

# 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 TOP SERIES 100 - 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

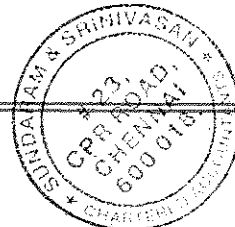
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM TOP SERIES 100 - 3 in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual 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.



**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 TOP SERIES 100 - 3 as at 31/03/2015
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM TOP SERIES 100 - 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 : 29<sup>th</sup> June 2015

  
K.SRINIVASAN  
Partner Membership No. 5809



**BALANCE SHEET AS AT 31st MARCH, 2015**

	SCHEDULE NO.	31-Mar-15
		Rs.
<b>LIABILITIES</b>		
Unit Capital	1	428,012,720
Reserves & Surplus	2	58,437,889
Current Liabilities & Provisions	3	1,431,266
		<b>487,881,875</b>
<b>ASSETS</b>		
Investments	4	487,469,846
Other Current Assets	5	412,029
		<b>487,881,875</b>


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)



Authorised Signatory

Place : Chennai  
Date : 29th June 2015

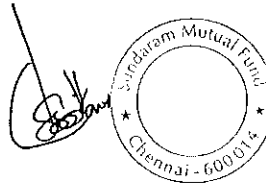
## REVENUE ACCOUNT FOR THE PERIOD FROM 31.07.2014 TO 31.03.2015

	Schedule No.	31.07.2014 TO 31.03.2015	
		Rs.	Rs.
<b>REVENUE</b>			
Dividend	6	2,352,012	
Interest		1,618,789	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		36,705,061	
<b>TOTAL (A)</b>		<b>40,675,862</b>	<b>40,675,862</b>
<b>EXPENSES</b>			
Management fee		2,553,258	
Service Tax on AMC Fees		315,583	
Trusteeship fee		15,672	
Custodian charges		89,569	
Commission to Agents		6,537,821	
Audit fee		13,990	
Other Operating expenses		18,172	
Investor Education Fees		62,687	
<b>TOTAL (B)</b>		<b>9,606,752</b>	<b>9,606,752</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>31,069,110</b>
<b>Surplus / (Deficit) transferred to Balance Sheet</b>			<b>31,069,110</b>
Notes on Accounts	8		

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 : 29th June 2015

**SCHEDULE : 1****Unit Capital**

	31/03/2015	
	Units	Rs.
<b>Initial capital</b>		
Unit Capital	42,801,272	428,012,720
Opening Capital	-	-
Add: Units sold during the Period	42,801,272	428,012,720
Less : Units repurchased during the Period	42,801,272	428,012,720
Units at the end of the Period	42,801,272	428,012,720
		<b>428,012,720</b>

**SCHEDULE : 2****Reserves & Surplus**

	31/03/2015	
	Rs.	Rs.
<b>General Reserve</b>		
Opening Balance	-	-
Add / (Less): Transfer from Revenue Account	31,069,110	31,069,110
<b>Unrealised appreciation reserve</b>		
Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the period	27,368,779	27,368,779
Unrealised Appreciation Reserve (Schedule 7)		27,368,779
		<b>58,437,889</b>

**SCHEDULE : 3****Current Liabilities & Provisions**

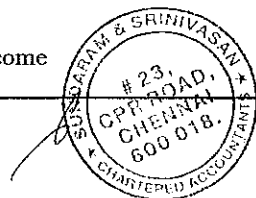
	31/03/2015	
	Rs.	
Sundry Creditors	1,396,070	
Others	35,196	
	<b>1,431,266</b>	

**SCHEDULE : 4****Investments**

	31/03/2015	
	Rs.	
Equity Shares - Listed	472,362,737	
Units of Domestic Mutual Fund	15,007,271	
Others - Reverse Repo / CBLO	99,838	
	<b>487,469,846</b>	

**SCHEDULE : 5****Other Current Assets**

	31/03/2015	
	Rs.	
Balance with banks in Current Accounts	411,604	
CBLO Margin Account	292	
Repo Margin Account	106	
Outstanding and accrued Income	27	
	<b>412,029</b>	



**SCHEDULE : 6**

**Interest**

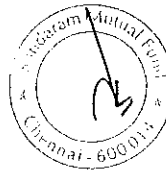
	<b>31.07.2014 TO 31.03.2015</b>
	Rs.
Interest from banks and others	1,618,789
	<b>1,618,789</b>

**SCHEDULE : 7**

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

	<b>31/03/2015</b>
	Rs.
<b>Appreciation in Value of Investments</b>	
Equity Shares	27,361,508
Units of Domestic Mutual Fund	7,271
<b>Appreciation in Value of Investments (schedule 2)</b>	<b>27,368,779</b>

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**SUNDARAM MUTUAL FUND**  
**SUNDARAM TOP 100 SERIES - III**  
Schedules forming part of the Balance Sheet as at 31-Mar-2015  
and the Revenue Account for the Period from 31.07.2014 TO 31.03.2015

**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.

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.

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)

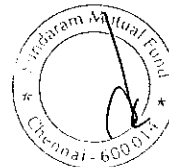
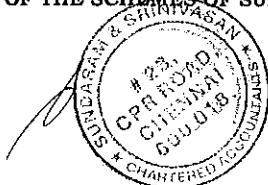
**2. INVESTMENT MANAGER FEES**

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

Description	31.07.2014 TO 31.03.2015
Average daily net asset value	4,688.28
Management fee @ 0.81% of average daily net asset value.	25.53

**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	31.07.2014 TO 31.03.2015
<b>PURCHASE VALUE (AMOUNT)</b>	<b>5,718.76</b>
%	121.98%
<b>SALES VALUE (AMOUNT)</b>	<b>1,485.80</b>
%	31.69%

**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	31.07.2014 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	31.07.2014 TO 31.03.2015
<b>INCOME</b>	<b>12.98%</b>
<b>EXPENDITURE</b>	<b>3.07%</b>

**7. CONTINGENT LIABILITY**

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

**8. AMOUNT PAID TO SPONSORS / ASSOCIATES**

	31.07.2014 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	36.25
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
Amount paid to INDUSIND BANK (ASSOCIATE)	18.01

**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. PORTFOLIO DISCLOSURE**

Full portfolio of the scheme is given in Annexure - III

**11. MOVEMENT IN UNIT CAPITAL**

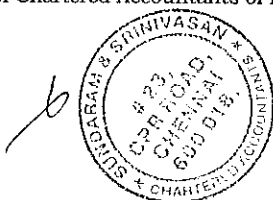
As Per Schedule-I

**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

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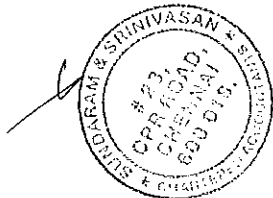
		31.07.2014 - 31.03.2015			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.0928			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) income from profit on sale of investment to third parties	0.8576			
	(iv) transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.2245			
(C)	Net income	0.7259			
(D)	Net unrealised appreciation/(diminution) in value of investments	0.6394			
		Regular Plan		Direct Plan	
		Growth Option	Dividend Option	Growth Option	Dividend Option
(E)	Net Assets Value	11.3627	11.3627	11.5260	11.5260
(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	3.07%			
(H)	Ratio of gross income to average daily net assets by percentage	12.98%			

\* includes entry load as applicable

## 15 Computation of Distributable Income

	31.03.15
	Rs.
Net Income as per revenue account	31,069,110
Add : Balance of Undistributed income as at 1st April brought forward	-
	31,069,110
Less : Income Distributed during the year	-
Distributable Income	31,069,110

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

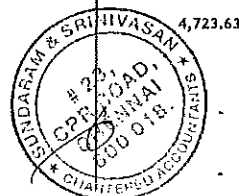
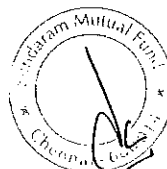


## ANNEXURE - II

Sundaram Top Series III	
EQUITY INSTRUMENTS	2014-15
AUTOMOBILE	12.71%
ENERGY	8.58%
FINANCIAL SERVICES	31.95%
INDUSTRIAL MANUFACTURING	7.85%
IT	12.37%
METALS	4.50%
PHARMA	8.57%
MUTUAL FUND	
FUND OF FUND	100.00%

## ANNEXURE - III

SUNDARAM MUTUAL FUND						
SUNDARAM TOP 100 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
		<b>A) Equity &amp; Equity Related</b>				
		<b>a) Listed / awaiting listing on Stock Exchange</b>				
1	INE009A01021	Infosys Ltd	IT	12000	266.20	5.46%
2	INE090A01021	ICICI Bank Ltd	FINANCIAL SERVICES	76775	242.23	4.97%
3	INE040A01026	HDFC Bank Ltd	FINANCIAL SERVICES	23000	235.22	4.83%
4	INE018A01030	Larsen and Toubro Ltd	CONSTRUCTION	13505	232.24	4.76%
5	INE062A01020	State Bank of India	FINANCIAL SERVICES	67270	179.64	3.69%
6	INE238A01034	Axis Bank Ltd	FINANCIAL SERVICES	30000	168.06	3.45%
7	INE465A01025	Bharat Forge Ltd	INDUSTRIAL MANUFACTURING	12000	153.22	3.14%
8	INE155A01022	Tata Motors Ltd	AUTOMOBILE	27000	148.55	3.05%
9	INE326A01037	Lupin Ltd	PHARMA	7321	147.03	3.02%
10	INE669C01036	Tech Mahindra Ltd	IT	23200	146.09	3.00%
11	INE213A01029	Oil and Natural Gas Corporation Ltd	ENERGY	41414	126.87	2.60%
12	INE528G01019	Yes Bank Ltd	FINANCIAL SERVICES	15000	122.36	2.51%
13	INE467B01029	Tata Consultancy Services Ltd	IT	4758	121.52	2.49%
14	INE585B01010	Maruti Suzuki India Ltd	AUTOMOBILE	3259	120.50	2.47%
15	INE029A01011	Bharat Petroleum Corp Ltd	ENERGY	14336	116.24	2.38%
16	INE002A01018	Reliance Industries Ltd	ENERGY	14000	115.64	2.37%
17	INE166A01011	ING Vysya Bank Ltd	FINANCIAL SERVICES	12000	112.27	2.30%
18	INE044A01036	Sun Pharmaceutical Industries Ltd	PHARMA	10406	106.55	2.19%
19	INE001A01036	Housing Development Finance Corporation Ltd	FINANCIAL SERVICES	7743	101.87	2.09%
20	INE089A01023	DrReddy's Laboratories Ltd	PHARMA	2913	101.63	2.08%
21	INE160A01022	Punjab National Bank	FINANCIAL SERVICES	65425	94.47	1.94%
22	INE012A01025	ACC Ltd	CEMENT & CEMENT PRODUCTS	5857	91.53	1.88%
23	INE208A01029	Ashok Leyland Ltd	AUTOMOBILE	120000	87.96	1.80%
24	INE628A01036	UPL Ltd	FERTILISERS & PESTICIDES	19806	87.57	1.80%
25	INE158A01026	Hero MotoCorp Ltd	AUTOMOBILE	3211	84.76	1.74%
26	INE522F01014	Coal India Ltd	METALS	22466	81.53	1.67%
27	INE101A01026	Mahindra and Mahindra Ltd	AUTOMOBILE	6766	80.37	1.65%
28	INE323A01026	Bosch Ltd	AUTOMOBILE	308	78.30	1.61%
29	INE028A01039	Bank Of Baroda	FINANCIAL SERVICES	47675	77.95	1.60%
30	INE258A01016	BEML Ltd	INDUSTRIAL MANUFACTURING	6766	74.22	1.52%
31	INE154A01025	ITC Ltd	CONSUMER GOODS	22715	74.02	1.52%
32	INE095A01012	IndusInd Bank Ltd	FINANCIAL SERVICES	7455	66.05	1.35%
33	INE115A01026	LIC Housing Finance Ltd	FINANCIAL SERVICES	14336	62.73	1.29%
34	INE298A01020	Cummins (India) Ltd	INDUSTRIAL MANUFACTURING	6560	57.77	1.19%
35	INE205A01025	Sesa Sterlite Ltd	METALS	29078	55.10	1.13%
36	INE021A01026	Asian Paints Ltd	CONSUMER GOODS	6550	53.14	1.09%
37	INE111A01017	Container Corporation of India Ltd	SERVICES	3198	50.65	1.04%
38	INE860A01027	HCL Technologies Ltd	IT	5132	50.31	1.03%
39	INE361B01024	Divi's Laboratories Ltd	PHARMA	2780	49.64	1.02%
40	INE117A01022	ABB India Ltd	INDUSTRIAL MANUFACTURING	3916	49.35	1.01%
41	INE081A01012	Tata Steel Ltd	METALS	15242	48.28	0.99%
42	INE280A01028	Titan Company Ltd	CONSUMER GOODS	12094	47.36	0.97%
43	INE242A01010	Indian Oil Corporation Ltd	ENERGY	12615	46.51	0.95%
44	INE171A01029	Federal Bank Ltd	FINANCIAL SERVICES	35043	46.27	0.95%
45	INE067A01029	Crompton Greaves Ltd	INDUSTRIAL MANUFACTURING	21693	36.01	0.74%
46	INE038A01020	Hindalco Industries Ltd	METALS	21579	27.84	0.57%
		<b>Sub Total</b>			<b>4,723.63</b>	<b>96.90%</b>
		<b>b) Preference / Right Shares</b>				
		<b>Sub Total</b>				<b>0.00%</b>
		<b>c) Warrants</b>				
		<b>Sub Total</b>				
		<b>d) Derivative</b>				
		<b>Sub Total</b>				<b>0.00%</b>
		<b>Total for Equity &amp; Equity Related</b>			<b>4,723.63</b>	<b>96.90%</b>
		<b>B) Debt Instruments</b>				
		<b>a) Listed / awaiting listing on Stock Exchange</b>				
		<b>Sub Total</b>				<b>0.00%</b>
		<b>b) Securitized Debt Instruments</b>				
		<b>Sub Total</b>				<b>0.00%</b>



1	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		1.00	0.02%
	Sub Total		1.00	0.02%
	Total for Money Market Instruments		1.00	0.02%
	D) Mutual Fund Units			
	a) Investment In Mutual Fund Units Sundaram Money Fund - Direct Growth Sub Total	508431.489	150.07	3.08%
	E) Others		150.07	3.08%
	a) FDs with Commercial Banks Sub Total		-	0.00%
	b) Primary Market Application Sub Total		-	0.00%
	GRAND TOTAL		4,874.70	100.00%

