

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

AUDITORS REPORT

The Board of Trustees
Sundaram Mutual Fund
Chennai

We have audited the attached Balance Sheet of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AE** 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.

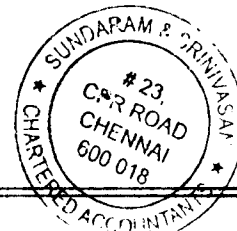
On the basis of the audit as indicated above, we report as follows:-

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 TERM PLAN AE** as at March 31, 2012 and
 - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AE** for the **Year** ended on **31/03/2012**.

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

Place: Chennai
Date: 26th June, 2012


K. SRINIVASAN
PARTNER (M.No: 5809)



BALANCE SHEET AS AT 31st MARCH, 2012

Amount in Rs.

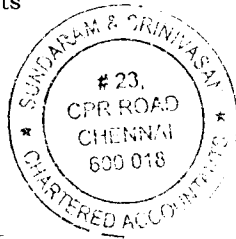
	SCHEDULE NO.	31-Mar-12	31-Mar-11
LIABILITIES			
Unit Capital	1	120,139,000	120,139,000
Reserves & Surplus	2	12,907,528	933,247
Current Liabilities & Provisions	3	187,613	34,784,027
		133,234,141	155,856,274
ASSETS			
Investments	4	125,169,301	154,262,847
Other Current Assets	5	8,064,840	1,593,427
		133,234,141	155,856,274

Notes on Accounts

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As per our Report of even date

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



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

For
Sundaram Asset Management Company Ltd

Dwijendra Srivatsava
Dwijendra Srivatsava
Fund Manager

T P Raman
T P Raman
Managing Director

For and on Behalf of
Sundaram Trustee Company Ltd

K V Ramanathan
K V Ramanathan
Chairman

S Viji
S Viji
Director

R. Rajamani
R. Rajamani
Director

M. S. Sundara Rajan
Director

Place : Chennai
Date : 26th June 2012

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

Amount, Rs

	Schedule No.	01/04/2011 - 31/03/2012		07/03/2011 - 31/03/2011	
REVENUE					
Interest	6	12,832,222		863,801	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		431,570		-	
TOTAL (A)		13,263,792	13,263,792	863,801	863,801
EXPENSES					
Net diminution in value of investment		3,316		-	
Loss on inter scheme transfer / sale of investments		470		-	
Management fee		126,886		8,257	
Trusteeship fee		12,689		826	
Commission to Agents		729,608		-	
Publicity expenses		10,079		5,100	
Audit fee		6,274		5,515	
Marketing expenses		183,042		46,909	
Operating Expenses		14,067		2,186	
Custodian charges		45,301		4,412	
Registrar expenses		14,020		1,108	
TOTAL (B)		1,145,752	1,145,752	74,313	74,313
SURPLUS / (DEFICIT) (A-B)			12,118,040		789,488
Surplus /(Deficit) transferred to Balance Sheet			12,118,040		789,488

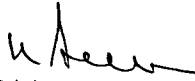
Notes on Accounts

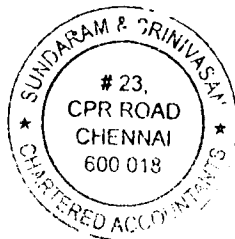
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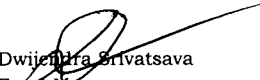
As per our Report of even date

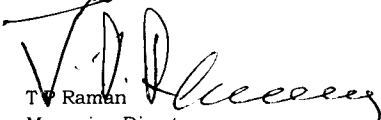
For
Sundaram & Srinivasan
 Chartered Accountants
 (FRN.: 004207S)

For
Sundaram Asset Management Company Ltd

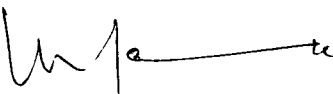

 K Srinivasan
 Partner
 (M.NO : 5809)





 Dwijendra Srivatsava
 Fund Manager



 T V 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

SCHEDULE : 1**Unit Capital**

	31/03/2012		31/03/2011	
	UNITS	AMOUNT	UNITS	AMOUNT
Initial capital	12,013,900	120,139,000	12,013,900	120,139,000
Unit Capital				
Opening Capital	12,013,900.00	120,139,000	-	-
Add: Units sold during the Year			12,013,900	120,139,000
	12,013,900.00	120,139,000	12,013,900	120,139,000
Less : Units repurchased during the Year	-	-	-	-
	12,013,900.00	120,139,000	12,013,900	120,139,000
Units at the end of the Year				
		120,139,000		120,139,000

SCHEDULE : 2**Reserves & Surplus**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
General Reserve				
Opening Balance	789,488		-	
Add /(Less): Transfer from Revenue Account	12,118,040		789,488	
		12,907,528		789,488
Unrealised appreciation reserve				
Opening Balance	143,759		-	
Add/(Less) Net unrealized appreciation for the year	(143,759)		143,759	
Unrealised Appreciation Reserve (Schedule 7)		-		143,759
		12,907,528		933,247

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	186,823	34,782,454
Others	790	1,573
	187,613	34,784,027

SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
- Non-Convertible Debentures	-	17,648,276
Commercial Papers	106,097,517	136,215,025
Others - Reverse Repo / CBLO	19,071,784	399,546
	125,169,301	154,262,847

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	281,770	190,055
Outstanding and accrued Income	7,783,070	784,171
Others	-	619,201
	8,064,840	1,593,427

SCHEDULE : 6**Interest**

	01/04/2011 - 31/03/2012	07/03/2011 - 31/03/2011
	Rs.	Rs.
Interest from banks and others	74,455	154,856
Interest on Debentures and Bonds	1,345,898	94,929
Discounting Charges	11,411,869	614,016
	12,832,222	863,801

SCHEDULE :7**Net unrealised Appreciation / (Diminution) in value of Investments**

	31.03.2012	31.03.2011
	Rs.	Rs.
Debentures / Bonds listed / awaiting listing on the recognised stock exchange		79,845
Others		63,914
Appreciation in value of investments	-	143,759
Diminution in value of investments\		
Money Mkt Instruments	3,316	
	3,316	-
Net -Unrealised Diminution in value of Investments	(3,316)	143,759

SUNDARAM MUTUAL FUND

SUNDARAM FIXED TERM PLAN AE

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

SCHEDULE 8

All amounts mentioned rupees in lakhs

NOTES ON ACCOUNTS

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

When the units are sold / re-purchased, the difference between the sale price / re-purchase price and the face value of the units is credited / debited to equalisation account. The net balance in this account is transferred to revenue account for the Year.

2. INVESTMENT MANAGER FEES

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

Description	01.04.11 to 31.03.12	07.03.11 to 31.03.11
Average daily net asset value	1,268.83	1,206.43
Management fee @ 0.10% of average daily net asset value.(Previous year 0.10%)	1.27	0.08

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

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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	07.03.11 to 31.03.11
PURCHASE VALUE (AMOUNT)	1,171.81	1,544.14
%	92.35%	127.99%
SALES VALUE (AMOUNT)	1,694.88	-
%	133.58%	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 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.	1,060.98	1,538.63
% to the asset under management	79.75%	127.08%

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	07.03.11 to 31.03.11
INCOME	10.45%	10.45%
EXPENDITURE	0.90%	0.90%

7. CONTINGENT LIABILITY

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

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.11 to 31.03.12	07.03.11 to 31.03.11
Sundaram Finance Ltd (Sponsor)	NIL	0.01
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	NIL	0.07
Sundaram BNP Paribas Funds Servcies Ltd (R & T)	0.14	0.02

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

14. HISTORICAL PER UNIT STATISTICS

	2011-2012		2010-2011	
	Rs.		Rs.	
(A) Gross income				
(i) income other than profit on sale of investment	1.0681		0.0719	
(ii) income from profit on inter scheme sales/transfer of investments	0.0000		0.0000	
(iii) income from profit on sale of investment to third parties	0.0359		0.0000	
(iv) transfer to revenue account from past year's reserves	0.0000		0.0000	
(B) Aggregate of expenses, write off, amortisation and charges	0.0951		0.0062	
(C) Net income	1.0089		0.0657	
(D) Net unrealised appreciation/(diminution) in value of investments	-0.0003		0.0120	
	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	11.0744	11.0744	10.0777	10.0777
(F) Highest repurchase price	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA
Highest ongoing sale price *	NA	NA	NA	NA
Lowest ongoing sale price *	NA	NA	NA	NA
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.90%		0.90%	
(H) Ratio of gross income to average daily net assets by percentage	10.45%		10.45%	

* includes entry load as applicable

15. Computation of Distributable Income

	31/03/2012	31/03/2011
Net Income as per revenue account	12,118,040	789,489
Add : Balance of Undistributed income as at 1st April brought forward	789,489	-
	12,907,529	789,489
Less : Income Distributed during the year	-	-
Distributable Income	12,907,529	789,489

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

ANNEXURE - II

SUNDARAM FIXED TERM PLAN AE		% of total investments within the classification	
		2011-2012	2010-2011
DEBT INSTRUMENTS			
a) Listed / awaiting listing on Stock Exchange			
COMMUNICATIONS		0.00%	44.39%
FINANCE		0.00%	55.61%
Money Market Instruments			
FINANCE		100.00%	100.00%

ANNEXURE - III

SUNDARAM FIXED TERM PLAN AE					
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	Magma Fincorp Ltd **	A1+	79	355.87	28.43%
2	TGS Investment & Trade Pvt Ltd **	A1+	77	347.08	27.73%
3	JM Financial Products Ltd **	A1+	72	358.02	28.60%
	Sub Total			1060.98	84.76%
	C) Others				
1	REVERSE REPO / CBLO			190.72	15.24%
	GRAND TOTAL			1,251.69	100.00%

** Thinly traded / Non Traded securities

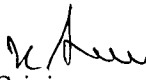
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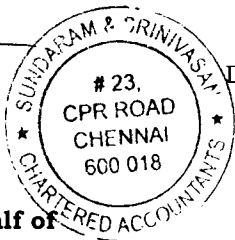
Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

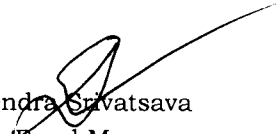
**For Sundaram & Srinivasan
Chartered Accountants**

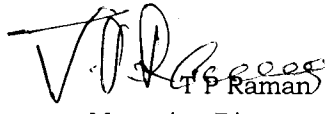
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Place : Chennai

Date : 26th June, 2012

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