

**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 LONG TERM TAX ADVANTAGE FUND SR.1 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**

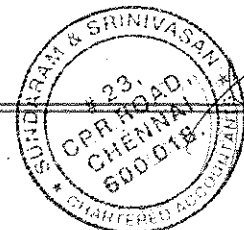
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund SUNDARAM LONG TERM TAX ADVANTAGE FUND SR.1 in accordance with the Eleventh Schedule of Securities and Exchange Board 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.



**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 LONG TERM TAX ADVANTAGE FUND SR.1 as at 31/03/2015

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM LONG TERM TAX ADVANTAGE FUND SR.1 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	258,199,850
Reserves & Surplus	2	3,648,815
Current Liabilities & Provisions	3	11,672,195
		<b>273,520,860</b>
<b>ASSETS</b>		
Investments	4	272,356,901
Other Current Assets	5	1,163,959
		<b>273,520,860</b>

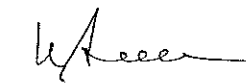
Notes on Accounts

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

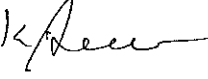
## REVENUE ACCOUNT FOR THE PERIOD FROM 26.03.2015 TO 31.03.2015

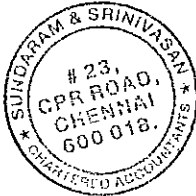
	Schedule No.	26.03.2015 TO 31.03.2015	
		Rs.	Rs.
<b>REVENUE</b>			
Interest	6	499,184	
		<b>499,184</b>	
<b>TOTAL (A)</b>			<b>499,184</b>
<b>EXPENSES</b>			
Management fee		29,216	
Service Tax on AMC Fees		3,611	
Trusteeship fee		212	
Custodian charges		4,508	
Audit fee		11,236	
Other Operating expenses		66,729	
Investor Education Fees		849	
		<b>116,361</b>	
<b>TOTAL (B)</b>			<b>116,361</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>382,823</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>382,823</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)



Authorized Signatory

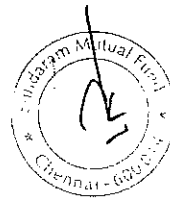
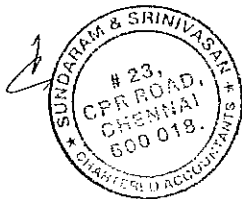
Place : Chennai  
Date : 29th June 2015

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

	31-03-2015	
	Units	Rs.
<b>Initial capital</b>	25,819,985	258,199,850
<b>Unit Capital</b>		
Opening Capital	-	-
Add: Units sold during the Period	25,819,985	258,199,850
Less : Units repurchased during the Period	-	-
Units at the end of the Period	25,819,985	258,199,850
		<b>258,199,850</b>

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

	31-03-2015	
	Rs.	Rs.
<b>General Reserve</b>		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	382,823	382,823
<b>Unrealised appreciation reserve</b>		
Opening Balance	-	-
Add/(Less) Net unrealized appreciation for the period	3,265,992	3,265,992
Unrealised Appreciation Reserve (Schedule 7)		3,265,992
		<b>3,648,815</b>



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

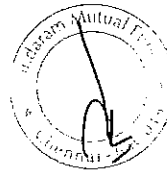
	<b>31-03-2015</b>
	<b>Rs.</b>
Sundry Creditors	169,503
Contract for Purchase of Investments	11,498,752
Others	3,940
	<b>11,672,195</b>

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

	<b>31-03-2015</b>
	<b>Rs.</b>
Equity Shares - Listed	69,285,929
Units of Domestic Mutual Fund	190,092,094
Others - Reverse Repo / CBLO	12,978,878
	<b>272,356,901</b>

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

	<b>31-03-2015</b>
	<b>Rs.</b>
Balance with banks in Current Accounts	567,989
CBLO Margin Account	434,568
Repo Margin Account	157,881
Outstanding and accrued Income	3,521
	<b>1,163,959</b>

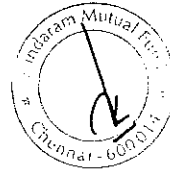


**SCHEDULE : 6****Interest**

	<b>26.03.2015 TO 31.03.2015</b>
	<b>Rs.</b>
Interest from banks and others	499,184
	<b>499,184</b>

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

	<b>31-03-2015</b>
	<b>Rs.</b>
<b>Appreciation in Value of Investments</b>	
Equity Shares	3,173,898
Units of Domestic Mutual Fund	92,094
<b>Appreciation in Value of Investments (schedule 2)</b>	<b>3,265,992</b>



**SUNDARAM MUTUAL FUND**  
**SUNDARAM LONG TERM TAX ADVANTAGE FUND**  
**Schedules forming part of the Balance Sheet as at 31-Mar-2015**  
**and the Revenue Account for the Period from 26.03.2015 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.
- (i) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (ii) 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**

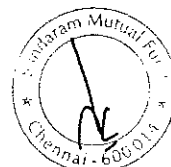
Management fee is computed on daily average net assets as under:

Description	26.03.2015 TO 31.03.2015
Average daily net asset value	2,595.12
Management fee @ 0.68% of average daily net asset value.	0.29

**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	26.03.2015 TO 31.03.2015
PURCHASE VALUE (AMOUNT)	2,561.12
%	98.69%
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	26.03.2015 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	26.03.2015 TO 31.03.2015
INCOME	11.70%
EXPENDITURE	2.73%

**7. CONTINGENT LIABILITY**

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

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

	04.07.2014 TO 31.03.2015
Sundaram Finance Ltd (Sponsor)	4.68
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL
Amount paid to INDUSIND BANK (ASSOCIATE)	5.24

**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**

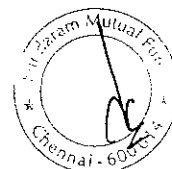
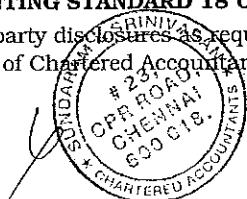
As Per Schedule-I

**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

		26.03.2015 - 31.03.2015			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.0193			
	(ii) income from profit on inter scheme sales/transfer of investments	-			
	(iii) income from profit on sale of investment to third parties	-			
	(iv) transfer to revenue account from past year's reserves				
(B)	Aggregate of expenses, write off, amortisation and charges	0.0045			
(C)	Net income	0.0148			
(D)	Net unrealised appreciation/(diminution) in value of investments	0.1265			
		Regular Plan		Direct Plan	
		Growth Option	Dividend Option	Growth Option	Dividend Option
(E)	Net Assets Value	10.1412	10.1412	10.1443	10.1443
(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	2.73%			
(H)	Ratio of gross income to average daily net assets by percentage	11.70%			

## 15 Computation of Distributable Income

	31.03.15
	Rs.
Net Income as per revenue account	382,823
Add : Balance of Undistributed income as at 1st April brought forward	-
	382,823
Less : Income Distributed during the year	-
Distributable Income	382,823

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



SUNDARAM LONG TERM TAX FUND SERIES 1	
EQUITY INSTRUMENTS	2014-15
CEMENT & CEMENT PRODUCTS	39.55%
INDUSTRIAL MANUFACTURING	38.28%
FINANCIAL SERVICES	11.13%
CEMENT & CEMENT PRODUCTS	39.55%
MUTUAL FUND	
FUND OF FUND	100%

SUNDARAM MUTUAL FUND						
SUNDARAM LONG TERM TAX SERIES 1						
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	INE010A01011	Prism Cement Ltd	CEMENT & CEMENT PRODUCTS	240000	241.56	8.87%
2	INE457F01013	Salzer Electronics Ltd	INDUSTRIAL MANUFACTURING	43274	101.17	3.71%
3	INES28G01019	Yes Bank Ltd	FINANCIAL SERVICES	9452	77.10	2.83%
4	INE227C01017	M M Forgings Ltd	INDUSTRIAL MANUFACTURING	8081	54.81	2.01%
5	INE839M01018	Schneider Electric Infrastructure Ltd	INDUSTRIAL MANUFACTURING	25000	54.33	1.99%
6	INE331A01037	The Ramco Cements Ltd	CEMENT & CEMENT PRODUCTS	10634	32.45	1.19%
7	INE419M01019	TD Power Systems Ltd	INDUSTRIAL MANUFACTURING	8172	29.35	1.08%
8	INE018A01030	Larsen and Toubro Ltd	CONSTRUCTION	1607	27.63	1.01%
9	INE177A01018	Ingersoll Rand India Ltd	INDUSTRIAL MANUFACTURING	2520	25.58	0.94%
10	INE034A01011	Arvind Ltd	TEXTILES	9566	25.03	0.92%
11	INE863B01011	Premier Explosives Ltd	CHEMICALS	8999	21.67	0.80%
12	INE825A01012	Vardhman Textiles Ltd	TEXTILES	400	2.17	0.08%
		<b>Sub Total</b>			<b>692.86</b>	<b>25.44%</b>
		<b>b) Preference / Right Shares</b>				
		<b>Sub Total</b>			-	0.00%
		<b>c) Warrants</b>				
		<b>Sub Total</b>				
		<b>d) Derivative</b>				
		<b>Sub Total</b>			-	0.00%
		<b>Total for Equity &amp; Equity Related</b>			<b>692.86</b>	<b>25.44%</b>
		<b>B) Debt Instruments</b>				
		<b>a) Listed / awaiting listing on Stock Exchange</b>				
		<b>Sub Total</b>			-	0.00%
		<b>b) Securitized Debt Instruments</b>				
		<b>Sub Total</b>			-	0.00%
		<b>c) Govt Security</b>				
		<b>Sub Total</b>			-	0.00%
		<b>d) Privately Placed / Unlisted</b>				
		<b>Sub Total</b>			-	0.00%
		<b>Total for Debt Instruments</b>			-	0.00%
		<b>C) Money Market Instruments</b>				
		<b>a) Certificate of Deposits</b>				
		<b>Sub Total</b>			-	0.00%
		<b>b) Commercial Papers</b>				
		<b>Sub Total</b>			-	0.00%
		<b>c) Treasury Bills</b>				
		<b>Sub Total</b>			-	0.00%
		<b>d) Reverse Repo / CBLO</b>				
		<b>CBLO</b>			129.79	4.77%
		<b>Sub Total</b>			129.79	4.77%
		<b>Total for Money Market Instruments</b>			129.79	4.77%
		<b>D) Mutual Fund Units</b>				
		<b>a) Investment in Mutual Fund Units</b>				
		Sundaram Money fund - Direct Growth		6440132.192	1,900.92	69.80%
		<b>Sub Total</b>			1,900.92	69.80%
		<b>E) Others</b>				
		<b>a) FDs with Commercial Banks</b>				
		<b>Sub Total</b>			-	0.00%
		<b>b) Primary Market Application</b>				
		<b>Sub Total</b>			-	0.00%
		<b>GRAND TOTAL</b>			<b>2,723.57</b>	<b>100.00%</b>

