

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 - 3** 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 - 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 :



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 - 3** as at 31/03/2016
- b. In the case of Revenue Account of the Deficit of Sundaram Mutual fund **SUNDARAM TOP 100 SERIES - 3** for the Year ended on 31/03/2016.

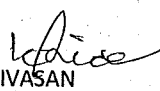
5. Report on Other Legal and Regulatory Requirements

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.
LIABILITIES			
Unit Capital	1	428,012,720	428,012,720
Reserves & Surplus	2	25,665,047	58,437,889
Current Liabilities & Provisions	3	5,527,032	1,431,266
		459,204,799	487,881,875
ASSETS			
Investments	4	448,985,812	487,469,846
Other Current Assets	5	10,218,987	412,029
		459,204,799	487,881,875

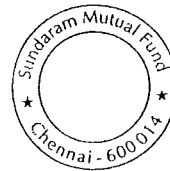
Notes on Accounts

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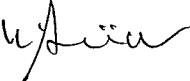
As per our Report of even date

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

For
Sundaram Mutual Fund

Authorised Signatory


K Srinivasan
Partner
(M.NO : 5809)



Place : Chennai
Date : 30th June 2016

SCHEDULE : 1**Unit Capital**

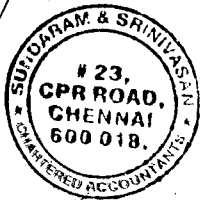
	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	42,801,272	428,012,720	42,801,272	428,012,720
Unit Capital Opening Capital	42,801,272	428,012,720	-	-
Add: Units sold during the Year	-	-	42,801,272	428,012,720
	42,801,272	428,012,720	42,801,272	428,012,720
Less : Units repurchased during the Year	-	-	-	-
Units at the end of the Year	42,801,272	428,012,720	42,801,272	428,012,720
		<u>428,012,720</u>		<u>428,012,720</u>

SCHEDULE : 2**Reserves & Surplus**

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	31,069,110	-	-	-
Add /(Less): Transfer from Revenue Account	(12,966,044)	18,103,066	31,069,110	31,069,110
Unrealised appreciation reserve Opening Balance	27,368,779	-	-	-
Add/(Less) Net unrealized appreciation for the Year	(19,806,798)	7,561,981	27,368,779	27,368,779
Unrealised Appreciation Reserve (Schedule 7)		<u>7,561,981</u>		<u>27,368,779</u>
		<u>25,665,047</u>		<u>58,437,889</u>

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2016	31/03/2015
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	524,968	1,396,070
Contract for Purchase of Investments	4,993,389	-
Others	8,675	35,196
	<u>5,527,032</u>	<u>1,431,266</u>

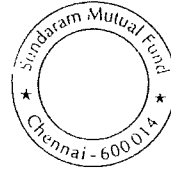


SCHEDULE : 4**Investments**

	31/03/2016	31/03/2015
	Rs.	Rs.
Equity Shares	437,379,752	472,362,737
Units of Domestic Mutual Fund	7,506,060	15,007,271
Others - Reverse Repo / CBLO	4,100,000	99,838
	448,985,812	487,469,846

SCHEDULE : 5**Other Current Assets**

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	5,193,870	411,604
Contract for Sale of Investments	4,691,337	-
CBLO Margin Account	113,604	292
Repo Margin Account	196,048	106
Outstanding and accrued Income	24,128	27
	10,218,987	412,029



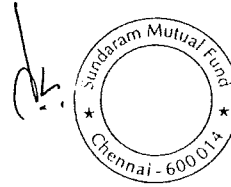
SCHEDULE : 6**Interest**

	01.04.2015 - 31.03.2016
	Rs.
Interest from banks and others	1,092,661
	1,092,661

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

	31/03/2015
	Rs.
Appreciation in Value of Investments	
Equity Shares	7,555,921
Units of Domestic Mutual Fund	6,060
Appreciation in Value of Investments (schedule 2)	7,561,981

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SUNDARAM MUTUAL FUND
SUNDARAM TOP 100 SERIES - III
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.

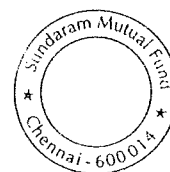
Bonus/Rights entitlements are recognised on ex-bonus /ex- rights dates.

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	01.04.2015 to 31.03.2016	31.07.2014 TO 31.03.2015
Average daily net asset value	4,700.94	4,688.28
Management fee @ 2.03% of average daily net asset value.(Previous Year 0.81%)	95.51	25.53

**3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT
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	01.04.2015 to 31.03.2016	31.07.2014 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	1,836.79	5,718.76
%	39.07%	121.98%
SALES VALUE (AMOUNT)	1,995.49	1,485.80
%	42.45%	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	31.03.2016	31.03.2015
Aggregate Fair Value of non traded / thinly traded	-	-
% 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	01.04.2015 to 31.03.2016	31.07.2014 TO 31.03.2015
INCOME	1.67%	12.98%
EXPENDITURE#	2.98%	3.07%

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

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.2015 to 31.03.2016	31.07.2014 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	36.25
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Amount paid to INDUSIND BANK (ASSOCIATE)@	NIL	18.01

@ Indusind Bank ceased to be an associate with effect from 27 June 2015

9. TOTAL VALUE OF INVESTMENTS FALLING UNDER EACH MAJOR INDUSTRY GROUP

(% 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 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/21/DF/21/2012 dated September 13, 2012. Accordingly accrued balance is transferred on periodic basis to a separate bank account maintained for the purpose. These funds are utilized by the AMC in accordance with SEBI Regulations.

The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.



15 HISTORICAL PER UNIT STATISTICS

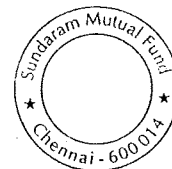
STOP3

	01.04.2015 - 31.03.2016				31.07.2014 - 31.03.2015			
	Rs.				Rs.			
(A) Gross income								
(i) income other than profit on sale of investment	0.1829				0.0928			
(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	-0.1590				0.8576			
(iv) transfer to revenue account from past year's reserves								
(B) Aggregate of expenses, write off, amortisation and charges	0.3268				0.2245			
(C) Net income	-0.3029				0.7259			
(D) Net unrealised appreciation/(diminution) in value of investments	0.1767				0.6394			
	Regular Growth	Direct Growth	Regular Dividend	Direct Dividend	Regular Growth	Direct Growth	Regular Dividend	Direct Dividend
(E) Net Assets Value Z	10.5961	10.8111	10.5961	10.8111	11.3627	11.5260	11.3627	11.5260
(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	1.67%				12.98%			

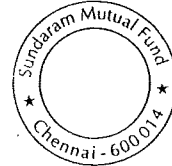
16 Computation of Distributable Income

	31.03.16	31.03.15
	Rs.	Rs.
Net Income as per revenue account	(12,966,044)	31,069,110
Add : Balance of Undistributed income as at 1st April brought forward	31,069,110	-
	18,103,066	31,069,110
Less : Income Distributed during the year	-	-
Distributable Income	18,103,066	31,069,110

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



ANNEXURE-II		
SUNDARAM TOP 100 SERIES - 3		
% of total Investments within the classification		
	31-Mar-16	31-Mar-15
Equity Instruments		
Listed / awaiting listing on Stock Exchange		
AUTO	15.78%	12.71%
BANKS	22.89%	0.00%
ENERGY	0.00%	8.58%
FINANCE	7.37%	31.95%
INDUSTRIAL MANUFACTURING	0.00%	7.85%
IT	0.00%	12.37%
METALS	0.00%	4.50%
PHARMA	0.00%	8.57%
PETROLEUM PRODUCTS	12.13%	0.00%
SOFTWARE	14.19%	0.00%
Mutual Fund Units		
SUNDARAM MONEY FUND - DIRECT GROWTH	100.00%	100.00%



SUNDARAM MUTUAL FUND						
SUNDARAM TOP 100 SERIES - 3						
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
A) Equity & Equity Related						
a) Listed / awaiting listing on Stock Exchange						
1	INE040A01026	HDFC Bank Ltd	Banks	29974	321.07	7.08%
2	INE009A01021	Infosys Ltd	Software	26070	317.61	7.00%
3	INE002A01018	Reliance Industries Ltd	Petroleum Products	28994	303.05	6.68%
4	INE090A01021	ICICI Bank Ltd	Banks	82688	195.68	4.31%
5	INE585B01010	Maruti Suzuki India Ltd	Auto	4782	177.71	3.92%
6	INE018A01030	Larsen & Toubro Ltd	Construction Project	13505	164.32	3.62%
7	INE155A01022	TATA Motors Ltd	Auto	42212	163.19	3.60%
8	INE918I01018	Bajaj Finserv Ltd	Finance	7850	134.32	2.96%
9	INE528G01019	Yes Bank Ltd	Banks	15000	129.76	2.86%
10	INE208A01029	Ashok Leyland Ltd	Auto	113404	123.16	2.71%
11	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	13300	120.27	2.65%
12	INE467B01029	Tata Consultancy Services Ltd	Software	4758	119.92	2.64%
13	INE237A01028	Kotak Mahindra Bank Ltd	Banks	17400	118.43	2.61%
14	INE881D01027	Oracle Financial Services Software Ltd	Software	3083	108.81	2.40%
15	INE242A01010	Indian Oil Corporation Ltd	Petroleum Products	27270	107.33	2.37%
16	INE062A01020	State Bank of India Ltd	Banks	54063	105.02	2.31%
17	INE115A01026	LIC Housing Finance Ltd	Finance	20810	102.62	2.26%
18	INE481G01011	Ultratech Cement Ltd	Cement	3160	102.03	2.25%
19	INE298A01020	Cummins India Ltd	Industrial Products	11643	98.01	2.16%
20	INE628A01036	United Phosphorous Ltd	Pesticides	19806	94.61	2.09%
21	INE158A01026	Hero Motocorp Ltd	Auto	3211	94.59	2.08%
22	INE238A01034	Axis Bank Ltd	Banks	20952	93.06	2.05%
23	INE154A01025	ITC Ltd	Consumer Non Durable	27868	91.48	2.02%
24	INE589A01014	Neyveli Lignite Corporation Ltd	Power	127146	90.46	1.99%
25	INE001A01036	Housing Development Finance Corporation Ltd	Finance	7743	85.61	1.89%
26	INE669C01036	Tech Mahindra Ltd	Software	15633	74.25	1.64%
27	INE917I01010	Bajaj Auto Ltd	Auto	2982	71.75	1.58%
28	INE522F01014	Coal India Ltd	Minerals/Mining	22466	65.59	1.45%
29	INE935A01035	GlenMark Pharmaceuticals Ltd	Pharmaceuticals	7991	63.53	1.40%
30	INE256A01028	Zee Entertainment Enterprises Ltd	Media & Entertainment	15790	61.10	1.35%
31	INE101A01026	Mahindra & Mahindra Ltd	Auto	4935	59.75	1.32%
32	INE021A01026	Asian Paints Ltd	Consumer Non Durable	6550	56.88	1.25%
33	INE089A01023	Dr. Reddy's Laboratories Ltd	Pharmaceuticals	1820	55.24	1.22%
34	INE361B01024	Divi's Laboratories Ltd	Pharmaceuticals	5560	54.89	1.21%
35	INE258A01016	BEML Ltd	Industrial Capital Good	5015	52.36	1.15%
36	INE117A01022	Asea Brown Boveri (I) Ltd	Industrial Capital Good	3916	50.21	1.11%
37	INE111A01017	Container Corporation of India Ltd	Transportation	3198	39.76	0.88%
38	INE692A01016	Union Bank of India	Banks	29134	38.11	0.84%
39	INE059A01026	Cipla Ltd	Pharmaceuticals	7325	37.50	0.83%
40	INE510A01028	Engineers India Ltd	Construction Project	18088	30.77	0.68%
Sub Total					4373.80	96.41%
Total for Equity & Equity Related					4373.80	96.41%
B) Money Market Instruments						
a) Reverse Repo / CBLO						
1		364 Days T Bill Maturing on 14/04/2016			41.00	0.90%
Sub Total					41.00	0.90%
Total for Money Market Instruments					41.00	0.90%
C) Mutual Fund Units						
a) Investment in Mutual Fund Units						
1		Sundaram Money Fund - Direct Growth		234891.026	75.06	1.65%
Sub Total					75.06	1.65%
Cash & Other Net Current Assets					46.91	1.03%
GRAND TOTAL					4536.76	100.00%

** Thinly traded / Non Traded securities

