

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 SMALL CAP SERIES.4 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 SMALL CAP SERIES.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

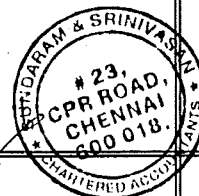
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform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

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 SMALL CAP SERIES.4** as at 31/03/2016

b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund **SUNDARAM SELECT SMALL CAP SERIES.4** 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:004207S)

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	410,048,790
Reserves & Surplus	2	(28,382,541)
Current Liabilities & Provisions	3	1,147,558
		382,813,807
ASSETS		
Investments	4	381,946,621
Other Current Assets	5	867,186
		382,813,807

Notes on Accounts

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As per our Report of even date

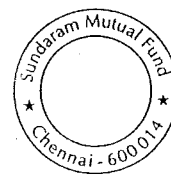
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund

K Srinivasan
K Srinivasan
Partner
(M.NO : 5809)



[Signature]
Authorized Signatory



Place : Chennai
Date : 30th June 2016

REVENUE ACCOUNT FOR THE PERIOD FROM 17.04.2015 TO 31.03.2016

	Schedule No.	17.04.2015 - 31.03.2016	
		Rs.	Rs.
REVENUE			
Dividend		4,223,189	
Interest	6	4,426,822	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		201,877	
Other Income		8,482	
TOTAL (A)		8,860,370	8,860,370
EXPENSES			
Net diminution in value of investment	7	24,315,171	
Realised Loss on Derivative Transactions		1,319,389	
Management fee		8,109,397	
Service Tax		1,144,767	
Custodian charges		132,530	
Trusteeship fee		19,306	
Commission to Agents		2,073,091	
Audit fee		14,272	
Other Operating expenses		53,919	
Investor Education Fees		77,230	
TOTAL (B)		37,259,072	37,259,072
Surplus /(Deficit) transferred to Balance Sheet			(28,398,702)

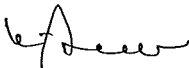
Notes on Accounts

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As per our Report of even date

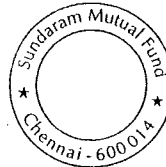
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)




Authorised Signatory



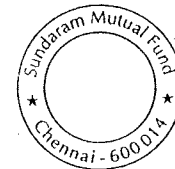
Place : Chennai
Date : 30th June 2016

SCHEDULE : 1**Unit Capital**

	31/03/2016	
	Units	Rs.
Initial capital	41,004,879	410,048,790
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	41,004,879	410,048,790
	41,004,879	410,048,790
Less : Units repurchased during the Period	-	-
Units at the end of the Period	41,004,879	410,048,790
		410,048,790

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016	
	Rs.	Rs.
General Reserve		
Opening Balance	-	
Add /(Less): Transfer from Revenue Account	(28,398,702)	(28,398,702)
Unrealised appreciation reserve		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the Period	16,161	
Unrealised Appreciation Reserve (Schedule 7)		16,161
		(28,382,541)



SCHEDULE : 3**Current Liabilities & Provisions**

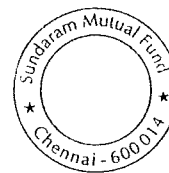
	31/03/2016
	Rs.
Current Liabilities	
Sundry Creditors	1,140,263
Others	7,295
	1,147,558

SCHEDULE : 4**Investments**

	31/03/2016
	Rs.
Equity Shares	355,030,460
Others - Reverse Repo / CBLO	6,900,000
Units of Domestic Mutual Fund	20,016,161
	381,946,621

SCHEDULE : 5**Other Current Assets**

	31/03/2016
	Rs.
Balance with banks in Current Accounts	341,527
CBLO Margin Account	192,298
Repo Margin Account	331,849
Outstanding and accrued Income	1,512
	867,186



SCHEDULE : 6**Interest**

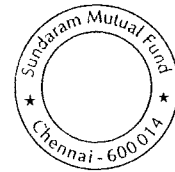
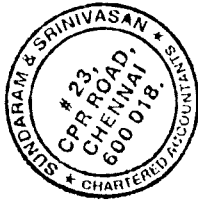
	17.04.2015 - 31.03.2016
	Rs.
Interest from banks and others	4,426,822
	4,426,822

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

	17.04.2015 - 31.03.2016
	Rs.
Appreciation in Value of Investments	
Units of Domestic Mutual Fund	16,161
Appreciation in Value of Investments (Schedule 2)	16,161
Diminution in value of investments	
Equity Shares	24,315,171
Diminution in value of investments trf to Revenue Account	24,315,171

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SUNDARAM MUTUAL FUND
SUNDARAM SMALL CAP SERIES - IV

Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Period from 17.04.2015 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 / For securities having residual maturity of less than 60 days are valued on the basis of amortisation or 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.

1.2. INCOME RECOGNITION

- (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.

2 INVESTMENT MANAGER FEES

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

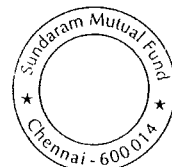
Description	17.04.2015 to 31.03.2016
Average daily net asset value	4,037.37
Management fee @ 2.10% of average daily net asset value. (81.09

**3 INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF
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	17.04.2015 to 31.03.2016
PURCHASE VALUE (AMOUNT)	5,029.31
%	124.57%
SALES VALUE (AMOUNT)	1,037.88
%	25.71%



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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	NIL
% to the asset under management	NIL

6 INCOME / EXPENDITURE

The total income and expenditure as a percentage of the daily average net assets, on an annualised

DESCRIPTION	17.04.2015 to 31.03.2016
INCOME	2.29%
EXPENDITURE #	3.01%

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 dated September 13,2012.

7 CONTINGENT LIABILITY

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

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	17.04.2015 to 31.03.2016
Sundaram Finance Ltd (Sponsor)	2.5355
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
INDUSIND BANK (ASSOCIATE)@	28.46

@ 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 (% 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

13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

Related party disclosures as required by the Accounting Standard 18 – "Related Party Disclosures"

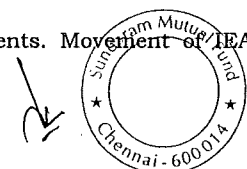
14 Investor Education & Awareness Initiatives (IEAI)

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.



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15 HISTORICAL PER UNIT STATISTICS

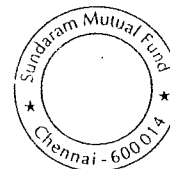
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		17.04.2015 - 31.03.2016			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.2112			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) income from profit on sale of investment to third parties	-0.0273			
	(iv) transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.8765			
(C)	Net income	-0.6926			
(D)	Net unrealised appreciation/(diminution) in value of investments	-0.5926			
		GR	DIV	DIRGR	DIRDIV
(E)	Net Assets Value	9.3070	9.3070	9.3553	9.3553
(F)	Highest repurchase price	0.0000	0.0000	0.00	0.00
	Lowest repurchase price	0.0000	0.0000	0.00	0.00
	Highest ongoing sale price	10.0000	10.0000	10.00	10.00
	Lowest ongoing sale price	10.0000	10.0000	10.00	10.00
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	3.01%			
(H)	Ratio of gross income to average daily net assets by percentage	2.29%			

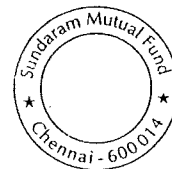
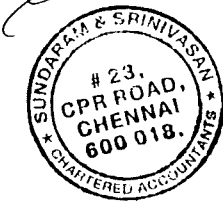
16 Computation of Distributable Income

		31.03.16
		Rs.
	Net Income as per revenue account	(28,398,702)
	Add : Balance of Undistributed income as at 1st April brought forward	-
		(28,398,702)
	Less : Income Distributed during the year	-
	Distributable Income	(28,398,702)

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



ANNEXURE-II	
SUNDARAM SELECT SMALL CAP SERIES - IV	
% of total Investments within the classification	
31-Mar-16	
Equity Instruments	
a) Listed / awaiting listing on Stock Exchange	
BANKS	11.83%
CEMENT	9.60%
CONSUMER DURABLES	5.49%
FINANCE	10.82%
GAS	5.79%
INDUSTRIAL CAPITAL GOODS	7.60%
INDUSTRIAL PRODUCTS	5.39%
POWER	5.31%
TEXTILE PRODUCTS	7.58%
b) Privately Placed / Unlisted	
HEALTHCARE SERVICES	96.10%
Mutual Fund Units	
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%



SUNDARAM MUTUAL FUND						
SUNDARAM SELECT SMALL CAP SERIES - IV						
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	INE774D01024	Mahindra & Mahindra Financial Services Ltd	Finance	69011	168.42	4.41%
2	INE331A01037	The Ramco Cements Ltd	Cement	39000	155.94	4.09%
3	INE647A01010	SRF Ltd	Textile Products	11862	155.21	4.07%
4	INE203G01019	Indraprastha Gas Ltd	Gas	26817	152.75	4.00%
5	INE891D01026	Redington India Ltd	Trading	131056	150.26	3.94%
6	INE918I01018	Bajaj Finserv Ltd	Finance	8286	141.78	3.71%
7	INE513A01014	Fag Bearings India Ltd	Industrial Products	3500	132.92	3.48%
8	INE356A01018	Mphasis Ltd	Software	23923	117.65	3.08%
9	INE211B01039	The Phoenix Mills Ltd	Construction	39135	117.52	3.08%
10	INE034A01011	Arvind Ltd	Textile Products	41226	112.69	2.95%
11	INE825A01012	Vardhman Textiles Ltd	Textiles - Cotton	14211	109.92	2.88%
12	INE589A01014	Neyvell Lignite Corporation Ltd	Power	151205	107.58	2.82%
13	INE172A01027	Castrol India Ltd	Petroleum Products	27980	104.69	2.74%
14	INE036D01010	Karur Vysya Bank Ltd	Banks	23688	103.47	2.71%
15	INE152A01029	Thermax Ltd	Industrial Capital Goods	13482	102.26	2.68%
16	INE169A01031	Coromandel International Ltd	Fertilisers	52736	100.36	2.63%
17	INE692A01016	Unlon Bank of India	Banks	76245	99.73	2.61%
18	INE628A01036	United Phosphorus Ltd	Pesticides	19206	91.75	2.40%
19	INE171A01029	The Federal Bank Ltd	Banks	184442	85.67	2.24%
20	INE302A01020	Exide Industries Ltd	Auto Ancillaries	59743	83.25	2.18%
21	INE486A01013	CESC Ltd	Power	16938	80.07	2.10%
22	INE264A01014	GlaxoSmithKline Consumer Healthcare Ltd	Consumer Non Durables	1300	78.48	2.06%
23	INE055A01016	Century Textiles and Industries Ltd	Cement	14671	77.71	2.04%
24	INE716A01013	Whirlpool of India Ltd	Consumer Durables	10862	76.32	2.00%
25	INE066P01011	INOX Wind Ltd	Industrial Capital Goods	28905	74.92	1.96%
26	INE280A01028	Titan Company Ltd	Consumer Durables	21610	73.28	1.92%
27	INE180A01020	Max Financial Services Ltd (Prev: Max India Ltd)	Finance	21063	72.47	1.90%
28	INE428A01015	Allahabad Bank	Banks	121151	66.45	1.74%
29	INE208A01029	Ashok Leyland Ltd	Auto	60815	66.05	1.73%
30	INE839M01018	Schneider Electric Infrastructure Ltd	Industrial Capital Goods	43205	63.10	1.65%
31	INE562A01011	Indian Bank	Banks	60665	63.03	1.65%
32	INE935A01035	GlenMark Pharmaceuticals Ltd	Pharmaceuticals	7796	61.98	1.62%
33	INE823G01014	J K Cement Ltd	Cement	8560	57.82	1.52%
34	INE536H01010	Mahindra CIE Automotive Ltd	Industrial Products	29331	57.53	1.51%
35	INE246F01010	Gujarat State Petronet Ltd	Gas	36578	51.83	1.36%
36	INE010A01011	Prism Cement Ltd	Cement	59400	47.82	1.25%
37	INE348B01021	Century Plyboards (India) Ltd	Consumer Durables	26037	44.48	1.17%
38	INE040H01021	Suzlon Energy Ltd	Industrial Capital Goods	200365	28.45	0.75%
Sub Total					3535.62	92.64%
b) Privately Placed / Unlisted						
1	INE153U01017	Max India Ltd	Healthcare Services	21063	14.11	0.37%
2	INE154U01015	Max Ventures and Industries Ltd	Media & Entertainment	4213	0.57	0.02%
Sub Total					14.68	0.38%
Total for Equity & Equity Related					3550.30	93.02%
B) Money Market Instruments						
a) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			69.00	1.81%
Sub Total					69.00	1.81%
Total for Money Market Instruments					69.00	1.81%
C) Mutual Fund Units						
a) Investment in Mutual Fund Units						
1		Sundaram Money Fund - Direct Growth		626376.07	200.16	5.24%
Sub Total					200.16	5.24%
Cash & Other Net Current Assets					-2.81	-0.07%
GRAND TOTAL					3816.66	100.00%

** Thinly traded / Non Traded securities

