441	66.00	0.61
13	INE158A01026	Hero MotoCorp Ltd	Auto	1545	54.74	0.51
14	INE101A01026	Mahindra & Mahindra Ltd	Auto	6166	45.56	0.42
15	INE155A01022	Tata Motors Ltd	Auto	11450	37.42	0.35
16	INE860A01027	HCL Technologies Ltd	Software	3156	30.57	0.28
17	INE044A01036	Sun Pharmaceutical Industries Ltd	Pharmaceuticals	5057	25.04	0.23
18	INE481G01011	Ultratech Cement Ltd	Cement	586	23.15	0.21
19	INE733E01010	NTPC Ltd	Power	5993	10.17	0.09
		Total for Equity & Equity Related			2113.29	19.58
		(B) Debt Instruments				
		(a) Listed / awaiting listing on Stock Exchange				
1	INE020B07HY0	Rural Electrification Corporation Ltd - 9.38% - 06/11/2018	CRISIL AAA	166	1677.16	15.54
2	INE202B07FB6	Dewan Housing Finance Corporation Ltd - 9.34% - 28/12/2018**	CARE AAA	150	1513.65	14.03
3	INE134E07406	Power Finance Corporation Ltd - 9.81% - 07/10/2018**	CRISIL AAA	144	1455.55	13.49
4	INE261F09EW8	National Bank for Agricultural & Rural Development - 01/01/2019**	CRISIL AAA	4850	919.66	8.52
5	INE759E07681	L & T Fin Corp Ltd - 8.95% - 07/01/2019**	CARE AAA	20	504.32	4.67
6	INE033L07CZO	Tata Capital Housing Finance Ltd - 8.89% - 07/01/2019**	CRISIL AA+	50	503.71	4.67
7	INE752E07HG9	Power Grid Corporation of India Ltd - 8.64% - 08/07/2018**	CRISIL AAA	18	225.67	2.09
8	INE001A07OB6	Housing Development Finance Corporation Ltd - 8.6% - 28/09/2018**	CRISIL AAA	2	200.82	1.86
		Sub Total			7000.55	64.87
		(b) Privately Placed / Unlisted				
1	INE296A07HC4	Bajaj Finance Ltd - 07/01/2019**	ICRA AAA	100	1276.19	11.83
		Sub Total			1276.19	11.83
		Total for Debt Instruments			8276.74	76.70
		(C) Money Market Instruments				
		(a) Reverse Repo / CBLO				
1		CBLO			4.00	0.04
		Total for Money Market Instruments			4.00	0.04
		Cash and Other Net Current Assets			397.61	3.68
		Grand Total			10791.65	100.00

** Thinly traded / Non Traded Securities

