

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 SR.3 as at 31/03/2015, which comprise the Balance Sheet, the Revenue Account for the period then ended 31/03/2015 and a summary of significant accounting policies and other explanatory information

2. Management's Responsibility for the Financial Statements

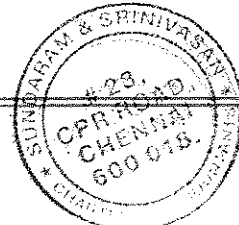
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM SELECT SMALL CAP SR.3 in accordance with the Eleventh Schedule of Securities and Exchange Board of India (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 SMALL CAP SR.3 as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM SELECT SMALL CAP SR.3 for the period ended on 31/03/2015.

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 2015


K.SRINIVASAN
Partner Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2015

	SCHEDULE NO.	31-Mar-15
		Rs.
LIABILITIES		
Unit Capital	1	387,582,720
Reserves & Surplus	2	1,545,371
Current Liabilities & Provisions	3	19,881
		389,147,972
ASSETS		
Investments	4	362,405,348
Other Current Assets	5	26,742,624
		389,147,972

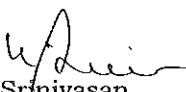
Notes on Accounts

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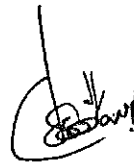

As per our Report of even date

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

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)



Authorised Signatory

Place : Chennai
Date : 29th June 2015

REVENUE ACCOUNT FOR THE PERIOD FROM 31.03.2015 TO 31.03.2015

	Schedule No.	31.03.2015 TO 31.03.2015	
		Rs.	Rs.
REVENUE			
Interest	6	209,512	
TOTAL (A)		209,512	209,512
EXPENSES			
Management fee		2,085	
Service Tax on AMC Fees		258	
Trusteeship fee		53	
Custodian charges		589	
Commission to Agents		16,683	
Investor Education Fees		212	
TOTAL (B)		19,880	19,880
SURPLUS / (DEFICIT) (A-B)			189,632
Surplus /(Deficit) transferred to Balance Sheet			189,632

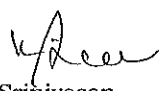
Notes on Accounts

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As per our Report of even date

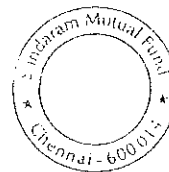
For
Sundaram & Srinivasan
 Chartered Accountants
 (FRN.: 004207S)

For
Sundaram Mutual Fund


 K Srinivasan
 Partner
 (M.NO : 5809)







Authorized Signatory

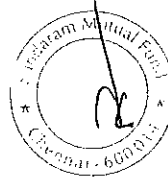
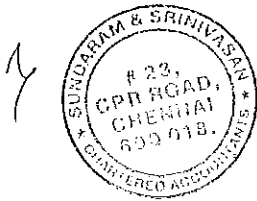
Place : Chennai
 Date : 29th June 2015

SCHEDULE : 1**Unit Capital**

	31-03-2015	
	Units	Rs.
Initial capital		
	38,758,272	387,582,720
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	38,758,272	387,582,720
	38,758,272	387,582,720
Less : Units repurchased during the Period	-	-
	38,758,272	387,582,720
Units at the end of the Period	38,758,272	387,582,720
		387,582,720

SCHEDULE : 2**Reserves & Surplus**

	31-03-2015	
	Rs.	Rs.
General Reserve		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	189,632	189,632
		189,632
Unrealised appreciation reserve		
Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the period	1,355,739	1,355,739
		1,355,739
Unrealised Appreciation Reserve (Schedule 7)		1,355,739
		1,545,371



SCHEDULE : 3**Current Liabilities & Provisions**

	31-03-2015
	Rs.
Current Liabilities	
Sundry Creditors	19,667
Others	214
	19,881

SCHEDULE : 4**Investments**

	31-03-2015
	Rs.
Equity Shares - Listed	14,936,950
Units of Domestic Mutual Fund	300,145,411
Others:- Reverse Repo / CBLO	47,322,987
	362,405,348

SCHEDULE : 5**Other Current Assets**

	31-03-2015
	Rs.
Balance with banks in Current Accounts	23,537,561
CBLO Margin Account	2,063,916
Repo Margin Account	749,833
Outstanding and accrued Income	12,836
Others	378,478
	26,742,624



SCHEDULE : 6

Interest

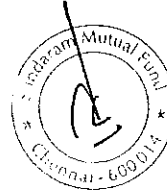
	31.03.2015 TO 31.03.2015
	Rs.
Interest from banks and others	209,512
	209,512

SCHEDULE : 7

Net unrealised appreciation/ (diminution) in value of Investments

	31-03-2015
	Rs.
Appreciation in Value of Investments	
Equity Shares	1,210,328
Units of Domestic Mutual Fund	145,411
Appreciation in Value of Investments (schedule 2)	1,355,739

6



**SUNDARAM MUTUAL FUND
SUNDARAM SMALL CAP SERIES III**

Schedules forming part of the Balance Sheet as at 31-Mar-2015
and the Revenue Account for the Period from 31.03.2015 TO 31.03.2015

SCHEDULE 8

All amounts mentioned rupees in lakhs

NOTES ON ACCOUNTS**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 / thinly traded securities are valued in good faith and in true and fair manner through appropriate valuation policies and procedures.

For securities having residual maturity of less than 60 days are valued on the basis of amortisation or reference prices as per the valuation policy. With effect from 29th November 2013, securities having residual maturity of more than 60 days are valued based on the scrip level prices provided by AMFI approved agencies viz., CRISIL & ICRA in line with AMFI Circular No.42/2013-14 dated 19th November 2013.

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.

(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	31.03.2015 TO 31.03.2015
Average daily net asset value	3,875.83
Management fee @ 0.195% of average daily net asset value.	0.0208

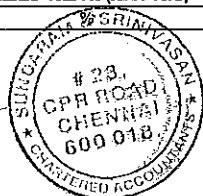
3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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	31.03.2015 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	3137.266
%	80.94%
SALES VALUE (AMOUNT)	-
	0.00%



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	31.03.2015 TO 31.03.2015
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.	-
% to the asset under management	0.00%

6. INCOME / EXPENDITURE

The total income and expenditure (excluding deferred revenue expenditure un-amortised) as a percentage of the daily average net assets, on an annualised basis, are given below.

DESCRIPTION	31.03.2015 TO 31.03.2015
INCOME	19.73%
EXPENDITURE	1.87%

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2015 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	31.03.2015 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	3.17
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
Amount paid to INDUSIND BANK (ASSOCIATE)	1.24

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

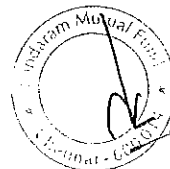
As Per Schedule-I

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

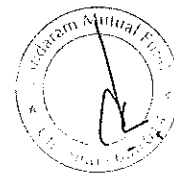


14 HISTORICAL PER UNIT STATISTICS

		31.03.2015 - 31.03.2015			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.0054			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) income from profit on sale of investment to third parties	0.0000			
	(iv) transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.0005			
(C)	Net income	0.0049			
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0350			
		Regular Growth	Direct Growth	Regular Dividend	Direct Dividend
(E)	Net Assets Value	10.0000	10.0000	10.0000	10.0000
(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	1.87%			
(H)	Ratio of gross income to average daily net assets by percentage	19.73%			

15 Computation of Distributable Income

	31.03.15
	Rs.
Net Income as per revenue account	189,632
Add : Balance of Undistributed income as at 1st April brought forward	-
	189,632
Less : Income Distributed during the year	-
Distributable Income	189,632



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



ANNEXURE - II

Sundaram Small Cap Series III	
EQUITY INSTRUMENTS	2014-15
Cement	50.54%
Industrial Capital Goods	49.46%
MUTUAL FUND	
FUND OF FUNDS	100%

ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM SELECT SMALL CAP SERIES - III						
Portfolio Statement as at March 31, 2015						
S.NO	ISIN CODE	Name of the Instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Investment
1	INE010A01011	A) Equity & Equity Related a) Listed / awaiting listing on Stock Exchange Prism Cement Ltd	Cement	75000	75.49	2.08%
2	INE839M01018	Schneider Electric Infrastructure Ltd	Industrial Capital Goods	34000	73.88	2.04%
		Sub Total			149.37	4.12%
		b) Preference / Right Shares Sub Total			-	0.00%
		c) Warrants Sub Total				
		d) Derivative Sub Total			-	0.00%
		Total for Equity & Equity Related			149.37	4.12%
		B) Debt Instruments a) Listed / awaiting listing on Stock Exchange Sub Total			-	0.00%
		b) Securitized Debt Instruments Sub Total			-	0.00%
		c) Govt Security Sub Total			-	0.00%
		d) Privately Placed / Unlisted Sub Total			-	0.00%
		Total for Debt Instruments			-	0.00%
		C) Money Market Instruments a) Certificate of Deposits Sub Total			-	0.00%
		b) Commercial Papers Sub Total			-	0.00%
		c) Treasury Bills Sub Total			-	0.00%
		d) Reverse Repo / CBLO CBLO Sub Total			473.23 473.23	13.06% 13.06%
		Total for Money Market Instruments			473.23	13.06%
		D) Mutual Fund Units a) Investment in Mutual Fund Units Sundaram Money Fund - Direct Growth Sub Total		10168629.78	3,001.45 3,001.45	82.82% 82.82%
		E) Others a) FDs with Commercial Banks Sub Total			-	0.00%
		b) Primary Market Application Sub Total			-	0.00%
		GRAND TOTAL			3,624.05	100.00%

