

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 9** 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 9** 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 9** as at 31/03/2016
- b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund **SUNDARAM SELECT MICROCAP SERIES 9** 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	558,807,400
Reserves & Surplus	2	(23,021,575)
Current Liabilities & Provisions	3	5,770,300
		541,556,125
ASSETS		
Investments	4	537,329,493
Other Current Assets	5	4,226,632
		541,556,125

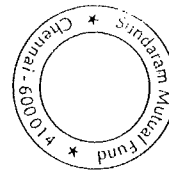
Notes on Accounts

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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



REVENUE ACCOUNT FOR THE PERIOD FROM 05.11.2015 TO 31.03.2016

	Schedule No.	05.11.2015 - 31.03.2016	
		Rs.	Rs.
REVENUE			
Dividend		1,250,330	
Interest	6	7,506,135	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		2,842,615	
Other Income		8,623	
TOTAL (A)		11,607,703	11,607,703
EXPENSES			
Net diminution in value of investment Realised Loss on Derivative Transactions	7	26,581,693	
Management fee		1,674,078	
Service Tax on AMC Fee		4,268,430	
Custodian charges		618,923	
Trusteeship fee		103,917	
Commission to Agents		11,049	
Commission to Agents		1,448,394	
Audit fee		5,725	
Other Operating expenses		97,532	
Investor Education Fees		44,183	
SEBI Fees		-	
		34,853,924	
Less : Expenses absorbed by AMC		202,425	
TOTAL (B)			34,651,499
SURPLUS / (DEFICIT) (A-B)			(23,043,796)
Surplus /(Deficit) transferred to Balance Sheet			(23,043,796)

Notes on Accounts

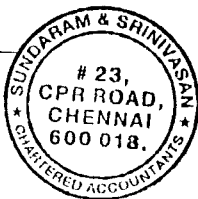
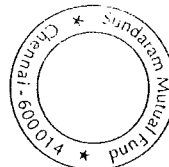
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As per our Report of even date

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

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SCHEDULE : 1**Unit Capital**

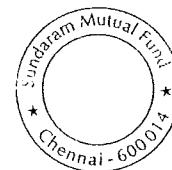
	31/03/2016	
	Units	Rs.
Initial capital	55,880,740	558,807,400
Unit Capital Opening Capital	-	-
Add: Units sold during the Period	55,880,740	558,807,400
Less : Units repurchased during the Period	-	-
Units at the end of the Period	55,880,740	558,807,400
		<u>558,807,400</u>

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016	
	Rs.	Rs.
General Reserve Opening Balance	-	
Add /(Less): Transfer from Revenue Account	(23,043,796)	(23,043,796)
Unrealised appreciation reserve Opening Balance	-	
Add/(Less) Net unrealized appreciation for the period	22,221	
Unrealised Appreciation Reserve (Schedule 7)		22,221
		<u>(23,021,575)</u>

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2016
	Rs.
Sundry Creditors	2,011,757
Contract for Purchase of Investments	3,733,136
Others	25,407
	<u>5,770,300</u>

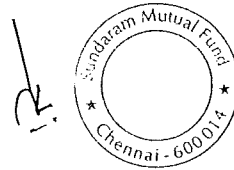


SCHEDULE : 4**Investments**

	31/03/2016
	Rs.
Equity Shares	506,407,272
Units of Domestic Mutual Fund	27,522,221
Others - Reverse Repo / CBLO	3,400,000
	537,329,493

SCHEDULE : 5**Other Current Assets**

	31/03/2016
	Rs.
Balance with banks in Current Accounts	3,994,917
CBLO Margin Account	84,738
Repo Margin Account	146,232
Outstanding and accrued Income	745
	4,226,632

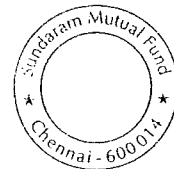


SCHEDULE : 6**Interest**

	05.11.2015 - 31.03.2016
	Rs.
Interest from banks and others	7,506,135
	7,506,135

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

	31/03/2016
	Rs.
Appreciation in Value of Investments	
Units of Domestic Mutual Fund	22,221
Appreciation in Value of Investments (Schedule 2)	22,221
Diminution in value of investments	
Equity Shares	26,581,693
Diminution in Value of Investments transferred to Revenue Account	26,581,693



SUNDARAM MUTUAL FUND

SUNDARAM MICRO CAP SERIES - IX

Schedules forming part of the Balance Sheet as at 31-Mar-2016
and the Revenue Account for the Period from 05.11.2015 TO 31.03.2016

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.

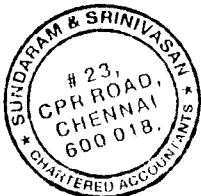
1.2. INCOME RECOGNITION

- (i) Dividend is accounted on accrual basis and recognized on ex-dividend dates.
- (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	05.11.2015 TO 31.03.2016
Average daily net asset value	5,463.36
Management fee @ 1.93% of average daily net asset value.	42.68

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

As Per Annexure - I

4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE PERIOD.

The aggregate value of investments purchased and sold (including matured) during the Period. as a percentage of average daily net asset value is as under :

Description	05.11.2015 TO 31.03.2016
PURCHASE VALUE (AMOUNT)	5,833.48
%	106.77%
SALES VALUE (AMOUNT)	257.02
%	4.70%

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	31.03.16
Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Period.	-
% to the asset under management	0.00%

6. INCOME / EXPENDITURE

The total income and expenditure (excluding deferred revenue expenditure un-amortised) as a percentage of the daily average net assets, on an annualised basis. are given below.

DESCRIPTION	05.11.2015 TO 31.03.2016
INCOME	5.25%
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 Expenseratio as per SEBI CIR/IMD/DF/21/2012 dates 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

	05.11.2015 TO 31.03.2016
Sundaram Finance Ltd (Sponsor)	2.89
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.

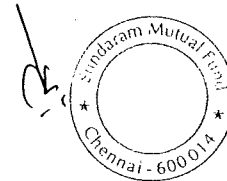
13. ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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

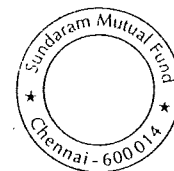
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		05.11.2015 - 31.03.2016			
		Rs.			
(A)	Gross income				
	(i) Income other than profit on sale of investment	0.1569			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) income from profit on sale of investment to third parties	0.0209			
	(iv) transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.5901			
(C)	Net income	-0.4124			
(D)	Net unrealised appreciation/(diminution) in value of investments	-0.4753			
		REGULAR DIVIDEND	REGULAR GROWTH	DIRECT DIVIDEND	DIRECT GROWTH
(E)	Net Assets Value	9.5872	9.5872	9.6430	9.6429
(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	5.25%			

16 Computation of Distributable Income

	31.03.2016
	Rs.
Net Income as per revenue account	(23,043,796)
Add : Balance of Undistributed income as at 1st April brought forward	-
	(23,043,796)
Less : Income Distributed during the year	-
Distributable Income	(23,043,796)

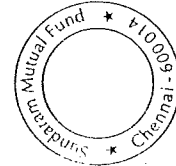
17. Since the scheme was launched during the year, previous year figures are not provided.



ANNEXURE-II	
SUNDARAM SELECT MICROCAP SERIES 9	
% of total Investments within the classification	
31-Mar-16	
Equity Instruments	
a) Listed / awaiting listing on Stock Exchange	
CEMENT	7.56%
CONSTRUCTION	5.80%
CONSTRUCTION PROJECT	5.57%
HEALTHCARE SERVICES	5.41%
INDUSTRIAL CAPITAL GOODS	11.99%
INDUSTRIAL PRODUCTS	15.05%
SOFTWARE	10.14%
b) Privately Placed / Unlisted	
FINANCE	100.00%
Mutual Fund Units	
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%

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SUNDARAM MUTUAL FUND						
SUNDARAM SELECT MICROCAP SERIES 9						
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	152317	271.96	5.08%
2	INE578A01017	Heidelberg Cement India Ltd	Cement	268281	217.84	4.07%
3	INE386C01029	Astra Microwave Products Ltd	Telecom - Equipment & Accessories	204184	215.92	4.03%
4	INE536A01023	Grindwell Norton Ltd	Industrial Products	24613	165.73	3.09%
5	INE504B01011	Blue Star Infotech Ltd	Software	70954	165.39	3.09%
6	INE220B01022	Kalpitaru Power Transmission Ltd	Power	80133	164.35	3.07%
7	INE120A01034	Carborundum Universal Ltd	Industrial Products	93412	163.89	3.06%
8	INE951I01019	V-Guard Industries Ltd	Industrial Capital Goods	18150	159.80	2.98%
9	INE878B01027	KEI Industries Ltd	Industrial Products	148253	145.29	2.71%
10	INE956G01038	Va tech Wabag Ltd	Engineering Services	27444	142.26	2.66%
11	INE208A01029	Ashok Leyland Ltd	Auto	130755	142.00	2.65%
12	INE383A01012	The India Cements Ltd	Cement	145130	125.17	2.34%
13	INE621I01012	Texmaco Rail And Engineering Ltd	Industrial Capital Goods	117424	122.94	2.29%
14	INE262H01013	Persistent Systems Ltd	Software	16001	121.95	2.28%
15	INE195J01011	PNC Infratech Ltd	Construction	22791	120.47	2.25%
16	INE286K01024	Techno Electric & Engineering Company Ltd	Construction Project	21570	117.46	2.19%
17	INE278M01019	Navkar Corporation Ltd	Transportation	64300	117.03	2.18%
18	INE074A01025	Praj Industries Ltd	Industrial Capital Goods	129929	115.90	2.16%
19	INE306L01010	Quick Heal Technologies Ltd	Software	51833	112.84	2.11%
20	INE631A01022	Shanthi Gears Ltd	Auto Ancillaries	136042	112.64	2.10%
21	INE852F01015	Gateway Distriparks Ltd	Transportation	40109	112.35	2.10%
22	INE878A01011	Alstom India Ltd	Industrial Capital Goods	18383	111.67	2.08%
23	INE356A01018	MphasIS Ltd	Software	22165	109.01	2.03%
24	INE868B01028	Nagarjuna Construction Co Ltd	Construction Project	143097	108.47	2.02%
25	INE501G01024	HT Media Ltd	Media & Entertainment	138945	106.22	1.98%
26	INE107A01015	Tamil Nadu Newsprint & Papers Ltd	Paper	47833	104.52	1.95%
27	INE686A01026	ITD Cementation India Ltd	Construction	85500	93.37	1.74%
28	INE457F01013	Salzer Electronics Ltd	Industrial Capital Goods	49040	91.80	1.71%
29	INE877F01012	PTC India Ltd	Power	128748	82.40	1.54%
30	INE863B01011	Premier Explosives Ltd	Chemicals	21541	81.94	1.53%
31	INE048G01018	Navin Fluorine International Ltd	Chemicals	4719	79.69	1.49%
32	INE648A01026	State Bank of Bikaner and Jaipur	Banks	15865	79.29	1.48%
33	INE378D01032	Madhucon Projects Ltd	Construction	142861	77.57	1.45%
34	INE227C01017	M M Forgings Ltd	Industrial Products	15489	68.87	1.29%
35	INE116C01012	Z F Steering Gear (India) Ltd	Auto Ancillaries	4439	65.06	1.21%
36	INE765D01014	WPIL Ltd	Industrial Products	16341	64.14	1.20%
37	INE089C01029	Sterlite Technologies Ltd	Industrial Products	70738	63.98	1.19%
38	INE038F01029	TV Today Network Ltd	Media & Entertainment	18747	58.10	1.08%
39	INE978A01019	Heritage Foods (India) Ltd	Consumer Non Durables	11154	57.18	1.07%
40	INE782A01015	Hitachi Home and Life Solutions (India) Ltd	Consumer Durables	4593	55.77	1.04%
41	INE384A01010	Rane Holdings Ltd	Finance	10000	54.47	1.02%
42	INE442H01029	Ashoka Buildcon Ltd	Construction Project	31476	53.79	1.00%
43	INE070I01018	Insecticides India Ltd	Pesticides	16987	53.16	0.99%
44	INE717A01029	Kennametal India Ltd	Industrial Products	7636	50.93	0.95%
45	INE614A01028	Ramco Industries Ltd	Cement	40287	36.86	0.69%
46	INE041A01016	Dhampur Sugar Mills Ltd	Consumer Non Durables	33430	31.11	0.58%
47	INE999A01015	KSB Pumps Ltd	Industrial Products	4632	29.34	0.55%
48	INE449A01011	Automotive Axles Ltd	Auto Ancillaries	2234	13.16	0.25%
49	INE348B01021	Century Plyboards (India) Ltd	Consumer Durables	2402	4.10	0.08%
50	INE045A01017	Ador Welding Ltd	Industrial Products	1343	3.86	0.07%
Sub Total					5023.02	93.75%
b) Privately Placed / Unlisted						
1		Ujjivan Financial Services Ltd	Finance	26700	41.05	0.77%
Sub Total					41.05	0.77%
Total for Equity & Equity Related					5064.07	94.52%
B) Money Market Instruments						
a) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			34.00	0.63%
Sub Total					34.00	0.63%
Total for Money Market Instruments					34.00	0.63%
C) Mutual Fund Units						
a) Investment In Mutual Fund Units						
1		Sundaram Money Fund - Direct Growth		861267.096	275.22	5.14%
Sub Total					275.22	5.14%
Cash & Other Net Current Assets					-15.44	-0.29%
GRAND TOTAL					5357.86	100.00%

** Thinly traded / Non Traded securities

