

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 SELECT MICROCAP SERIES 8** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Period ended 31/03/2016 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 SELECT MICROCAP SERIES 8** 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

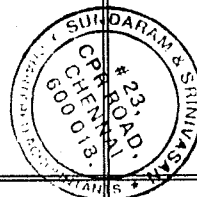
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform 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.

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 :



SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

**23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.**

a. In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM SELECT MICROCAP SERIES 8** as at 31/03/2016

b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund **SUNDARAM SELECT MICROCAP SERIES 8** for the Period ended on 31/03/2016.


5. Report on Other Legal and Regulatory Requirements

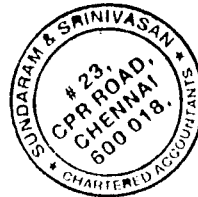
As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

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:0042075)**

Place: Chennai
Date : 30th June 2016


K. SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2016

	SCHEDULE NO.	31-Mar-16
		Rs.
LIABILITIES		
Unit Capital	1	938,952,430
Reserves & Surplus	2	(35,488,746)
Current Liabilities & Provisions	3	9,308,114
		912,771,798
ASSETS		
Investments	4	906,040,891
Other Current Assets	5	6,730,907
		912,771,798

Notes on Accounts

8

As per our Report of even date

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

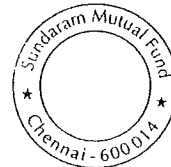
For
Sundaram Mutual Fund



K Srinivasan
Partner
(M.NO : 5809)




Authorised Signatory



Place : Chennai
Date : 30th June 2016

REVENUE ACCOUNT FOR THE PERIOD FROM 21.10.2015 TO 31.03.2016

	Schedule No.	21.10.2015 TO 31.03.2016	
		Rs.	Rs.
REVENUE			
Dividend		2,115,935	
Interest		14,931,209	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)	6	6,014,628	
Other Income		19,765	
TOTAL (A)		23,081,537	23,081,537
EXPENSES			
Net diminution in value of investment	7	44,029,310	
Realised Loss on Derivative Transactions		2,675,226	
Management fee		7,941,525	
Service Tax on AMC Fees		1,148,340	
Trusteeship fee		20,548	
Custodian charges		138,678	
Commission to Agents		2,719,785	
Audit fee		11,450	
Investor Education Fees		82,182	
Other Operating Expenses		185,610	
		58,952,654	
Less : Expenses absorbed by AMC		343,990	
TOTAL (B)			58,608,664
Surplus /(Deficit) transferred to Balance Sheet			(35,527,127)

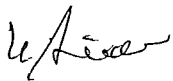
Notes on Accounts

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As per our Report of even date

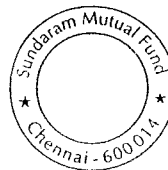
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund




K Srinivasan
Partner
(M.NO : 5809)

Authorised Signatory



Place : Chennai
Date : 30th June 2016

SUNDARAM MUTUAL FUND

SUNDARAM MICAP SERIES VIII

SCHEDULE : 1

Unit Capital

	31/03/2016	
	Units	Rs.
Initial capital	93,895,243	938,952,430
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	93,895,243	938,952,430
Less : Units repurchased during the Period	-	-
Units at the end of the Period	93,895,243	938,952,430
		938,952,430

SCHEDULE : 2

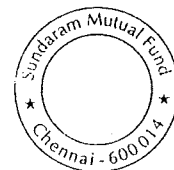
Reserves & Surplus

	31/03/2016	
	Rs.	Rs.
General Reserve		
Opening Balance	-	
Add / (Less): Transfer from Revenue Account	(35,527,127)	(35,527,127)
Unrealised appreciation reserve		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the period	38,381	
Unrealised Appreciation Reserve (Schedule 7)		38,381
		(35,488,746)

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2016
	Rs.
Sundry Creditors	2,967,773
Contract for Purchase of Investments	6,293,890
Others	46,451
	9,308,114

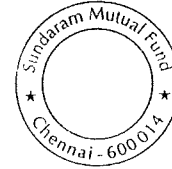
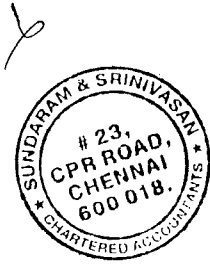


SCHEDULE : 4**Investments**

	31/03/2016
	Rs.
Equity Shares	853,302,510
Units of Domestic Mutual Fund	47,538,381
Others - Reverse Repo / CBLO	5,200,000
	906,040,891

SCHEDULE : 5**Other Current Assets**

	31/03/2016
	Rs.
Balance with banks in Current Accounts	6,411,859
CBLO Margin Account	116,633
Repo Margin Account	201,275
Outstanding and accrued Income	1,140
	6,730,907



SCHEDULE : 6

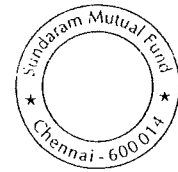
Interest

	21.10.2015 TO 31.03.2016
	Rs.
Interest from banks and others	14,931,209
	14,931,209

SCHEDULE : 7

Net unrealised appreciation/ (diminution) in value of Investments

	31/03/2016
	Rs.
Appreciation in Value of Investments	
Units of Domestic Mutual Fund	38,381
Appreciation in Value of Investments (Schedule 2)	38,381
Diminution in value of investments	
Equity Shares	44,029,310
Diminution in value of investments transfer to Revenue Account	44,029,310



SUNDARAM MUTUAL FUND

SUNDARAM SELECT MICRO CAP SERIES 8

Schedules forming part of the Balance Sheet as at 31-Mar-2016
and the Revenue Account for the Period from 21.10.2015 TO 31.03.2016

SCHEDULE 8

All amounts mentioned rupees in lakhs

NOTES ON ACCOUNTS

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.

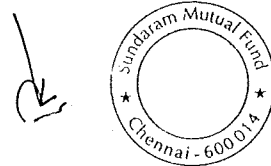
1.2. INCOME RECOGNITION

- (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.

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	21.10.2015 TO 31.03.2016
Average daily net asset value	9,225.86
Management fee @ 1.93% of average daily net asset value.	79.42

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	21.10.2015 TO 31.03.2016
PURCHASE VALUE (AMOUNT)	9,913.36
%	107.45%
SALES VALUE (AMOUNT)	525.18
%	5.69%

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	31.03.2016
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%

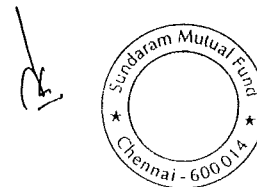
6. INCOME / EXPENDITURE

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	21.10.2015 TO 31.03.2016
INCOME	5.62%
EXPENDITURE #	2.90%

Total expenses charged includes service tax on management fees charged to the investor over and above

the normal expense charged and Additional Total Expense ratio as per SEBI CIR/IMD/DF/21/2012 dated September 13,2012.



7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2016 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	21.10.2015 TO 31.03.2016
Sundaram Finance Ltd (Sponsor)	6.43
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
Amount paid to INDUSIND BANK (ASSOCIATE) @	NIL

@ Indusind Bank ceased to be an associate with effect from 27 June 2015

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.

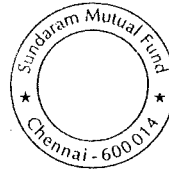
13. ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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 Investor Education & Awareness Initiatives (IEAI)

An annual charge of minimum 2bps (0.02% p.a.) of daily net assets, being part of total recurring expenses is set aside for IEAI as mandated by SEBI vide circular no. CIR/IMD/21/DF/21/2012 dated September 13, 2012. Accordingly accrued balance is transferred on periodic basis to a separate bank account maintained for the purpose. These funds are utilized by the AMC in accordance with SEBI Regulations.

The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.

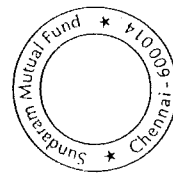


15 HISTORICAL PER UNIT STATISTICS		21.10.2015 TO 31.03.2016				MICAP8
		Rs.				
(A) Gross income						
(i) Income other than profit on sale of investment						0.1818
(ii) Income from profit on inter scheme sales/transfer of investments						0.0000
(iii) Income from profit on sale of investment to third parties						0.0356
(iv) Transfer to revenue account from past year's reserves						
(B) Aggregate of expenses, write off, amortisation and charges						0.5957
(C) Net income						-0.3784
(D) Net unrealised appreciation/(diminution) in value of investments						-0.4685
(E) Net Assets Value		Regular Growth	Direct Growth	Regular Dividend	Direct Dividend	
		9.6213	9.6843	9.6213	9.6843	
(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						2.90%
(H) Ratio of gross income to average daily net assets by percentage						5.62%

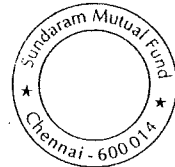
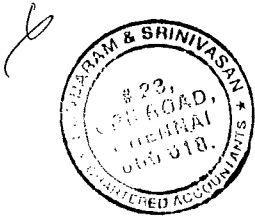
16 Computation of Distributable Income

	31.03.16
	Rs.
Net Income as per revenue account	(35,527,127)
Add : Balance of Undistributed income as at 1st April brought forward	-
Less : Income Distributed during the year	(35,527,127)
Distributable Income	(35,527,127)

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



ANNEXURE-II	
SUNDARAM SELECT MICROCAP SERIES 8	
% of total Investments within the classification	
31-Mar-16	
Equity Instruments	
a) Listed / awaiting listing on Stock Exchange	
CEMENT	7.48%
CONSTRUCTION	5.78%
CONSTRUCTION PROJECT	5.75%
HEALTHCARE SERVICES	5.38%
INDUSTRIAL CAPITAL GOODS	11.96%
INDUSTRIAL PRODUCTS	15.09%
SOFTWARE	10.15%
b) Privately Placed / Unlisted	
FINANCE	100.00%
Mutual Fund Units	
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%



SUNDARAM MUTUAL FUND

SUNDARAM SELECT MICROCAP SERIES 8

Portfolio Statement as at 31 March 2016

S.NO	ISIN CODE	Name of the Instrument	Rating / Industry	Quantity	Mkt Value Rs. In Lacs	% of Net Asset
		A) Equity & Equity Related				
		a) Listed / awaiting listing on Stock Exchange				
1	INE075I01017	Healthcare Global Enterprises Ltd	Healthcare Services	254857	455.05	5.04%
2	INE578A01017	Heidelberg Cement India Ltd	Cement	451983	367.01	4.06%
3	INE386C01029	Astra Microwave Products Ltd	Telecom - Equipment &	343952	363.73	4.03%
4	INE504B01011	Blue Star Infotech Ltd	Software	119737	279.11	3.09%
5	INE536A01023	Grindwell Norton Ltd	Industrial Products	41443	279.06	3.09%
6	INE220B01022	Kalpataru Power Transmission Ltd	Power	134934	276.75	3.06%
7	INE120A01034	Carborundum Universal Ltd	Industrial Products	157375	276.11	3.06%
8	INE951I01019	V-Guard Industries Ltd	Industrial Capital Good	30593	269.36	2.98%
9	INE878B01027	KEI Industries Ltd	Industrial Products	250003	245.00	2.71%
10	INE956G01038	Va tech Wabag Ltd	Engineering Services	46225	239.61	2.65%
11	INE208A01029	Ashok Leyland Ltd	Auto	220172	239.11	2.65%
12	INE383A01012	The India Cements Ltd	Cement	244017	210.46	2.33%
13	INE621L01012	Texmaco Rail And Engineering Ltd	Industrial Capital Good	198076	207.39	2.30%
14	INE262H01013	Persistent Systems Ltd	Software	26980	205.63	2.28%
15	INE286K01024	Techno Electric & Engineering Company Ltd	Construction Project	37544	204.45	2.26%
16	INE195J01011	PNC Infratech Ltd	Construction	38230	202.08	2.24%
17	INE278M01019	Navkar Corporation Ltd	Transportation	108342	197.18	2.18%
18	INE074A01025	Prj Industries Ltd	Industrial Capital Good	218747	195.12	2.16%
19	INE852F01015	Gateway Distriparks Ltd	Transportation	68030	190.55	2.11%
20	INE306L01010	Quick Heal Technologies Ltd	Software	87344	190.15	2.10%
21	INE878A01011	Alstom India Ltd	Industrial Capital Good	30998	188.30	2.08%
22	INE631A01022	Shanthi Gears Ltd	Auto Ancillaries	224110	185.56	2.05%
23	INE356A01018	MphasIS Ltd	Software	37372	183.80	2.03%
24	INE868B01028	Nagarjuna Construction Co Ltd	Construction Project	241270	182.88	2.02%
25	INE501G01024	HT Media Ltd	Media & Entertainment	233988	178.88	1.98%
26	INE107A01015	Tamil Nadu Newsprint & Papers Ltd	Paper	80719	176.37	1.95%
27	INE686A01026	ITD Cementation India Ltd	Construction	144000	157.25	1.74%
28	INE457F01013	Salzer Electronics Ltd	Industrial Capital Good	81070	151.76	1.68%
29	INE877F01012	PTC India Ltd	Power	216688	138.68	1.53%
30	INE863B01011	Premier Explosives Ltd	Chemicals	36290	138.05	1.53%
31	INE048G01018	Navin Fluorine International Ltd	Chemicals	7958	134.39	1.49%
32	INE648A01026	State Bank of Bikaner and Jaipur	Banks	26745	133.66	1.48%
33	INE378D01032	Madhucon Projects Ltd	Construction	239560	130.08	1.44%
34	INE227C01017	M M Forgings Ltd	Industrial Products	26512	117.89	1.30%
35	INE116C01012	Z F Steering Gear (India) Ltd	Auto Ancillaries	7475	109.56	1.21%
36	INE089C01029	Sterilite Technologies Ltd	Industrial Products	120868	109.33	1.21%
37	INE765D01014	WPL Ltd	Industrial Products	27553	108.15	1.20%
38	INE442H01029	Ashoka Buildcon Ltd	Construction Project	58347	99.72	1.10%
39	INE038F01029	TV Today Network Ltd	Media & Entertainment	31567	97.83	1.08%
40	INE978A01019	Heritage Foods (India) Ltd	Consumer Non Durable	18700	95.87	1.06%
41	INE782A01015	Hitachi Home and Life Solutions (India) Ltd	Consumer Durables	7735	93.91	1.04%
42	INE384A01010	Rane Holdings Ltd	Finance	17000	92.60	1.02%
43	INE070I01018	Insecticides India Ltd	Pesticides	27979	87.56	0.97%
44	INE717A01029	Kennametal India Ltd	Industrial Products	12854	85.74	0.95%
45	INE614A01028	Ramco Industries Ltd	Cement	60656	55.50	0.61%
46	INE041A01016	Dhampur Sugar Mills Ltd	Consumer Non Durable	56368	52.45	0.58%
47	INE999A01015	KSB Pumps Ltd	Industrial Products	7809	49.47	0.55%
48	INE449A01011	Automotive Axles Ltd	Auto Ancillaries	3762	22.16	0.25%
49	INE348B01021	Century Plyboards (India) Ltd	Consumer Durables	4050	6.92	0.08%
50	INE045A01017	Ador Welding Ltd	Industrial Products	2263	6.50	0.07%
		Sub Total			8463.68	93.67%
		b) Privately Placed / Unlisted				
1		Ujjivan Financial Services Ltd	Finance	45100	69.34	0.77%
		Sub Total			69.34	0.77%
		Total for Equity & Equity Related			8533.03	94.44%
		B) Money Market Instruments				
		a) Reverse Repo / CBLO				
1		364 Days T Bill Maturing on 14/04/2016			52.00	0.58%
		Sub Total			52.00	0.58%
		Total for Money Market Instruments			52.00	0.58%
		C) Mutual Fund Units				
		a) Investment in Mutual Fund Units				
1		Sundaram Money Fund - Direct Growth		1487643.166	475.38	5.26%
		Sub Total			475.38	5.26%
		Cash & Other Net Current Assets			-25.77	-0.29%
		GRAND TOTAL			9034.64	100.00%

** Thinly traded / Non Traded securities

