

**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-III** as at 31/03/2017, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2017 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 TOP 100-SERIES-III** 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.

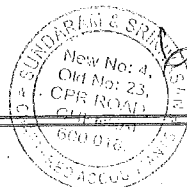
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**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 100-SERIES-III** as at 31/03/2017.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM TOP 100-SERIES-III** for the Year ended on 31/03/2017:



**SUNDARAM & SRINIVASAN**  
**CHARTERED ACCOUNTANTS**  
**23, C.P. RAMASWAMY ROAD,**  
**ALWARPET, CHENNAI - 600 018.**


**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:0042075)**

Place: Chennai  
Date : 23<sup>rd</sup> June 2017

  
K.SRINIVASAN  
Partner  
Membership No. 5809



**BALANCE SHEET AS AT 31st MARCH, 2017**

DESCRIPTION	SCHEDULE NO.	31-Mar-17	31-Mar-16
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	428,012,720	428,012,720
Reserves & Surplus	2	122,542,622	25,665,047
Current Liabilities & Provisions	3	1,435,613	5,527,032
		<b>551,990,955</b>	<b>459,204,799</b>
<b>ASSETS</b>			
Investments	4	550,040,342	448,985,812
Other Current Assets	5	1,950,613	10,218,987
		<b>551,990,955</b>	<b>459,204,799</b>

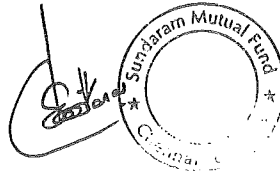
Notes on Accounts

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As per our Report of even date

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

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



*K. Srinivasan*  
K Srinivasan  
Partner  
(M.NO : 5809)



Authorised Signatory

Place : Chennai  
Date : 23rd June 2017

**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017**

Description	Sch No.	2016-17		2015-16	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Dividend		7,586,894		6,734,703	
Interest	6	797,776		1,092,661	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		36,580,624		-	
Other Income		4,114		2,438	
		<b>44,969,408</b>		<b>7,829,802</b>	
<b>TOTAL (A)</b>			<b>44,969,408</b>		<b>7,829,802</b>
<b>EXPENSES</b>					
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		-		6,807,096	
Management Fees		11,425,835		9,550,675	
Service Tax on Management Fees		1,705,120		1,345,709	
Custodian Fees		136,325		141,078	
Trusteeship Fees		24,965		23,505	
Commission to Agent		1,725,219		2,810,609	
Audit Fees		20,746		15,446	
Other Operating Expenses		14,514		17,939	
Investor Education Fees		99,856		94,027	
		<b>15,152,580</b>		<b>20,806,083</b>	
Less : Amount absorbed by AMC		-		10,237	
<b>TOTAL (B)</b>			<b>15,152,580</b>		<b>20,795,846</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>29,816,828</b>		<b>(12,966,044)</b>
<b>Less: Income Distributed</b>		12,151,656		-	
Distribution Tax		-	<b>12,151,656</b>	-	
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>17,665,172</b>		<b>(12,966,044)</b>

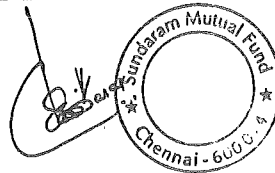
Notes on Accounts

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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 : 23rd June 2017

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

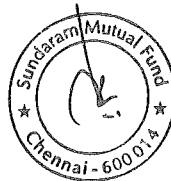
Description	31/03/2017		31/03/2016	
	Units	Rs.	Units	Rs.
Initial capital	42,801,272	428,012,720	42,801,272	428,012,720
<b>Unit Capital</b>				
Opening Capital	42,801,272	428,012,720	42,801,272	428,012,720
Add: Units sold during the Year	-	-	-	-
	42,801,272	428,012,720	42,801,272	428,012,720
Less : Units repurchased during the Year	-	-	-	-
	42,801,272	428,012,720	42,801,272	428,012,720
Units at the end of the Year	42,801,272	428,012,720	42,801,272	428,012,720
		<b>428,012,720</b>		<b>428,012,720</b>

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

Description	31/03/2017		31/03/2016	
	Rs.	Rs.	Rs.	Rs.
<b>General Reserve</b>				
Opening Balance	18,103,066		31,069,110	
Add /(Less): Transfer from Revenue Account	17,665,172	35,768,238	(12,966,044)	18,103,066
<b>Unrealised Appreciation Reserve</b>				
Opening Balance	7,561,981		27,368,779	
Add/(Less): Net unrealized appreciation for the Year	79,212,403		(19,806,798)	
Unrealised Appreciation Reserve (Schedule 7)		86,774,384		7,561,981
		<b>122,542,622</b>		<b>25,665,047</b>

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Sundry Creditors	1,356,942	524,968
Contract for Purchase of Investments	-	4,993,389
Others	78,671	8,675
	<b>1,435,613</b>	<b>5,527,032</b>

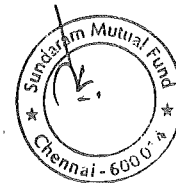
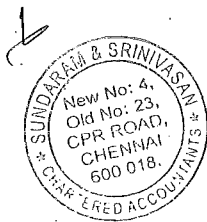


**SCHEDULE : 4****Investments**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Equity Shares	527,440,342	437,379,752
Units of Domestic Mutual Fund	-	7,506,060
Others - Reverse Repo / CBLO	22,600,000	4,100,000
	<b>550,040,342</b>	<b>448,985,812</b>

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	277,702	5,193,870
Contract for Sale of Investments	-	4,691,337
CBLO Margin Account	294,354	113,604
Repo Margin Account	1,323,765	196,048
Outstanding and accrued Income	54,792	24,128
	<b>1,950,613</b>	<b>10,218,987</b>

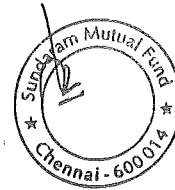


**SCHEDULE : 6****Interest**

Description	2016-17	2015-16
	Rs.	Rs.
Interest from banks and others	797,776	1,092,661
	<b>797,776</b>	<b>1,092,661</b>

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Equity Shares	86,774,384	7,555,921
Units of Domestic Mutual Fund	-	6,060
<b>Appreciation in Value of Investments (schedule 2)</b>	<b>86,774,384</b>	<b>7,561,981</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM TOP 100-SERIES-III**  
**Schedules forming part of the Balance Sheet as at 31-Mar-2017**  
**and the Revenue Account for the Year ended 31-Mar-2017**

**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.

**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**

- 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	2016-17	2015-16
Average daily net asset value	4,992.37	4,700.94
Management fee @ 2.29% of average daily net asset value.(Previous year 2.03%)	114.26	95.51

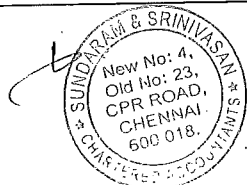
**3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND:**

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	2016-17	2015-16
<b>PURCHASE VALUE (AMOUNT)</b>	2,084.63	1,836.79
%	41.76%	39.07%
<b>SALES VALUE (AMOUNT)</b>	2,417.02	1,995.49
%	48.41%	42.45%





**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	2016-17	2015-16
INCOME	9.01%	1.67%
EXPENDITURE#	3.04%	2.98%

#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.

**7. CONTINGENT LIABILITY**

Contingent liability as at 31st March 2017 is Rs. Nil. Previous year Rs. Nil

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

NIL

**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. UNCLAIMED REDEMPTION AND UNCLAIMED DIVIDEND AMOUNT**

The details of unclaimed redemption and unclaimed dividend are disclosed in Annexure VI.

**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/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. 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. Movement of IEAI balances are provided in Annexure VII.

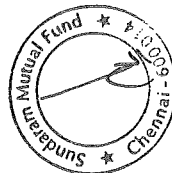


16 HISTORICAL PER UNIT STATISTICS	01.04.2016 to 31.03.2017		01.04.2015 to 31.03.2016		31.07.2014 to 31.03.2015											
	Rs.		Rs.		Rs.											
(A) Gross income																
(i) Income other than profit on sale of investment		0.1960		0.1829		0.0928										
(ii) Income from profit on liner scheme sales/transfer of investments		0.0000		0.0000		0.0000										
(iii) Income from profit on sale of investment to third parties		0.8547		-0.1590		0.8576										
(iv) transfer to revenue account from past year's reserves		0.0000		0.0000		0.0000										
(B) Aggregate of expenses, write off, amortisation and charges		0.3540		0.3286		0.2245										
(C) Net income		0.6667		-0.3029		0.7259										
(D) Net unrealised appreciation/(diminution) in value of investments		2.0274		0.1767		0.6394										
(E) Net Assets Value	Regular Growth	13.1557	Regular Dividend	12.6313	Direct Growth	13.4717	Direct Dividend	12.9463	Regular Growth	10.5961	Regular Dividend	10.5961	Direct Growth	10.8111	Direct Dividend	10.8111
(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		NA		NA		NA		NA
Lowest ongoing sale price		NA		NA		NA		NA		NA		NA		NA		NA
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage																
(H) Ratio of gross income to average daily net assets by percentage																

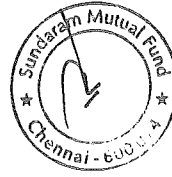
## 17 Computation of Distributable Income

	31.03.2017	31.03.2016
	Rs.	Rs.
Net income as per revenue account	29,816,828	(12,966,044)
Add: Balance of Undistributed income as at 1st April brought forward	18,103,066	31,069,110
	47,919,894	18,103,066
Less: Income Distributed during the year	12,151,666	-
Distributable Income	35,768,228	18,103,066

18 Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's classification.



ANNEXURE-II		
SUNDARAM TOP 100-SERIES-III		
% of total Investments within the classification		
	31-Mar-17	31-Mar-16
<b>Equity Instruments</b>		
<b>Listed / awaiting listing on Stock Exchange</b>		
AUTO	11.74%	15.78%
BANKS	27.54%	22.89%
CONSUMER NON DURABLES	7.58%	0.00%
FINANCE	9.50%	7.37%
INDUSTRIAL PRODUCTS	5.79%	0.00%
PETROLEUM PRODUCTS	14.69%	12.13%
SOFTWARE	6.96%	14.19%
<b>Mutual Fund Units</b>		
SUNDARAM MONEY FUND - DIRECT GROWTH	0.00%	100.00%



SUNDARAM MUTUAL FUND						
Sundaram TOP 100-Series-III						
Portfolio Statement as at 31 March 2017						
Sl 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	28360	409.11	7.43%
2	INE002A01018	Reliance Industries Ltd	Petroleum Products	28994	382.98	6.96%
3	INE237A01028	Kotak Mahindra Bank Ltd Ltd	Banks	39899	348.00	6.32%
4	INE918I01018	Bajaj Finserv Ltd	Finance	7850	321.72	5.84%
5	INE009A01021	Infosys Ltd	Software	28873	295.15	5.36%
6	INE242A01010	Indian Oil Corporation Ltd	Petroleum Products	71278	275.88	5.01%
7	INE090A01021	ICICI Bank Ltd	Banks	94208	260.81	4.74%
8	INE154A01025	ITC Ltd	Consumer Non Durables	81811	229.32	4.17%
9	INE298A01020	Cummins India Ltd	Industrial Products	20382	193.52	3.51%
10	INE585B01010	Maruti Suzuki India Ltd	Auto	3167	190.52	3.46%
11	INE528G01019	Yes Bank Ltd	Banks	11974	185.21	3.36%
12	INE158A01026	Hero MotoCorp Ltd	Auto	5065	163.19	2.96%
13	INE733E01010	NTPC Ltd	Power	96476	160.15	2.91%
14	INE101A01026	Mahindra & Mahindra Ltd	Auto	12312	158.44	2.88%
15	INE062A01020	State Bank of India	Banks	51010	149.66	2.72%
16	INE029A01011	Bharat Petroleum Corporation Ltd	Petroleum Products	17804	115.70	2.10%
17	INE465A01025	Bharat Forge Ltd	Industrial Products	10719	111.70	2.03%
18	INE628A01036	UPL Ltd	Pesticides	15075	109.58	1.99%
19	INE018A01030	Larsen & Toubro Ltd	Construction Project	6804	107.16	1.95%
20	INE021A01026	Asian Paints Ltd	Consumer Non Durables	9723	104.38	1.90%
21	INE238A01034	Axis Bank Ltd	Banks	20306	99.66	1.81%
22	INE481G01011	Ultratech Cement Ltd	Cement	2367	94.32	1.71%
23	INE115A01026	LIC Housing Finance Ltd	Finance	14242	88.08	1.60%
24	INE256A01028	Zee Entertainment Enterprises Ltd	Media & Entertainment	15790	84.56	1.54%
25	INE155A01022	Tata Motors Ltd	Auto	17831	83.07	1.51%
26	INE117A01022	ABB India Ltd	Industrial Capital Goods	5874	75.18	1.37%
27	INE669C01036	Tech Mahindra Ltd	Software	15633	71.78	1.30%
28	INE192A01025	Tata Global Beverages Ltd	Consumer Non Durables	43875	66.05	1.20%
29	INE263A01024	Bharat Electronics Ltd	Industrial Capital Goods	37480	58.75	1.07%
30	INE774D01024	Mahindra & Mahindra Financial Services Ltd	Finance	18442	58.07	1.05%
31	INE059A01026	Cipla Ltd	Pharmaceuticals	7325	43.43	0.79%
32	INE012A01025	ACC Ltd	Cement	2927	42.33	0.77%
33	INE111A01017	Container Corporation of India Ltd	Transportation	3198	40.73	0.74%
34	INE935A01035	GlenMark Pharmaceuticals Ltd	Pharmaceuticals	4570	38.94	0.71%
35	INE001A01036	Housing Development Finance Corporation Ltd	Finance	2211	33.21	0.60%
36	INE208A01029	Ashok Leyland Ltd	Auto	28441	24.05	0.44%
		<b>Total for Equity &amp; Equity Related</b>			<b>5274.40</b>	<b>95.80%</b>
		<b>(B) Money Market Instruments</b>				
1		Reverse Repo			226.00	4.10%
		<b>Total for Money Market Instruments</b>			<b>226.00</b>	<b>4.10%</b>
		Cash and Other Net Current Assets			5.15	0.09%
		<b>Grand Total</b>			<b>5505.55</b>	<b>100.00%</b>

