

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 SELECT DEBT SHORT TERM ASSET PLAN as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account, the Cash Flow Statement for the year then ended 31/03/2015 and a summary of significant accounting policies and other explanatory information

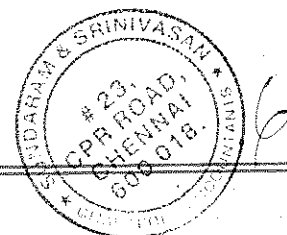
2. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Sundaram Mutual Fund SUNDARAM SELECT DEBT SHORT TERM ASSET 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

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 SELECT DEBT SHORT TERM ASSET PLAN as at 31/03/2015
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM SELECT DEBT SHORT TERM ASSET PLAN for the year ended on 31/03/2015.
- c. In the case of Cash Flow Statement, of the cash flows of the SUNDARAM SELECT DEBT SHORT TERM ASSET PLAN for the year ended on that date.

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, , Revenue Account and Cash Flow Statement 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.

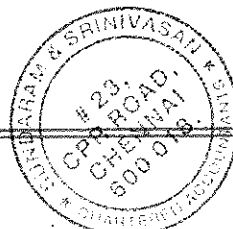
For and on behalf of SUNDARAM & SRINIVASAN
Chartered Accountants (FRN No:004207S)



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	5,508,600,405	7,097,070,194
Reserves & Surplus	2	3,101,645,293	1,216,866,422
Current Liabilities & Provisions	3	271,659,798	166,313,135
		8,881,905,496	8,480,249,751
ASSETS			
Investments	4	8,523,652,316	8,243,154,760
Deposits	5	-	28,126
Other Current Assets	6	358,253,180	237,066,865
		8,881,905,496	8,480,249,751

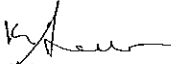
Notes on Accounts

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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

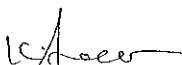
	Schedule No.	2014 - 2015		2013 - 2014	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Interest	7	738,679,531		646,183,391	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		112,902,692		2,236,842	
Net profit on inter scheme transfer / sale of investments		11,905,062		8,638,248	
Other Income		1,467,905		3,275,340	
TOTAL (A)		864,955,190	864,955,190	660,333,821	660,333,821
EXPENSES					
Management fee		38,264,550		41,011,533	
Service Tax on AMC Fee		4,729,499		5,069,025	
Custodian charges		1,173,593		933,310	
Trusteeship fee		410,484		490,096	
Commission to Agents		45,021,396		24,610,856	
Audit fee		68,124		53,473	
Other Operating Expenses		224,691		536,766	
Investor Education Fees		1,641,927		1,313,219	
SEBI Fees		31,129		1,367	
TOTAL (B)		91,565,393	91,565,393	74,019,645	74,019,645
SURPLUS / (DEFICIT) (A-B)			773,389,797		586,314,176
Add/(Less) : Balance in Equalisation Account			1,195,184,531		6,776,349,912
			1,968,574,328		7,362,664,088
Less: Income Distributed		16,673,464		15,012,415	
Distribution Tax		5,365,400	22,038,864	3,158,455	18,170,870
Surplus /(Deficit) transferred to Balance Sheet			1,946,535,464		7,344,493,218

Notes on Accounts

9

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

SCHEDULE : 1

Unit Capital

	31/03/2015		31/03/2014	
	UNITS	Rs.	UNITS	Rs.
Initial capital	24,285,600	242,856,000	24,285,600	242,856,000
Unit Capital				
Opening Capital	709,707,020	7,097,070,194	14,505,323	145,053,225
Add: Units sold during the year	369,243,697	3,692,436,966	730,468,144	7,304,681,440
Add: Bonus Units Alloted	-	-	643,182,248	6,431,822,475
	1,078,950,718	10,789,507,159	1,388,155,715	13,881,557,140
Less : Units repurchased during the year	528,090,676	5,280,906,755	678,448,695	6,784,486,946
Units at the end of the Year	550,860,043	5,508,600,405	709,707,020	7,097,070,194
		5,508,600,405		7,097,070,194

SCHEDULE : 2

Reserves & Surplus

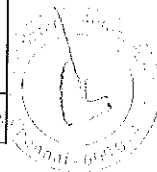
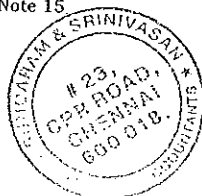
	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
Unit Premium Reserve				
Opening Balance	180,349,550		341,609	
Add / (Less): Net Premium on sale / (redemption) of units	(85,497,395)		180,007,941	
		94,852,155		180,349,550
General Reserve				
Opening Balance	1,001,514,540		88,843,797	
Add / (Less): Transfer from Revenue Account	1,946,535,464		7,344,493,218	
Less : Amount transferred to Unit Capital on account of Bonus units allotted.	-		6,431,822,475	
		2,948,050,004		1,001,514,540
Unrealised appreciation reserve				
Opening Balance	35,002,332		540,193	
Add/(Less) Net unrealized appreciation	23,740,800		34,462,139	
8)		58,743,134		35,002,332
		3,101,645,293		1,216,866,422

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2015	31/03/2014
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	3,502,473	9,432,361
Contract for Purchase of Investments	-	154,895,042
Unclaimed Redemption Payable *	-	28,080
Unclaimed Distributed Income Payable *	-	33,337
Income Distribution Payable	-	4,146
Units Pending - Allotment	251,100,000	-
Others	17,057,325	1,920,169
	271,659,798	166,313,135

* Refer schedule 9-Note 15



SCHEDULE : 4**Investments**

	31/03/2015	31/03/2014
	Rs.	Rs.
Zero Coupon Bonds - Listed	-	54,090,800
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	5,547,652,237	5,235,052,421
Government Securities	1,700,852,170	323,837,167
Certificate of Deposits	1,003,342,200	2,374,542,197
Commercial Papers	237,062,250	143,802,299
Others - Reverse Repo / CBLO	34,743,459	111,829,876
	8,523,652,316	8,243,154,760

SCHEDULE : 5**Deposits**

	31/03/2015	31/03/2014
	Rs.	Rs.
Deposits with Scheduled Bank	-	28,126
	-	28,126

SCHEDULE : 6**Other Current Assets**

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	1,795,520	5,266,008
CBLO Margin Account	1,738,160	4,400,000
Repo Margin Account	631,484	5,200,000
Outstanding and accrued Income	300,827,789	220,607,595
Contract for Sale of Investments	53,260,227	-
Others	-	1,593,262
	358,253,180	237,066,865

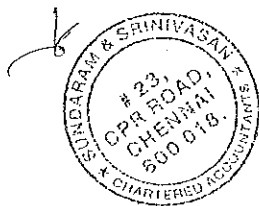


SCHEDULE : 7**Interest**

	2014 - 2015	2013 - 2014
	Rs.	Rs.
Interest from banks and others	21,367,645	125,772,448
Interest on Debentures and Bonds	634,020,755	357,661,479
Discounting Charges	83,291,131	162,749,464
	738,679,531	646,183,391

SCHEDULE : 8**Net unrealised appreciation / (Diminution) in value of Investments**

	31/03/2015	31/03/2014
	Rs.	Rs.
Appreciation in Value of Investments		
Government Securities	13,552,816	1,734,417
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	43,776,754	28,162,431
Zero Coupon Bond	-	749,226
Certificate of Deposit	1,017,081	3,605,023
Commercial Paper	396,483	751,185
Appreciation in value of investments (Schedule 2)	58,743,134	35,002,332



**SUNDARAM MUTUAL FUND
SUNDARAM SELECT DEBT SHORT TERM**

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

SCHEDULE 9**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.

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.

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	82,093.79	65,660.93
Management fee @ 0.47% of average daily net asset value. (Previous year 0.62%)	382.65	410.12

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



ANNEXURE-II

**SUNDARAM SELECT DEBT % of total Investments within the classification
SHORT TERM PLAN**

	2014-2015	2013-2014
DEBT INSTRUMENTS		
a) Listed/awaiting listing on stock exchange		
ENERGY	24.05%	10.83%
FINANCE	62.77%	86.32%
METALS	7.23%	0.00%
Money Market Instruments		
FINANCE	100.00%	100.00%

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SUNDARAM MUTUAL FUND

SUNDARAM SELECT DEBT SHORT TERM 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 Investments
A) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
1	INE202B07AW3	Dewan Housing Finance Corp Ltd**	CARE AAA	660	6,674.03	7.83%
2	INE721A07GK6	Shriram Transport Finance Company Ltd**	CARE AA+	540	5,504.41	6.46%
3	INE205A07014	Sesa Sterlite Ltd**	CRISIL AA+	400	4,010.13	4.70%
4	INE636F07183	North Eastern Electric Power Corporation Ltd**	[ICRA]AA-	350	3,603.43	4.23%
5	INE909H07AV2	TATA Motors Finance Ltd**	CRISIL AA	352	3,541.84	4.16%
6	INE202B07688	Dewan Housing Finance Corp Ltd**	CARE AAA	250	2,520.32	2.96%
7	INE860H07482	Aditya Birla Finance Ltd**	IND AA+	250	2,515.35	2.95%
8	INE694L07057	Talwandi Sabo Power Ltd**	CRISIL AA+	250	2,506.41	2.94%
9	INE121A07TF6	Cholamandalam Investment and Finance Company Ltd**	[ICRA]AA	250	2,504.79	2.94%
10	INE115A07EJ8	LIC Housing Finance Ltd**	CRISIL AAA	200	2,038.13	2.39%
11	INE110L08060	Reliance Jio Infocomm Limited	CRISIL AAA	200	2,000.94	2.35%
12	INE134E08GC9	Power Finance Corporation Ltd**	CRISIL AAA	166	1,693.49	1.99%
13	INE001A07LU2	Housing Development Finance Corporation Ltd**	CRISIL AAA	132	1,338.61	1.57%
14	INE155A08159	TATA Motors Ltd**	CARE AA+	130	1,302.74	1.53%
15	INE134E07406	Power Finance Corporation Ltd**	CRISIL AAA	105	1,093.83	1.28%
16	INE020B07IAB	Rural Electrification Corporation Ltd**	CRISIL AAA	100	1,042.47	1.22%
17	INE115A07EH2	LIC Housing Finance Ltd**	CRISIL AAA	100	1,024.02	1.20%
18	INE134E08GE5	Power Finance Corporation Ltd**	CRISIL AAA	100	1,019.90	1.20%
19	INE115A07ES9	LIC Housing Finance Ltd**	CARE AAA	100	1,016.59	1.19%
20	INE121A07HX0	Cholamandalam Investment and Finance Company Ltd**	[ICRA]AA	100	1,016.16	1.19%
21	INE020B08815	Rural Electrification Corporation Ltd	CRISIL AAA	100	1,014.64	1.19%
22	INE752E07MH7	Power Grid Corporation of India Ltd**	CRISIL AAA	100	999.43	1.17%
23	INE445L08169	Nabha Power Ltd**	[ICRA]AAA	64	651.38	0.76%
24	INE752E07GI7	Power Grid Corporation of India Ltd**	CRISIL AAA	44	560.64	0.66%
25	INE752E07LQ0	Power Grid Corporation of India Ltd**	CRISIL AAA	50	534.17	0.63%
26	INE238A08286	Axis Bank Ltd**	[ICRA]AAA	50	514.80	0.60%
27	INE206D08238	Nuclear Power Corporation of India Ltd**	CRISIL AAA	50	512.89	0.60%
28	INE206D08212	Nuclear Power Corporation of India Ltd**	CRISIL AAA	50	511.19	0.60%
29	INE031A09FH4	Housing and Urban Development Corp. Ltd**	IND AA+	50	508.64	0.59%
30	INE752E07ME4	Power Grid Corporation of India Ltd	CRISIL AAA	50	499.71	0.59%
31	INE020B07CL8	Rural Electrification Corporation Ltd**	CRISIL AAA	50	498.18	0.58%
32	INE020B07JD4	Rural Electrification Corporation Ltd**	CRISIL AAA	40	406.56	0.48%
33	INE667F08046	Sundaram BNP Paribas Home Finance Ltd**	CARE AA	30	304.71	0.36%
		Sub Total			55,476.53	65.09%
b) Govt Security						
1	IN0020130061	8.83% CGL 25/11/2023	Sovereign	2600000	2,764.22	3.24%
2	IN0020130053	9.20 % CGL 30/09/2030	Sovereign	2000000	2,236.55	2.62%
3	IN0020140052	8.24% CGL 10/11/2033 GOVT SECURITES	Sovereign	2100000	2,195.13	2.58%
4	IN0020070069	8.28% CGL 21/09/2027	Sovereign	2050000	2,127.17	2.50%
5	IN0020140045	8.40 % CGL 28/07/2024	Sovereign	2000000	2,086.50	2.45%
6	IN0020140060	8.15 % CGL 24/11/2026	Sovereign	2000000	2,064.03	2.42%
7	IN3120140204	8.07% TAMIL NADU SDL 11/02/2025	Sovereign	2000000	2,007.42	2.36%
8	IN1520140105	8.05% GUJARAT SDL 25/02/2025	Sovereign	1000000	1,002.79	1.18%
9	IN1020140068	8.88 % ANDHRA PRADESH SDL 16/10/2024	Sovereign	500000	524.70	0.62%
		Sub Total			17,008.51	19.95%
		Total for Debt Instruments			72,485.04	85.04%
B) Money Market Instruments						
a) Certificate of Deposits						
1	INE476A16QH3	Canara Bank**	CRISIL A1+	5000	4,916.11	5.77%
2	INE476A16PQ6	Canara Bank**	CRISIL A1+	3000	2,793.96	3.28%
3	INE095A16QD0	Indusind Bank Ltd**	CRISIL A1+	2500	2,323.36	2.73%
		Sub Total			10,033.43	11.77%
b) Commercial Papers						
1	INE020E14ER1	STCI Finance Ltd **	CRISIL A1+	500	2,370.62	2.78%
		Sub Total			2,370.62	2.78%
c) Reverse Repo / CBLO						
1		CBLO			347.43	0.41%
		Sub Total			347.43	0.41%
		Total for Money Market Instruments			12,751.48	14.96%
		GRAND TOTAL			85,236.52	100.00%

** Thinly traded / Non Traded securities

