

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 VALUE FUND SR.2 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 VALUE FUND SR.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.

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 VALUE FUND SR.2 as at 31/03/2015

b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund SUNDARAM VALUE FUND SR.2 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.

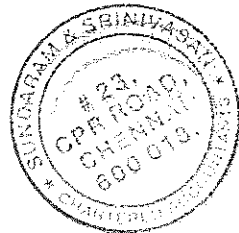
3.a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".

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:004207S)

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	237,696,620
Reserves & Surplus	2	(1,387,396)
Current Liabilities & Provisions	3	2,478,067
		238,787,291
ASSETS		
Investments	4	234,218,821
Other Current Assets	5	4,568,470
		238,787,291

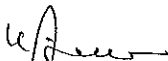
Notes on Accounts

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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 05.02.2015 TO 31.03.2015

	Schedule No.	05.02.2015 TO 31.03.2015	
		Rs.	Rs.
REVENUE			
Dividend		487,338	
Interest	6	1,858,355	
Realised Gain on Derivative Transactions		389,763	
TOTAL (A)		2,735,456	2,735,456
EXPENSES			
Net diminution in value of investment	7	2,992,198	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		236,696	
Management fee		323,296	
Service Tax on AMC Fees		39,959	
Trusteeship fee		1,787	
Custodian charges		48,729	
Commission to Agents		482,040	
Audit fee		11,236	
Other Operating expenses		8,845	
Investor Education Fees		7,148	
TOTAL (B)		4,151,934	4,151,934
SURPLUS / (DEFICIT) (A-B)			(1,416,478)
Surplus /(Deficit) transferred to Balance Sheet			(1,416,478)

Notes on Accounts

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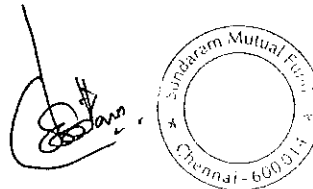
As per our Report of even date

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



K Srinivasan
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	
	Units	Rs.
Initial capital		
Opening Capital	23,769,662	237,696,620
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	23,769,662	237,696,620
Less : Units repurchased during the Period	-	-
Units at the end of the Period	23,769,662	237,696,620
		237,696,620

SCHEDULE : 2**Reserves & Surplus**

	31/03/2015	
	Rs.	Rs.
General Reserve		
Opening Balance	-	
Add /(Less): Transfer from Revenue Account	(1,416,478)	(1,416,478)
Unrealised appreciation reserve		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the period	29,082	29,082
Unrealised Appreciation Reserve (Schedule 7)		
		(1,387,396)

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2015
	Rs.
Sundry Creditors	308,375
Contract for Purchase of Investments	2,149,595
Others	20,097
	2,478,067

SCHEDULE : 4**Investments**

	31/03/2015
	Rs.
Equity Shares - Listed	159,613,460
Units of Domestic Mutual Fund	60,029,082
Others - Reverse Repo / CBLO	14,576,279
	234,218,821

SCHEDULE : 5**Other Current Assets**

	31/03/2015
	Rs.
Balance with banks in Current Accounts	271,243
Equity Derivatives Instrument Account Margin Money	3,400,358
CBLO Margin Account	654,963
Repo Margin Account	237,952
Outstanding and accrued Income	3,954
	4,568,470



SCHEDULE : 6

Interest

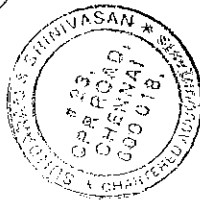
	05.02.2015 TO 31.03.2015
	Rs.
Interest from banks and others	1,858,355
	1,858,355

SCHEDULE : 7

Net unrealised appreciation/ (diminution) in value of Investments

	31/03/2015
	Rs.
Appreciation in Value of Investments	
Units of Domestic Mutual Fund	29,082
Appreciation in Value of Investments (Schedule 2)	29,082
Diminution in value of investments	
Equity Shares	2,992,198
Diminution in value of investments trf to Revenue Account	2,992,198

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SUNDARAM MUTUAL FUND
SUNDARAM VALUE FUND SERIES - II
Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Period from 05.02.2015 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.

c) Equity Derivative Instruments

• Open positions of traded equity Index / stock futures are valued at the last quoted closing price on the stock exchange.

In case of Options, premium received / paid is marked to market and the difference amount is treated as an asset / liability till the expiry of the position

• Equity derivative instruments 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) Dividend is accounted on accrual basis and recognized on ex-dividend dates.

(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.

Futures contract of equity derivative instruments are marked to market and resultant gain/loss is transferred to revenue account

When the future contracts of equity derivative instruments are squared off on or before the expiry of contract, the difference between the settlement price and contractual price is recognized in Revenue Account.

When the option contracts are squared off before expiry, the difference between the premium paid and received on the squared off transactions is recognized in the revenue account. When the option contracts are exercised on or before expiry, the difference between the option settlement price as determined by the exchange and the premium is recognized in the revenue account

Premium asset / liability in respect of option not exercised / squared off as on expiry date is transferred to revenue account.

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	05.02.2015 TO 31.03.2015
Average daily net asset value	2,371.89
Management fee @ 0.90% of average daily net asset value.	3.23*



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 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	05.02.2015 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	2,691.66
%	113.48%
SALES VALUE (AMOUNT)	463.23
%	19.53%

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	05.02.2015 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.	-
% to the asset under management	0.00%

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	05.02.2015 TO 31.03.2015
INCOME	7.65%
EXPENDITURE	2.58%

7. CONTINGENT LIABILITY

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

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	05.02.2015 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	7.70
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
Amount paid to INDUSIND BANK (ASSOCIATE)	10.86

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. DETAILS OF DERIVATIVE CONTRACTS OUTSTANDING AT THE YEAR END AND EXECUTED DURING THE PERIOD

Margin account on futures amounting to Rs.34 lakhs represents the margin towards future contracts and is disclosed under other current assets.Refer Annexure V for details of derivative contracts executed during the period.

11. PORTFOLIO DISCLOSURE

Full portfolio of the scheme is given in Annexure - III

12. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

13. 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.

14 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



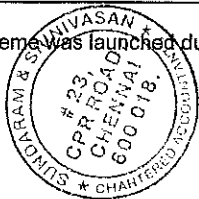
15 HISTORICAL PER UNIT STATISTICS

		05.02.2015 -31.03.2015			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.0987			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) income from profit on sale of investment to third parties	0.0000			
	(iv) transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.0388			
(C)	Net income	0.0663			
(D)	Net unrealised appreciation/(diminution) in value of investments	-0.1247			
		Regular Growth	Direct Growth	Regular Dividend	Direct Dividend
(E)	Net Assets Value	9.9406	9.9642	9.9406	9.9642
(F)	Highest repurchase price	NA	NA	NA	NA
	Lowest repurchase price	NA	NA	NA	NA
	Highest ongoing sale price *	10.0000	10.0000	10.0000	10.0000
	Lowest ongoing sale price *	10.0000	10.0000	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.58%			
(H)	Ratio of gross income to average daily net assets by percentage	7.65%			

16 Computation of Distributable Income

	31.03.15
	Rs.
Net Income as per revenue account	(1,416,478)
Add : Balance of Undistributed income as at 1st April brought forward	-
	(1,416,478)
Less : Income Distributed during the year	-
Distributable Income	(1,416,478)

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

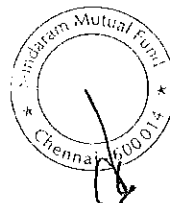
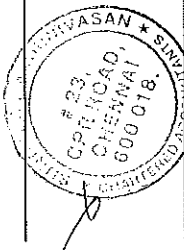


ANNEXURE - II

SUNDARAM VALUE FUND SERIES II	
EQUITY INSTRUMENTS	2014-15
AUTOMOBILE	7.32%
CONSTRUCTION	5.20%
CONSUMER GOODS	8.89%
FINANCIAL SERVICES	13.71%
INDUSTRIAL MANUFACTURING	22.97%
METALS	6.72%
TELECOM	8.03%
TEXTILES	7.10%
CHEMICALS	6.96%
Mutual Fund Units	
Fund of fund	100%

ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM VALUE FUND - SERIES 2						
Portfolio Statement as at March 31, 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	INE707A01012	Vindhya Telelinks Ltd	TELECOM	25298	128.24	5.48%
2	INE034A01011	Arvind Ltd	TEXTILES	32000	83.74	3.58%
3	INE415A01038	HSIL Ltd	CONSUMER GOODS	16400	73.90	3.16%
4	INE918I01018	Bajaj Finserv Ltd	FINANCIAL SERVICES	5000	70.73	3.02%
5	INE067A01029	Crompton Greaves Ltd	INDUSTRIAL MANUFACTURING	42500	70.55	3.01%
6	INE522F01014	Coal India Ltd	METALS	16683	60.54	2.58%
7	INE069A01017	Aditya Birla Nuvo Ltd	SERVICES	3500	58.24	2.49%
8	INE092A01019	Tata Chemicals Ltd	CHEMICALS	13000	57.66	2.46%
9	INE018A01030	Larsen and Toubro Ltd	CONSTRUCTION	3250	55.89	2.39%
10	INE246F01010	Gujarat State Petronet Ltd	ENERGY	45000	55.82	2.38%
11	INE337A01034	LG Balakrishnan and Brothers Ltd	AUTOMOBILE	9901	54.80	2.34%
12	INE048G01018	Navin Fluorine International Ltd	CHEMICALS	6400	53.48	2.28%
13	INE419A01019	TD Power Systems Ltd	INDUSTRIAL MANUFACTURING	14500	52.08	2.22%
14	INE628A01036	UPL Ltd	FERTILISERS & PESTICIDES	11750	51.95	2.22%
15	INE878A01011	ALSTOM India Ltd	INDUSTRIAL MANUFACTURING	7000	51.07	2.18%
16	INE139A01034	National Aluminium Company Ltd	METALS	100000	46.65	1.99%
17	INE171A01029	Federal Bank Ltd	FINANCIAL SERVICES	35000	46.22	1.97%
18	INE224A01026	Greaves Cotton Ltd	INDUSTRIAL MANUFACTURING	30000	43.74	1.87%
19	INE036D01010	Karur Vysya Bank Ltd	FINANCIAL SERVICES	8000	43.51	1.86%
20	INE472A01039	Blue Star Ltd	CONSUMER GOODS	14064	43.27	1.85%
21	INE383A01012	The India Cements Ltd	CEMENT & CEMENT PRODUCTS	50000	43.08	1.84%
22	INE074A01025	Praj Industries Ltd	INDUSTRIAL MANUFACTURING	65000	40.56	1.73%
23	INE066P01011	Inox Wind Ltd	INDUSTRIAL MANUFACTURING	11970	38.90	1.66%
24	INE155A01022	Tata Motors Ltd	AUTOMOBILE	7000	38.51	1.64%
25	INE263A01016	Bharat Electronics Ltd	INDUSTRIAL MANUFACTURING	1100	36.86	1.57%
26	INE562A01011	Indian Bank	FINANCIAL SERVICES	19000	32.96	1.41%
27	INE825A01012	Vardhman Textiles Ltd	TEXTILES	5454	29.53	1.26%
28	INE510A01028	Engineers India Ltd	CONSTRUCTION	14000	27.04	1.15%
29	INE774D01024	Mahindra and Mahindra Financial Services Ltd	FINANCIAL SERVICES	10000	25.39	1.08%
30	INE154A01025	ITC Ltd	CONSUMER GOODS	7500	24.44	1.04%
31	INE287B01021	Subros Ltd	AUTOMOBILE	41406	23.52	1.00%
32	INE349A01021	NRB Bearings Ltd	INDUSTRIAL MANUFACTURING	13421	17.66	0.75%
33	INE285A01027	Elgi Equipments Ltd	INDUSTRIAL MANUFACTURING	10292	15.27	0.65%
34	INE978A01019	Heritage Foods Ltd	CONSUMER GOODS	107	0.35	0.01%
Sub Total					1,596.13	68.15%
b) Preference / Right Shares						
Sub Total					-	0.00%
c) Warrants						
Sub Total					-	0.00%
d) Derivative						
Sub Total					-	0.00%
Total for Equity & Equity Related					1,596.13	68.15%
B) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
Sub Total					-	0.00%
b) Securitized Debt Instruments						
Sub Total					-	0.00%
c) Govt Security						
Sub Total					-	0.00%



1	d) Privately Placed / Unlisted Sub Total		-	0.00%
	Total for Debt Instruments		-	0.00%
	C) Money Market Instruments			
	a) Certificate of Deposits Sub Total		-	0.00%
	b) Commercial Papers Sub Total		-	0.00%
	c) Treasury Bills Sub Total		-	0.00%
	d) Reverse Repo / CBLO CBLO		145.76	6.22%
	Sub Total		145.76	6.22%
	Total for Money Market Instruments		145.76	6.22%
	D) Mutual Fund Units			
	a) Investment in Mutual Fund Units Sundaram Money Fund - Direct Growth Sub Total	2033725.955	600.29	25.63%
	E) Others		600.29	25.63%
	a) FDs with Commercial Banks Sub Total		-	0.00%
	b) Primary Market Application Sub Total		-	0.00%
	GRAND TOTAL		2,342.19	100.00%

