

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 GILT FUND 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

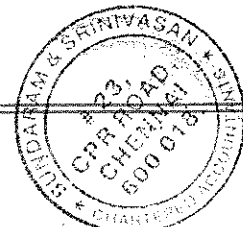
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM GILT FUND in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual Funds)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

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM GILT FUND 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.

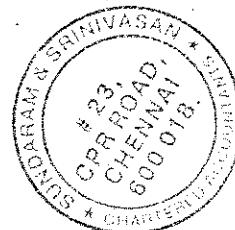
3.a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".

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:0042075)

Place : Chennai
Date : 29th June 2015


K.SRINIVASAN
Partner Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2015

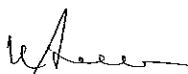
	SCHEDULE NO.	31-Mar-15	31-Mar-14
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	215,046,540	185,879,021
Reserves & Surplus	2	276,064,192	168,445,374
Current Liabilities & Provisions	3	1,015,896	1,653,691
		492,126,628	355,978,086
ASSETS			
Investments	4	480,441,003	348,684,969
Other Current Assets	5	11,685,625	7,293,117
		492,126,628	355,978,086

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 2015

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

	Schedule No.	2014 - 2015		2013 - 2014	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	6	31,060,218		16,671,720	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		17,681,879		6,735,035	
Other Income		8		21,406	
TOTAL (A)		48,742,105	48,742,105	23,428,161	23,428,161
EXPENSES					
Management fee		5,882,669		1,271,558	
Service Tax on AMC Fee		727,098		157,164	
Trusteeship fee		18,808		13,012	
Commission to Agents		952,029		238,920	
Audit fee		13,943		7,830	
Other Operating Expenses		59,653		38,664	
Investor Education Fees		75,230		35,848	
SEBI Fees		850		52	
		7,730,280		2,051,624	
Less : Amount transferred from Load on account of Marketing expenses				40,806	
TOTAL (B)			7,730,280		2,010,818
SURPLUS / (DEFICIT) (A-B)			41,011,825		21,417,343
Add/(Less) : Balance in Equalisation Account			65,748,062		145,929,309
			106,759,887		167,346,652
Less: Income Distributed		3,927,765		2,465,438	
Distribution Tax		1,112,760	5,040,525	350,700	2,816,138
Surplus /(Deficit) transferred to Balance Sheet			101,719,362		164,530,514

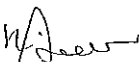
Notes on Accounts

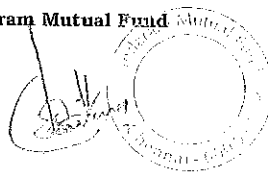
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As per our Report of even date

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

SCHEDULE : 1

Unit Capital

	31/03/2015		31/03/2014	
	UNITS	Rs.	UNITS	Rs.
Initial capital	19,056,400	190,564,000	19,056,400	190,564,000
Unit Capital				
Opening Capital	18,587,902	185,879,021	525,202	5,252,023
Add: Units sold during the year	21,079,128	210,791,282	52,376,252	523,762,516
	39,667,030	396,670,303	52,901,454	529,014,539
Less : Units repurchased during the year	18,162,376	181,623,763	34,313,552	343,135,518
Units at the end of the Year	21,504,654	215,046,540	18,587,902	185,879,021
		215,046,540		185,879,021

SCHEDULE : 2

Reserves & Surplus

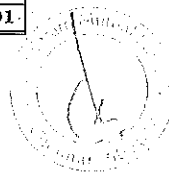
	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
Unit Premium Reserve				
Opening Balance	276,286		2,205	
Add / (Less): Net Premium on sale / (redemption) of units	2,975,251		274,081	
		3,251,537		276,286
General Reserve				
Opening Balance	168,166,357		3,635,843	
Add / (Less): Transfer from Revenue Account	101,719,362		164,530,514	
		269,885,719		168,166,357
Unrealised appreciation reserve				
Opening Balance	2,731			
Add/(Less) Net unrealized appreciation for the year	2,924,205		2,731	
Unrealised Appreciation Reserve (Schedule 7)		2,926,936		2,731
		276,064,192		168,445,374

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	934,763	854,763
Unclaimed Redemption Payable *		15,676
Others	81,133	783,252
	1,015,896	1,653,691

* Refer Sch 9, Note 14

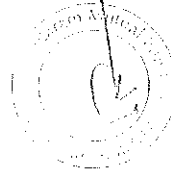


SCHEDULE : 4**Investments**

	31/03/2015	31/03/2014
	Rs.	Rs.
Government Securities	466,164,237	-
Treasury Bills	-	3,946,112
Investment in Reverse Repo / CBLO	14,276,766	344,738,857
	480,441,003	348,684,969

SCHEDULE : 5**Other Current Assets**

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	658,985	6,662,758
CBLO Margin Account	717,678	-
Outstanding and accrued Income	10,030,776	528,914
Repo Margin Account	260,737	-
Others	17,449	101,445
	11,685,625	7,293,117



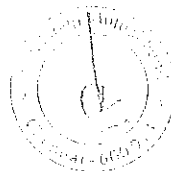
SCHEDULE : 6**Interest**

Description	2014 - 2015	2013 - 2014
	Rs.	Rs.
Interest from banks and others	25,680,139	6,103,782
Discounting Charges	5,380,079	10,567,938
	31,060,218	16,671,720

SCHEDULE : 7**Unrealised appreciation / (Diminution) in value of Investments**

Appreciation in Value of Investments	31/03/2015	31/03/2014
	Rs.	Rs.
Central Government Securities	2,926,936	-
Treasury Bills	-	2,731.00
Appreciation in value of Investments (Schedule 2)	2,926,936	2,731

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SUNDARAM MUTUAL FUND

SUNDARAM GILT FUND

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

All amounts mentioned rupees in lakhs

NOTES ON ACCOUNTS

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.

1.2. INCOME RECOGNITION

(i) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.

(ii) Income on investments is accounted on accrual basis.

(iii) Other income is accounted on cash basis.

1.3. EXPENSES

Expenses are accounted for on accrual basis.

1.4. LOAD

a) Entry load collected during the year from systematic investment plan registered prior to Aug 2009 is maintained in a separate account, which can be used by AMC towards distribution, commission etc of the scheme. The unutilised portion shall be carried forward to the next year.

b) The exit Load charged to the investor net of service tax is fully credited to the Scheme as Other income

1.5. EQUALISATION ACCOUNT

In terms of SEBI circular dated 15th March 2010, on Unit Premium Reserve, the equalisation account has been credited/debited with an appropriate portion (excluding the Unit Premium Reserve and Unrealised Appreciation) of the sale proceeds/repurchase price in respect of units sold / repurchased on or after 15th March 2010. The net balance in this account is transferred to revenue account for the Year.

1.6. UNIT PREMIUM RESERVE

In terms of SEBI Circular dated 15th March 2010, on Unit Premium Reserve, when units are sold / repurchased on or after 15th March 2010 a part of the sale price / re-purchase price representing unrealized gains is credited/debited to Unit Premium Reserve. The balance in Unit Premium Reserve will not be utilised for determination of distributable surplus.



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	3,761.26	1,792.32
Management fee @ 1.56% of average daily net asset value.(Previous year 0.71%)	58.83	12.72

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	2014-2015	2013-2014
PURCHASE VALUE (AMOUNT)	120,125.30	252,442.53
%	3193.75%	14084.72%
SALES VALUE (AMOUNT)	115,748.36	252,576.12
%	3077.38%	14092.17%

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.	NIL	NIL
% to the asset under management	NIL	NIL

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	12.96%	13.07%
EXPENDITURE *	2.06%	1.15%

* 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)	0.02	0.02
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind 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 UNCLAIMED REDEMPTION / DIVIDEND

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

During the year, the unclaimed redemption and dividend payable more than 90 days were transferred to As on 31st March 15, these sums were deployed in money market instruments in terms of SEBI circular no. SEBI/Cir/9/120/2000 dated November 24,2000



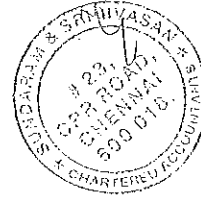
15. HISTORICAL PER UNIT STATISTICS	2014-15				2013-14				2012-13					
	Rs.				Rs.				Rs.					
(A) Gross income														
(i) Income other than profit on sale of investment				1.4443				0.8981						0.5263
(ii) Income from profit on inter-scheme sales/transfer of investments				0.0000				0.0000						0.0000
(iii) Income from profit on sale of investment to third parties				0.8222				0.3623						0.4260
(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				0.3595				0.1104						0.0628
Net income				1.9071				1.1500						0.8916
(D) Net unrealised appreciation/(diminution) in value of investments				0.1361				0.0001						0.0000
(E) Net Assets Value	11.1978	23.6668	11.3206	23.8394	12.0389	21.0327	12.6206	21.0789	13.6601	17.8677	13.6606	17.8635		
(F) Highest repurchase price*	12.5136	23.6669	13.1837	23.8507	12.0193	21.0125	14.2798	21.0580	13.5135	17.7965	17.6464	17.6464		
Lowest repurchase price*	10.3492	21.0474	10.4409	21.0942	10.7851	17.7757	11.2205	17.9269	12.4100	15.4769	17.6464	17.6464		
Highest ongoing sale price *	12.5136	23.6669	13.1837	23.8507	13.7597	21.0125	14.2798	21.0580	13.6263	17.8237	13.5238	17.8460		
Lowest ongoing sale price *	10.3434	21.0474	10.4388	21.0942	10.1054	17.8817	10.1032	17.8817	11.9387	15.6332	13.1920	17.5407		
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage			2.06%					1.15%					0.94%	
(H) Ratio of gross income to average daily net assets by percentage			12.96%					13.07%					14.28%	

* includes load as applicable

16. Computation of Distributable Income

	31.03.15	31.03.14	31.03.13
Net Income as per revenue account	106759887	167,346,652	2,750,144
Add : Balance of Undistributed income as at 1st April brought forward	168,166,357	3,635,843	885,699
	274,926,244	170,982,495	3,635,843
Less : Income Distributed during the year	5040525.06	2,816,138	-
Distributable Income	269,885,719	168,166,357	3,635,843

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



ANNEXURE-II		
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SUNDARAM GILT FUND

	% of total Investments within the classification	
	2014-2015	2013-2014
DEBT INSTRUMENTS		
a) Listed/awaiting listing on stock exchange		
FINANCE	NIL	NIL
SOVEREIGN	100%	NIL
Money Market Instruments		
FINANCE	NIL	NIL

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SUNDARAM MUTUAL FUND

SUNDARAM GILT 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 Investments
		A) Debt Instruments				
		a) Govt Security				
1	IN0020140052	8.24% CGL 10/11/2033 GOVT SECURITES	Sovereign	1250000	1,306.63	27.20%
2	IN0020130061	8.83% CGL 25/11/2023	Sovereign	1000000	1,063.16	22.13%
3	IN1520140105	8.05% GUJARAT SDL 25/02/2025	Sovereign	572000	573.59	11.94%
4	IN0020070069	8.28% CGL 21/09/2027	Sovereign	550000	570.71	11.88%
5	IN0020140078	8.17 % CGL 01/12/2044	Sovereign	500000	522.25	10.87%
6	IN3120140204	8.07% TAMIL NADU SDL 11/02/2025	Sovereign	500000	501.86	10.45%
7	IN2220140148	8.43 % MAHARASHTRA SDL 12/11/2024	Sovereign	120800	123.45	2.57%
		Sub Total			4,661.65	97.03%
		Total for Debt Instruments			4,661.65	97.03%
		B) Money Market Instruments				
		a) Reverse Repo / CBLO				
1		CBLO			142.77	2.97%
		Sub Total			142.77	2.97%
		Total for Money Market Instruments			142.77	2.97%
		GRAND TOTAL			4,804.42	100.00%

** Thinly traded / Non Traded securities

