

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 LONG TERM TAX ADVANTAGE FUND SERIES-I** 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 LONG TERM TAX ADVANTAGE FUND SERIES-I** 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.

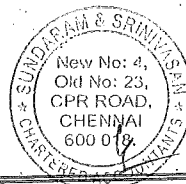
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 LONG TERM TAX ADVANTAGE FUND SERIES-I** as at 31/03/2017.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM LONG TERM TAX ADVANTAGE FUND SERIES-I** 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

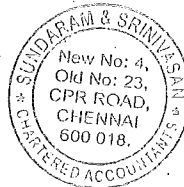
As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

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:004207S)**

Place: Chennai
Date : 23rd 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.
LIABILITIES			
Unit Capital	1	25,81,99,850	25,81,99,850
Reserves & Surplus	2	4,90,13,014	(2,42,38,846)
Current Liabilities & Provisions	3	7,33,678	5,97,376
		30,79,46,542	23,45,58,380
ASSETS			
Investments	4	30,62,99,759	23,39,24,836
Other Current Assets	5	16,46,783	6,33,544
		30,79,46,542	23,45,58,380

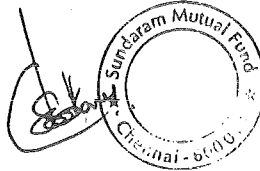
Notes on Accounts

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As per our Report of even date

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

For
Sundaram Mutual Fund



[Handwritten Signature]
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.
REVENUE					
Dividend	6	36,15,400		24,52,020	
Interest		10,12,009		12,40,026	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		1,87,86,610		15,54,134	
Net diminution on sale of investments written back		2,25,74,757		-	
Other Income		5,988		3,530	
TOTAL (A)		4,59,94,764	4,59,94,764	52,49,710	52,49,710
EXPENSES					
Net diminution in value of investment	7	-		2,25,74,757	
Management Fees		62,27,927		49,65,567	
Service Tax on Management Fees		9,29,598		6,99,865	
Custodian Fees		1,29,505		83,267	
Trusteeship Fees		13,715		12,347	
Commission to Agent		9,29,737		14,55,638	
Audit Fees		7,590		7,876	
Other Operating expenses		11,843		22,677	
Investor Education Fees		54,858		49,385	
TOTAL (B)			83,04,773	83,04,773	2,98,71,379
SURPLUS / (DEFICIT) (A-B)			3,76,89,991		(2,46,21,669)
Surplus /(Deficit) transferred to Balance Sheet			3,76,89,991		(2,46,21,669)

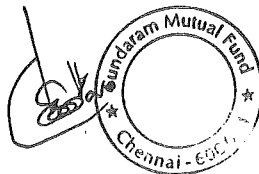
Notes on Accounts

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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

SCHEDULE : 1**Unit Capital**

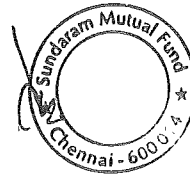
Description	31/03/2017		31/03/2016	
	Units	Rs.	Units	Rs.
Initial capital	2,58,19,985	25,81,99,850	2,58,19,985	25,81,99,850
Unit Capital Opening Capital	2,58,19,985	25,81,99,850	2,58,19,985.00	25,81,99,850
Add: Units sold during the year	-	-	-	-
	2,58,19,985	25,81,99,850	2,58,19,985	25,81,99,850
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	2,58,19,985	25,81,99,850	2,58,19,985	25,81,99,850
	25,81,99,850		25,81,99,850	

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2017		31/03/2016	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	(2,42,38,846)		3,82,823	
Add/(Less): Transfer from Revenue Account	3,76,89,991		(2,46,21,669)	
		1,34,51,145		(2,42,38,846)
Unrealised Appreciation Reserve Opening Balance			32,65,992	
Add/(Less): Net unrealized appreciation for the year	3,55,61,869		(32,65,992)	
Unrealised Appreciation Reserve (Schedule 7)		3,55,61,869		-
		4,90,13,014		(2,42,38,846)

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Sundry Creditors	6,95,451	5,78,867
Contract for Purchase of Investments	-	14,075
Others	38,227	4,434
	7,33,678	5,97,376

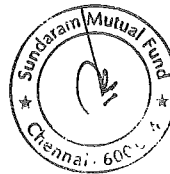


SCHEDULE : 4**Investments**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Equity Shares	28,82,99,759	23,15,24,836
Repo Investments	1,80,00,000	24,00,000
	30,62,99,759	23,39,24,836

SCHEDULE : 5**Other Current Assets**

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Balance with banks in Current Accounts	3,52,266	4,26,296
CBLO Margin Account	2,34,980	75,842
Repo Margin Account	10,56,751	1,30,880
Outstanding and accrued Income	2,786	526
	16,46,783	6,33,544

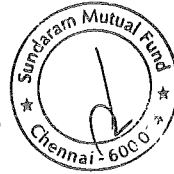


SCHEDULE : 6**Interest**

Description	2016-17	2015-16
	Rs.	Rs.
Interest from banks and others	10,12,009	12,40,026
	10,12,009	12,40,026

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

Description	31/03/2017	31/03/2016
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	3,55,61,869	-
Appreciation in Value of Investments (schedule 2)	3,55,61,869	-
Diminution in value of investments		
Equity Shares	-	2,25,74,757
Diminution in Value of Investments transferred to Revenue Account	-	2,25,74,757



SUNDARAM MUTUAL FUND
SUNDARAM LONG TERM TAX ADVANTAGE FUND SERIES-I
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

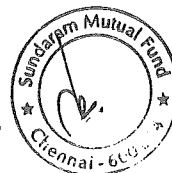
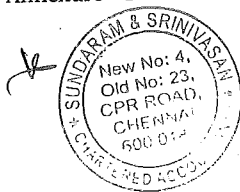
2. INVESTMENT MANAGER FEES

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

Description	2016-17	2015-16
Average daily net asset value	2,742.69	2,469.00
Management fee @ 2.27% of average daily net asset value. (Previous year 2.01%)	62.28	49.66

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
PURCHASE VALUE (AMOUNT)	2,321.37	2,914.38
%	84.64%	118.04%
SALES VALUE (AMOUNT)	2,522.85	2,950.05
%	91.98%	119.48%

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	16.77%	2.13%
EXPENDITURE#	3.03%	2.96%

#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

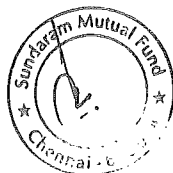
Related party disclosures as required by the Accounting Standard 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given as Annexure - IV

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.

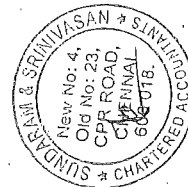
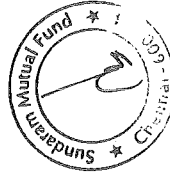


16 HISTORICAL PER UNIT STATISTICS	01.04.2016 to 31.03.2017		01.04.2015 to 31.03.2016		26.03.2015 to 31.03.2015	
	Rs.		Rs.		Rs.	
(A) Gross income						
(i) Income other than profit on sale of investment		1.0538		0.1431		0.0193
(ii) Income from profit on inter scheme sales/transfer of investments		0.0000		0.0000		0.0000
(iii) Income from profit on sale of investment to third parties		0.7276		0.0602		0.0000
(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		0.3216		1.1569		0.0045
(C) Net income		1.4597		-0.9536		0.0148
(D) Net unrealised appreciation/(diminution) in value of investments		1.3773		0.8743		0.1265
(E) Net Assets Value	Regular Growth	11.8946	Regular Growth	9.0594	Regular Growth	10.1412
	Direct Dividend	NA	Direct Dividend	NA	Direct Dividend	NA
	Direct Growth	12.0119	Direct Growth	9.1156	Direct Growth	10.1443
(F) Highest repurchase price	Regular Growth	NA	Regular Growth	NA	Regular Growth	NA
Lowest repurchase price	Direct Dividend	NA	Direct Dividend	NA	Direct Dividend	NA
Highest ongoing sale price	Direct Growth	NA	Direct Growth	NA	Direct Growth	NA
Lowest ongoing sale price	Regular Growth	NA	Regular Growth	NA	Regular Growth	10.0000
	Direct Dividend	NA	Direct Dividend	NA	Direct Dividend	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage		3.03%		2.86%		2.73%
(H) Ratio of gross income to average daily net assets by percentage		16.77%		2.13%		11.70%

17 Computation of Distributable Income

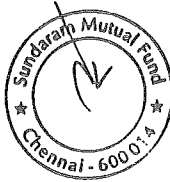
	31/03/2017	31/03/2016
	Rs.	Rs.
Net Income as per revenue account	3,76,89,991	(2,46,21,669)
Add : Balance of Undistributed income as at 1st April brought forward	(2,42,38,846)	3,82,823
Less : Income Distributed during the year	1,34,51,145	(2,42,38,846)
Distributable Income	1,34,51,145	(2,42,38,846)

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



ANNEXURE-II		
SUNDARAM LONG TERM TAX ADVANTAGE FUND SERIES I		
% of total Investments within the classification		
	31-Mar-17	31-Mar-16
Equity Instruments		
Listed / awaiting listing on Stock Exchange		
AUTO	4.48%	5.36%
BANKS	16.16%	31.05%
CEMENT	3.78%	21.50%
CHEMICALS	5.00%	0.00%
CONSUMER NON DURABLES	10.83%	0.00%
FINANCE	7.53%	0.00%
INDUSTRIAL PRODUCTS	2.59%	5.96%
PETROLEUM PRODUCTS	9.82%	9.83%
SOFTWARE	11.61%	0.00%

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SUNDARAM MUTUAL FUND							
Sundaram Long Term Tax Advantage Fund Series-I							
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	
		(A) Equity & Equity Related					
		(a) Listed / awaiting listing on Stock Exchange					
1	INE009A01021	Infosys Ltd	Software	15500	158.45	5.16%	
2	INE242A01010	Indian Oil Corporation Ltd	Petroleum Products	39000	150.95	4.91%	
3	INE002A01018	Reliance Industries Ltd	Petroleum Products	10000	132.09	4.30%	
4	INE040A01026	HDFC Bank Ltd	Banks	9000	129.83	4.23%	
5	INE154A01025	ITC Ltd	Consumer Non Durables	45000	126.14	4.11%	
6	INE062A01020	State Bank of India	Banks	40000	117.36	3.82%	
7	INE090A01021	ICICI Bank Ltd	Banks	40000	110.74	3.60%	
8	INE020B01018	Rural Electrification Corporation Ltd	Finance	54392	98.45	3.20%	
9	INE018A01030	Larsen & Toubro Ltd	Construction Project	5000	78.75	2.56%	
10	INE383A01012	The India Cements Ltd	Cement	47500	77.16	2.51%	
11	INE860A01027	HCL Technologies Ltd	Software	8500	74.35	2.42%	
12	INE669C01036	Tech Mahindra Ltd	Software	16000	73.46	2.39%	
13	INE237A01028	Kotak Mahindra Bank Ltd	Banks	8000	69.78	2.27%	
14	INE200M01013	Varun Beverages Ltd	Consumer Non Durables	17169	69.53	2.26%	
15	INE419M01019	TD Power Systems Ltd	Industrial Capital Goods	28423	65.63	2.14%	
16	INE628A01036	UPL Ltd	Pesticides	8850	64.33	2.09%	
17	INE030A01027	Hindustan Unilever Ltd	Consumer Non Durables	7000	63.82	2.08%	
18	INE034A01011	Arvind Ltd	Textile Products	16000	63.19	2.06%	
19	INE752E01010	Power Grid Corporation of India Ltd	Power	30000	59.19	1.93%	
20	INE180A01020	Max Financial Services Ltd	Finance	10000	57.70	1.88%	
21	INE733E01010	NTPC Ltd	Power	33000	54.78	1.78%	
22	INE492A01029	Clariant Chemicals (India) Ltd	Chemicals	7600	54.59	1.78%	
23	INE101A01026	Mahindra & Mahindra Ltd	Auto	4169	53.65	1.75%	
24	INE863B01011	Premier Explosives Ltd	Chemicals	15129	52.96	1.72%	
25	INE119A01028	Balrampur Chini Mills Ltd	Consumer Non Durables	36263	52.71	1.72%	
26	INE976A01021	West Coast Paper Mills Ltd	Paper	30000	52.59	1.71%	
27	INE462A01022	Bayer Cropscience Ltd	Pesticides	1371	52.05	1.69%	
28	INE075I01017	Healthcare Global Enterprises Ltd	Healthcare Services	22500	51.63	1.68%	
29	INE825A01012	Vardhman Textiles Ltd	Textiles - Cotton	3923	51.50	1.68%	
30	INE155A01022	Tata Motors Ltd	Auto	10000	46.59	1.52%	
31	INE349A01021	NRB Bearing Ltd	Industrial Products	40000	43.22	1.41%	
32	INE048G01018	Navin Fluorine International Ltd	Chemicals	1200	36.52	1.19%	
33	INE026A01025	Gujarat State Fertilizers & Chemicals Ltd	Fertilisers	27000	35.37	1.15%	
34	INE001A01036	Housing Development Finance Corporation Ltd	Finance	2250	33.80	1.10%	
35	INE481G01011	Ultratech Cement Ltd	Cement	800	31.88	1.04%	
36	INE298A01020	Cummins India Ltd	Industrial Products	3300	31.33	1.02%	
37	INE028A01039	Bank of Baroda	Banks	18000	31.13	1.01%	
38	INE246F01010	Gujarat State Petronet Ltd	Gas	19000	30.69	1.00%	
39	INE044A01036	Sun Pharmaceutical Industries Ltd	Pharmaceuticals	4400	30.28	0.99%	
40	INE347G01014	Petronet LNG Ltd	Gas	7500	30.24	0.98%	
41	INE158A01026	Hero MotoCorp Ltd	Auto	900	29.00	0.94%	
42	INE131A01031	Gujarat Mineral Development Corporation Ltd	Minerals/Mining	23500	28.75	0.94%	
43	INE868B01028	NCC Ltd	Construction Project	35000	28.68	0.93%	
44	INE201M01011	CL Educate Ltd	Software	6728	28.40	0.92%	
45	INE043D01016	IDFC Ltd	Finance	50000	27.25	0.89%	
46	INE522F01014	Coal India Ltd	Minerals/Mining	9000	26.34	0.86%	
47	INE213A01029	Oil & Natural Gas Corporation Ltd	Oil	5000	9.25	0.30%	
48	INE562A01011	Indian Bank	Banks	2500	6.96	0.23%	
		Total for Equity & Equity Related				2883.00	93.84%
		(B) Money Market Instruments					
1		Reverse Repo			180.00	5.86%	
		Total for Money Market Instruments				180.00	5.86%
		Cash and Other Net Current Assets				9.13	0.30%
		Grand Total				3072.13	100.00%

