

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 MICRO CAP-SERIES XI** as at 31/03/2017, which comprise the Balance Sheet, the Revenue Account for the Period then ended 31/03/2017 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 and financial performance of the Sundaram Mutual Fund **SUNDARAM SELECT MICRO CAP-SERIES XI** 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.

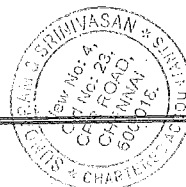
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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 :

- a. In case of Balance Sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM SELECT MICRO CAP-SERIES XI** as at 31/03/2017.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM SELECT MICRO CAP-SERIES XI** for the Period ended on 31/03/2017.



SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.


5. Report on Other Legal and Regulatory Requirements

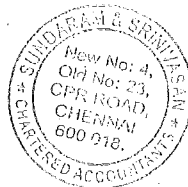
As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

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 : 23rd June 2017


K. SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2017

DESCRIPTION	SCHEDULE NO.	31-Mar-17
		Rs.
LIABILITIES		
Unit Capital	1	94,73,72,030
Reserves & Surplus	2	6,09,70,469
Current Liabilities & Provisions	3	7,01,81,698
		1,07,85,24,197
ASSETS		
Investments	4	1,06,31,60,082
Other Current Assets	5	1,53,64,115
		1,07,85,24,197


Notes on Accounts

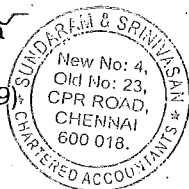
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As per our Report of even date

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

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)



Authorised Signatory

Place : Chennai
Date : 23rd June 2017

REVENUE ACCOUNT FOR THE PERIOD FROM 28.12.2016 to 31.03.2017

Description	Sch No.	28.12.2016 to 31.03.2017	
		Rs.	Rs.
REVENUE			
Dividend		2,74,500	
Interest	6	1,08,02,175	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		41,25,373	
Other Income		1,803	
		1,52,03,851	
TOTAL (A)			1,52,03,851
EXPENSES			
Management Fees		51,07,244	
Service Tax on Management Fees		7,66,069	
Custodian Fees		73,180	
Trusteeship Fees		12,527	
Commission to Agents		15,53,574	
Audit Fees		5,750	
Other Operating expenses		51,252	
Investor Education Fees		50,107	
		76,19,703	
TOTAL (B)			76,19,703
SURPLUS / (DEFICIT) (A-B)			75,84,148
Surplus /(Deficit) transferred to Balance Sheet			75,84,148

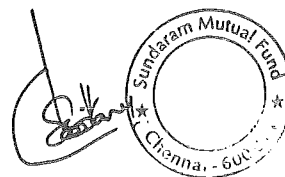
Notes on Accounts

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As per our Report of even date

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

For
Sundaram Mutual Fund



Authorised Signatory

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



Place : Chennai
Date : 23rd June 2017

SCHEDULE : 1**Unit Capital**

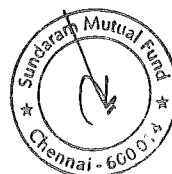
Description	31/03/2017	
	Units	Rs.
Initial capital	9,47,37,203	94,73,72,030
Unit Capital		
Opening Capital	-	-
Add: Units sold during the period	9,47,37,203	94,73,72,030
	9,47,37,203	94,73,72,030
Less : Units repurchased during the period	-	-
Units at the end of the period	9,47,37,203	94,73,72,030
		94,73,72,030

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2017	
	Rs.	Rs.
General Reserve		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	75,84,148	75,84,148
Unrealised appreciation reserve		
Opening Balance	-	-
Add/(Less): Net unrealized appreciation for the period	5,33,86,321	5,33,86,321
Unrealised Appreciation Reserve (Schedule 7)		5,33,86,321
		6,09,70,469

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2017
	Rs.
Sundry Creditors	14,81,225
Contract for Purchase of Investments	6,85,83,806
Others	1,16,667
	7,01,81,698



SCHEDULE : 4**Investments**

Description	31/03/2017
	Rs.
Equity Shares	73,96,04,426
Units of Domestic Mutual Fund	15,00,37,186
Others - Reverse Repo / CBLO	17,35,18,470
	1,06,31,60,082

SCHEDULE : 5**Other Current Assets**

Description	31/03/2017
	Rs.
Balance with banks in Current Accounts	1,25,623
Contract for Sale of Investments	32,14,932
CBLO Margin Account	21,82,273
Repo Margin Account	98,14,095
Outstanding and accrued Income	27,192
	1,53,64,115



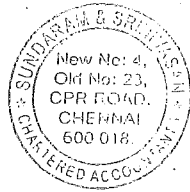
SCHEDULE : 6**Interest**

Description	28.12.2016 to 31.03.2017
	Rs.
Interest from banks and others	1,08,02,175
	1,08,02,175

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

Description	31/03/2017
	Rs.
Appreciation in Value of Investments	
Equity Shares	5,33,49,135
Units of Domestic Mutual Fund	37,186
Appreciation in Value of Investments (Schedule 2)	5,33,86,321

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**SUNDARAM MUTUAL FUND
SUNDARAM SELECT MICRO CAP-SERIES XI**

**Schedules forming part of the Balance Sheet as at 31st-Mar-2017
and the Revenue Account for the Period from 28.12.2016 to 31.03.2017**

**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. Front end discount, if any, received from the issuer is reduced from the cost of the investment.

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.

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

a) All expenses are accounted on an accrual basis and are within the limits of SEBI (Mutual Funds) Regulations 1996

b) Common recurring expenses, if any are allocated to the schemes on the basis of Assets under Management of the respective schemes;

c) 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	28.12.2016 to 31.03.2017
Average daily net asset value	9,727.75
Management fee @ 2.04% of average daily net asset value.	51.07

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	28.12.2016 to 31.03.2017
PURCHASE VALUE (AMOUNT)	8,505.48
%	87.44%
SALES VALUE (AMOUNT)	184.18
%	1.89%

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 : NIL

6 INCOME / EXPENDITURE

The total income and expenditure as a percentage of the daily average net assets, on an annualised basis are given below:

DESCRIPTION	28.12.2016 to 31.03.2017
INCOME	6.07%
EXPENDITURE #	3.04%

#Total expenses includes service tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996.

7 CONTINGENT LIABILITY

Contingent liability as at 31st March 2017 is Rs. Nil.

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	28.12.2016 to 31.03.2017
Sundaram Finance Ltd (Sponsor)	16.83

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 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. From 01.04.2016, 50% of 2bps accrued on daily net assets is transferred to AMFI and the balances are utilized by the AMC in accordance with SEBI Guidelines. 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

MICAP11

		28.12.2016 to 31.03.2017			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment		0.1169		
	(ii) income from profit on inter scheme sales/transfer of investments		0.0000		
	(iii) income from profit on sale of investment to third parties		0.0435		
	(iv) transfer to revenue account from past year's reserves		0.0000		
(B)	Aggregate of expenses, write off, amortisation and charges		0.0804		
(C)	Net income		0.0800		
(D)	Net unrealised appreciation/(diminution) in value of investments		0.5635		
		Regular Growth	Regular Dividend	Direct Growth	Direct Dividend
(E)	Net Assets Value	10.6433	10.6433	10.6606	10.6606
(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	3.04%			
(H)	Ratio of gross income to average daily net assets by percentage	6.07%			

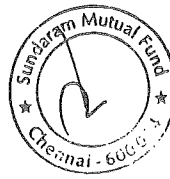
16 Computation of Distributable Income

	31/03/2017
	Rs.
Net Income as per revenue account	75,84,148
Add : Balance of Undistributed income as at 1st April brought forward	-
	75,84,148
Less : Income Distributed during the period	-
Distributable Income	75,84,148

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



ANNEXURE-II	
SUNDARAM SELECT MICROCAP SERIES XI	
% of total Investments within the classification	
	31-Mar-17
Equity Instruments	
Listed / awaiting listing on Stock Exchange	
AUTO ANCILLARIES	7.36%
CEMENT	7.97%
CONSTRUCTION	5.21%
INDUSTRIAL CAPITAL GOODS	6.54%
INDUSTRIAL PRODUCTS	6.35%
POWER	5.74%
TEXTILE PRODUCTS	7.69%
Mutual Fund Units	
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%



SUNDARAM MUTUAL FUND						
Sundaram Select Micro Cap Series XI						
Portfolio Statement as at 31 March 2017						
SL 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	INE049A01027	Himatsingka Seide Ltd	Textile Products	113000	388.16	3.85%
2	INE075I01017	Healthcare Global Enterprises Ltd	Healthcare Services	143787	329.92	3.27%
3	INE612J01015	Repco Home Finance Ltd	Finance	43756	307.04	3.04%
4	INE386C01029	Astra Microwave Products Ltd	Telecom - Equipment & Accessories	263281	292.24	2.90%
5	INE383A01012	The India Cements Ltd	Cement	177089	287.68	2.85%
6	INE074A01025	Praj Industries Ltd	Industrial Capital Goods	328958	263.33	2.61%
7	INE022I01019	Asian Granito India Ltd	Construction	68000	250.34	2.48%
8	INE976A01021	West Coast Paper Mills Ltd	Paper	132786	232.77	2.31%
9	INE183A01016	Finolex Industries Ltd	Industrial Products	40000	231.58	2.30%
10	INE536A01023	Grindwell Norton Ltd	Industrial Products	62599	222.51	2.21%
11	INE220B01022	Kalpataru Power Transmission Ltd	Power	68617	221.43	2.20%
12	INE613A01020	Rallis India Ltd	Pesticides	83120	215.90	2.14%
13	INE752P01024	Future Retail Ltd	Retailing	79870	213.89	2.12%
14	INE578A01017	HeidelbergCEMENT India Ltd	Cement	168666	209.99	2.08%
15	INE998I01010	Mahindra Holidays & Resorts India Ltd	Hotels, Resorts And Other Recreational Activities	47474	205.66	2.04%
16	INE442H01029	Ashoka Buildcon Ltd	Construction Project	104326	205.52	2.04%
17	INE934S01014	GNA Axles Ltd	Auto Ancillaries	92702	202.92	2.01%
18	INE877F01012	PTC India Ltd	Power	217259	202.92	2.01%
19	INE591G01017	NIIT Technologies Ltd	Software	45865	199.79	1.98%
20	INE119A01028	Balrampur Chini Mills Ltd	Consumer Non Durables	135984	197.65	1.96%
21	INE930H01023	K.P.R. Mill Ltd	Textile Products	27362	180.58	1.79%
22	INE405E01023	Minda Industries Ltd	Auto Ancillaries	40571	180.30	1.79%
23	INE802G01018	Jet Airways (India) Ltd	Transportation	31713	166.78	1.65%
24	INE060A01024	Navneet Education Ltd	Media & Entertainment	100152	162.70	1.61%
25	INE041A01016	Dhampur Sugar Mills Ltd	Consumer Non Durables	75000	162.64	1.61%
26	INE201M01011	CL Educate Ltd	Diversified Consumer Services	33737	142.40	1.41%
27	INE791I01019	Brigade Enterprises Ltd	Construction	58162	134.67	1.34%
28	INE782A01015	Johnson Controls - Hitachi Air Conditioning India Ltd	Consumer Durables	6901	125.00	1.24%
29	INE152M01016	Triveni Turbine Ltd	Industrial Capital Goods	79307	114.92	1.14%
30	INE705A01016	Vijaya Bank	Banks	166299	114.33	1.13%
31	INE287B01021	Subros Ltd	Auto Ancillaries	53792	114.12	1.13%
32	INE586B01026	Taj GVK Hotels & Resorts Ltd	Hotels, Resorts And Other Recreational Activities	72607	112.21	1.11%
33	INE415A01038	HSIL Ltd	Consumer Durables	30749	107.58	1.07%
34	INE419M01019	TD Power Systems Ltd	Industrial Capital Goods	45515	105.09	1.04%
35	INE891D01026	Redington (India) Ltd	Trading	92033	101.28	1.00%
36	INE868B01028	NCC Ltd	Construction Project	122949	100.76	1.00%
37	INE572A01028	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	28937	100.17	0.99%
38	INE852F01015	Gateway Distriparks Ltd	Transportation	39533	99.94	0.99%
39	***	Star Cement Ltd	Cement	87384	92.15	0.91%
40	INE631A01022	Shanthy Gears Ltd	Auto Ancillaries	42342	47.11	0.47%
41	INE863B01011	Premier Explosives Ltd	Chemicals	6381	22.34	0.22%
42	INE227C01017	MM Forgings Ltd	Industrial Products	2831	15.29	0.15%
43	INE070I01018	Insecticides (India) Ltd	Pesticides	1774	9.41	0.09%
44	INE098F01023	Amrutanjan Health Care Ltd	Pharmaceuticals	516	3.05	0.03%
		Total for Equity & Equity Related			7396.04	73.35%
		(B) Money Market Instruments				
1		CBLO			1734.18	17.20%
2		Reverse Repo			1.00	0.01%
		Total for Money Market Instruments			1735.18	17.21%
		(C) Mutual Fund Units				
1	INF903J01QF2	Sundaram Money Fund - Direct Growth		4374874	1500.37	14.88%
		Total for Mutual Fund Units			1500.37	14.88%
		Cash and Other Net Current Assets			-548.18	-5.44%
		Grand Total			10083.43	100.00%

