

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 4 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

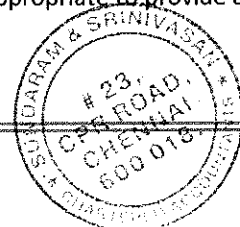
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM MICROCAP SR 4 in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual 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 4 as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM MICROCAP SR 4 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:

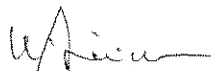
1. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

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	258,663,390	258,663,390
Reserves & Surplus	2	210,464,132	11,881,345
Current Liabilities & Provisions	3	614,601	14,005,831
		469,742,123	284,550,566
ASSETS			
Investments	4	459,230,773	284,092,396
Other Current Assets	5	10,511,350	458,170
		469,742,123	284,550,566

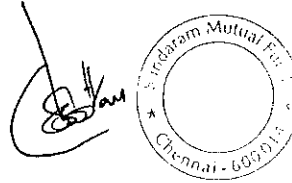
Notes on Accounts

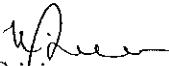
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As per our Report of even date

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

For
Sundaram Mutual Fund




K Srinivasan
Partner
(M.NO : 5809)



Authorized Signatory

Place : Chennai

Date : 29th June 2015

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

	Schedule No.	01.04.2014 - 31.03.2015		11.03.2014 - 31.03.2014	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend	6	4,737,229		38,100	
Interest		933,142		1,166,508	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		165,044,223		216,742	
Net profit on inter scheme transfer / sale of investments		1,432,338		-	
TOTAL (A)		172,146,932	172,146,932	1,421,350	1,421,350
EXPENSES					
Management fee		3,695,240		141,980	
Service Tax on AMC Fee		456,732		17,549	
Custodian charges		178,342		32,005	
Trusteeship fee		19,663		755	
Commission to Agents		6,097,380		203,824	
Audit fee		8,747		5,618	
Other Operating expenses		21,035		-	
Investors Education Fees		78,651		3,022	
SEBI		1,245		-	
TOTAL (B)		10,557,035	10,557,035	404,753	404,753
SURPLUS / (DEFICIT) (A-B)			161,589,897		1,016,597
			161,589,897		1,016,597
Less: Income Distributed		89,287,985		-	
Distribution Tax		-	89,287,985	-	
Surplus /(Deficit) transferred to Balance Sheet			72,301,912		1,016,597

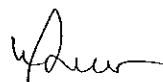
Notes on Accounts

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As per our Report of even date

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

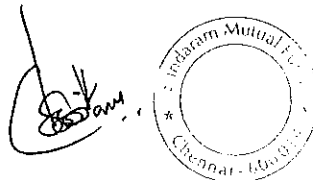
For
Sundaram Mutual Fund



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	25,866,339	258,663,390	25,866,339	258,663,390
Unit Capital				
Opening Capital	25,866,339	258,663,390	-	-
Add: Units sold during the period	-	-	25,866,339	258,663,390
Less : Units repurchased during the period	-	-	-	-
Units at the end of the period	25,866,339	258,663,390	25,866,339	258,663,390
		<u>258,663,390</u>		<u>258,663,390</u>

SCHEDULE : 2

Reserves & Surplus

	31/03/2015		31/03/2014	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	1,016,597	-	-	-
Add / (Less): Transfer from Revenue Account	72,301,912	73,318,509	1,016,597	1,016,597
Unrealised appreciation reserve				
Opening Balance	10,864,748	-	-	-
Add/(Less) Net unrealized appreciation for the period	126,280,875	137,145,623	10,864,748	10,864,748
Unrealised Appreciation Reserve (Schedule 7)				
		<u>210,464,132</u>		<u>11,881,345</u>

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2015	31/03/2014
	Rs.	Rs.
Sundry Creditors	577,355	424,971
Contract for Purchase of Investments	-	13,569,644
Others	37,246	11,216
	<u>614,601</u>	<u>14,005,831</u>

SCHEDULE : 4

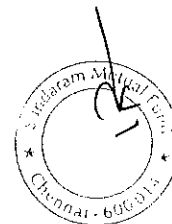
Investments

	31/03/2015	31/03/2014
	Rs.	Rs.
Equity Shares	428,822,156	179,992,040
Units of Domestic Mutual Funds	27,513,329	-
Others - Reverse Repo / CBLO	2,895,288	104,100,356
	<u>459,230,773</u>	<u>284,092,396</u>

SCHEDULE : 5

Other Current Assets

	31/03/2015	31/03/2014
	Rs.	Rs.
Balance with banks in Current Accounts	197,357	260,354
Contract for Sale of Investments	9,916,263	-
CBLO Margin Account	127,694	-
Repo Margin Account	46,392	-
Dividend Receivable	222,859	38,100
Outstanding and accrued Income	785	159,716
	<u>10,511,350</u>	<u>458,170</u>



SCHEDULE : 6**Interest**

	01.04.2014 - 31.03.2015	11.03.2014 - 31.03.2014
	Rs.	Rs.
Interest from banks and others	933,142	1,166,508
	933,142	1,166,508

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	137,132,294	10,864,748
Units of Domestic Mutual Funds	13,329	-
Appreciation in value of investments (SCHEDULE 2)	137,145,623	10,864,748



SUNDARAM MUTUAL FUND
SUNDARAM SELECT MICRO CAP SERIES IV
Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Period from 01.04.2014 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 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.

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.

• 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.

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	11.03.2014 to 31.03.2014
Average daily net asset value	3,932.23	2,626.43
Management fee @ 0.94% of average daily net asset value. (Previous year 0.94%)	36.95	1.42

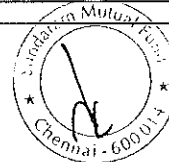
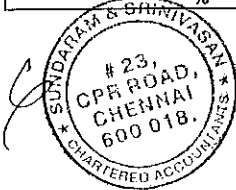
3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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	11.03.2014 to 31.03.2014
PURCHASE VALUE (AMOUNT)	5,636.68	1,701.89
%	143.35%	64.80%
SALES VALUE (AMOUNT)	5,800.82	12.78
%	147.52%	0.49%



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.	NIL	NIL
% to the asset under management	0.00%	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, during the Period. are given below.

DESCRIPTION	01.04.2014 to 31.03.2015	11.03.2014 to 31.03.2014
INCOME	43.78%	9.41%
EXPENDITURE	2.68%	2.68%

* 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

	01.04.2014 to 31.03.2015	11.03.2014 to 31.03.2014
Sundaram Finance Ltd (Sponsor)	1.28	19.28
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	4.53	12.83

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 As on 31st March 15, these sums were deployed in money market instruments in terms of SEBI circular no.

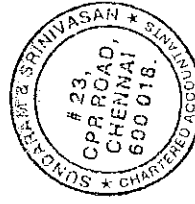
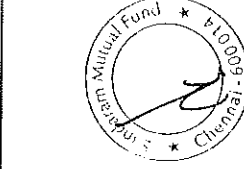


15 HISTORICAL PER UNIT STATISTICS	01.04.2014 - 31.03.15		11.03.2014 - 31.03.2015	
	Rs.			
(A) Gross income				
(i) Income other than profit on sale of investment	0.2192			
(ii) Income from profit on inter scheme sales/transfer of investments	0.0554			
(iii) Income from profit on sale of investment to third parties	6.3807			
(iv) transfer to revenue account from past year's reserves				
(B) Aggregate of expenses, write off, amortisation and charges	0.4081			
(C) Net income	6.2472			
(D) Net unrealised appreciation/(diminution) in value of investments	5.3021			
(E) Net Assets Value	Regular Plan		Direct Plan	
	Growth Option	Dividend Option	Growth Option	Dividend Option
(F) Highest repurchase price Lowest repurchase price Highest ongoing sale price * Lowest ongoing sale price *	22.7583	15.3443	23.1711	15.8877
	NA NA 10.0000 10.0000	NA NA 10.0000 10.0000	NA NA 10.0000 10.0000	NA NA 10.0000 10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.68%		2.68%	
(H) Ratio of gross income to average daily net assets by percentage	48.78%		9.41%	
	Regular Plan		Direct Plan	
	0.4200		0.4200	

* Includes entry load as applicable

16 Computation of Distributable Income	31.03.15		31.03.14	
	Rs.			
Net Income as per revenue account	161,589,897	1,016,597		
Add : Balance of Undistributed income as at 1st April brought forward	1,016,597	-		
	162,606,494	1,016,597		
Less : Income Distributed during the year	89,287,985	-		
Distributable Income	73,318,509	1,016,597		

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

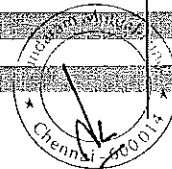
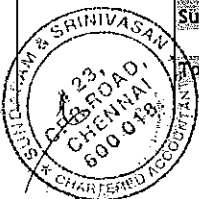


ANNEXURE - II

EQUITY INSTRUMENTS	2014-15	2013-14
AUTOMOBILE	-	9.56%
CEMENT & CEMENT PRODUCTS	-	5.01%
CHEMICALS	5.04%	9.98%
CONSUMER GOODS	12.47%	8.84%
INDUSTRIAL MANUFACTURING	57.24%	38.34%
METALS	-	6.12%
PHARMA	5.97%	5.57%
MUTUAL FUND UNITS		
Sundaram Money Fund - Direct Growth	100.00%	-

ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM SELECT MICROCAP SERIES 4						
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 Exch						
1	INE782A01015	Hitachi Home and Life Solutions India Ltd	CONSUMER GOODS	28298	411.17	8.95%
2	INE536H01010	Mahindra CIE Automotive Ltd	INDUSTRIAL MANUFACTURING	151177	327.22	7.13%
3	INE839M01018	Schneider Electric Infrastructure Ltd	INDUSTRIAL MANUFACTURING	126465	274.81	5.98%
4	INE999A01015	KSB Pumps Ltd	INDUSTRIAL MANUFACTURING	36635	273.99	5.97%
5	INE671A01010	Honeywell Automation India Ltd	INDUSTRIAL MANUFACTURING	3177	270.46	5.89%
6	INE325A01013	Timken India Ltd	INDUSTRIAL MANUFACTURING	42514	259.80	5.66%
7	INE258A01016	BEML Ltd	INDUSTRIAL MANUFACTURING	20860	228.83	4.98%
8	INE177A01018	Ingersoll Rand India Ltd	INDUSTRIAL MANUFACTURING	22036	223.70	4.87%
9	INE536A01023	Grindwell Norton Ltd	INDUSTRIAL MANUFACTURING	30432	212.86	4.64%
10	INE823G01014	J K Cement Ltd	CEMENT & CEMENT PRODUCTS	19608	130.61	2.84%
11	INE234A01025	Novartis India Ltd	PHARMA	22530	126.73	2.76%
12	INE280B01018	Elantas Beck India Ltd	CHEMICALS	10215	117.04	2.55%
13	INE503A01015	DCB Bank Ltd	FINANCIAL SERVICES	100000	110.95	2.42%
14	INE182A01018	Pfizer Ltd	PHARMA	4347	96.94	2.11%
15	INE647A01010	SRF Ltd	TEXTILES	9687	96.10	2.09%
16	INE020G01017	Accel Frontline Ltd	IT	133901	87.97	1.92%
17	INE387A01021	Sundram Fasteners Ltd	AUTOMOBILE	49989	87.23	1.90%
18	INE349A01021	NRB Bearings Ltd	INDUSTRIAL MANUFACTURING	66239	87.14	1.90%
19	INE045A01017	Ador Welding Ltd	INDUSTRIAL MANUFACTURING	39151	84.80	1.85%
20	INE492A01029	Clariant Chemicals India Ltd	CHEMICALS	10076	81.93	1.78%
21	INE533A01012	Goodyear India Ltd	AUTOMOBILE	14609	75.57	1.65%
22	INE386A01015	Vesuvius India Ltd	INDUSTRIAL MANUFACTURING	10000	71.29	1.55%
23	INE878A01011	ALSTOM India Ltd	INDUSTRIAL MANUFACTURING	8964	65.39	1.42%
24	INE087H01022	Shree Renuka Sugars Ltd	CONSUMER GOODS	478368	61.47	1.34%
25	INE612J01015	Repco Home Finance Ltd	FINANCIAL SERVICES	8092	51.66	1.12%
26	INE312H01016	INOX Leisure Ltd	MEDIA & ENTERTAINMENT	28616	48.26	1.05%
27	INE809I01019	OnMobile Global Ltd	TELECOM	58888	42.96	0.94%
28	INE578A01017	HeidelbergCement India Ltd	CEMENT & CEMENT PRODUCTS	57758	42.91	0.93%
29	INE189B01011	Styrolution ABS India Ltd	INDUSTRIAL MANUFACTURING	5620	37.51	0.82%
30	INE268C01029	Easun Reyrolle Ltd	INDUSTRIAL MANUFACTURING	91095	36.80	0.80%
31	INE415A01038	HSIL Ltd	CONSUMER GOODS	7432	33.49	0.73%
32	INE199A01012	Merck Ltd	PHARMA	3561	32.41	0.71%
33	INE260B01028	Godfrey Phillips India Ltd	CONSUMER GOODS	6825	28.77	0.63%
34	INE201K01015	SQS India BFSI Ltd	IT	5018	28.60	0.62%
35	INE793A01012	Accelya Kale Solutions Ltd	IT	2463	22.94	0.50%
36	INE373A01013	BASF India Ltd	CHEMICALS	1549	17.36	0.38%
37	INE010A01011	Prism Cement Ltd	CEMENT & CEMENT PRODUCTS	522	0.53	0.01%
Sub Total					4,288.22	93.38%
b) Preference / Right Shares						
Sub Total						0.00%
c) Warrants						
Sub Total						
d) Derivative						
Sub Total						0.00%
Total for Equity & Equity Related					4,288.22	93.38%



1	B) Debt Instruments			
	a) Listed / awaiting listing on Stock Exchange			0.00%
	Sub Total			0.00%
	b) Securitized 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			0.00%
	Sub Total			0.00%
	b) Commercial Papers			
	Sub Total			0.00%
	c) Treasury Bills			
	Sub Total			0.00%
	d) Reverse Repo / CBLO		28.95	0.63%
	CBLO		28.95	0.63%
Sub Total		28.95	0.63%	
Total for Money Market Instruments				
		28.95	0.63%	
D) Mutual Fund Units				
a) Investment in Mutual Fund Units				
Sundaram Money Fund Direct Growth	932124.396	275.13	5.99%	
Sub Total		275.13	5.99%	
E) Others				
a) FDs with Commercial Banks			0.00%	
Sub Total			0.00%	
b) Primary Market Application				
Sub Total			0.00%	
GRAND TOTAL				
		4,592.31	100.00%	

