

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 MICROCAP SR 1 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

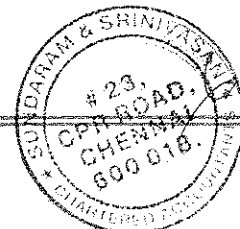
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM MICROCAP SR 1 in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual 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 MICROCAP SR 1 as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM MICROCAP SR 1 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)

Place : Chennai
Date : 29th June 2015


K.SRINIVASAN
Partner Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2015

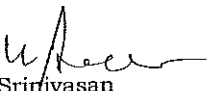
	SCHEDULE NO.	31-Mar-15	31-Mar-14
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	570,732,530	570,732,530
Reserves & Surplus	2	558,691,384	66,383,121
Current Liabilities & Provisions	3	986,829	28,352,869
		1,130,410,743	665,468,520
ASSETS			
Investments	4	1,109,077,310	664,009,932
Other Current Assets	5	21,333,433	1,458,588
		1,130,410,743	665,468,520

Notes on Accounts

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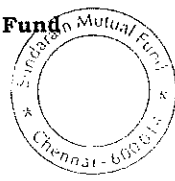
As per our Report of even date

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 31.03.2015

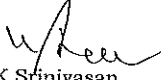
	Schedule No.	01.04.2014 - 31.03.2015		03.01.2014 - 31.03.2014	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend	6	12,143,784		569,119	
Interest		1,570,975		8,558,456	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		365,513,047		1,993,728	
Other Income		-		428	
TOTAL (A)		379,227,806	379,227,806	11,121,731	11,121,731
EXPENSES					
Management fee		8,850,200		1,321,745	
Service Tax on AMC Fee		1,093,885		163,368	
Custodian charges		278,512		80,914	
Trusteeship fee		47,088		7,025	
Commission to Agents		15,213,209		2,154,439	
Audit fee		18,717		11,236	
Other Operating expenses		27,965		88,127	
Investors Education Fees		188,351		28,123	
Sebi Fees		2,765		-	
TOTAL (B)		25,720,692	25,720,692	3,854,977	3,854,977
SURPLUS / (DEFICIT) (A-B)			353,507,114		7,266,754
Distribution of Realised Income					
Less: Income Distributed		200,082,696		-	
Distribution Tax		-	200,082,696	-	
Surplus / (Deficit) transferred to Balance Sheet			153,424,418		7,266,754

Notes on Accounts

8

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	57,073,253	570,732,530	57,073,253	570,732,530
Unit Capital				
Opening Capital	57,073,253	570,732,530	-	-
Add: Units sold during the period	-	-	57,073,253	570,732,530
	57,073,253	570,732,530	57,073,253	570,732,530
Less : Units repurchased during the period	-	-	-	-
Units at the end of the Period	57,073,253	570,732,530	57,073,253	570,732,530
	570,732,530		570,732,530	

SCHEDULE : 2**Reserves & Surplus**

	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	7,266,754	-	-	-
Add /(Less): Transfer from Revenue Account	153,424,418	160,691,172	7,266,754	7,266,754
Unrealised appreciation reserve				
Opening Balance	59,116,367	-	-	-
Add/(Less) Net unrealized appreciation for the period	338,883,845	59,116,367	59,116,367	59,116,367
Unrealised Appreciation Reserve (Schedule 7)		398,000,212		59,116,367
	558,691,384		66,383,121	

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	755,793	1,732,854
Contract for Purchase of Investments	-	26,582,673
Others	231,036	37,342
	986,829	28,352,869

SCHEDULE : 4**Investments**

	31/03/2015	31/03/2014
	Rs.	Rs.
Equity Shares - Listed	1,076,966,181	516,093,607
Mutual Fund Investment	30,014,541	-
Others - Reverse Repo / CBLO	2,096,588	147,916,325
	1,109,077,310	664,009,932

SCHEDULE : 5**Other Current Assets**

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	442,178	379,311
Contract for Sale of Investments	20,206,459	381,811
CBLO margin Account	106,088	-
Repo Margin Account	38,542	-
Outstanding and accrued income	540,166	697,466
	21,333,433	1,458,588

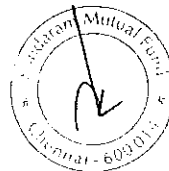


SCHEDULE : 6**Interest**

	01.04.2014- 31.03.2015	03.01.2014- 31.03.2014
	Rs.	Rs.
Interest from banks and others	1,570,975	8,558,456
	1,570,975	8,558,456

SCHEDULE : 7**Net unrealised appreciation/ (diminution) in value of Investments**

	31/03/2015	31/03/2014
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	397,985,671	-
Mutual Fund Investment	14,541	59,116,367
Appreciation in value of investments (Schedule 2)	398,000,212	59,116,367



SUNDARAM MUTUAL FUND
SUNDARAM SELECT MICRO CAP SERIES 1
Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the year ended 31st March 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.
- (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.

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.

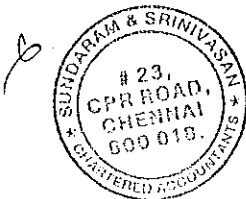
When the option contracts are squared off before expiry, the difference between the premium paid and received on the squared off transactions is recognized in the revenue account. When the option contracts are exercised on or before expiry, the difference between the option settlement price as determined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

Futures contract of equity derivative instruments are marked to market and resultant gain/loss 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	01.04.2014 to 31.03.2015	03.01.2014 to 31.03.2014
Average daily net asset value	9,416.81	5,832.02
Management fee @ 0.94% of average daily net asset value (previous year 0.94%)	88.50	13.22

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	01.04.2014 to 31.03.2015	03.01.2014 to 31.03.2014
PURCHASE VALUE (AMOUNT)	8,778.64	4,636.60
%	93.22%	79.50%
SALES VALUE (AMOUNT)	9,913.74	86.77
%	105.28%	1.49%

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	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 Period.	-	-
% to the asset under management	0.00%	0.00%

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	01.04.2014 to 31.03.2015	03.01.2014 to 31.03.2014
INCOME	40.27%	7.91%
EXPENDITURE	2.73%	2.74% *

* 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

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.2014 to 31.03.2015	03.01.2014 to 31.03.2014
Sundaram Finance Ltd (Sponsor)	NIL	49.78
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	1.43	5.96

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 a separate pool. As on 31st March 15, these sums were deployed in money market instruments in terms of SEBI circular no. SEBI/Circular 130/2009 dated November 24, 2009



MICAP1

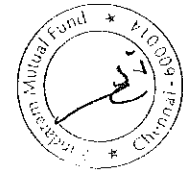
	01.04.14-31.03.15		03.01.14-31.03.14	
	Rs.		Rs.	
	Regular Plan		Direct Plan	
(A) Gross income	0.2403	0.1599		
(i) Income other than profit on sale of investment				
(ii) Income from profit on inter scheme sales/transfer of investments	0.0000	0.0000		
(iii) Income from profit on sale of investment to third parties	6.4043	0.0349		
(iv) transfer to revenue account from past year's reserves				
(B) Aggregate of expenses, write off, amortisation and charges	0.4507	0.0675		
(C) Net income	6.1939	0.1273		
(D) Net unrealised appreciation/(diminution) in value of investments	6.9735	1.0358		
(E) Net Assets Value	Growth Option	24.5925	17.0147	11.1607
	Dividend Option	NA	NA	NA
(F) Highest repurchase price	Growth Option	NA	NA	NA
	Dividend Option	NA	NA	NA
(F) Lowest repurchase price	Growth Option	NA	NA	NA
	Dividend Option	NA	NA	NA
(F) Highest ongoing sale price *	Growth Option	NA	NA	10.0000
	Dividend Option	NA	NA	10.0000
(F) Lowest ongoing sale price *	Growth Option	NA	NA	10.0000
	Dividend Option	NA	NA	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.73%	2.74%		
(H) Ratio of gross income to average daily net assets by percentage	40.27%	7.91%		

* Includes entry load as applicable

16 Computation of Distributable Income

	31.03.15	31.03.14
	Rs.	Rs.
Net Income as per revenue account	353,499,873	7,266,754
Add : Balance of Undistributed income as at 1st April brought forward	7,266,754	-
	360,766,627	7,266,754
Less : Income Distributed during the year	200,082,696	-
Distributable Income	160,683,931	7,266,754

17. Previous year figures have been regrouped/reclassified to confirm with current year classification

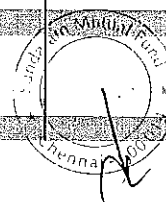


ANNEXURE - II

EQUITY INSTRUMENTS	2014-15	2013-14
AUTOMOBILE	5.22%	10.09%
CHEMICALS	7.87%	11.39%
CONSUMER GOODS	11.97%	8.89%
INDUSTRIAL MANUFACTURING	54.50%	46.51%
Pharmaceuticals	5.64%	

ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM SELECT MICROCAP SERIES 1						
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	INE782A01015	Hitachi Home and Life Solutions India Ltd	CONSUMER GOODS	67971	987.62	8.90%
2	INE536H01010	Mahindra CIE Automotive Ltd	INDUSTRIAL MANUFACTURING	346371	749.72	6.76%
3	INE999A01015	KSB Pumps Ltd	INDUSTRIAL MANUFACTURING	88298	660.38	5.95%
4	INE839M01018	Schneider Electric Infrastructure Ltd	INDUSTRIAL MANUFACTURING	303769	660.09	5.95%
5	INE325A01013	Timken India Ltd	INDUSTRIAL MANUFACTURING	102050	623.63	5.62%
6	INE671A01010	Honeywell Automation India Ltd	INDUSTRIAL MANUFACTURING	7196	612.60	5.52%
7	INE258A01016	BEML Ltd	INDUSTRIAL MANUFACTURING	50139	550.02	4.96%
8	INE536A01023	Grindwell Norton Ltd	INDUSTRIAL MANUFACTURING	71864	502.65	4.53%
9	INE177A01018	Ingersoll Rand India Ltd	INDUSTRIAL MANUFACTURING	46273	469.74	4.24%
10	INE373A01013	BASF India Ltd	CHEMICALS	32856	368.23	3.32%
11	INE823G01014	J K Cement Ltd	CEMENT & CEMENT PRODUCTS	47328	315.25	2.84%
12	INE234A01025	Novartis India Ltd	PHARMA	52183	293.53	2.65%
13	INE280B01018	Elantas Beck India Ltd	CHEMICALS	23544	269.76	2.43%
14	INE503A01015	DCB Bank Ltd	FINANCIAL SERVICES	237010	262.96	2.37%
15	INE878A01011	ALSTOM India Ltd	INDUSTRIAL MANUFACTURING	33430	243.87	2.20%
16	INE647A01010	SRF Ltd	TEXTILES	23417	232.30	2.09%
17	INE182A01018	Pfizer Ltd	PHARMA	10401	231.96	2.09%
18	INE387A01021	Sundram Fasteners Ltd	AUTOMOBILE	121148	211.40	1.91%
19	INE349A01021	NRB Bearings Ltd	INDUSTRIAL MANUFACTURING	159660	210.03	1.89%
20	INE492A01029	Clariant Chemicals India Ltd	CHEMICALS	25715	209.10	1.89%
21	INE045A01017	Ador Welding Ltd	INDUSTRIAL MANUFACTURING	95045	205.87	1.86%
22	INE386A01015	Yesuvius India Ltd	INDUSTRIAL MANUFACTURING	25101	178.95	1.61%
23	INE533A01012	Goodyear India Ltd	AUTOMOBILE	34397	177.92	1.60%
24	INE294B01019	SML ISUZU Ltd	AUTOMOBILE	14771	172.39	1.55%
25	INE087H01022	Shree Renuka Sugars Ltd	CONSUMER GOODS	1180161	151.65	1.37%
26	INE612J01015	Repco Home Finance Ltd	FINANCIAL SERVICES	23605	150.71	1.36%
27	INE578A01017	HeidelbergCement India Ltd	CEMENT & CEMENT PRODUCTS	191318	142.15	1.28%
28	INE020G01017	Accel Frontline Ltd	IT	207672	136.44	1.23%
29	INE312H01016	INOX Leisure Ltd	MEDIA & ENTERTAINMENT	71034	119.80	1.08%
30	INE189B01011	Styrolution ABS India Ltd	INDUSTRIAL MANUFACTURING	15992	106.75	0.96%
31	INE809H01019	OnMobile Global Ltd	TELECOM	141556	103.27	0.93%
32	INE268C01029	Easun Reyrolte Ltd	INDUSTRIAL MANUFACTURING	235696	95.22	0.86%
33	INE199A01012	Merck Ltd	PHARMA	8993	81.86	0.74%
34	INE415A01038	HSIL Ltd	CONSUMER GOODS	17836	80.37	0.72%
35	INE793A01012	Accelya Kale Solutions Ltd	IT	7621	70.99	0.64%
36	INE260B01028	Godfrey Phillips India Ltd	CONSUMER GOODS	16425	69.23	0.62%
37	INE201K01015	SQS India BFSI Ltd	IT	10522	59.98	0.54%
38	INE010A01011	Prism Cement Ltd	CEMENT & CEMENT PRODUCTS	1277	1.29	0.01%
Sub Total					10,769.66	97.10%
b) Preference / Right Shares						
Sub Total						0.00%
c) Warrants						
Sub Total						
d) Derivative						
Sub Total						0.00%
Total for Equity & Equity Related					10,769.66	97.10%
e) Debt Instruments						
a) Listed / awaiting listing on Stock Exchange						
Sub Total						0.00%



	b) Securitised Debt Instruments Sub Total				0.00%
	c) Govt. Security Sub Total				0.00%
	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			20.97	0.19%
	Sub Total			20.97	0.19%
	Total for Money Market Instruments			20.97	0.19%
	D) Mutual Fund Units				
	a) Investment in Mutual Fund Units Sundaram Money Fund - Direct Growth Sub Total	1016862.978	300.15		2.71%
	E) Others				
	a) FDs with Commercial Banks Sub Total				0.00%
	b) Primary Market Application Sub Total				0.00%
	GRAND TOTAL			11,090.78	100.00%

