

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 BANKING AND PSU DEBT SUND as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account for the period then ended 31/03/2015 and a summary of significant accounting policies and other explanatory information

2. Management's Responsibility for the Financial Statements

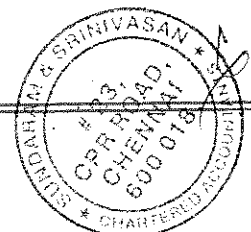
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM BANKING AND PSU DEBT SUND in accordance with the Eleventh Schedule of Securities and Exchange Board of India (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 BANKING AND PSU DEBT SUND as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM BANKING AND PSU DEBT SUND for the period ended on 31/03/2015.

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 2015


K.SRINIVASAN

Partner

Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2015

	SCHEDULE NO.	31-Mar-15
		Rs.
LIABILITIES		
Unit Capital	1	553,755,281
Reserves & Surplus	2	1,703,757
Current Liabilities & Provisions	3	109,034,404
		664,493,442
ASSETS		
Investments	4	606,450,351
Other Current Assets	5	58,043,091
		664,493,442

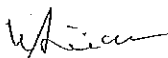
Notes on Accounts

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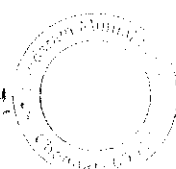
As per our Report of even date

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

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)



Authorised Signatory

Place : Chennai
Date : 29th June 2015

REVENUE ACCOUNT FOR THE PERIOD FROM 27.03.2015 TO 31.03.2015

	Schedule No.	27.03.2015 TO 31.03.2015	
		Rs.	Rs.
REVENUE			
Interest	6	480,889	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		45,900	
TOTAL (A)		526,789	526,789
EXPENSES			
Management fee		13,074	
Service Tax on AMC Fees		1,616	
Trusteeship fee		272	
Custodian charges		7,118	
Audit fee		11,236	
Other Operating expenses		85	
Investor Education Fees		1,088	
		34,489	
Less: Expenses absorbed by AMC		14,469	
TOTAL (B)			20,020
SURPLUS / (DEFICIT) (A-B)			506,769
Add/(Less) : Balance in Equalisation Account			174,578
			681,347
Surplus /(Deficit) transferred to Balance Sheet			681,347

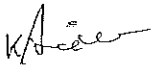
Notes on Accounts

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As per our Report of even date

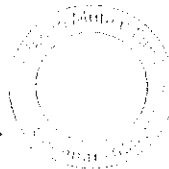
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)




Authorised Signatory



Place : Chennai
Date : 29th June 2015

SUNDARAM MUTUAL FUND

SCHEDULE : 1

Unit Capital

SUNDARAM BANKING AND PSU DEBT FUND

	31/03/2015	
	Units	Rs.
Initial capital	35,760,545	357,605,453
Unit Capital		
Opening Capital	-	-
Add: Units sold during the period	55,375,528	553,755,281
Less : Units repurchased during the period	55,375,528	553,755,281
Units at the end of the period	55,375,528	553,755,281
		553,755,281

SCHEDULE : 2

Reserves & Surplus

	31/03/2015	
	Rs.	Rs.
Unit Premium Reserve		
Opening Balance	-	-
Add : Amount Received on Sale / Repurchase of Units (net)	25,494	25,494
General Reserve		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	681,347	681,347
Unrealised appreciation reserve		
Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the period	996,916	996,916
Unrealised Appreciation Reserve (Schedule 7)		996,916
		1,703,757

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2015
	Rs.
Current Liabilities	
Sundry Creditors	32,073
Units - Pending Allotments	109,000,000
Others	2,331
	109,034,404

SCHEDULE : 4

Investments

	31/03/2015
	Rs.
Government Securities	251,914,250
Certificate of Deposits	329,976,070
Others - Reverse Repo / CBLO	24,560,031
	606,450,351

SCHEDULE : 5

Other Current Assets

	31/03/2015
	Rs.
Balance with banks in Current Accounts	293,109
Sundry Debtors	
Contract for Sale of Investments	52,730,977
CBLO Margin Account	988,474
Repo Margin Account	359,119
Outstanding and accrued Income	3,657,042
Others	14,370
	58,043,091

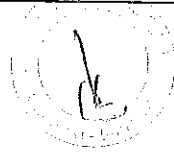


SCHEDULE : 6**Interest**

	27.03.2015 TO 31.03.2015
	Rs.
Interest from banks and others	293,016
Interest on Debentures and Bonds	67,294
Discounting Charges	120,579
	480,889

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

	31/03/2015
	Rs.
Appreciation in Value of Investments	
Certificate of Deposits	580,416
Central Government Securities	416,500
Appreciation in Value of Investments (schedule 2)	996,916



SUNDARAM MUTUAL FUND
SUNDARAM BANKING AND PSU DEBT FUND
Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Period from 27.03.2015 TO 31.03.2015

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.

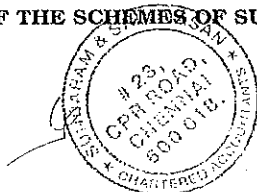
2. INVESTMENT MANAGER FEES

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

Description	27.03.2015 TO 31.03.2015
Average daily net asset value	3,971.64
Management fee @ 0.24% of average daily net asset value.	0.13

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



14 HISTORICAL PER UNIT STATISTICS

SBKPSU

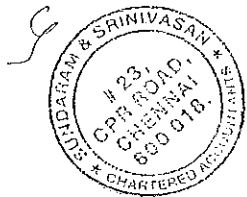
		27.03.2015 - 31.03.2015							
		Rs.							
(A)	Gross income								
	(i) Income other than profit on sale of investment	0.0087							
	(ii) Income from profit on inter scheme sales/transfer of investments	0.0000							
	(iii) Income from profit on sale of investment to third parties	0.0008							
	(iv) Transfer to revenue account from past year's reserves								
(B)	Aggregate of expenses, write off, amortisation and charges	0.0006							
(C)	Net income	0.0089							
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0180							
		Regular Plan					Growth Plan		
		Growth Option	Weekly Dividend Option	Monthly Dividend Option	Quarterly Dividend Option	Annual Bonus Option	Quarterly Bonus Option	Growth Option	Monthly Dividend Option
(E)	Net Assets Value	10.0268	10.0268	10.0318	10.0269	10.0268	10.0269	10.0316	10.0271
(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	10.0000	10.0000	10.0100	10.0000	10.0000	10.0000	10.0316	10.0000
	Lowest ongoing sale price	10.0000	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	0.63%							
(H)	Ratio of gross income to average daily net assets by percentage	9.68%							

15 Computation of Distributable Income

	31.03.15
	Rs.
Net Income as per revenue account	681,347
Add : Balance of Undistributed income as at 1st April brought forward	-
	681,347
Less : Income Distributed during the year	-
Distributable Income	681,347



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



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	27.03.2015 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	6,370.41
%	160.40%
SALES VALUE (AMOUNT)	527.31
%	13.28%

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	27.03.2015 TO 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 Period.	3,299.75
% to the asset under management	59.41%

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	27.03.2015 TO 31.03.2015
INCOME	9.68%
EXPENDITURE	0.63%

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2015 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	27.03.2015 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
Amount paid to INDUSIND BANK (ASSOCIATE)	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

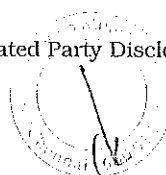
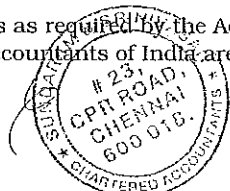
As Per Schedule-I

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



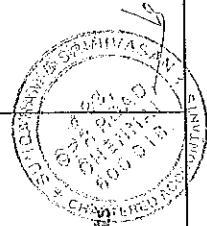
ANNEXURE-III

SUNDARAM MUTUAL FUND

SUNDARAM BANKING AND PSU DEBT FUND

Portfolio Statement as at 31 March 2015

S.NO	ISIN CODE	Name of the instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Investment
		A) Debt Instruments				
		a) Govt Security				
1	IN1520140071	8.14 % GUJARAT SDL 14/01/2025	Sovereign	1000000	1,008.72	16.63%
2	IN2220140189	8.13 % MAHARASHTRA SDL 14/01/2025	Sovereign	1000000	1,008.09	16.62%
3	IN1620140187	8.09 % HARYANA SDL 11/03/2025	Sovereign	500000	502.33	8.28%
		Sub Total			2,519.14	41.54%
		Total for Debt Instruments			2,519.14	41.54%
		B) Money Market Instruments				
		a) Certificate of Deposits				
1	INE008A16ZQ6	IDBI Bank Ltd***	CRISIL A1+	1100	1,022.09	16.85%
2	INE562A16HN7	Indian Bank***	IND A1+	1000	928.76	15.31%
3	INE476A16PX2	Canara Bank***	CRISIL A1+	950	883.24	14.56%
4	INE476A16PQ6	Canara Bank***	CRISIL A1+	500	465.66	7.68%
		Sub Total			3,299.75	54.41%
		b) Reverse Repo / CBLO				
		CBLO			245.60	4.05%
		Sub Total			245.60	4.05%
		Total for Money Market Instruments			245.60	4.05%
		GRAND TOTAL			6,064.49	100.00%



*** Thinly traded / Non Traded securities

ANNEXURE-II		
SUNDARAM BANKING AND	% of total Investments within the classification	
	2014-2015	
DEBT INSTRUMENTS		
a) Listed/awaiting listing on stock exchange		
FINANCE		0%
SOVEREIGN		100%
Money Market Instruments		
FINANCE		100%

K. Arun

