

**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 AG** 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.

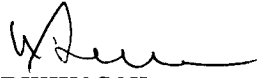
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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.

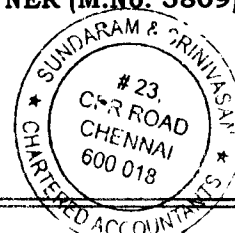
On the basis of the audit as indicated above, we report as follows:-

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 AG** as at March 31, 2012 and
  - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AG** 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
<b>LIABILITIES</b>			
Unit Capital	1	1,181,398,790	1,181,398,790
Reserves & Surplus	2	127,758,429	12,596,318
Current Liabilities & Provisions	3	1,975,808	1,009,127
		<b>1,311,133,027</b>	<b>1,195,004,235</b>
<b>ASSETS</b>			
Investments	4	1,223,721,695	1,181,966,015
Other Current Assets	5	87,411,332	13,038,220
		<b>1,311,133,027</b>	<b>1,195,004,235</b>

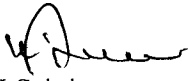
Notes on Accounts

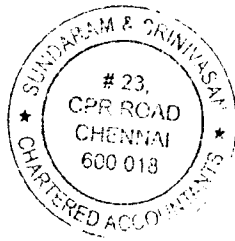
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As per our Report of even date

**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.	01/04/2011 - 31/03/2012		23/02/2011 - 31/03/2011	
<b>REVENUE</b>					
Interest	6	124,418,150		12,302,554	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		5,053,390		-	
<b>TOTAL (A)</b>		<b>129,471,540</b>	<b>129,471,540</b>	<b>12,302,558</b>	<b>12,302,558</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	389,375		-	
Loss on inter scheme transfer / sale of investments		8,522		-	
Management fee		1,250,977		120,414	
Trusteeship fee		125,097		12,041	
Commission to Agents		9,737,720		75,000	
Publicity expenses		10,079		7,650	
Audit fee		13,001		5,515	
Marketing expenses		1,060,077		840,051	
Operating Expenses		129,772		30,172	
Custodian charges		45,351		8,829	
Registrar expenses		137,725		21,800	
<b>TOTAL (B)</b>		<b>12,907,696</b>	<b>12,907,696</b>	<b>1,121,472</b>	<b>1,121,472</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>116,563,844</b>		<b>11,181,086</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>116,563,844</b>		<b>11,181,086</b>

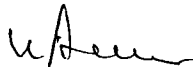
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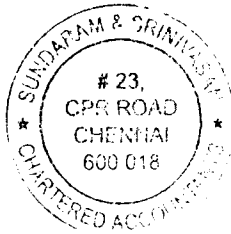
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As per our Report of even date

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

**For**  
**Sundaram Asset Management Company Ltd**

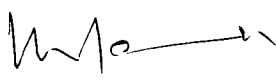
  
 K Srinivasan  
 Partner  
 (M.NO : 5809)




  
 Dwijendra Swatsava  
 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	
	UNITS	AMOUNT	UNITS	AMOUNT
	<b>Initial capital</b>	<b>118,139,879</b>	<b>1,181,398,790</b>	118,139,879
<b>Unit Capital</b>				
Opening Capital	118,139,879	1,181,398,790	-	-
Add: Units sold during the Period	-	-	118,139,879	1,181,398,790
Less : Units repurchased during the Period	118,139,879	1,181,398,790	118,139,879	1,181,398,790
	-	-	-	-
Units at the end of the Period	118,139,879	1,181,398,790	118,139,879	1,181,398,790
		<b>1,181,398,790</b>		<b>1,181,398,790</b>

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

	31/03/2012		31/03/2011	
	Rs.		Rs.	
	<b>General Reserve</b>			
Opening Balance	11,181,086		-	
Add /(Less): Transfer from Revenue Account	116,563,844		11,181,086	
		<b>127,744,930</b>		<b>11,181,086</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	1,415,232		-	
Add/(Less) Net unrealized appreciation	(1,401,733)		1,415,232	
Unrealised Appreciation Reserve (Schedule 7)		<b>13,499</b>		<b>1,415,232</b>
		<b>127,758,429</b>		<b>12,596,318</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	1,972,919	997,315
Others	2,889	11,812
	<b>1,975,808</b>	<b>1,009,127</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Preference Shares	-	-
- Non-Convertible Debentures	352,013,499	558,361,842
Certificate of Deposits	212,484,035	-
Commercial Papers	624,575,422	619,009,397
Others - Reverse Repo / CBLO	34,648,739	4,594,776
	<b>1,223,721,695</b>	<b>1,181,966,015</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Balance with banks in Current Accounts	224,066	152,676
Outstanding and accrued Income	87,187,266	12,885,544
	<b>87,411,332</b>	<b>13,038,220</b>

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

	<b>01/04/2011 - 31/03/2012</b>	<b>23/02/2011 - 31/03/2011</b>
	Rs.	Rs.
Interest from banks and others	526,961	339,832
Interest on Debentures and Bonds	53,181,637	5,380,860
Discounting Charges	70,709,552	6,581,862
	<b>124,418,150</b>	<b>12,302,554</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	13,499	1,415,232
Appreciation in value of investments ( Schedule 2 )	<b>13,499</b>	<b>1,415,232</b>
<b>Diminution in value of investments</b>		
Money Mkt Instruments	(389,375)	
Unrealised Diminution in Value of Investments	(389,375)	-
	<b>(375,876)</b>	<b>1,415,232</b>

## SUNDARAM MUTUAL FUND

### SUNDARAM FIXED TERM PLAN AG

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	23.02.11 to 31.03.11
Average daily net asset value	12,509.46	11,878.68
Management fee @ 0.10% of average daily net asset value.(Previous year 0.10%)	12.51	1.20

##### 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	23.02.11 to 31.03.11
<b>PURCHASE VALUE (AMOUNT)</b>	<b>10,316.76</b>	<b>11,827.12</b>
%	<b>82.47%</b>	<b>99.57%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>10,358.09</b>	<b>19.65</b>
%	<b>82.80%</b>	<b>0.17%</b>

**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.	<b>11,890.73</b>	<b>11,773.72</b>
% to the asset under management	<b>90.83%</b>	<b>98.61%</b>

**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	23.02.11 to 31.03.11
<b>INCOME</b>	<b>10.35%</b>	<b>10.22%</b>
<b>EXPENDITURE</b>	<b>1.00%</b>	<b>0.93%</b>

**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	23.02.11 to 31.03.11
Sundaram Finance Ltd (Sponsor)	<b>NIL</b>	<b>0.43</b>
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	<b>NIL</b>	<b>NIL</b>
Indus Ind Bank Ltd (Associate)	<b>NIL</b>	<b>0.65</b>
Sundaram BNP Paribas Funds Servcies Ltd (R & T)	<b>1.38</b>	<b>0.36</b>

**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**

	2011-2012		2010-2011	
	Rs.		Rs.	
(A) Gross income				
(i) income other than profit on sale of investment	1.0531		0.1041	
(ii) income from profit on inter scheme sales/transfer of investments	-0.0001		0.0000	
(iii) income from profit on sale of investment to third parties	0.0428		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	0.1059		0.0095	
(C) Net income	0.9900		0.0946	
(D) Net unrealised appreciation/(diminution) in value of investments	-0.0032		0.0120	
	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	11.0813	11.0814	10.1065	10.1066
(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	1.00%		0.93%	
(H) Ratio of gross income to average daily net assets by percentage	10.35%		10.22%	

\* includes entry load as applicable

**15. Computation of Distributable Income**

	31/03/2012	31/03/2011
Net Income as per revenue account	116,563,844	11,181,086
Add : Balance of Undistributed income as at 1st April brought forward	11,181,086	-
	127,744,930	11,181,086
Less : Income Distributed during the year	-	-
Distributable Income	127,744,930	11,181,086

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

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## ANNEXURE - II

SUNDARAM FIXED TERM PLAN AG	% of total investments within the classification	
	2011-2012	2010-2011
<b>DEBT INSTRUMENTS</b>		
a) Listed / awaiting listing on Stock Exchange		
COMMUNICATIONS	0.00%	8.77%
FINANCE	100.00%	91.23%
<b>Money Market Instruments</b>		
DIVERSIFIED	5.39%	9.54%
FINANCE	94.61%	90.46%

## ANNEXURE - III

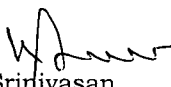
SUNDARAM FIXED TERM PLAN AG					
Portfolio Statement for the Year ended 31 March, 2012					
S.NO	Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Holding
	<b>A) Debt Instruments</b>				
	a) Listed / awaiting listing on Stock Exchange				
1	SREI EQUIPMENT FINANCE PVT LTD **	AA	176	1760.29	14.38%
2	Kotak Mahindra Prime Ltd **	AA+	176	1759.84	14.38%
	<b>Sub Total</b>			<b>3520.13</b>	<b>28.77%</b>
	<b>B) Money Market Instruments</b>				
1	JM Financial Products Ltd **	A1+	787	3538.24	28.91%
2	Srei Infrastructure Finance Ltd **	A1+	500	2256.54	18.44%
3	Corporation Bank **	A1+	1500	1497.99	12.24%
4	Vijaya Bank **	A1+	500	499.33	4.08%
5	Forbes Gokak Ltd **	A1+	100	450.98	3.69%
6	Jammu & Kashmir Bank **	A1+	80	78.43	0.64%
7	State Bank of Bikaner & Jaipur **	A1+	50	49.09	0.40%
	<b>Sub Total</b>			<b>8370.59</b>	<b>68.40%</b>
	<b>C) Others</b>				
1	REVERSE REPO / CBLO			346.49	2.83%
	<b>GRAND TOTAL</b>			<b>12,237.22</b>	<b>100.00%</b>

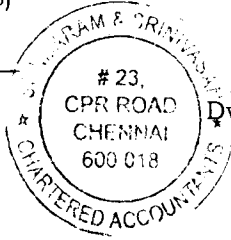
\*\* Thinly traded / Non Traded securities


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

**For Sundaram & Srinivasan**  
**Chartered Accountants**

(FRN No.: 004207S)


  
K Srinivasan  
Partner  
(M.No : 5809)

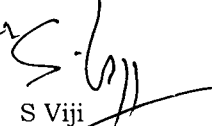


  
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**Place : Chennai**

**Date : 26th June, 2012**