

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 MICRO CAP SERIES VI** as at 31/03/2018, which comprise the Balance Sheet, the Revenue Account, the Cash Flow Statement for the Year then ended 31/03/2018 and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

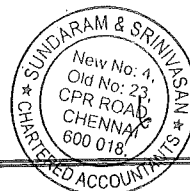
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Sundaram Mutual Fund **SUNDARAM SELECT MICRO CAP SERIES VI** in accordance with the Eleventh Schedule of Securities 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 SELECT MICRO CAP SERIES VI** as at 31/03/2018.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM SELECT MICRO CAP SERIES VI** for the Year ended on 31/03/2018.
- c. In the case of Cash Flow Statement, of the cash flows of the **SUNDARAM SELECT MICRO CAP SERIES VI** for the year ended on that date.


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, Revenue Account and Cash Flow Statement **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 : 29th June 2018


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2018

DESCRIPTION	SCHEDULE NO.	31-Mar-18	31-Mar-17
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	2,025,777,680	2,025,777,680
Reserves & Surplus	2	882,220,718	1,062,563,806
Current Liabilities & Provisions	3	4,035,649	2,788,607
		2,912,034,047	3,091,130,093
ASSETS			
Investments	4	2,905,817,820	3,078,198,120
Other Current Assets	5	6,216,227	12,931,973
		2,912,034,047	3,091,130,093


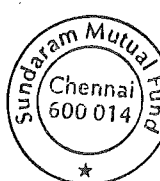
Notes on Accounts

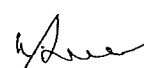
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As per our Report of even date

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

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)



Authorised Signatory

Place : Chennai

Date : 29th June 2018

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

Description	Sch No.	2017 - 18		2016 - 17	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		21,631,278		15,017,172	
Interest	6	9,492,350		4,337,948	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		1,375,475,423		207,615,600	
Net profit on inter scheme transfer / sale of investments		15,258,292		-	
Realised Gain on Derivative Transactions		5,423,870		1,153,547	
Other Income		27,175		20,335	
TOTAL (A)		1,427,308,388	1,427,308,388	228,144,602	228,144,602
EXPENSES					
Management Fees		69,291,671		57,857,375	
Service Tax / Goods & Service Tax on Management Fees		11,964,577		8,635,296	
Transfer Agents Fees & Expenses		437,794		-	
Trusteeship Fees		167,315		135,246	
Commission to Agents		11,149,108		9,000,789	
Audit Fees		43,913		47,025	
Custodian Fees		765,126		637,416	
Investor Education Fees		696,218		540,980	
Other Operating expenses		90,787		74,793	
		94,606,509		76,928,920	
Less : Expenses absorbed by AMC		179		-	
TOTAL (B)			94,606,330		76,928,920
SURPLUS / (DEFICIT) (A-B)			1,332,702,058		151,215,682
Less: Income Distributed		697,792,926		116,298,821	
Distribution Tax		-	697,792,926	-	116,298,821
Surplus / (Deficit) transferred to Balance Sheet			634,909,132		34,916,861

Notes on Accounts

8


As per our Report of even date

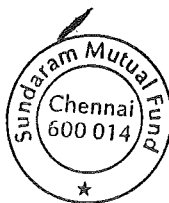
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund


K Sriivasan
Partner
(M.NO : 5809)




Authorised Signatory



Place : Chennai
Date : 29th June 2018

SCHEDULE : 1**Unit Capital**

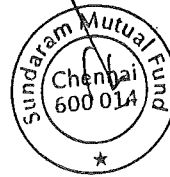
Description	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	202,577,768	2,025,777,680	202,577,768	2,025,777,680
Unit Capital Opening Capital	202,577,768	2,025,777,680	202,577,768.00	2,025,777,680
Add: Units sold during the year	-	-	-	-
	202,577,768	2,025,777,680	202,577,768	2,025,777,680
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	202,577,768	2,025,777,680	202,577,768	2,025,777,680
		<u>2,025,777,680</u>		<u>2,025,777,680</u>

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	166,643,270		131,726,409	
Add /(Less): Transfer from Revenue Account	634,909,132		34,916,861	
		801,552,402		166,643,270
Unrealised Appreciation Reserve Opening Balance	895,920,536		158,490,335	
Add/(Less): Net unrealized appreciation for the year	(815,252,220)		737,430,201	
Unrealised Appreciation Reserve (Schedule 7)		80,668,316		895,920,536
		<u>882,220,718</u>		<u>1,062,563,806</u>

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Sundry Creditors	4,019,395	2,710,686
Others - Rates & Taxes	16,254	77,921
	<u>4,035,649</u>	<u>2,788,607</u>

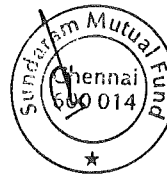


SCHEDULE : 4**Investments**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Equity Shares	1,746,164,363	3,037,798,120
Others - Reverse Repo / CBLO	38,174,899	40,400,000
Units of domestic Mutual Fund	1,121,478,558	-
	2,905,817,820	3,078,198,120

SCHEDULE : 5**Other Current Assets**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts	1,906,771	848,873
Contract for Sale of Investments	-	5,038,691
CBLO Margin Account	1,695,340	524,984
Repo Margin Account	2,210,423	2,360,952
Equity Derivative instrument account deposits for margin money	-	4,152,219
Outstanding and accrued Income	403,693	6,254
	6,216,227	12,931,973

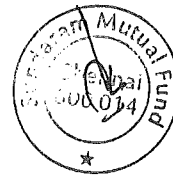


SCHEDULE : 6**Interest**

Description	2017 - 18	2016 - 17
	Rs.	Rs.
Interest from banks and others	9,492,350	4,337,948
	9,492,350	4,337,948

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

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	79,189,758	895,920,536
Units of Domestic Mutual Fund	1,478,558	-
Net Appreciation in Value of Investments (Schedule 2)	80,668,316	895,920,536



SUNDARAM MUTUAL FUND
SUNDARAM SELECT MICRO CAP SERIES VI
Schedules forming part of the Balance Sheet as at 31-Mar-2018
and the Revenue Account for the Year ended 31-Mar-2018

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.

c) Equity Derivative Instruments

• Open positions of traded equity Index / stock futures are valued at the last quoted closing price on the stock exchange.

• In case of Options, premium received / paid is marked to market and the difference amount is treated as an asset / liability till the expiry of the position.

• Equity derivative instruments 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) 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) Interest Income on debt or money market instruments is accounted on accrual basis.

(iv) Other income is accounted on cash basis.

(v) Futures contract of equity derivative instruments are marked to market and resultant gain/loss is transferred to revenue account. When the future contracts of equity derivative instruments are squared off on or before the expiry of contract, the difference between the settlement price and contractual price is recognized in Revenue Account.

When the option contracts are squared off before expiry, the difference between the premium paid and received on the squared off transactions is recognized in the revenue account. When the option contracts are exercised on or before expiry, the difference between the option settlement price as determined by the exchange and the premium is recognized in the revenue account. Premium asset / liability in respect of option not exercised / squared off as on expiry date is transferred to revenue account.

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.

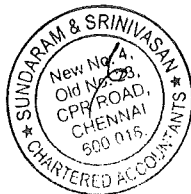
2. INVESTMENT MANAGER FEES

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

Description	2017 - 18	2016 - 17
Average daily net asset value	33,460.30	27,048.75
Management fee @ 2.07% of average daily net asset value. (Previous year 2.14%)	692.92	578.57

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 YEAR

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

Description	2017 - 18	2016 - 17
PURCHASE VALUE (AMOUNT)	29,519.91	4,206.26
%	88.22%	15.55%
SALES VALUE (AMOUNT)	36,976.27	6,381.72
%	110.51%	23.59%

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 year : **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	2017 - 18	2016 - 17
INCOME	42.66%	8.43%
EXPENDITURE #	2.83%	2.84%

Total expenses includes Service Tax / Goods & Service Tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996. - Refer Annexure IX for Planwise Expense Ratio

7 CONTINGENT LIABILITY

Contingent liability as at 31st March 2018 is Rs. Nil. Previous year Rs. Nil

8 AMOUNT PAID TO SPONSORS / ASSOCIATES:

	2017 - 18	2016 - 17
Sundaram BNP Paribas Fund Services Ltd (R & T)	4.38	-

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 DETAILS OF DERIVATIVE CONTRACTS OUTSTANDING AT THE YEAR END AND EXECUTED DURING THE YEAR

Margin account on futures amounting to Rs.Nil (Previous Year Rs.41.52 Lakhs) represent the margin towards future contracts and is disclosed under other current assets. Refer Annexure V for details of derivative contracts executed during the Year.

11 PORTFOLIO DISCLOSURE

Full portfolio of the scheme is given in Annexure - III

12 MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

13 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.

14 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

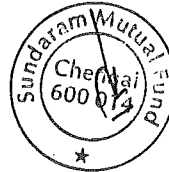
15 UNCLAIMED REDEMPTION AND UNCLAIMED DIVIDEND AMOUNT

The details of unclaimed redemption and unclaimed dividend are disclosed in Annexure VI.

16 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/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 and term deposits. Movement of IEAI balances are provided in Annexure VII.

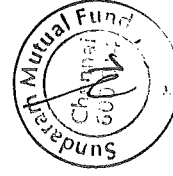


17 HISTORICAL PER UNIT STATISTICS

	2017 - 18		2016 - 17		2015 - 16											
	Rs.		Rs.		Rs.											
(A) Gross income																
(i) income other than profit on sale of investment		0.1538		0.0957		0.1372										
(ii) income from profit on inter scheme sales/transfer of investments		0.0753		0.0000		0.0639										
(iii) income from profit on sale of investment to third parties		6.8166		1.0306		1.0333										
(iv) transfer to revenue account from past year's reserves		0.0000		0.0000		0.0000										
(B) Aggregate of expenses, write off, amortisation and charges		0.4670		0.3798		0.3286										
(C) Net income		6.5787		0.7465		0.9057										
(D) Net unrealised appreciation/(diminution) in value of investments		0.3982		4.4226		0.7824										
(E) Net Assets Value	Regular Growth	19.0318	Regular Dividend	10.8456	Direct Growth	19.5000	Direct Dividend	11.2939	Regular Growth	16.2140	Regular Dividend	14.4969	Direct Growth	16.5547	Direct Dividend	14.8318
(F) Highest repurchase price		NA		NA		NA		NA		NA		NA		NA		NA
Lowest repurchase price		NA		NA		NA		NA		NA		NA		NA		NA
Highest ongoing sale price		NA		NA		NA		NA		NA		NA		NA		NA
Lowest ongoing sale price		NA		NA		NA		NA		NA		NA		NA		NA
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage		2.83%		2.83%		2.84%		2.84%		2.84%		2.79%		2.79%		2.79%
(H) Ratio of gross income to average daily net assets by percentage		42.66%		42.66%		8.43%		8.43%		8.43%		10.50%		10.50%		10.50%

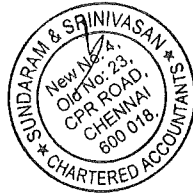
18 Computation of Distributable Income

	31.03.2018	31.03.2017
	Rs.	Rs.
Net Income as per revenue account	1,332,702,058	151,215,682
Add : Balance of Undistributed income as at 1st April brought forward	166,643,270	131,726,409
	1,499,345,328	282,942,091
Less : Income Distributed during the year	697,792,926	116,298,821
Distributable Income	801,552,402	166,643,270



19 Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's classification.

ANNEXURE-II		
Sundaram Select Micro Cap Series VI		
% of total Investments within the classification		
	31-Mar-18	31-Mar-17
Equity Instruments		
(a) Listed / awaiting listing on Stock Exchange		
AUTO ANCILLARIES	0.00%	5.93%
CEMENT	12.25%	8.28%
CHEMICALS	4.65%	6.29%
CONSTRUCTION PROJECT	6.40%	6.29%
CONSUMER DURABLES	14.80%	11.29%
FINANCE	8.69%	5.93%
INDUSTRIAL CAPITAL GOODS	14.16%	10.20%
INDUSTRIAL PRODUCTS	16.60%	14.08%
MEDIA & ENTERTAINMENT	5.82%	7.46%
TEXTILE PRODUCTS	5.14%	4.80%
(b) Derivative		
STOCK FUTURE	0.00%	100.00%
Mutual Fund Units		
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%	0.00%



SUNDARAM MUTUAL FUND							
Sundaram Select Micro Cap Series VI							
Portfolio Statement as at 31 March 2018							
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	INE442H01029	Ashoka Buildcon Ltd	Construction Project	450000	1118.03	3.84	
2	INE951I01027	V-Guard Industries Ltd	Industrial Capital Goods	446603	992.35	3.41	
3	INE472A01039	Blue Star Ltd	Consumer Durables	125000	944.31	3.25	
4	INE384A01010	Rane Holdings Ltd	Finance	38376	935.97	3.22	
5	INE383A01012	The India Cements Ltd	Cement	646172	915.95	3.15	
6	INE823G01014	JK Cement Ltd	Cement	85633	869.22	2.99	
7	INE227C01017	MM Forgings Ltd	Industrial Products	82192	855.25	2.94	
8	INE049A01027	Himatsingka Seide Ltd	Textile Products	242412	847.11	2.91	
9	INE048G01026	Navin Fluorine International Ltd	Chemicals	105000	811.49	2.79	
10	INE220B01022	Kalpataru Power Transmission Ltd	Power	166888	808.16	2.78	
11	INE191H01014	PVR Ltd	Media & Entertainment	64102	779.00	2.68	
12	INE325A01013	Timken India Ltd	Industrial Products	110000	776.00	2.67	
13	INE074A01025	Praj Industries Ltd	Industrial Capital Goods	832099	668.18	2.30	
14	INE415A01038	HSIL Ltd	Consumer Durables	160708	596.55	2.05	
15	INE334L01012	Ujjivan Financial Services Ltd	Finance	168134	580.82	2.00	
16	INE348B01021	Century Plyboards (India) Ltd	Consumer Durables	170000	555.22	1.91	
17	INE834I01025	Khadim India Ltd	Consumer Durables	66923	489.01	1.68	
18	INE942G01012	Mcleod Russel India Ltd	Consumer Non Durables	336588	484.01	1.66	
19	INE457F01013	Salzer Electronics Ltd	Industrial Capital Goods	221263	443.74	1.53	
20	INE999A01015	KSB Pumps Ltd	Industrial Products	53749	428.73	1.47	
21	INE594H01019	Thyrocare Technologies Ltd	Healthcare Services	71397	426.13	1.47	
22	INE717A01029	Kennametal India Ltd	Industrial Capital Goods	52022	368.99	1.27	
23	INE578A01017	HeidelbergCEMENT India Ltd	Cement	248650	354.08	1.22	
24	INE045A01017	Ador Welding Ltd	Industrial Products	88428	330.46	1.14	
25	INE765D01014	WPIL Ltd	Industrial Products	60380	307.67	1.06	
26	INE956G01038	VA Tech Wabag Ltd	Engineering Services	58460	286.72	0.99	
27	INE807K01035	S Chand and Company Ltd	Media & Entertainment	57973	238.01	0.82	
28	INE570D01018	Arrow Greentech Ltd	Industrial Products	62093	200.22	0.69	
29	INE325C01035	Dollar Industries Ltd	Textile Products	12924	50.29	0.17	
		Total for Equity & Equity Related				17461.64	60.05
		(B) Money Market Instruments					
		(a) Reverse Repo / CBLO					
1		CBLO			381.75	1.31	
		Total for Money Market Instruments				381.75	1.31
		(C) Mutual Fund Units					
		(a) Investment in Mutual Fund Units					
1	INF903J01QF2	Sundaram Money Fund - Direct Growth	Mutual Fund Units	30611966	11214.79	38.57	
		Total for Mutual Fund Units				11214.79	38.57
		Cash and Other Net Current Assets				21.81	0.07
		Grand Total				29079.98	100.00

