

AUDITORS REPORT

The Board of Trustees
Sundaram Mutual Fund
Chennai

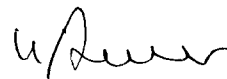
We have audited the attached Balance Sheet of Sundaram Mutual Fund - **SUNDARAM FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A** as at March 31, 2012 and the Revenue Account for the **Year** ended on **that date**. These financial statements are the responsibility of the management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the audit as indicated above, we report as follows:-

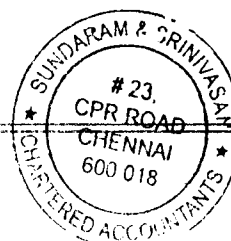
1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and Revenue Account are in agreement with the books of accounts of Sundaram Mutual Fund.
3. a) The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
b) In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes forming part of Accounts 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 the aforesaid Schemes of Sundaram Mutual Fund, **SUNDARAM FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A** as at March 31, 2012 and
 - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A** for the **Year** ended on **31/03/2012**.

For and on behalf of **SUNDARAM & SRINIVASAN**
CHARTERED ACCOUNTANTS (FRN No.: 004207S)



K. SRINIVASAN
PARTNER (M.No: 5809)

Place: Chennai
Date: 26th June, 2012



BALANCE SHEET AS AT 31st MARCH, 2012

Amount in Rs.

	SCHEDULE NO.	31-Mar-12	31-Mar-11
LIABILITIES			
Unit Capital	1	647,563,860	586,608,244
Reserves & Surplus	2	25,019,686	19,049,924
Current Liabilities & Provisions	3	264,133	306,872
		672,847,679	605,965,040
ASSETS			
Investments	4	667,248,431	601,678,482
Other Current Assets	5	5,599,248	4,286,558
		672,847,679	605,965,040

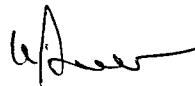
Notes on Accounts

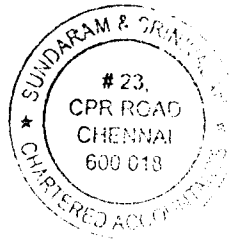
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As per our Report of even date

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

For
Sundaram Asset Management Company Ltd

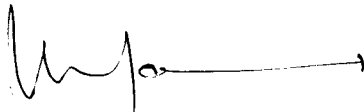

K Srinivasan
Partner
(M.NO : 5809)




Dwijendra Srivatsava
Fund Manager


T P Raman
Managing Director

For and on Behalf of
Sundaram Trustee Company Ltd



K V Ramanathan
Chairman


S Viji
Director


R. Rajamani
Director

M. S. Sundara Rajan
Director

Place : Chennai
Date : 26th June 2012

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REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

		Amount, Rs			
	Schedule No.	2011 - 2012		2010 - 2011	
REVENUE					
Interest	6	65,198,089		42,648,352	
Other Income		116,566			
		65,314,655		42,648,352	
TOTAL (A)			65,314,655		42,648,352
EXPENSES					
Management fee		272,596		213,457	
Trusteeship fee		68,149		53,351	
Commission to Agents		274,958		130,050	
Marketing expenses		81,157			
Publicity expenses		55,064		-	
Audit fee		15,528		13,575	
Other Operating Expenses		65,288		29,899	
Custodian charges		137,464		129,640	
Registrar expenses		104,990		71,928	
		1,075,194		641,900	
Less : Amount transferred from load on account of Marketing Expenses		257,395		1,528	
TOTAL (B)			817,799		640,372
SURPLUS / (DEFICIT) (A-B)			64,496,856		42,007,980
Add/(Less) : Balance in Equalisation Account			(3,578,970)		11,430,439
			60,917,886		53,438,419
Less: Income Distributed		44,339,774		28,815,492	
Distribution Tax		10,608,350		6,078,500	
			54,948,124		34,893,992
Surplus /(Deficit) transferred to Balance Sheet			5,969,762		18,544,427

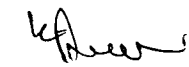
Notes on Accounts

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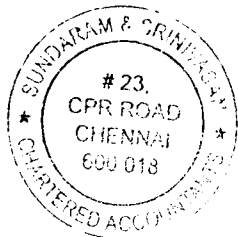
As per our Report of even date

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

For
Sundaram Trustee Company Ltd



K Srinivasan
Partner
(M.NO : 5809)

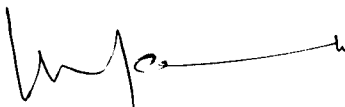



D. Srinivatsava
Fund Manager

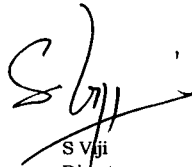


T P Raman
Managing Director

For and on Behalf of
Sundaram Trustee Company Ltd



K V Ramanathan
Chairman



S Viji
Director



R. Rajamani
Director

M. S. Sundara Rajan
Director

Place : Chennai
Date : 26th June 2012

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SCHEDULE : 1**Unit Capital**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
	UNITS	AMOUNT	UNITS	AMOUNT
Initial capital	67,356,357.61	673,563,576	67,356,357.61	673,563,576
Unit Capital				
Opening Capital	58,660,824.42	586,608,244	2,235,750.62	22,357,506
Add: Units sold during the year	121,858,350.24	1,218,583,502	138,660,297.59	1,386,602,976
	180,519,174.66	1,805,191,747	140,896,048.21	1,408,960,482
Less : Units repurchased during the year	115,762,788.65	1,157,627,887	82,235,223.79	822,352,238
Units at the end of the Year	64,756,386.01	647,563,860	58,660,824.42	586,608,244
		647,563,860		586,608,244

SCHEDULE : 2**Reserves & Surplus**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
General Reserve				
Opening Balance	19,049,924		505,497	
Add /(Less): Transfer from Revenue Account	5,969,762		18,544,427	
		25,019,686		19,049,924
		25,019,686		19,049,924

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	248,851	301,973
Distributed Income Payable	11,633	-
Others	3,649	4,899
	264,133	306,872

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SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
Certificate of Deposits	666,849,022	601,079,163
Investment in Reverse Repo / CBLO	399,409	599,319
	667,248,431	601,678,482

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	901,347	235,896
Outstanding and accrued Income	4,697,901	3,970,622
Others	-	80,040
	5,599,248	4,286,558

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SCHEDULE : 6**Interest**

	2011 - 2012	2010 - 2011
	Rs.	Rs.
Interest from banks and others	2,489,113	1,326,055
Interest on Debentures and Bonds	-	1,469,055
Discounting Charges	62,708,976	39,853,242
	65,198,089	42,648,352

SUNDARAM MUTUAL FUND

SUNDARAM FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A

Schedules forming part of the Balance Sheet as at 31-Mar-2012
and the Revenue Account for the Year ended 31-Mar-2012

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.

Investments are marked to market. In valuing the Scheme's investments:

a) Government Securities

· Government Securities are valued at the prices obtained from CRISIL 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 on the basis of guidelines issued by SEBI in this regard.

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.

1.2. INCOME RECOGNITION

(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.

1.4. LOAD

In terms of SEBI circular dated 30th June 2009, out of the exit load charged to the investor, a maximum of 1% of the redemption proceeds is maintained in a separate account which can be used by the AMC to pay commission to the distributor and for marketing and selling expenses of the scheme. Any balance in excess of 1% is credited to the scheme immediately and unutilised portion in the load account shall be credited to the scheme whenever felt appropriate by the AMC.

1.5. EQUALISATION ACCOUNT

In terms of SEBI circular dated 15th March 2010, on Unit Premium Reserve, the equalisation account has been credited/debited with an appropriate portion (excluding the Unit Premium Reserve and Unrealised Appreciation) of the sale proceeds/repurchase price in respect of units sold / repurchased on or after 15th March 2010. The net balance in this account is transferred to revenue account for the Year.

1.6. UNIT PREMIUM RESERVE

In terms of SEBI Circular dated 15th March 2010, on Unit Premium Reserve, when units are sold / repurchased on or after 15th March 2010 a part of the sale price / re-purchase price representing unrealized gains is credited/debited to Unit Premium Reserve. The balance in Unit Premium Reserve will not be utilised for determination of distributable surplus.

2. INVESTMENT MANAGER FEES

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

Description	01.04.11 to 31.03.12	01.04.10 to 31.03.11
Average daily net asset value	6,814.93	5,335.14
Management fee @ 0.04% of average daily net asset value.(Previous year 0.04%)	2.73	2.13

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	01.04.11 to 31.03.12	01.04.10 to 31.03.11
PURCHASE VALUE (AMOUNT)	27,630.17	27,114.24
%	405.44%	508.22%
SALES VALUE (AMOUNT)	27,592.29	21,462.27
%	404.88%	402.28%

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. :

Description	31.03.2012	31.03.2011
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.	6,668.49	6,010.79
% to the asset under management	99.16%	99.24%

6. INCOME / EXPENDITURE

The total income and expenditure as a percentage of the daily average net assets, during the Year. are given below.

DESCRIPTION	01.04.11 to 31.03.12	01.04.10 to 31.03.11
INCOME	9.58%	7.99%
EXPENDITURE	0.12%	0.12%

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2012 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.11 to 31.03.12	01.04.10 to 31.03.11
Sundaram Finance Ltd (Sponsor)	0.21	0.02
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	0.01	NIL
Sundaram BNP Paribas Funds Services Ltd (R & T)	0.93	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.

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

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14. HISTORICAL PER UNIT STATISTICS

	2011-12 Rs.				2010-11 Rs.				2009-10 Rs.	
	DIVD	GROWTH	INST DIVD	INST GROWTH	DIVD	GROWTH	INST DIVD	INST GROWTH	Dividend Option	Growth Option
(A) Gross income										
(i) income other than profit on sale of investment			1.0086				0.7270			0.4163
(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			0.0000				0.0000			0.0000
(iv) transfer to revenue account from past year's reserves			0.0000				0.0000			0.0000
Aggregate of expenses, write off, amortisation and charges			0.0126				0.0109			0.0160
(B) Net income			0.9960				0.7161			0.4003
(D) Net unrealised appreciation/(diminution) in value of investments			0.0000				0.0000			0.0000
(E) Net Assets Value	10.0734	13.8935	10.0737	13.8762	10.0653	12.6330	10.0652	12.6301	10.0192	11.8105
(F) Highest repurchase price	10.0400	13.7931	10.0466	13.7802	10.1091	12.6295	10.0000	0.0000	10.0310	11.7879
Lowest repurchase price	10.0000	12.8610	10.0000	12.8583	9.9303	11.8853	9.9433	0.0000	9.9256	11.3981
Highest ongoing sale price *	10.1995	13.7931	10.0056	13.7802	10.0000	12.5510	10.0000	12.2798	10.0000	10.0000
Lowest ongoing sale price *	10.0000	12.8610	10.0000	13.1651	10.0000	11.8853	10.0000	12.2798	10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage			0.12%				0.12%			0.12%
(H) Ratio of gross income to average daily net assets by percentage			9.58%				7.99%			3.16%

* includes entry load as applicable

15. Computation of Distributable Income

	31.03.12	31.03.11	31.03.10
Net Income as per revenue account	60917886	53438419	-580317
Add : Balance of Undistributed income as at 1st April brought forward	19049924	505497	1869858
	79967810	53943916	1289541
Less : Income Distributed during the year	54948124	34893992	784044
Distributable Income	25019686	19049924	505497

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

ANNEXURE - II

SUNDARAM FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A		% of total investments within the classification	
		2011-2012	2010-2011
	Money Market Instruments		
	FINANCE	100.00%	100.00%

ANNEXURE - III

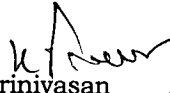
SUNDARAM FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A					
Portfolio Statement for the Year ended 31 March, 2012					
S.NO	Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Holding
	A) Debt Instruments				
	a) Listed / awaiting listing on Stock Exchange				
	NIL				
	B) Money Market Instruments				
1	Allahabad Bank **	A1+	2000	1949.29	29.21%
2	IDBI Bank **	A1+	1845	1796.82	26.93%
3	Punjab National Bank **	A1+	1500	1461.99	21.91%
4	Axis Bank **	A1+	1500	1460.39	21.89%
	Sub Total			6668.49	99.94%
	C) Others				
1	REVERSE REPO / CBLO			3.99	0.06%
	GRAND TOTAL			6,672.48	100.00%

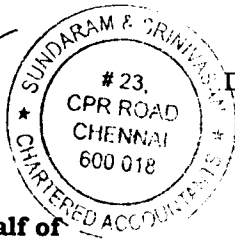
** Thinly traded / Non Traded securities


Signatures to the schedules 1 to 7 are forming part of the Balance Sheet and the Revenue Account.

For Sundaram & Srinivasan
Chartered Accountants
(FRN No.: 004207S)

For Sundaram Asset Management Company Ltd



K Srinivasan
Partner
(M.No : 5809)



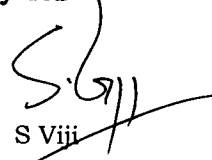

Dwijendra Srivatsava
Fund Manager

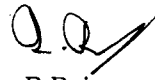

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Managing Director

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M S Sundara Rajan
Director

Place : Chennai

Date : 26th June, 2012