

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 III** as at 31/03/2018, which comprise the Balance Sheet, the Revenue Account for the Period then ended 31/03/2018 and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

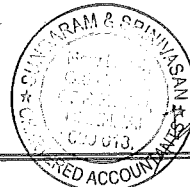
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Sundaram Mutual Fund **SUNDARAM LONG TERM TAX ADVANTAGE FUND SERIES III** in accordance with the Eleventh Schedule of Securities and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



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 SERIES III** as at 31/03/2018.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM LONG TERM TAX ADVANTAGE FUND SERIES III** for the Period ended on 31/03/2018.


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 : 29th June 2018


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2018

DESCRIPTION	SCHEDULE NO.	31-Mar-18
		Rs.
LIABILITIES		
Unit Capital	1	530,508,850
Reserves & Surplus	2	287,430
Current Liabilities & Provisions	3	156,970
		530,953,250
ASSETS		
Investments	4	459,198,062
Other Current Assets	5	71,755,188
		530,953,250

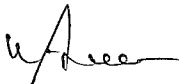
Notes on Accounts

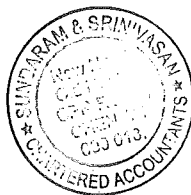
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As per our Report of even date

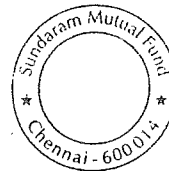
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)







Authorised Signatory

Place : Chennai
Date : 29th June 2018

REVENUE ACCOUNT FOR THE PERIOD FROM 28.03.2018 TO 31.03.2018

Description	Sch No.	28.03.2018 - 31.03.2018	
		Rs.	Rs.
REVENUE			
Interest	6	437,250	
Other Income		3	
		437,253	
TOTAL (A)			437,253
EXPENSES			
Management Fees		39,999	
Goods & Service Tax on Management Fees		7,200	
Transfer Agents Fees & Expenses		582	
Trusteeship Fees		291	
Commission to Agents		99,425	
Audit Fees		5,900	
Investor Education Fees		1,163	
		154,560	
Less: Amount absorbed by AMC		4,737	
TOTAL (B)			149,823
SURPLUS / (DEFICIT) (A-B)			287,430
Surplus / (Deficit) transferred to Balance Sheet			287,430

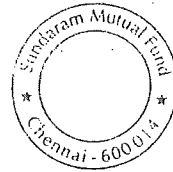
Notes on Accounts

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As per our Report of even date

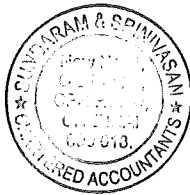
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Mutual Fund

Authorised Signatory


K Srinivasan
Partner
(M.NO : 5809)



Place : Chennai
Date : 29th June 2018

SCHEDULE : 1**Unit Capital**

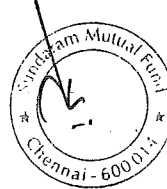
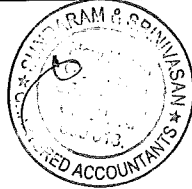
Description	31/03/2018	
	Units	Rs.
Initial capital	53,050,885	530,508,850
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	53,050,885	530,508,850
	53,050,885	530,508,850
Less : Units repurchased during the Period	-	-
Units at the end of the Period	53,050,885	530,508,850
		530,508,850

SCHEDULE : 2**Reserves & Surplus**

Description	31/03/2018	
	Rs.	Rs.
General Reserve		
Opening Balance	-	-
Add /(Less): Transfer from Revenue Account	287,430	287,430
		287,430

SCHEDULE : 3**Current Liabilities & Provisions**

Description	31/03/2018
	Rs.
Sundry Creditors	156,045
Others - Rates & Taxes	925
	156,970

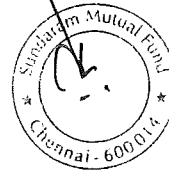


SCHEDULE : 4**Investments**

Description	31/03/2018
	Rs.
Others - Reverse Repo / CBLO	459,198,062
	459,198,062

SCHEDULE : 5**Other Current Assets**

Description	31/03/2018
	Rs.
Balance with banks in Current Accounts	5,649,676
CBLO Margin Account	38,960,220
Outstanding and accrued Income	201,292
Switch in Receivable	26,944,000
	71,755,188

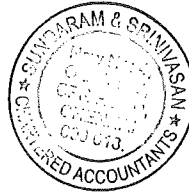
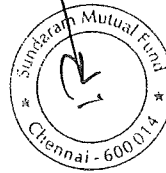


SCHEDULE : 6

Interest

Description	28.03.2018 - 31.03.2018
	Rs.
Interest from banks and others	437,250
	437,250

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SUNDARAM MUTUAL FUND
SUNDARAM LONG TERM TAX ADVANTAGE FUND SERIES III
Schedules forming part of the Balance Sheet as at 31-Mar-2018
and the Revenue Account for the Period from 28.03.2018 to 31.03.2018

SCHEDULE 7
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) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (ii) Interest Income on debt or money market instruments is accounted on accrual basis..
- (iii) 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:

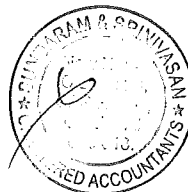
Description	28.03.2018 - 31.03.2018
Average daily net asset value	5,307.79
Management fee @ 0.69% of average daily net asset value.	0.40

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 : **NIL**



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. : **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	28.03.2018 - 31.03.2018
INCOME	7.52%
EXPENDITURE #	2.58%

Total expenses includes Goods & Service Tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996. - Refer Annexure IX for Planwise Expense Ratio.

7 CONTINGENT LIABILITY

Contingent liability as at 31st March 2018 is Rs. Nil.

8 AMOUNT PAID TO SPONSORS / ASSOCIATES

	28.03.2018 - 31.03.2018
Sundaram Finance Ltd (Sponsor)	16.87

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.

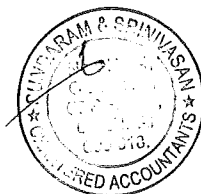
13 ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

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 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/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 and term deposits. Movement of IEAI balances are provided in Annexure VII.



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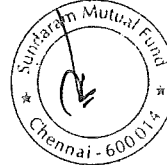
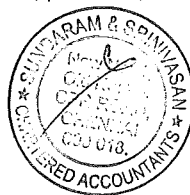
15 HISTORICAL PER UNIT STATISTICS

		28.03.2018 - 31.03.2018			
		Rs.			
(A)	Gross income				
	(i) income other than profit on sale of investment	0.0082			
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000			
	(iii) income from profit on sale of investment to third parties	0.0000			
	(iv) transfer to revenue account from past year's reserves	0.0000			
(B)	Aggregate of expenses, write off, amortisation and charges	0.0028			
(C)	Net income	0.0054			
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0000			
		Regular Growth	Regular Dividend	Direct Growth	Direct Dividend
(E)	Net Assets Value	10.0054	10.0054	10.0073	10.0073
(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	2.58%			
(H)	Ratio of gross income to average daily net assets by percentage	7.52%			

16 Computation of Distributable Income

	31.03.2018
	Rs.
Net Income as per revenue account	287,430
Add : Balance of Undistributed income as at 1st April brought forward	-
	287,430
Less : Income Distributed during the year	-
Distributable Income	287,430

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



SUNDARAM MUTUAL FUND						
Sundaram Long Term Tax Advantage Fund Series III						
Portfolio Statement as at 31 March 2018						
SL No	ISIN Code	Name of the instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
		(A) Money Market Instruments				
		(a) Reverse Repo / CBLO				
1		CBLO			4591.98	86.51
		Total for Money Market Instruments			4591.98	86.51
		Cash and Other Net Current Assets			715.97	13.49
		Grand Total			5307.96	100.00

