

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 VALUE FUND SERIES-I** as at 31/03/2018, which comprise the Balance Sheet, the Revenue Account for the Period ended 01/01/2018 and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

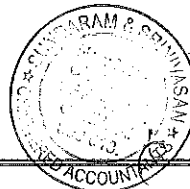
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Sundaram Mutual Fund **SUNDARAM VALUE FUND SERIES-I** in accordance with the Eleventh Schedule of Securities and Exchange Board of 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 VALUE FUND SERIES-I as at 31/03/2018.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM VALUE FUND SERIES-I for the Period ended on 01/01/2018.

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.

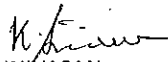
2. The Balance Sheet and Revenue Account dealt with by this Report are in agreement with the books of accounts of the Sundaram Mutual Fund.

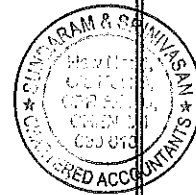
3.a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".

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 : 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	-	985,470,930
Reserves & Surplus	2	-	301,255,350
Current Liabilities & Provisions	3	69,215	1,546,834
		69,215	1,288,273,114
ASSETS			
Investments	4	-	1,164,892,844
Other Current Assets	5	69,215	123,380,270
		69,215	1,288,273,114

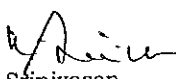
Notes on Accounts

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)




Authorized Signatory

Place : Chennai
Date : 29th June 2018

REVENUE ACCOUNT FOR THE PERIOD FROM 01.04.2017 TO 01.01.2018


Description	Sch No.	01.04.2017 - 01.01.2018		01.04.2016 - 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		6,748,468		8,666,141	
Interest	6	9,743,298		1,197,591	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		585,541,225		73,030,264	
Realised Gain on Derivative Transactions		20,806,481		483,775	
Net diminution on investments written back		42,040,215		20,479,020	
Other Income		15,000		6,153	
TOTAL (A)		664,894,687	664,894,687	103,862,944	103,862,944
EXPENSES					
Management Fees		24,310,569		24,701,137	
Service Tax / Goods & Service Tax on Management Fees		4,148,367		3,686,803	
Transfer Agent Fees & Expenses		147,396		-	
Custodian Fees		224,721		257,745	
Trusteeship Fees		55,090		54,313	
Commission to Agents		3,854,116		3,801,400	
Audit Fees		24,347		36,122	
Investor Education Fees		220,361		217,251	
Other Operating expenses		49,224		24,781	
		33,034,191		32,779,552	
Expenses absorbed by AMC		4,967		-	
TOTAL (B)			33,029,224		32,779,552
SURPLUS / (DEFICIT) (A-B)			631,865,463		71,083,392
Add/(Less) : Balance in Equalisation Account			(638,392,900)		-
Surplus /(Deficit) transferred to Balance Sheet			(6,527,437)		71,083,392

Notes on Accounts

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As per our Report of even date

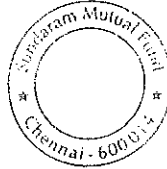
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)


K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund


Authorised Signatory



Place : Chennai
Date : 29th June 2018

SCHEDULE : 1**Unit Capital**

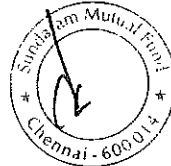
Description	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	98,547,093	985,470,930	98,547,093	985,470,930
Unit Capital Opening Capital	98,547,093	985,470,930	98,547,093	985,470,930
Add: Units sold during the Period	-	-	-	-
	98,547,093	985,470,930	98,547,093	985,470,930
Less : Units repurchased during the Period	98,547,093	985,470,930	-	-
Units at the end of the Period	-	-	98,547,093	985,470,930
				985,470,930

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	6,527,437	-	(64,555,955)	-
Add /(Less): Transfer from Revenue Account	(6,527,437)	-	71,083,392	6,527,437
Unrealised Appreciation Reserve Opening Balance	294,727,913	-	11,245,315	-
Add/(Less): Net unrealized appreciation for the Period	(294,727,913)	-	283,482,598	-
Unrealised Appreciation Reserve (Schedule 7)	-	-	-	294,727,913
				301,255,350

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Sundry Creditors	69,215	1,381,977
Others - Rates & Taxes	-	164,857
	69,215	1,546,834

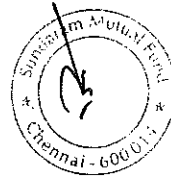
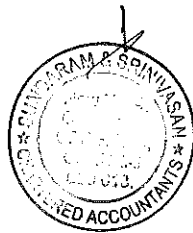


SCHEDULE : 4**Investments**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Equity Shares	-	1,110,792,844
Others - Reverse Repo / CBLO	-	54,100,000
	-	1,164,892,844

SCHEDULE : 5**Other Current Assets**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts	69,215	377,024
Equity Derivative instrument account deposits for margin money	-	469
CBLO Margin Account	-	707,008
Repo Margin Account	-	3,179,548
Derivative Option Premium	-	119,108,316
Outstanding and accrued Income	-	8,374
	69,215	123,380,270



SCHEDULE : 6**Interest**

Description	01.04.2017 - 01.01.2018	01.04.2016 - 31.03.2017
	Rs.	Rs.
Interest from banks and others	9,743,298	1,197,591
	9,743,298	1,197,591

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	-	294,727,913
Appreciation in value of Investments (Schedule 2)	-	294,727,913
Diminution in value of investments		
MTM loss on derivative option contracts	-	42,040,215
Diminution in value of Investments transferred to Revenue Account	-	42,040,215



**SUNDARAM MUTUAL FUND
SUNDARAM VALUE FUND SERIES - I**

**Schedules forming part of the Balance Sheet as at 31-Mar-2018
and the Revenue Account for the Period from 01.04.2017 to 01.01.2018**

**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 respectively.

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.

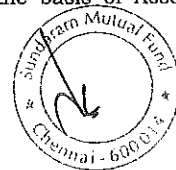
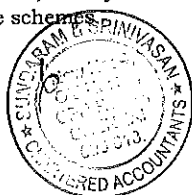
(iv) Other income is accounted on cash basis.

(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	01.04.2017 - 01.01.2018	01.04.2016 - 31.03.2017
Average daily net asset value	14,569.71	10,862.08
Management fee @ 2.21% of average daily net asset value. (Previous Year 2.27%)	243.11	247.01

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

NIL

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	01.04.2017 - 01.01.2018	01.04.2016 - 31.03.2017
PURCHASE VALUE (AMOUNT)	2,165.40	2,145.27
%	14.86%	19.75%
SALES VALUE (AMOUNT)	16,193.54	2,879.39
%	111.15%	26.51%

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	01.04.2017 - 01.01.2018	01.04.2016 - 31.03.2017
INCOME	60.35%	9.56%
EXPENDITURE#	3.00%	3.02%

#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

	01.04.2017 - 01.01.2018	01.04.2016 - 31.03.2017
Sundaram BNP Paribas Fund Services Ltd (R & T)	1.47	-

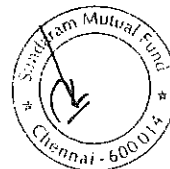
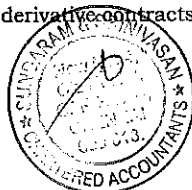
9 TOTAL VALUE OF INVESTMENTS FALLING UNDER EACH MAJOR INDUSTRY GROUP WHICH CONSTITUTES NOT LESS THAN 5% OF THE TOTAL INVESTMENTS IS AS BELOW:

(% of total investment within the classification)

NIL

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

Refer Annexure V for details of derivative contracts executed during the Year.



11 PORTFOLIO DISCLOSURE
NIL**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 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.

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