

# 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 100 SERIES - 1** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2016 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 100 SERIES - 1** 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 :



**SUNDARAM & SRINIVASAN**

CHARTERED ACCOUNTANTS

23, C.P. RAMASWAMY ROAD,  
ALWARPET, CHENNAI - 600 018.

a. In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM TOP 100 SERIES - 1** as at 31/03/2016

b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund **SUNDARAM TOP 100 SERIES - 1** for the Year ended on 31/03/2016.


**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 : 30th June 2016

  
K.SRINIVASAN  
Partner  
Membership No. 5809



**BALANCE SHEET AS AT 31st MARCH, 2016**

	SCHEDULE NO.	31-Mar-16	31-Mar-15
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	603,841,220	603,841,220
Reserves & Surplus	2	60,165,515	109,923,298
Current Liabilities & Provisions	3	8,058,485	3,035,652
		<b>672,065,220</b>	<b>716,800,170</b>
<b>ASSETS</b>			
Investments	4	657,190,239	716,387,215
Other Current Assets	5	14,874,981	412,955
		<b>672,065,220</b>	<b>716,800,170</b>

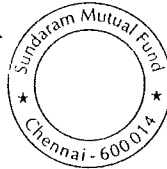
Notes on Accounts

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As per our Report of even date

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

**For**  
**Sundaram Mutual Fund**



Authorized Signatory

K Srinivasan  
Partner  
(M.NO : 5809)



Place : Chennai  
Date : 30th June 2016

## REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

	Schedule No.	01.04.15-31.03.2016		06.06.2014 -31.03.2015	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Dividend		9,897,935		7,093,165	
Interest	6	1,551,940		1,212,332	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		95,136,514	
Other Income		2,692		-	
<b>TOTAL (A)</b>		<b>11,452,567</b>	11,452,567	<b>103,442,011</b>	<b>103,442,011</b>
<b>EXPENSES</b>					
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		12,863,295		-	
Management fee		13,986,156		4,529,920	
Service Tax on AMC Fees		1,970,602		559,898	
Trusteeship fee		34,424		27,773	
Custodian charges		188,232		127,858	
Commission to Agents		4,142,521		11,671,574	
Audit fee		17,290		20,939	
Investor Education Fees		137,700		111,092	
Other Operating Expenses		16,549		20,518	
SEBI Fees		9,223		-	
<b>TOTAL (B)</b>		<b>33,365,992</b>	33,365,992	<b>17,069,572</b>	<b>17,069,572</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>(21,913,425)</b>		<b>86,372,439</b>
			<b>(21,913,425)</b>		<b>86,372,439</b>
Less: Income Distributed		-		-	
Distribution Tax		-		-	16,941,832
<b>Surplus / (Deficit) transferred to Balance Sheet</b>			<b>(21,913,425)</b>		<b>69,430,607</b>

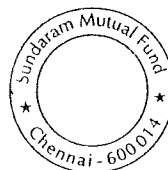
Notes on Accounts

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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 : 30th June 2016

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

	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	60,384,122	603,841,220	60,384,122	603,841,220
<b>Unit Capital</b>				
Opening Capital	60,384,122	603,841,220	-	-
Add: Units sold during the Year			60,384,122	603,841,220
	60,384,122	603,841,220	60,384,122	603,841,220
Units at the end of the Year	60,384,122	603,841,220	60,384,122	603,841,220
		<u>603,841,220</u>		<u>603,841,220</u>

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

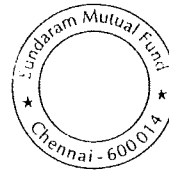
	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
<b>General Reserve</b>				
Opening Balance	69,430,607		-	
Add / (Less): Transfer from Revenue Account	(21,913,425)		69,430,607	
		47,517,182		69,430,607
<b>Unrealised appreciation reserve</b>				
Opening Balance	40,492,691		-	
Add/(Less) Net unrealized appreciation for the Year	(27,844,358)		40,492,691	
		12,648,333		40,492,691
Unrealised Appreciation Reserve (Schedule 7)				
		<u>60,165,515</u>		<u>109,923,298</u>

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

	31/03/2016	31/03/2015
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	736,889	2,981,366
Contract for Purchase of Investments	7,308,897	-
Others	12,699	54,286
	<u>8,058,485</u>	<u>3,035,652</u>



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

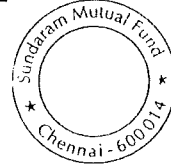
	31/03/2016	31/03/2015
	Rs.	Rs.
Equity Shares	640,182,159	710,784,711
Units of Domestic Mutual Fund	10,008,080	5,502,666
Others - Reverse Repo / CBLO	7,000,000	99,838
	<b>657,190,239</b>	<b>716,387,215</b>

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

	31/03/2016	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	7,490,824	412,560
Contract for Sale of Investments	6,813,546	-
CBLO Margin Account	195,904	270
Repo Margin Account	338,073	98
Outstanding and accrued Income	36,634	27
	<b>14,874,981</b>	<b>412,955</b>



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**SCHEDULE : 6**

**Interest**

	<b>01.04.15- 31.03.2016</b>	<b>2014-2015</b>
	Rs.	Rs.
Interest from banks and others	1,551,940	1,212,332
	<b>1,551,940</b>	<b>1,212,332</b>

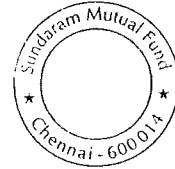
**SCHEDULE : 7**

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

	<b>31/03/2016</b>	<b>31/03/2015</b>
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Equity Shares	12,640,253	40,490,025
Units of Domestic Mutual Fund	8,080	2,666
<b>Appreciation in Value of Investments (schedule 2)</b>	<b>12,648,333</b>	<b>40,492,691</b>

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**SUNDARAM MUTUAL FUND**  
**SUNDARAM TOP 100 SERIES - I**  
**Schedules forming part of the Balance Sheet as at 31-Mar-2016**  
**and the Revenue Account for the Year ended 31-Mar-2016**

**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.

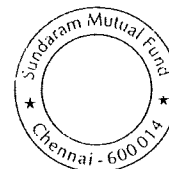
(ii) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.

(iii) Income on investments is accounted on accrual basis.

(iv) 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	01.04.15-31.03.16	06.06.14-31.03.15
Average daily net asset value	6,884.42	6,781.18
Management fee @ 2.03% of average daily net asset value.(Previous year 0.82%)	139.86	45.30

**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	01.04.15-31.03.16	06.06.14-31.03.15
<b>PURCHASE VALUE (AMOUNT)</b>	<b>2,604.90</b>	<b>8,959.14</b>
%	37.84%	132.12%
<b>SALES VALUE (AMOUNT)</b>	<b>2,858.80</b>	<b>3,152.55</b>
%	41.53%	46.49%

**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. :

Description	31.03.16	31.03.15
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.	-	-
% to the asset under management	0.00%	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.

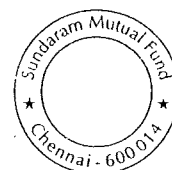
DESCRIPTION	01.04.15-31.03.16	06.06.14-31.03.15
<b>INCOME</b>	<b>1.66%</b>	<b>18.62%</b>
<b>EXPENDITURE#</b>	<b>2.98%</b>	<b>3.07%</b>

# Total expenses charged includes service tax on management fees charged to the investor over and above

the normal expense charged as per SEBI CIR/IMD/DF/21/2012 dated September 13,2012.

**7. CONTINGENT LIABILITY**

Contingent liability as at 31st March 2016 is Rs. Nil. Previous Year Rs. Nil

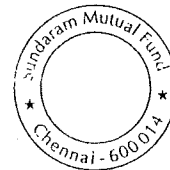


15 HISTORICAL PER UNIT STATISTICS		STOP1							
		01.04.15-31.03.2016				06.06.2014 -31.03.2015			
		Rs.				Rs.			
(A)	Gross Income								
	(I) Income other than profit on sale of investment	0.1896				0.1375			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000				0.0000			
	(iii) income from profit on sale of investment to third parties	-0.2130				1.5755			
	(iv) transfer to revenue account from past year's reserves								
(B)	Aggregate of expenses, write off, amortisation and charges	0.3395				0.2827			
(C)	Net Income	-0.3629				1.4304			
(D)	Net unrealised appreciation/(diminution) in value of investments	0.2095				0.6706			
		Regular Growth	Direct Growth	Regular Dividend	Direct Dividend	Regular Growth	Direct Growth	Regular Dividend	Direct Dividend
(E)	Net Assets Value	11.2662	11.5317	10.7795	11.039	12.1114	12.3250	11.5881	11.7984
(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	10.0000	10.0000	10.0000	10.0000
	Lowest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.98%				3.07%			
(H)	Ratio of gross income to average daily net assets by percentage	1.66%				18.62%			

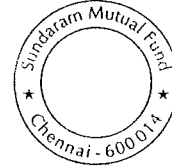
16 Computation of Distributable Income

	31.03.16	31.03.15
	Rs.	Rs.
Net Income as per revenue account	(21,913,425)	69,430,607
Add : Balance of Undistributed income as at 1st April brought forward	69,430,607	-
	47,517,182	69,430,607
Less : Income Distributed during the year	-	-
Distributable Income	47,517,182	69,430,607

17. Previous year figures have been regrouped wherever necessary to confirm with the current year's classification



ANNEXURE-II		
SUNDARAM TOP 100 SERIES - 1		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
<b>Equity Instruments</b>		
<b>Listed / awaiting listing on Stock Exchange</b>		
AUTO	15.88%	12.34%
BANKS	22.83%	0.00%
ENERGY	0.00%	7.35%
FINANCE	7.45%	32.81%
INDUSTRIAL MANUFACTURING	0.00%	9.40%
IT	0.00%	11.28%
METALS	0.00%	5.09%
PHARMA	0.00%	9.58%
PETROLEUM PRODUCTS	12.00%	0.00%
SOFTWARE	14.05%	0.00%
<b>Mutual Fund Units</b>		
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%	100.00%



SUNDARAM MUTUAL FUND						
SUNDARAM TOP 100 SERIES - 1						
Portfolio Statement as at 31 March 2016						
S.NO	ISIN CODE	Name of the instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
		<b>A) Equity &amp; Equity Related</b>				
		<b>a) Listed / awaiting listing on Stock Exchange</b>				
1	INE040A01026	HDFC Bank Ltd	Banks	43833	469.52	7.07%
2	INE009A01021	Infosys Ltd	Software	38179	465.13	7.00%
3	INE002A01018	Reliance Industries Ltd	Petroleum Products	42567	444.91	6.70%
4	INE090A01021	ICICI Bank Ltd	Banks	120730	285.71	4.30%
5	INE585B01010	Maruti Suzuki India Ltd	Auto	7010	260.51	3.92%
6	INE155A01022	TATA Motors Ltd	Auto	61896	239.29	3.60%
7	INE018A01030	Larsen & Toubro Ltd	Construction Project	19220	233.85	3.52%
8	INE918I01018	Bajaj Finserv Ltd	Finance	11500	196.78	2.96%
9	INES28G01019	Yes Bank Ltd	Banks	22000	190.31	2.87%
10	INE208A01029	Ashok Leyland Ltd	Auto	166093	180.38	2.72%
11	INE467B01029	Tata Consultancy Services Ltd	Software	6770	170.62	2.57%
12	INE237A01028	Kotak Mahindra Bank Ltd	Banks	25000	170.16	2.56%
13	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	18388	166.28	2.50%
14	INE881D01027	Oracle Financial Services Software Ltd	Software	4526	159.74	2.41%
15	INE242A01010	Indian Oil Corporation Ltd	Petroleum Products	39890	157.01	2.36%
16	INE062A01020	State Bank of India Ltd	Banks	79105	153.66	2.31%
17	INE115A01026	LIC Housing Finance Ltd	Finance	30570	150.76	2.27%
18	INE481G01011	Ultratech Cement Ltd	Cement	4646	150.01	2.26%
19	INE158A01026	Hero Motocorp Ltd	Auto	4891	144.07	2.17%
20	INE298A01020	Cummins India Ltd	Industrial Products	16964	142.80	2.15%
21	INE628A01036	United Phosphorous Ltd	Pesticides	29596	141.38	2.13%
22	INE238A01034	Axis Bank Ltd	Banks	30645	136.11	2.05%
23	INE154A01025	ITC Ltd	Consumer Non Durable	40839	134.05	2.02%
24	INE589A01014	Neyvelli Lignite Corporation Ltd	Power	185958	132.31	1.99%
25	INE001A01036	Housing Development Finance Corporation Ltd	Finance	11700	129.36	1.95%
26	INE917I01010	Bajaj Auto Ltd	Auto	4369	105.12	1.58%
27	INE669C01036	Tech Mahindra Ltd	Software	21920	104.11	1.57%
28	INE522F01014	Coal India Ltd	Minerals/Mining	33300	97.22	1.46%
29	INE935A01035	GlenMark Pharmaceuticals Ltd	Pharmaceuticals	11721	93.19	1.40%
30	INE021A01026	Asian Paints Ltd	Consumer Non Durable	10564	91.74	1.38%
31	INE256A01028	Zee Entertainment Enterprises Ltd	Media & Entertainment	23111	89.43	1.35%
32	INE101A01026	Mahindra & Mahindra Ltd	Auto	7208	87.27	1.31%
33	INE361B01024	Divi's Laboratories Ltd	Pharmaceuticals	8746	86.34	1.30%
34	INE089A01023	Dr. Reddy's Laboratories Ltd	Pharmaceuticals	2668	80.98	1.22%
35	INE258A01016	BEML Ltd	Industrial Capital Goods	7233	75.52	1.14%
36	INE117A01022	Asea Brown Boveri (I) Ltd	Industrial Capital Goods	5730	73.47	1.11%
37	INE111A01017	Container Corporation of India Ltd	Transportation	4570	56.82	0.86%
38	INE692A01016	Union Bank of India	Banks	42639	55.77	0.84%
39	INE059A01026	Cipla Ltd	Pharmaceuticals	10747	55.02	0.83%
40	INE510A01028	Engineers India Ltd	Construction Project	26525	45.12	0.68%
		<b>Sub Total</b>			<b>6401.82</b>	<b>96.41%</b>
		<b>Total for Equity &amp; Equity Related</b>			<b>6401.82</b>	<b>96.41%</b>
		<b>B) Money Market Instruments</b>				
		<b>a) Reverse Repo / CBLO</b>				
1		364 Days T Bill Maturing on 14/04/2016			70.00	1.05%
		<b>Sub Total</b>			<b>70.00</b>	<b>1.05%</b>
		<b>Total for Money Market Instruments</b>			<b>70.00</b>	<b>1.05%</b>
		<b>C) Mutual Fund Units</b>				
		<b>a) Investment in Mutual Fund Units</b>				
1		Sundaram Money Fund - Direct Growth		313188.035	100.08	1.51%
		<b>Sub Total</b>			<b>100.08</b>	<b>1.51%</b>
		Cash & Other Net Current Assets			68.15	1.03%
		<b>GRAND TOTAL</b>			<b>6640.05</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

