

**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 AI** 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.

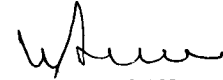
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence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

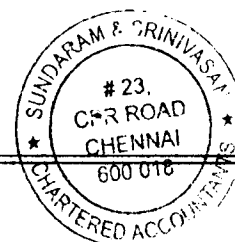
On the basis of the audit as indicated above, we report as follows:-

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 AI** as at March 31, 2012 and
  - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AI** 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	351,961,380	351,961,380
Reserves & Surplus	2	38,329,489	5,970,403
Current Liabilities & Provisions	3	524,787	273,968
		<b>390,815,656</b>	<b>358,205,751</b>
<b>ASSETS</b>			
Investments	4	370,689,978	352,444,429
Other Current Assets	5	20,125,678	5,761,322
		<b>390,815,656</b>	<b>358,205,751</b>

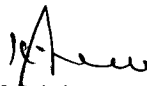
Notes on Accounts

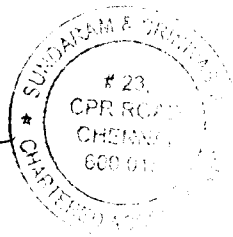
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As per our Report of even date

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

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

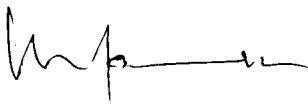
  
K Srinivasan  
Partner  
(M.NO : 5809)



  
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	20/01/2011 TO 31/03/2011
<b>REVENUE</b>			
Interest	6	35,486,386	6,721,339
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		2,725,139	-
<b>TOTAL (A)</b>		<b>38,211,525</b>	<b>6,721,339</b>
<b>EXPENSES</b>			
Net diminution in value of investment	7	96,457	-
Loss on inter scheme transfer / sale of investments		1,290	-
Management fee		3,739,051	689,149
Trusteeship fee		37,389	6,892
Commission to Agents		883,496	210,020
Publicity expenses		10,079	-
Audit fee		7,754	5,515
Other operating expenses		385,619	79,483
Custodian charges		45,329	13,236
Marketing Expenses		346,540	-
Registrar expenses		41,186	9,747
<b>TOTAL (B)</b>		<b>5,594,190</b>	<b>1,014,042</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>		<b>32,617,335</b>	<b>5,707,297</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>		<b>32,617,335</b>	<b>5,707,297</b>

Notes on Accounts

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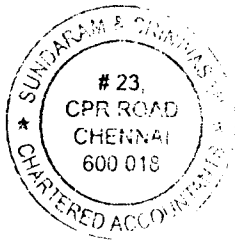
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For

Sundaram &amp; Srinivasan

Chartered Accountants

(FRN.: 004207S)



K Srinivasan  
Partner  
(M.NO : 5809)

For

Sundaram Asset Management Company Ltd

  
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

**SCHEDULE : 1****Unit Capital**

	31/03/2012		31/03/2011	
	UNITS	AMOUNT	Rs.	
<b>Initial capital</b>	<b>35,196,138</b>	<b>351,961,380</b>	35,196,138	<b>351,961,380</b>
<b>Unit Capital</b>				
Opening Capital	35,196,138.00	351,961,380	-	-
Add: Units sold during the Period	-	-	35,196,138	351,961,380
	35,196,138.00	351,961,380	35,196,138	351,961,380
Less : Units repurchased during the Period	-	-	-	-
	35,196,138.00	351,961,380	35,196,138	351,961,380
Units at the end of the Period	35,196,138.00	351,961,380	35,196,138	351,961,380
		<b>351,961,380</b>		<b>351,961,380</b>

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

	31/03/2012		31/03/2011	
	Rs.		Rs.	
<b>General Reserve</b>				
Opening Balance	5,707,297		-	
Add /(Less): Transfer from Revenue Account	32,617,335		5,707,297	
		<b>38,324,632</b>		<b>5,707,297</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	263,106		-	
Add/(Less) Net unrealized appreciation	(258,249)		263,106	
		<b>4,857</b>		<b>263,106</b>
Unrealised Appreciation Reserve (Schedule 7)				
		<b>38,329,489</b>		<b>5,970,403</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	523,503	247,478
Others	1,284	26,490
	<b>524,787</b>	<b>273,968</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
Preference Shares	-	-
- Non-Convertible Debentures	53,004,857	166,572,007
Certificate of Deposits	5,391,020	-
Commercial Papers	180,189,543	180,778,214
Others - Reverse Repo / CBLO	132,104,558	5,094,208
	<b>370,689,978</b>	<b>352,444,429</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	180,643	234,956
Outstanding and accrued Income	19,945,035	5,526,362
Others	-	4
	<b>20,125,678</b>	<b>5,761,322</b>

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

	<b>01/04/2011 - 31/03/2012</b>	<b>20/01/2011 TO 31/03/2011</b>
	Rs.	Rs.
Interest from banks and others	337,569	314,411
Interest on Debentures and Bonds	14,153,520	2,767,720
Discounting Charges	20,995,297	3,639,208
	<b>35,486,386</b>	<b>6,721,339</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	4,857	263106
Appreciation in value of investments ( Schedule 2 )	<b>4,857</b>	<b>263,106</b>
<b>Diminution in value of investments</b>		
Money Mkt Instruments	96,457	
Unrealised Diminution in value of Investments	<b>96,457</b>	-
	<b>(91,600)</b>	<b>263,106</b>

6/4/11

# SUNDARAM MUTUAL FUND

## SUNDARAM FIXED TERM PLAN AI

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	20.01.11 to 31.03.11
Average daily net asset value	3,739.00	3,542.81
Management fee @ 1.00% of average daily net asset value.(Previous year 1.00%)	37.39	6.89

#### 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	20.01.11 to 31.03.11
<b>PURCHASE VALUE (AMOUNT)</b>	<b>2,474.37</b>	<b>3,513.14</b>
%	<b>66.18%</b>	<b>99.16%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>3,643.67</b>	-
%	<b>97.45%</b>	<b>0.00%</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>2,385.85</b>	<b>3,473.50</b>
% to the asset under management	<b>61.13%</b>	<b>97.04%</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	20.01.11 to 31.03.11
<b>INCOME</b>	<b>10.22%</b>	<b>9.75%</b>
<b>EXPENDITURE</b>	<b>1.47%</b>	<b>1.47%</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	20.01.11 to 31.03.11
Sundaram Finance Ltd (Sponsor)	<b>NIL</b>	<b>0.09</b>
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	<b>NIL</b>	<b>NIL</b>
Indus Ind Bank Ltd (Associate)	<b>NIL</b>	<b>NIL</b>
Sundaram BNP Paribas Funds Services Ltd (R & T)	<b>0.41</b>	<b>0.17</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	1.0082		0.1910	
(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	0.0774		0.0000	
(iv) transfer to revenue account from past year's reserves			0.0000	
(B) Aggregate of expenses, write off, amortisation and charges	0.1562		0.0288	
(C) Net income	0.9295		0.1622	
(D) Net unrealised appreciation/(diminution) in value of investments	-0.0026		0.0000	
	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	11.0891	11.0890	10.1697	10.1696
(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	1.47%		1.47%	
(H) Ratio of gross income to average daily net assets by percentage	10.22%		9.75%	

\* includes entry load as applicable

**15. Computation of Distributable Income**

	31/03/2012	31/03/2011
Net Income as per revenue account	32,617,335	5,707,297
Add : Balance of Undistributed income as at 1st April brought forward	5,707,297	-
	38,324,632	5,707,297
Less : Income Distributed during the year	-	-
Distributable Income	38,324,632	5,707,297

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 AI		% of total investments within the classification	
		2011-2012	2010-2011
<b>DEBT INSTRUMENTS</b>			
a) Listed / awaiting listing on Stock Exchange			
COMMUNICATIONS		0.00%	38.80%
FINANCE		100.00%	61.20%
<b>Money Market Instruments</b>			
FINANCE		100.00%	100.00%

## ANNEXURE - III

SUNDARAM FIXED TERM PLAN AI					
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	Kotak Mahindra Prime Ltd **	AA+	53	530.05	14.30%
	<b>Sub Total</b>			<b>530.05</b>	<b>14.30%</b>
<b>B) Money Market Instruments</b>					
1	TGS Investment & Trade Pvt Ltd **	A1+	200	902.74	24.35%
2	Religare Finvest Limited **	A1+	200	899.16	24.26%
3	UNITED BANK OF INDIA **	A1+	55	53.91	1.45%
	<b>Sub Total</b>			<b>1855.81</b>	<b>50.06%</b>
<b>C) Others</b>					
1	REVERSE REPO / CBLO			1321.05	35.64%
	<b>GRAND TOTAL</b>			<b>3,706.90</b>	<b>100.00%</b>

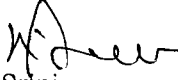
\*\* Thinly traded / Non Traded securities

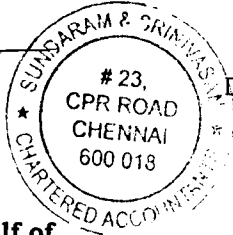
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Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

**For Sundaram & Srinivasan  
Chartered Accountants**

(FRN No.: 004207S)

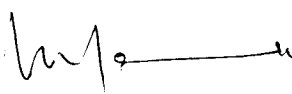
  
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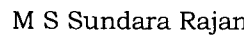
  
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Director

  
M S Sundara Rajan  
Director

**Place : Chennai**

**Date : 26th June, 2012**

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