

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 7 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

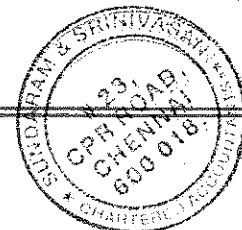
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM MICROCAP SR 7 in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual 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 7 as at 31/03/2015

b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund SUNDARAM MICROCAP SR 7 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:

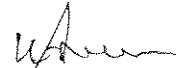
1. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

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)



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.
LIABILITIES		
Unit Capital	1	1,099,586,050
Reserves & Surplus	2	183,212,147
Current Liabilities & Provisions	3	1,924,100
		1,284,722,297
ASSETS		
Investments	4	1,284,041,460
Other Current Assets	5	680,837
		1,284,722,297

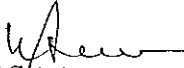
Notes on Accounts

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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 PERIOD FROM 31.10.2014 TO 31.03.2015

	Schedule No.	31.10.2014 TO 31.03.2015	
		Rs.	Rs.
REVENUE			
Dividend	6	1,499,004	
Interest		5,617,054	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		1,302,350	
TOTAL (A)		8,418,408	8,418,408
EXPENSES			
Management fee		3,812,412	
Service Tax on AMC Fee		471,214	
Custodian charges		136,587	
Trusteeship fee		25,154	
Commission to Agents		10,227,306	
Audit fee		22,472	
Other Operating expenses		55,475	
Investor Education Fees		100,614	
TOTAL (B)		14,851,234	14,851,234
SURPLUS / (DEFICIT) (A-B)			(6,432,826)
Surplus / (Deficit) transferred to Balance Sheet			(6,432,826)

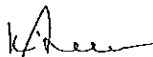
Notes on Accounts

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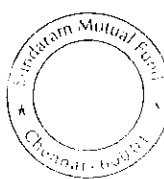
As per our Report of even date

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	
	Units	Rs.
Initial capital	109,958,605	1,099,586,050
Unit Capital Opening Capital	-	-
Add: Units sold during the Period	109,958,605	1,099,586,050
Less : Units repurchased during the Period	-	-
Units at the end of the Period	109,958,605	1,099,586,050
		1,099,586,050

SCHEDULE : 2**Reserves & Surplus**

	31/03/2015	
	Rs.	Rs.
General Reserve Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	(6,432,826)	(6,432,826)
Unrealised appreciation reserve Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the period	189,644,973	189,644,973
Unrealised Appreciation Reserve (Schedule 7)		189,644,973
		183,212,147

SCHEDULE : 3**Current Liabilities & Provisions**

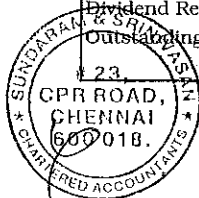
	31/03/2015
	Rs.
Sundry Creditors	1,840,451
Others	83,649
	1,924,100

SCHEDULE : 4**Investments**

	31/03/2015
	Rs.
Equity Shares - Listed	1,274,141,721
Units of Domestic Mutual Fund	7,503,638
Others - Reverse Repo / CBLO	2,396,101
	1,284,041,460

SCHEDULE : 5**Other Current Assets**

	31/03/2015
	Rs.
Balance with banks in Current Accounts	359,275
CBLO Margin Account	114,363
Repo Margin Account	41,549
Dividend Receivable	165,000
Outstanding and accrued Income	650
	680,837



SCHEDULE : 6**Interest**

	31.10.2014 TO 31.03.2015
	Rs.
Interest from banks and others	5,617,054
	5,617,054

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

	31/03/2015
	Rs.
Appreciation in Value of Investments	
Equity Shares	189,641,335
Units of Domestic Mutual Fund	3,638
Appreciation in Value of Investments (schedule 2)	189,644,973



SUNDARAM MUTUAL FUND
SUNDARAM MICRO CAP SERIES - VII

Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Period from 31.10.2014 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 & 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.

(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.

1.3. EXPENSES

Expenses are accounted for on accrual basis.

Accrual of expenses, in addition to TER, for distribution expenses incurred for bringing in inflows from beyond top 15 cities(as notified by Association of Mutual Funds of India (AMFI)) is accrued in accordance with regulation 52(6A)

2. INVESTMENT MANAGER FEES

Management fee is computed on daily average net assets as under:

Description	31.10.2014 TO 31.03.2015
Average daily net asset value	12,081.38
Management fee @ 0.76% of average daily net asset value. (Previous year NIL)	38.12

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



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	31.10.2014 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	11,481.15
%	95.03%
SALES VALUE (AMOUNT)	574.17
%	4.75%

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	31.10.2014 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	31.10.2014 TO 31.03.2015
INCOME	1.67%
EXPENDITURE	2.95%

7. CONTINGENT LIABILITY

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

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	31.10.2014 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	44.98
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
Amount paid to INDUSIND BANK (ASSOCIATE)	44.72

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

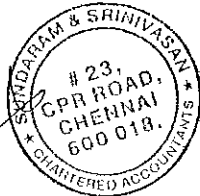
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		31.10.2014 - 31.03.2015			
		Rs.			
(A)	Gross income				
	(i) Income other than profit on sale of investment	0.0647			
	(ii) Income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) Income from profit on sale of investment to third parties	0.0118			
	(iv) Transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.1351			
(C)	Net income	-0.0585			
(D)	Net unrealised appreciation/(diminution) in value of investments	1.7247			
		Regular Plan		Direct Plan	
		Dividend Option	Growth Option	Dividend Option	Growth Option
(E)	Net Assets Value	11.6636	11.6637	11.7712	11.7661
(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	2.95%			
(H)	Ratio of gross income to average daily net assets by percentage	1.67%			

15 Computation of Distributable Income

	31.03.2015
	Rs.
Net Income as per revenue account	(6,432,826)
Add : Balance of Undistributed income as at 1st April brought forward	-
	(6,432,826)
Less : Income Distributed during the year	-
Distributable Income	(6,432,826)

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



EQUITY INSTRUMENTS	2014-15	2013-14
CEMENT & CEMENT PRODUCTS	-	-
CONSUMER GOODS	12.90%	-
Construction	12.00%	-
ENERGY	7.19%	-
INDUSTRIAL MANUFACTURING	32.84%	-
FINANCE	15.19%	-
Media	6.11%	-
Textiles	6.54%	-
MUTUAL FUND UNITS		
Sundaram Money Fund - Direct Growth	100.00%	-

SUNDARAM MUTUAL FUND						
SUNDARAM SELECT MICROCAP SERIES 7						
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	INE85801011	IGEC Heavy Engineering Ltd	ENERGY	13400	753.75	5.87%
2	INE325A01013	Tinkee India Ltd	INDUSTRIAL MANUFACTURING	107673	657.99	5.12%
3	INE040H01021	Suzlon Energy Ltd	INDUSTRIAL MANUFACTURING	1964653	537.33	4.18%
4	INE160K01011	SKS Microfinance Ltd	FINANCIAL SERVICES	103791	475.31	3.70%
5	INE227C01017	J M Forgings Ltd	INDUSTRIAL MANUFACTURING	69722	473.19	3.69%
6	INE868B01028	NCC Ltd	CONSTRUCTION	417238	467.52	3.64%
7	INE612J01015	Repco Home Finance Ltd	FINANCIAL SERVICES	72627	463.69	3.61%
8	INE348B01021	Century Plyboards (India) Ltd	CONSUMER GOODS	198000	462.63	3.60%
9	INE647A01010	SRF Ltd	TEXTILES	46297	459.27	3.58%
10	INE378D01032	Madhucon Projects Ltd	CONSTRUCTION	827962	455.38	3.55%
11	INE503A01015	DCB Bank Ltd	FINANCIAL SERVICES	400267	444.10	3.46%
12	INE823G01014	J K Cement Ltd	CEMENT & CEMENT PRODUCTS	64235	427.87	3.33%
13	INE415A01038	HSL Ltd	CONSUMER GOODS	94000	423.56	3.30%
14	INE95101019	V Guard Industries Ltd	INDUSTRIAL MANUFACTURING	46324	423.08	3.29%
15	INE442H01029	Ashoka Buildcon Ltd	CONSTRUCTION	240000	422.04	3.29%
16	INE191H01014	PVR Ltd	MEDIA & ENTERTAINMENT	62538	414.56	3.23%
17	INE536A01023	Grindwell Norton Ltd	INDUSTRIAL MANUFACTURING	57507	402.23	3.13%
18	INE049A01027	Himatsingka Seide Ltd	TEXTILES	465893	374.11	2.91%
19	INE501G01024	HT Media Ltd	MEDIA & ENTERTAINMENT	292692	364.26	2.84%
20	INE384A01010	Rane Holdings Ltd	FINANCIAL SERVICES	59724	351.92	2.74%
21	INE978A01019	Heritage Foods Ltd	CONSUMER GOODS	106706	347.91	2.71%
22	INE621L01012	Tenasco Rail and Engineering Ltd	INDUSTRIAL MANUFACTURING	210000	313.74	2.44%
23	INE244A01026	Greaves Cotton Ltd	INDUSTRIAL MANUFACTURING	212414	309.70	2.41%
24	INE181G01025	Ganmon Infrastructure Projects Ltd	CONSTRUCTION	2208440	298.97	2.33%
25	INE472A01039	Blue Star Ltd	CONSUMER GOODS	95623	294.23	2.29%
26	INE878A01011	ALSTOM India Ltd	INDUSTRIAL MANUFACTURING	36998	269.90	2.10%
27	INE391D01019	TRF Ltd	INDUSTRIAL MANUFACTURING	79318	259.13	2.02%
28	INE999A01015	KSB Pumps Ltd	INDUSTRIAL MANUFACTURING	30000	224.37	1.75%
29	INE126A01031	E I D Parry (I) Ltd	FERTILISERS & PESTICIDES	125000	218.94	1.71%
30	INE477A01012	CarFin Homes Ltd	FINANCIAL SERVICES	33030	200.62	1.56%
31	INE877F01012	PTC India Ltd.	ENERGY	200000	161.80	1.26%
32	INE631A01022	Shantih Gears Ltd	AUTOMOBILE	140000	152.53	1.19%
33	INE074A01025	Praj Industries Ltd	INDUSTRIAL MANUFACTURING	244266	152.42	1.19%
34	INE765D01014	VPIL Ltd	INDUSTRIAL MANUFACTURING	24000	139.32	1.09%
35	INE383A01012	The India Cements Ltd	CEMENT & CEMENT PRODUCTS	115197	99.24	0.77%
36	INE863B01011	Premier Explosives Ltd	CHEMICALS	9607	23.13	0.18%
37	INE045A01017	Ador Welding Ltd	INDUSTRIAL MANUFACTURING	10000	21.66	0.17%
Sub Total					12,741.42	99.23%
b) Preference / Right Shares						
Sub Total						0.00%
c) Warrants						
Sub Total						
d) Derivative						
Sub Total						0.00%
Total for Equity & Equity Related					12,741.42	99.23%
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%
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 Bill						
Sub Total						0.00%
d) Reverse Repo / CBLO						
Sub Total					23.96	0.19%
Sub Total					23.96	0.19%
Total for Money Market Instruments					23.96	0.19%
D) Mutual Fund Units						
a) Investment in Mutual Fund Units						
Sundaram Money Fund - Direct Growth				254215.744	75.04	0.58%
Sub Total					75.04	0.58%
c) Others						
a) FDs with Commercial Banks						
Sub Total						0.00%
b) Primary Market Application						
Sub Total						0.00%
GRAND TOTAL					12,840.41	100.00%

