

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-P** 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

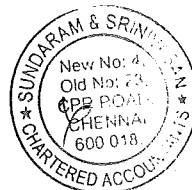
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Sundaram Mutual Fund **SUNDARAM HYBRID FUND-SERIES-P** in accordance with the Eleventh Schedule of Securities and Exchange Board of 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-P** as at 31/03/2018.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM HYBRID FUND-SERIES-P** 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)

Place: Chennai
Date : 29th June 2018


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2018

DESCRIPTION	SCHEDULE NO.	31-Mar-18	31-Mar-17
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	500,962,800	500,962,800
Reserves & Surplus	2	72,274,467	43,948,210
Current Liabilities & Provisions	3	3,285,012	2,198,105
		576,522,279	547,109,115
ASSETS			
Investments	4	553,847,420	527,369,963
Other Current Assets	5	22,674,859	19,739,152
		576,522,279	547,109,115


Notes on Accounts

8

As per our Report of even date

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

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)




Authorised Signatory

Place : Chennai
Date : 29th June 2018

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

Description	Schedule No.	2017 - 18		2016 - 17	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend	6	1,348,119		906,894	
Interest		36,455,467		36,839,117	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		2,415,218		942,315	
Net profit on inter scheme transfer / sale of investments		275,638		1,209,488	
Net diminution on sale of investments written back		-		20,166	
Other Income		4,161		7,011	
TOTAL (A)		40,498,603	40,498,603	39,924,991	39,924,991
EXPENSES					
Net diminution in value of investment	7	1,405,753		-	
Management Fees		9,746,430		9,969,365	
Service Tax / Goods & Service Tax on Management Fees		1,677,548		1,487,315	
Custodian charges		101,641		110,363	
Trusteeship Fees		28,281		26,215	
Commission to Agent ^s		2,671,377		1,571,458	
Audit Fees		8,476		9,478	
Transfer Agent Fees & Expenses		43,092		-	
Investor Education Fees		113,120		104,856	
Other Operating expenses		10,816		5,776	
TOTAL (B)			15,806,534	15,806,534	13,284,926
SURPLUS / (DEFICIT) (A-B)			24,692,069		26,640,165
Less: Income Distributed		2,073,747		1,690,970	
Distribution Tax		800,370	2,874,117	653,540	2,344,510
Surplus /(Deficit) transferred to Balance Sheet			21,817,952		24,295,655

Notes on Accounts

8

As per our Report of even date

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



K Srinivasan
Partner
(M.NO : 5809)

For
Sundaram Mutual Fund



Authorized Signatory

Place : Chennai
Date : 29th June 2018

SCHEDULE : 1**Unit Capital**

Description	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	50,096,280	500,962,800	50,096,280	500,962,800
Unit Capital				
Opening Capital	50,096,280	500,962,800	50,096,280	500,962,800
Add: Units sold during the year	-	-	-	-
	50,096,280	500,962,800	50,096,280	500,962,800
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	50,096,280	500,962,800	50,096,280	500,962,800
		500,962,800		500,962,800

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	24,902,373		606,718	
Add /(Less): Transfer from Revenue Account	21,817,952	46,720,325	24,295,655	24,902,373
Unrealised Appreciation Reserve				
Opening Balance	19,045,837		697,256	
Add/(Less): Net unrealized appreciation for the year	6,508,305		18,348,581	
Unrealised Appreciation Reserve (Schedule 7)		25,554,142		19,045,837
		72,274,467		43,948,210

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Sundry Creditors	1,239,424	2,141,211
Distributed Income Payable	1,469,516	-
Others - Rates & Taxes	576,072	56,894
	3,285,012	2,198,105

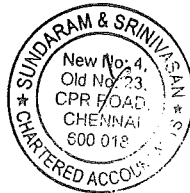


SCHEDULE : 4**Investments**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Listed Securities on the Stock Exchange Equity Shares	115,414,566	103,853,103
Listed / Awaiting Listing on the Stock Exchange Debentures & Bonds	376,321,931	357,919,960
Privately Placed / Unlisted Zero Coupon Bond	59,712,500	55,596,900
Others Others - Reverse Repo / CBLO	2,398,423	10,000,000
	553,847,420	527,369,963

SCHEDULE : 5**Other Current Assets**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts	2,053,793	1,282,157
CBLO Margin Account	232,501	130,776
Repo Margin Account	303,140	588,123
Outstanding and accrued Income	20,085,425	17,738,096
	22,674,859	19,739,152

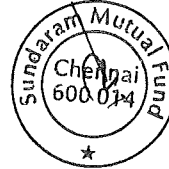


SCHEDULE : 6**Interest**

Description	2017 - 18	2016 - 17
	Rs.	Rs.
Interest from banks and others	566,605	576,512
Interest on Debentures and Bonds	31,031,332	31,240,658
Discounting Charges	4,857,530	5,021,947
	36,455,467	36,839,117

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	25,554,142	14,102,388
Zero Coupon Bond	-	712,754
Debentures & Bonds	-	4,230,695
	25,554,142	19,045,837
Appreciation in Value of Investments (Schedule 2)		
Diminution in value of investments		
Zero Coupon Bond	29,176	-
Debentures & Bonds	1,376,577	-
	1,405,753	-
Diminution in value of investments transferred to Revenue Account		



SUNDARAM MUTUAL FUND
SUNDARAM HYBRID FUND-SERIES-P
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

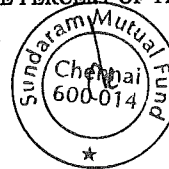
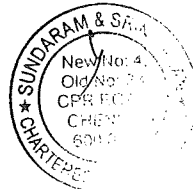
2 INVESTMENT MANAGER FEES

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

Description	2017 - 18	2016 - 17
Average daily net asset value	5,655.52	5,242.56
Management fee @ 1.72% of average daily net asset value (Previous Year 1.90%)	97.46	99.69

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)	797.33	2,462.04
%	14.10%	46.96%
SALES VALUE (AMOUNT)	588.29	1,563.07
%	10.40%	29.81%

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	3,955.24	3,519.55
% to the asset under management	69.00%	64.59%

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	7.16%	7.62%
EXPENDITURE #	2.55%	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)	0.43	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.

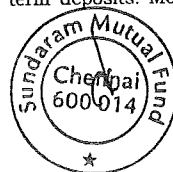
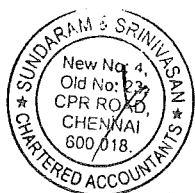
13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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 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.

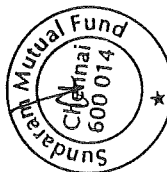
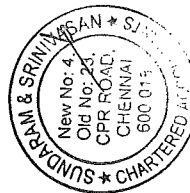


15 HISTORICAL PER UNIT STATISTICS	01.04.2017 to 31.03.2018			01.04.2016 to 31.03.2017			31.03.2016 to 31.03.2016												
	Rs.			Rs.			Rs.												
(A) Gross income																			
(i) income other than profit on sale of investment			0.7547			0.7540			0.0132										
(ii) income from profit on inter scheme sales/transfer of investments			0.0055			0.0241			0.0000										
(iii) Income from profit on sale of investment to third parties			0.0482			0.0188			0.0000										
(iv) transfer to revenue account from past year's reserves			0.0000			0.0000			0.0000										
(B) Aggregate of expenses, write off, amortisation and charges			0.3155			0.2652			0.0011										
(C) Net income			0.4929			0.5317			0.0121										
(D) Net unrealised appreciation/(diminution) in value of investments			0.4820			0.3802			0.0135										
(E) Net Assets Value	Regular Growth	Regular Halfyearly Dividend	Regular Annual Dividend	Direct Growth	Direct Halfyearly Dividend	Direct Annual Dividend	Regular Growth	Regular Halfyearly Dividend	Regular Annual Dividend	Direct Growth	Direct Halfyearly Dividend	Direct Annual Dividend	Regular Growth	Regular Halfyearly Dividend	Regular Annual Dividend	Direct Growth	Direct Halfyearly Dividend	Direct Annual Dividend	
(F) Highest repurchase price Lowest repurchase price Highest ongoing sale price Lowest ongoing sale price	11.5504	10.6734	10.6672	11.6397	10.7601	10.7546	10.9246	10.5708	10.4677	10.9574	10.6035	10.5008	10.0000	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			2.55%			2.53%			2.53%			2.53%				2.53%			
(H) Ratio of gross income to average daily net assets by percentage			7.16%			7.62%			7.62%			7.62%				48.35%			

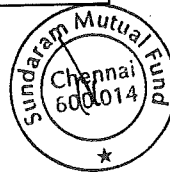
16 Computation of Distributable Income

	31.03.2018	31.03.2017
	Rs.	Rs.
Net Income as per revenue account	24,692,069	26,640,165
Add : Balance of Undistributed income as at 1st April brought forward	24,902,373	606,718
	49,594,442	27,246,883
Less : Income Distributed during the year	2,874,117	2,344,510
Distributable Income	46,720,325	24,902,373

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

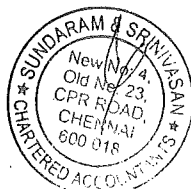


ANNEXURE-II		
Sundaram Hybrid Fund-Series-P		
% of total Investments within the classification		
	31-Mar-18	31-Mar-17
Equity Instruments		
Listed / awaiting listing on Stock Exchange		
AUTO	14.70%	11.71%
BANKS	31.33%	34.11%
CONSTRUCTION PROJECT	6.74%	5.84%
CONSUMER NON DURABLES	8.69%	12.17%
FINANCE	10.70%	9.78%
PETROLEUM PRODUCTS	9.35%	8.61%
SOFTWARE	12.37%	10.14%
Debt Instruments		
(a) Listed / awaiting listing on Stock Exchange		
FINANCE	63.01%	75.01%
POWER	23.29%	24.99%
(b) Privately Placed / Unlisted		
FINANCE	13.69%	0.00%



SUNDARAM MUTUAL FUND						
Sundaram Hybrid Fund-Series-P						
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	9276	174.95	3.05
2	INE001A01036	Housing Development Finance Corporation Ltd	Finance	6764	123.48	2.15
3	INE009A01021	Infosys Ltd	Software	10276	116.30	2.03
4	INE090A01021	ICICI Bank Ltd	Banks	33426	93.04	1.62
5	INE585B01010	Maruti Suzuki India Ltd	Auto	900	79.75	1.39
6	INE018A01030	Larsen & Toubro Ltd	Construction Project	5934	77.79	1.36
7	INE002A01018	Reliance Industries Ltd	Petroleum Products	8276	73.05	1.27
8	INE237A01028	Kotak Mahindra Bank Ltd	Banks	6549	68.62	1.20
9	INE154A01025	ITC Ltd	Consumer Non Durables	21850	55.83	0.97
10	INE158A01026	Hero MotoCorp Ltd	Auto	1263	44.75	0.78
11	INE021A01026	Asian Paints Ltd	Consumer Non Durables	3973	44.51	0.78
12	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	8166	34.91	0.61
13	INE733E01010	NTPC Ltd	Power	17281	29.33	0.51
14	INE860A01027	HCL Technologies Ltd	Software	2732	26.46	0.46
15	INE101A01026	Mahindra & Mahindra Ltd	Auto	3422	25.29	0.44
16	INE062A01020	State Bank of India	Banks	9993	24.97	0.44
17	INE044A01036	Sun Pharmaceutical Industries Ltd	Pharmaceuticals	4777	23.65	0.41
18	INE155A01022	Tata Motors Ltd	Auto	6084	19.89	0.35
19	INE481G01011	Ultratech Cement Ltd	Cement	445	17.58	0.31
		Total for Equity & Equity Related			1154.15	20.13
		(B) Debt Instruments				
		(a) Listed / awaiting listing on Stock Exchange				
1	INE134E08GN6	Power Finance Corporation Ltd - 8.96% - 21/10/2019**	CRISIL AAA	59	601.31	10.49
2	INE020B07IV4	Rural Electrification Corporation Ltd - 9.02% - 18/06/2019**	CRISIL AAA	52	528.75	9.22
3	INE752E07HT2	Power Grid Corporation of India Ltd - 8.84% - 21/10/2019**	CRISIL AAA	40	509.59	8.89
4	INE848E07799	NHPC Ltd - 8.5% - 14/07/2019**	IND AAA	500	505.98	8.83
5	INE916DA70A5	Kotak Mahindra Prime Ltd - 7.7612% - 29/05/2019**	CRISIL AAA	41	409.03	7.14
6	INE523E07DJ7	L & T Finance Ltd - 8.6772% - 30/09/2019**	ICRA AA+	16	403.31	7.04
7	INE001A07PM0	Housing Development Finance Corporation Ltd - 7.95% - 23/09/2019**	CRISIL AAA	4	400.14	6.98
8	INE572E09379	PNB Housing Finance Ltd - 8.65% - 28/06/2019**	IND AAA	21	211.83	3.70
9	INE115A07FN7	LIC Housing Finance Ltd - 9.3532% - 19/08/2019**	CRISIL AAA	16	162.81	2.84
10	INE020B07ER1	Rural Electrification Corporation Ltd - 8.72% - 04/09/2019**	CRISIL AAA	3	30.46	0.53
		Sub Total			3763.22	65.65
		(b) Privately Placed / Unlisted				
1	INE296A07KS4	Bajaj Finance Ltd - 22/10/2019**	IND AAA	50	597.13	10.42
		Sub Total			597.13	10.42
		Total for Debt Instruments			4360.34	76.07
		(C) Money Market Instruments				
		(a) Reverse Repo / CBLO				
1		CBLO			23.98	0.42
		Total for Money Market Instruments			23.98	0.42
		Cash and Other Net Current Assets			193.90	3.38
		Grand Total			5732.37	100.00

** Thinly traded / Non Traded Securities



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