

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 MONTHLY INCOME PLAN - CONSERVATIVE PLAN 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 MONTHLY INCOME PLAN - CONSERVATIVE PLAN 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
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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 MONTHLY INCOME PLAN - CONSERVATIVE PLAN as at 31/03/2015
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM MONTHLY INCOME PLAN - CONSERVATIVE PLAN 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)

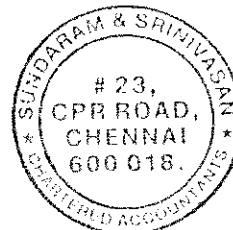

K.SRINIVASAN

Partner

Membership No. 5809

Place : Chennai

Date : 29th June 2015



BALANCE SHEET AS AT 31ST MARCH 2015

	SCHEDULE NO.	31-Mar-15	31-Mar-14
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	390,425,518	48,088,897
Reserves & Surplus	2	119,285,433	7,337,538
Current Liabilities & Provisions	3	1,606,562	177,343
		511,317,513	55,603,778
ASSETS			
Investments	4	486,310,290	53,756,618
Other Current Assets	5	25,007,223	1,847,160
		511,317,513	55,603,778

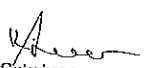
Notes on Accounts

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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 YEAR ENDED 31ST MARCH 2015

REVENUE	Schedule No.	2015 - 2015		2013 - 2014	
		Rs.	Rs.	Rs.	Rs.
Dividend	6	24,275			
Interest		37,947,481		6,398,706	
Other Income		830,355		23,778	
Net profit on inter scheme transfer / sale of investments		359,783		100,419	
Net diminution in value of investments written back		228,870		7,025	
TOTAL (A)		39,390,763	39,390,764	6,529,928	6,529,928
EXPENSES	7				
Net diminution in value of investment				228,870	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)					
Management fee		350,233		4,491,735	
Service Tax on AMC Fees		1,241,879		1,182,606	
Custodian charges		153,513		146,170	
Trusteeship fee		84,758		5,241	
Commission to Agents		21,160		6,437	
Audit fee		1,684,461		611,172	
Operating expenses		14,665		11,963	
Investor Education Fees		17,152		4,510	
SEBI Fees		84,639		14,972	
		355		464	
TOTAL (B)	3,652,815	3,652,815	6,704,141	6,704,141	
SURPLUS / (DEFICIT) (A-B)					
Add/(Less) : Balance in Equalisation Account		35,737,949		(174,213)	
		62,372,898		(1,999,699)	
		98,110,847		(2,173,912)	
Less: Income Distributed					
Distribution Tax	675,879		1,673,943		
	199,080	874,959	251,768	1,925,711	
Surplus / (Deficit) transferred to Balance Sheet		97,235,888		(4,099,623)	

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	5,264,514	52,645,140	5,264,514	52,645,140
Unit Capital				
Opening Capital	4,808,890	48,088,897	6,791,292	67,912,924
Add: Units sold during the year	38,675,460	386,754,601	2,224,269	22,242,691
Less : Units repurchased during the year	43,484,350	434,843,498	9,015,561	90,155,615
	4,441,798	44,417,980	4,206,671	42,066,718
Units at the end of the Year	39,042,552	390,425,518	4,808,890	48,088,897
		<u>390,425,518</u>		<u>48,088,897</u>

SCHEDULE : 2

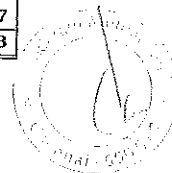
Reserves & Surplus

	31/03/2015		31/03/2014	
	Rs	Rs	Rs	Rs
Unit Premium Reserve				
Opening Balance	76,882		(4,496)	
Add / (Less): Net Premium on sale / (redemption) of units	1,903,853	1,980,735	81,378	76,882
General Reserve				
Opening Balance	7,247,881		11,347,504	
Add / (Less): Transfer from Revenue Account	97,235,888	104,483,769	(4,099,623)	7,247,881
Unrealised appreciation reserve				
Opening Balance	12,775		337,200	
Add/(Less) Net unrealized appreciation for the year	12,808,154		(324,425)	
Unrealised Appreciation Reserve (Schedule 7)		12,820,929		12,775
		<u>119,285,433</u>		<u>7,337,538</u>

SCHEDULE : 3

Current Liabilities & Provisions

Description	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	1,433,008	157,246
Others	173,554	20,097
	<u>1,606,562</u>	<u>177,343</u>



SCHEDULE : 4**Investments**

Description	31/03/2015	31/03/2014
	Rs.	Rs.
Equity Shares	6,481,862	-
Debtentures / Bonds listed / awaiting listing on the recognised stock exchange	476,833,302	19,936,415
Government Securities	-	14,956,380
Others - Reverse Repo / CBLO	2,995,126	18,863,823
	486,310,290	53,756,618

SCHEDULE : 5**Other Current Assets**

Description	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	610,609	855,746
CBLO Margin Account	153,055	-
Repo Margin Account	55,606	-
Outstanding and accrued Income	24,187,953	991,414
	25,007,223	1,847,160

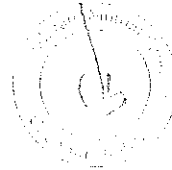


SCHEDULE : 6**Interest**

	2015 - 2014	2013 - 2014
	Rs.	Rs.
Interest from banks and others	1,413,808	4,027,149
Interest on Debentures and Bonds	36,195,566	2,371,331
Discounting Charges	338,107	226
	37,947,481	6,398,706

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	11,922,077	12,775
Equity Shares	898,852	-
Appreciation in value of investments (Schedule 2)	12,820,929	12,775
Diminution in value of investments		
Central Government Securities		228,870
Diminution in value of Investments transferred to revenue account		228,870



SUNDARAM MUTUAL FUND
SUNDARAM MONTHLY INCOME PLAN - CONSERVATIVE PLANSchedules 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

Equity & Equity related instruments : 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 Debt 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.

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	2014-15	2013-14
Average daily net asset value	4,231.73	748.47
Management fee @ 0.29% of average daily net asset value. (Previous year 1.58%)	12.42	11.83

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	2014-15	2013-14
PURCHASE VALUE (AMOUNT)	5,812.81	2,604.42
%	137.36%	347.97%
SALES VALUE (AMOUNT)	1,362.44	2,742.65
%	32.20%	366.43%

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.	4,346.55	199.36
% to the asset under management	85.27%	35.97%

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	2014-15	2013-14
INCOME	9.31%	8.72%
EXPENDITURE	0.78%	2.65%

* 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

	2014-15	2013-14
Sundaram Finance Ltd (Sponsor)	0.0172	0.0600
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
IndusInd Bank (Associate)	0.0035	-

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

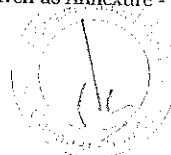
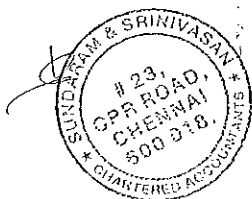
As Per Schedule-I

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	2014-2015			2013-2014			2012-2013		
	REGULAR PLAN			REGULAR PLAN			REGULAR PLAN		
	Monthly	Qrtly	Half-yearly	Monthly	Qrtly	Half-yearly	Monthly	Qrtly	Half-yearly
A. Gross Income			0.9997			1.3370			1.1676
Income other than profit on sale of investments			0.0092			0.0209			-0.0201
Income from profit on inter scheme sales/ transfer of investments			-0.0090			-0.9340			0.0955
Income from profit on sale of investments to third parties			0.0846			0.4125			0.2888
B. Aggregate of expenses, writeoff and charges									
C. Net Income			0.9154			0.0113			0.9562
Net unrealised appreciation/(Diminution) in value of investments			0.3284			-0.0449			0.0486
D. Net Assets Value									
E. Net Assets Value	11.1654	10.9000	10.9234	13.2067	13.3803	10.0365	10.1584	10.8922	11.8346
F. Highest Repurchase Price	11.1654	10.8829	10.4966	13.1880	12.4124	11.2465	12.2062	11.0278	11.6454
Lowest Repurchase Price	10.0111	10.1326	10.0873	11.7637	12.4124	9.5550	9.8184	10.2826	11.3702
Highest Ongoing Sale Price	11.1302	10.3739	10.3469	13.1670	13.3030	11.2485	10.5102	11.0278	11.8873
Lowest ongoing Sale Price	10.0122	10.1439	10.1657	11.8445	13.3030	9.5532	10.5102	10.3856	11.2546
Ratio of expenses to average daily net assets by percentage			0.78%			2.65%			2.17%
Ratio of gross income to average daily net assets by percentage			9.31%			8.72%			9.54%



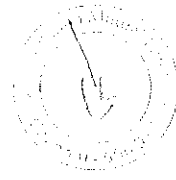
15. Computation of Distributable Income

	31/03/2015	31/03/2014	31/03/2013
Net income as per revenue account	98,110,847	(2,173,912)	4,249,563
Add : Balance of Undistributed income as at 1st April brought forward	7,247,881	11,347,504	7,423,523
	105,358,728	9,173,592	11,673,086
Less : Income Distributed during the year	874,959	1,925,711	325,582
	104,483,769	7,247,881	11,347,504

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

ANNEXURE-II		
SUNDARAM MONTHLY INCOME PLAN - CONSERVATIVE PLAN		
	% of total Investments within the classification	
	2014-2015	2013-2014
EQUITY INSTRUMENTS		
FINANCE	36.23%	NIL
AUTO	14.66%	NIL
ENERGY	0.00%	NIL
CONSTRUCTION	13.27%	NIL
CONSUMER GOODS	18.87%	NIL
IT	16.97%	NIL
DEBT INSTRUMENTS		
a) Listed/awaiting listing on stock exchange		
CONGLOMERATE	12.46%	NIL
ENERGY	31.34%	NIL
FINANCE	56.20%	100.00%

6



SUNDARAM MUTUAL FUND

SUNDARAM MONTHLY INCOME PLAN - CONSERVATIVE PLAN

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	INE237A01028	Kotak Mahindra Bank Ltd	FINANCIAL SERVICES	1000	13.13	0.27%
2	INE030A01027	Hindustan Unilever Ltd	CONSUMER GOODS	1400	12.23	0.25%
3	INE075A01022	Wipro Ltd	IT	1750	11.00	0.23%
4	INE043D01016	IDFC Ltd	FINANCIAL SERVICES	6200	10.35	0.21%
5	INE101A01026	Mahindra & Mahindra Ltd	AUTOMOBILE	800	9.50	0.20%
6	INE018A01030	Larsen & Toubro Ltd	CONSTRUCTION	500	8.60	0.18%
		Sub Total			64.81	1.33%
		Total for Equity & Equity Related			64.81	1.33%
B) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE860H07466	Aditya Birla Finance Ltd**	IND AA+	78	796.02	16.37%
2	INE514E08DA3	Export Import Bank of India**	CRISIL AAA	61	629.50	12.94%
3	INE895D07479	TATA Sons Ltd**	CRISIL AAA	58	594.06	12.22%
4	INE476M07131	L&T Housing Finance Ltd**	[ICRA]AA+	23	588.42	12.10%
5	INE020B071A8	Rural Electrification Corporation Ltd**	CRISIL AAA	53	552.51	11.36%
6	INE134E07406	Power Finance Corporation Ltd**	CRISIL AAA	45	468.79	9.64%
7	INE310L07522	IOT Utkal Energy Services Ltd**	CRISIL AAA	430	460.62	9.47%
8	INE752E07GK3	Power Grid Corporation of India Ltd**	CRISIL AAA	20	256.63	5.28%
9	INE310L07514	IOT Utkal Energy Services Ltd**	CRISIL AAA	210	224.65	4.62%
10	INE134E08CK1	Power Finance Corporation Ltd**	CRISIL AAA	10	104.22	2.14%
11	INE043D07GJ1	IDFC Ltd**	[ICRA]AAA	5	51.58	1.06%
12	INE296A07BB9	Bajaj Finance Ltd**	CRISIL AA+	4	41.34	0.85%
		Sub Total			4,768.34	98.05%
		Total for Debt Instruments			4,768.34	98.05%
C) Money Market Instruments						
a) Reverse Repo / CBLO						
1		CBLO			29.95	0.62%
		Sub Total			29.95	0.62%
		Total for Money Market Instruments			29.95	0.62%
		GRAND TOTAL			4,863.10	100.00%

** Thinly traded / Non Traded securities

