

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 CAP. PR. ORIENTED FUND 5 YEARS - SERIES 2 as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account for the year then ended 31/03/2015 and a summary of significant accounting policies and other explanatory information

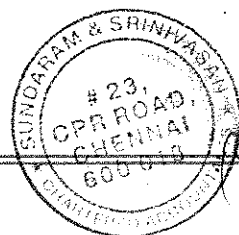
2. Management's Responsibility for the Financial Statements

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 CAP. PR. ORIENTED FUND 5 YEARS - SERIES 2 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.



SUNDARAM & SRINIVASAN

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

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 - CAP. PR. ORIENTED FUND 5 YEARS - SERIES 2 as at 31/03/2015


b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM CAP. PR. ORIENTED FUND 5 YEARS - SERIES 2 for the year 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:004207S)



K.SRINIVASAN

Partner

Membership No. 5809

Place : Chennai

Date : 29th June 2015



BALANCE SHEET AS AT 31st MARCH, 2015

	SCHEDULE NO.	31-Mar-15 Rs.	31-Mar-14 Rs.
LIABILITIES			
Unit Capital	1	650,894,760	650,894,760
Reserves & Surplus	2	229,298,709	131,168,760
Current Liabilities & Provisions	3	887,201	2,769,957
		881,080,670	784,833,477
ASSETS			
Investments	4	874,240,034	767,714,957
Other Current Assets	5	6,840,636	17,118,520
		881,080,670	784,833,477


Notes on Accounts

8

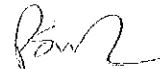
As per our Report of even date

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

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)




Authorised Signatory



Place : Chennai
Date : 29th June 2015

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

	Schedule No.	2014 - 2015		2013 - 2014	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		2,974,504		2,197,993	
Interest	6	55,193,665		54,414,401	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		493,864	
Net profit on inter scheme transfer / sale of investments		6,639		-	
Net diminution in value of investments written back		2,650,371		18,822	
Other Income		-		12,951	
		60,825,179		57,138,031	
TOTAL (A)			60,825,179		57,138,031
EXPENSES					
Net diminution in value of investment	7	-		2,650,371	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		12,655		-	
Loss on inter scheme transfer / sale of investments		-		144,137	
Management fee		6,893,928		6,113,901	
Service Tax On AMC Fees		852,090		755,678	
Custodian charges		140,582		134,535	
Trusteeship fee		42,050		61,890	
Commission to Agents		9,384,348		8,397,346	
Audit fee		23,694		23,372	
Other operating expenses		152,154		17,713	
Investor Education fees		168,198		149,123	
SEBI Fees		3,535		4,204	
		17,673,234		18,452,270	
TOTAL (B)			17,673,234		18,452,270
SURPLUS / (DEFICIT) (A-B)			43,151,945		38,685,761
Surplus / (Deficit) transferred to Balance Sheet			43,151,945		38,685,761


Notes on Accounts

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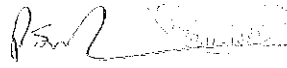
As per our Report of even date

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

SUNDARAM CAPITAL PROTECTION ORIENTED FUND SERIES 2 - 5 YRS

SCHEDULE : 1

Unit Capital

	31/03/2015		31/03/2014	
	UNITS	Rs.	UNITS	Rs.
Initial capital	65,089,476	650,894,760	65,089,476	650,894,760
Unit Capital				
Opening Capital	65,089,476	650,894,760	65,089,476	650,894,760
Add: Units sold during the Year	-	-	-	-
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	65,089,476	650,894,760	65,089,476	650,894,760
		650,894,760		650,894,760

SCHEDULE : 2

Reserves & Surplus

	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	105,940,709		67,254,948	
Add /(Less): Transfer from Revenue Account	43,151,945		38,685,761	
		149,092,654		105,940,709
Unrealised appreciation reserve				
Opening Balance	25,228,051		3,747,573	
Add/(Less) Net unrealized appreciation for the year	54,978,004		21,480,478	
Unrealised Appreciation Reserve (Schedule 7)		80,206,055		25,228,051
		229,298,709		131,168,760

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	824,012	2,727,708
Others	63,189	42,249
	887,201	2,769,957



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**SUNDARAM
MUTUAL FUND**

SUNDARAM CAPITAL PROTECTION ORIENTED FUND SERIES 2 - 5 YRS

SCHEDULE : 4

Investments

	31/03/2015	31/03/2014
	Rs.	Rs.
Equity Shares - Listed	232,521,846	180,722,850
Rights Entitlement - Unlisted	-	110,207
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	551,696,489	543,095,131
Certificate of Deposits	73,448,670	39,794,426
Others - Reverse Repo / CBLO	16,573,029	3,992,343
	874,240,034	767,714,957

SCHEDULE : 5

Other Current Assets

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	530,952	11,533,428
CBLO Margin Account	833,568	-
Repo Margin Account	302,840	-
Outstanding and accrued Income	5,173,276	5,585,092
	6,840,636	17,118,520

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**SUNDARAM
MUTUAL FUND**

SUNDARAM CAPITAL PROTECTION ORIENTED FUND SERIES 2 - 5 YRS

SCHEDULE : 6

Interest

	2014 - 2015	2013 - 2014
	Rs.	Rs.
Interest from banks and others	1,384,067	2,875,327
Interest on Debentures and Bonds	53,350,486	49,205,484
Discounting Charges	459,112	2,333,590
	55,193,665	54,414,401

SCHEDULE :7

Net unrealised appreciation / (diminution) in value of Investments

	31/03/2015	31/03/2014
	Rs.	Rs.
Appreciation in Value of Investments		
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	1,927,205	-
Equity Shares	78,168,031	25,228,042
Certificate of Deposits	110,819	9
Appreciation in value of investments (Schedule 2)	80,206,055	25,228,051
Diminution in value of investments		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	-	2,650,371
Diminution in value of investments transferred to Revenue account	-	2,650,371



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SUNDARAM MUTUAL FUND
SUNDARAM CAPITAL PROTECTION ORIENTED FUND SERIES 2 - 5 YRS

Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Year ended 31-Mar-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

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.

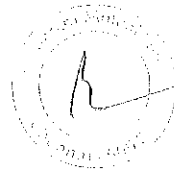
2 INVESTMENT MANAGER FEES

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

Description	2014 - 2015	2013 - 2014
Average daily net asset value	8,409.40	7,455.72
Management fee @ 0.82% of average daily net asset value. (Previous year 0.82%)	68.94	61.14

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 (excluding matured) during the Year, as a percentage of average daily net asset value is as under :

Description	2014 - 2015	2013 - 2014
PURCHASE VALUE (AMOUNT)	1,364.24	2,326.32
%	16.22%	31.20%
SALES VALUE (AMOUNT)	996.24	1,513.26
%	11.85%	20.30%

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	31.03.2015	31.03.2014
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.	5,361.23	4,591.03
% to the asset under management	60.91%	58.70%

6 INCOME / EXPENDITURE

The total income and expenditure as a percentage of the daily average net assets, during the Year, are given below.

DESCRIPTION	2014 - 2015	2013 - 2014
INCOME	7.24%	7.66%
EXPENDITURE	2.10%	2.1% *

* With effect from 01st Oct, 2012 Service Tax on AMC fees is charged over and above the total expense ratio as per SEBI guidelines and is included in the above expense ratio.

7 CONTINGENT LIABILITY

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

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	2014 - 2015	2013 - 2014
Sundaram Finance Ltd (Sponsor)	NIL	NIL
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
INDUSIND BANK (ASSOCIATE)	NIL	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

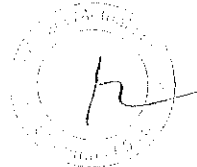
As Per Schedule-I

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. HISTORICAL PER UNIT STATISTICS

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	2014-2015		2013-2014		2012-2013	
	Rs.		Rs.		Rs.	
(A) Gross income						
(i) income other than profit on sale of investment	0.9359		0.8701		1.0367	
(ii) income from profit on inter scheme sales/transfer of investments	0.0000		-0.0022		-0.0001	
(iii) income from profit on sale of investment to third parties	0.0000		0.0076		-0.0514	
(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	0.2713		0.2406		0.2181	
(C) Net income	0.6646		0.6349		0.7671	
(D) Amount paid/recovered on repurchase/sale of units towards unrealised appreciation						
(D) Net unrealised appreciation/(diminution) in value of investments	1.2322		0.3469		0.0588	
	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	13.5228	13.5229	12.0136	12.0137	11.0908	11.0909
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA
Highest ongoing sale price *	NA	NA	NA	NA	NA	NA
Lowest ongoing sale price *	NA	NA	NA	NA	NA	NA
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.10%		2.10%		2.03%	
(H) Ratio of gross income to average daily net assets by percentage	7.24%		7.66%		9.65%	

15. Computation of Distributable Income

	31/03/2015	31/03/2014	31/03/2013
Net Income as per revenue account	43,151,945	38,685,761	49,932,191
Add : Balance of Undistributed income as at 1st April brought forward	105,940,709	67,254,948	17,322,757
	149,092,654	105,940,709	67,254,948
Less : Income Distributed during the year	-	-	-
Distributable Income	149,092,654	105,940,709	67,254,948

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



ANNEXURE-II

SUNDARAM MUTUAL FUND

SUNDARAM CAPITAL PROTECTION ORIENTED FUND SERIES 2 - 5 YRS

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) Equity & Equity Related						
a) Listed / awaiting listing on Stock Exchange						
1	INE009A01021	Infosys Ltd	IT	7940	176.14	2.01%
2	INE040A01026	HDFC Bank Ltd	FINANCIAL SERVICES	15810	161.69	1.85%
3	INE090A01021	ICICI Bank Ltd	FINANCIAL SERVICES	49400	155.86	1.78%
4	INE001A01036	Housing Development Finance Corporation Ltd	FINANCIAL SERVICES	11845	155.84	1.78%
5	INE018A01030	Larsen & Toubro Ltd	CONSTRUCTION	8148	140.12	1.60%
6	INE002A01018	Reliance Industries Ltd	ENERGY	14273	117.89	1.35%
7	INE154A01025	ITC Ltd	CONSUMER GOODS	33411	108.87	1.25%
8	INE326A01037	Lupin Ltd	PHARMA	5300	106.45	1.22%
9	INE467B01029	Tata Consultancy Service Ltd	IT	3792	96.85	1.11%
10	INE062A01020	State Bank of India Ltd	FINANCIAL SERVICES	30090	80.36	0.92%
11	INE155A01022	TATA Motors Ltd	AUTOMOBILE	14600	80.33	0.92%
12	INE669C01036	Tech Mahindra Ltd	IT	11812	74.38	0.85%
13	INE044A01036	Sun Pharmaceuticals Industries Ltd	PHARMA	7174	73.45	0.84%
14	INE030A01027	Hindustan UniLever Ltd	CONSUMER GOODS	6971	60.90	0.70%
15	INE397D01024	Bharti Airtel Ltd	TELECOM	14069	55.33	0.63%
16	INE089A01023	Dr.Reddy's Laboratories	PHARMA	1482	51.70	0.59%
17	INE213A01029	Oil & Natural Gas Corpn. Ltd	ENERGY	15935	48.82	0.56%
18	INE860A01027	HCL Technologies Ltd	IT	4744	46.51	0.53%
19	INE101A01026	Mahindra & Mahindra Ltd	AUTOMOBILE	3897	46.29	0.53%
20	INE075A01022	Wipro Ltd	IT	6637	41.74	0.48%
21	INES85B01010	Maruti Suzuki India Ltd	AUTOMOBILE	1113	41.15	0.47%
22	INE237A01028	Kotak Mahindra Bank Ltd	FINANCIAL SERVICES	2917	38.31	0.44%
23	INE029A01011	Bharat Petroleum Corporation Ltd	ENERGY	4711	38.20	0.44%
24	INE121J01017	Bharti Infratel Ltd	TELECOM	8838	34.03	0.39%
25	INE481G01011	Ultratech Cement Ltd	CEMENT & CEMENT PRODUCTS	1035	29.79	0.34%
26	INE245A01021	Tata Power Company Ltd	ENERGY	35680	27.51	0.31%
27	INE059A01026	Cipla Ltd	PHARMA	3654	26.03	0.30%
28	INE043D01016	HDFC Ltd	FINANCIAL SERVICES	15276	25.50	0.29%
29	INE669E01016	Idea Cellular Ltd	TELECOM	11215	20.64	0.24%
30	INE910H01017	Cairn India Ltd	ENERGY	9608	20.55	0.24%
31	INE158A01026	Hero Motocorp Ltd	AUTOMOBILE	773	20.41	0.23%
32	INE522F01014	Coal India Ltd	METALS	5372	19.49	0.22%
33	INE129A01019	Gas Authority of India Ltd	ENERGY	5010	19.43	0.22%
34	INE081A01012	Tata Steel Ltd	METALS	5646	17.88	0.20%
35	INE205A01025	Sesa Sterlite Ltd	METALS	8412	15.94	0.18%
36	INE003A01024	Siemens Ltd	INDUSTRIAL MANUFACTURING	1079	15.07	0.17%
37	INE021A01026	Asian Paints Ltd	CONSUMER GOODS	1758	14.26	0.16%
38	INE256A01028	Zee Entertainment Enterprises Ltd	MEDIA & ENTERTAINMENT	3558	12.16	0.14%
39	INE160A01022	Punjab National Bank	FINANCIAL SERVICES	6490	9.37	0.11%
Sub Total					2,325.24	26.60%
Total for Equity & Equity Related					2,325.24	26.60%
B) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE514E08985	Export Import Bank of India**	CRISIL AAA	120	1,208.85	13.83%
2	INE001A07GH9	Housing Development Finance Corporation Ltd	CRISIL AAA	120	1,208.84	13.83%
3	INE752E07GG1	Power Grid Corporation of India Ltd**	CRISIL AAA	90	1,129.88	12.92%
4	INE895D08303	TATA Sons Ltd**	CRISIL AAA	107	1,079.17	12.34%
5	INE001A07KK5	Housing Development Finance Corporation Ltd	CRISIL AAA	37	372.40	4.26%
6	INE134E08883	Power Finance Corporation Ltd**	CRISIL AAA	35	347.68	3.98%
7	INE115A07DJ0	LIC Housing Finance Ltd**	CRISIL AAA	12	120.41	1.38%
8	INE094A07Q46	Hindustan Petroleum Corporation Ltd.**	CRISIL AAA	5	50.02	0.57%
Sub Total					5,516.95	63.11%
Total for Debt Instruments					5,516.95	63.11%
C) Money Market Instruments						
a) Certificate of Deposits						
1	INE476A16PXZ	Canara Bank**	CRISIL A1+	790	734.49	8.40%
Sub Total					734.49	8.40%
b) Reverse Repo / CBLO						
1		CBLO			165.73	1.90%
Sub Total					165.73	1.90%
Total for Money Market Instruments					900.22	10.30%
GRAND TOTAL					8,742.41	100.00%

** Thinly traded / Non Traded securities



ANNEXURE-II		
SUNDARAM CAPITAL PROTECTION		
% of total Investments within the classification		
	2014-2015	2013 - 2014
EQUITY INSTRUMENTS		
AUTO	8.09%	7.52%
CONSTRUCTION	6.03%	5.73%
CONSUMER GOODS	7.91%	0
ENERGY	11.71%	16.31%
FINANCE	26.96%	25.17%
IT	18.73%	18.44%
PHARMA	11.08%	7.89%
DEBT		
a) Listed/awaiting listing on stock		
FINANCE	59.05%	58.74%
ENERGY	21.39%	21.48%
DIVERSIFIED	19.56%	19.78%
Money Market Instruments		
FINANCE	100%	100%

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