

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 VII** as at 31/03/2018, which comprise the Balance Sheet, the Revenue Account 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 of the Sundaram Mutual Fund **SUNDARAM VALUE FUND SERIES VII** 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 VII** as at 31/03/2018.
- b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund **SUNDARAM VALUE FUND SERIES VII** for the Year ended on 31/03/2018.

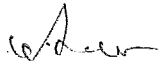
5. Report on Other Legal and Regulatory Requirements

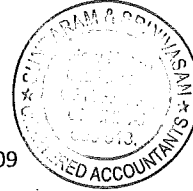
As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

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	294,813,120	294,813,120
Reserves & Surplus	2	(7,758,105)	5,550,438
Current Liabilities & Provisions	3	1,090,120	3,583,808
		288,145,135	303,947,366
ASSETS			
Investments	4	286,755,380	289,947,017
Other Current Assets	5	1,389,755	14,000,349
		288,145,135	303,947,366

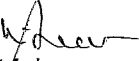
Notes on Accounts

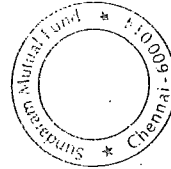
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As per our Report of even date

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

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)

Authorized Signatory

Place : Chennai
Date : 29th June 2018

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

Description	Sch No.	01.04.2017 - 31.03.2018		07.03.2017 - 31.03.2017		
		Rs.	Rs.	Rs.	Rs.	
REVENUE						
Dividend	6	2,557,711		-		
Interest		1,485,656		994,839		
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		18,775,388		-		
Realised Gain on Derivative Transactions		1,113,007		-		
Other Income		13,387		-		
TOTAL (A)			23,945,149		994,839	994,839
EXPENSES						
Net diminution in value of investment	7	21,722,456		-		
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		-		1,520,927		
Management Fees		5,742,945		421,173		
Service Tax / Goods & Service Tax on Management Fees		986,086		63,176		
Transfer Agents Fees & Expenses		1,159		-		
Custodian Fees		107,677		336		
Trusteeship Fees		15,982		1,014		
Commission to Agents		2,006,547		67,630		
Audit Fees		13,309		5,749		
Investor Education Fees		63,927		4,057		
Other Operating Expenses		19,603		-		
			30,679,691		2,084,062	
Less: Amount absorbed by AMC			45,858		-	
TOTAL (B)				30,633,833		2,084,062
SURPLUS / (DEFICIT) (A-B)			(6,688,684)		(1,089,223)	
Surplus / (Deficit) transferred to Balance Sheet			(6,688,684)		(1,089,223)	


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

SCHEDULE : 1**Unit Capital**

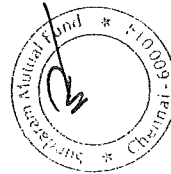
Description	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	29,481,312	294,813,120	29,481,312	294,813,120
Unit Capital				
Opening Capital	29,481,312	294,813,120	-	-
Add: Units sold during the year	-	-	29,481,312	294,813,120
	29,481,312	294,813,120	29,481,312	294,813,120
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	29,481,312	294,813,120	29,481,312	294,813,120
	294,813,120		294,813,120	

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	(1,089,223)		-	
Add /(Less): Transfer from Revenue Account	(6,688,684)	(7,777,907)	(1,089,223)	(1,089,223)
Unrealised Appreciation Reserve				
Opening Balance	6,639,661		-	
Add/(Less): Net unrealized appreciation for the Year	(6,619,859)		6,639,661	
Unrealised Appreciation Reserve (Schedule 7)		19,802		6,639,661
		(7,758,105)		5,550,438

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Sundry Creditors	685,229	533,445
Contract for Purchase of Investments	294,067	3,020,293
Inter Scheme Dues	107,000	-
Others - Rates & Taxes	3,824	30,070
	1,090,120	3,583,808

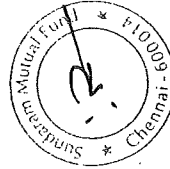
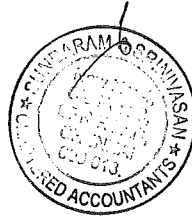


SCHEDULE : 4**Investments**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Equity Shares	266,938,732	170,031,577
Units of Domestic Mutual Fund	15,019,802	100,024,791
Others - Reverse Repo / CBLO	4,796,846	19,890,649
	286,755,380	289,947,017

SCHEDULE : 5**Other Current Assets**

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts	399,999	116,748
Contract for Sale of Investments	-	12,798,982
CBLO Margin Account	428,702	196,737
Repo Margin Account	558,951	884,765
Outstanding and accrued Income	2,103	3,117
	1,389,755	14,000,349

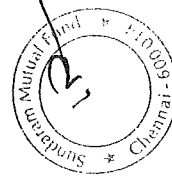


SCHEDULE : 6**Interest**

Description	01.04.2017 - 31.03.2018	07.03.2017 - 31.03.2017
	Rs.	Rs.
Interest from banks and others	1,485,656	994,839
	1,485,656	994,839

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

Description	31/03/2018	31/03/2017
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	-	6,614,870
Units of Domestic Mutual Fund	19,802	24,791
Appreciation in Value of Investments (Schedule 2)	19,802	6,639,661
Diminution in value of investments		
Equity Shares	21,722,456	-
Diminution in value of investments transferred to Revenue Account	21,722,456	-



SUNDARAM MUTUAL FUND
SUNDARAM VALUE FUND SERIES VII
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 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.

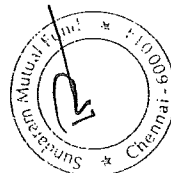
(v) Futures contract of equity derivative instruments are marked to market and resultant gain/loss is transferred to revenue account. When the future contracts of equity derivative instruments are squared off on or before the expiry of contract, the difference between the settlement price and contractual 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 - 31.03.2018	07.03.2017 - 31.03.2017
Average daily net asset value	3,196.05	2,961.35
Management fee @ 1.8% of average daily net asset value. (Previous period 2.08%)	57.43	4.21

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	01.04.2017 - 31.03.2018	07.03.2017 - 31.03.2017
PURCHASE VALUE (AMOUNT)	4,977.87	2783.15
%	155.75%	93.98%
SALES VALUE (AMOUNT)	4,772.72	133.77
%	149.33%	4.52%

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	01.04.2017 - 31.03.2018	07.03.2017 - 31.03.2017
INCOME	7.49%	4.90%
EXPENDITURE #	2.79%	2.78%

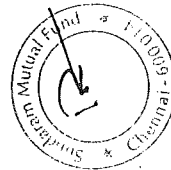
#Total expenses includes service tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996. - Refer Annexure IX for Planwise Expense Ratio.

7 CONTINGENT LIABILITY

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

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.2017 - 31.03.2018	07.03.2017 - 31.03.2017
Sundaram Finance Ltd (Sponsor)	0.11	0.21
Sundaram BNP Paribas Fund Services Ltd (R & T)	0.01	-



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

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

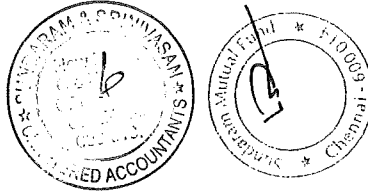
As the Financial Statements are prepared separately on each scheme, no further disclosure under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is considered necessary. There is no secondary reporting segment.

14 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

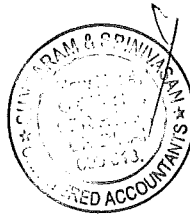
Related party disclosures as required by the Accounting Standard 18 – “ Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given as Annexure – IV

15 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.



ANNEXURE-II		
Sundaram Value Fund Series VII		
% of total Investments within the classification		
	31-Mar-18	31-Mar-17
Equity Instruments		
a) Listed / awaiting listing on Stock Exchange		
AUTO ANCILLARIES	3.91%	8.45%
BANKS	5.80%	11.46%
CEMENT	15.76%	0.00%
CONSTRUCTION PROJECT	0.00%	7.92%
CONSUMER DURABLES	9.35%	5.37%
FERROUS METALS	9.47%	0.00%
FINANCE	8.16%	10.88%
INDUSTRIAL CAPITAL GOODS	11.85%	9.95%
INDUSTRIAL PRODUCTS	8.90%	10.18%
TEXTILE PRODUCTS	4.69%	5.85%
TRANSPORTATION	0.00%	8.91%
Mutual Fund Units		
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%	100.00%



SUNDARAM MUTUAL FUND						
Sundaram Value Fund Series VII						
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	INE779A01011	ABC Bearings Ltd	Industrial Products	38124	156.19	5.44
2	INE805C01028	KCP Ltd	Cement	108409	141.15	4.92
3	INE419M01019	TD Power Systems Ltd	Industrial Capital Goods	70468	133.85	4.66
4	INE056C01010	Tata Metaliks Ltd	Ferrous Metals	18000	133.77	4.66
5	INE295F01017	Butterfly Gandhimathi Appliances Ltd	Consumer Durables	25420	131.79	4.59
6	INE647A01010	SRF Ltd	Textile Products	6400	125.13	4.36
7	INE074A01025	Praj Industries Ltd	Industrial Capital Goods	151496	121.65	4.24
8	INE296E01026	Rajapalayam Mills Ltd	Textiles - Cotton	10705	117.02	4.08
9	INE722A01011	Shriram City Union Finance Ltd	Finance	5242	111.74	3.89
10	INE791I01019	Brigade Enterprises Ltd	Construction	45000	110.54	3.85
11	INE774D01024	Mahindra & Mahindra Financial Services Ltd	Finance	22909	106.13	3.70
12	INE451D01011	Rajratan Global Wire Ltd	Auto Ancillaries	20000	104.24	3.63
13	INE397D01024	Bharti Airtel Ltd	Telecom - Services	24985	99.62	3.47
14	INE172N01012	Adlabs Entertainment Ltd	Hotels, Resorts And Other Recreational Activities	202972	94.48	3.29
15	INE383A01012	The India Cements Ltd	Cement	66333	94.03	3.28
16	INE460H01021	Star Cement Ltd	Cement	80317	93.25	3.25
17	INE732C01016	NCL Industries Ltd	Cement	42109	92.39	3.22
18	INE942G01012	McLeod Russel India Ltd	Consumer Non Durables	62135	89.35	3.11
19	INE765D01014	WPIL Ltd	Industrial Products	15992	81.49	2.84
20	INE036D01028	Karur Vysya Bank Ltd	Banks	79602	79.96	2.79
21	INE052I01032	Camlin Fine Sciences Ltd	Chemicals	77952	78.93	2.75
22	INE062A01020	State Bank of India	Banks	30000	74.97	2.61
23	INE749A01030	Jindal Steel & Power Ltd	Ferrous Metals	31311	68.60	2.39
24	INE142Z01019	Orient Electric Ltd	Consumer Durables	69330	62.16	2.17
25	INE257A01026	Bharat Heavy Electricals Ltd	Industrial Capital Goods	74817	60.86	2.12
26	INE415A01038	HSIL Ltd	Consumer Durables	15000	55.68	1.94
27	INE884B01025	Kirloskar Ferrous Ind Ltd	Ferrous Metals	59639	50.42	1.76
		Total for Equity & Equity Related			2669.39	92.99
		(B) Money Market Instruments				
		(a) Reverse Repo / CBLO				
1		CBLO			47.97	1.67
		Total for Money Market Instruments			47.97	1.67
		(C) Mutual Fund Units				
		(a) Investment in Mutual Fund Units				
1	INF903J01QF2	Sundaram Money Fund - Direct Growth	Mutual Fund Units	409981.687	150.20	5.23
		Total for Mutual Fund Units			150.20	5.23
		Cash and Other Net Current Assets			3.00	0.10
		Grand Total			2870.55	100.00

