

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 AJ** 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.

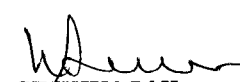
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence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

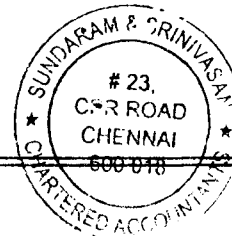
On the basis of the audit as indicated above, we report as follows:-

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 AJ** as at March 31, 2012 and
 - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AJ** 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)



6570

BALANCE SHEET AS AT 31st MARCH, 2012

Amount in Rs.

	SCHEDULE NO.	31-Mar-12	31-Mar-11
LIABILITIES			
Unit Capital	1	109,063,250	109,063,250
Reserves & Surplus	2	11,050,828	1,460,523
Current Liabilities & Provisions	3	128,765	36,692
		120,242,843	110,560,465
ASSETS			
Investments	4	117,641,536	108,140,942
Other Current Assets	5	2,601,307	2,419,523
		120,242,843	110,560,465

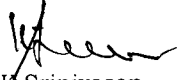
Notes on Accounts

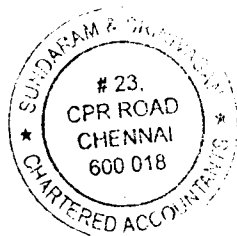
8

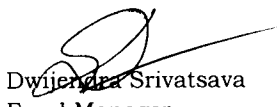
As per our Report of even date

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

For
Sundaram Asset Management Company Ltd



K Srinivasan
Partner
(M.NO : 5809)



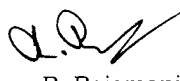

Dwijendra Srivatsava
Fund Manager


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

68

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

Amount, Rs

	Schedule No.	01.04.2011 TO 31.03.2012		11.01.2011 TO 31.03.2011	
REVENUE					
Interest	6	10,968,108		2,288,105	
		10,968,108		2,288,105	
TOTAL (A)			10,968,108		2,288,105
EXPENSES					
Net diminution in value of investment	7	201,296		599,577	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		80,598		-	
Management fee		576,790		99,972	
Trusteeship fee		11,534		2,400	
Marketing Exp		121,544		89,869	
Publicity expenses		10,079		-	
Audit fee		6,207		5,515	
Other operating expenses		60,251		13,995	
Custodian charges		45,290		13,236	
Commission to Agent		251,528			
Registrar expenses		12,686		3,018	
		1,377,803		827,582	
TOTAL (B)			1,377,803		827,582
SURPLUS / (DEFICIT) (A-B)			9,590,305		1,460,523
			9,590,305		1,460,523

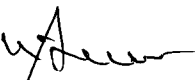
Notes on Accounts

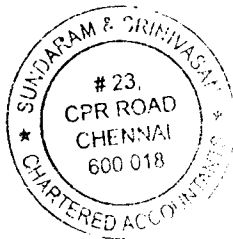
8

As per our Report of even date

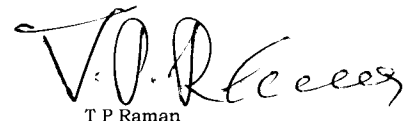
For
Sundaram & Srinivasan
 Chartered Accountants
 (FRN.: 004207S)

For
Sundaram Asset Management Company Ltd



 K Srinivasan
 Partner
 (M.NO : 5809)



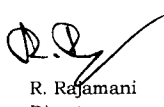

 Dwijendra Srivatsava
 Fund Manager

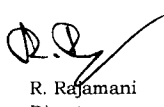

 T P Raman
 Managing Director

For and on Behalf of
Sundaram Trustee Company Ltd


 K V Ramanathan
 Chairman


 S V
 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.	
Initial capital	10,906,325	109,063,250	10,906,325	109,063,250
Unit Capital				
Opening Capital	10,906,325.00	109,063,250	-	-
Add: Units sold during the Year	-	-	10,906,325	109,063,250
Less : Units repurchased during the Year	10,906,325.00	109,063,250	10,906,325	109,063,250
	-	-	-	-
Units at the end of the Year	10,906,325.00	109,063,250	10,906,325	109,063,250
		109,063,250		109,063,250

SCHEDULE : 2**Reserves & Surplus**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
General Reserve				
Opening Balance	1,460,523		-	
Add /(Less): Transfer from Revenue Account	9,590,305		1,460,523	
		11,050,828		1,460,523
		11,050,828		1,460,523

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	127,994	33,709
Others	771	2,983
	128,765	36,692

613

SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
- Non-Convertible Debentures	101,745,889	105,943,441
Certificate of Deposits	13,199,636	-
Others - Reverse Repo / CBLO	2,696,011	2,197,501
	117,641,536	108,140,942

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	258,800	222,096
Outstanding and accrued Income	2,342,507	2,197,427
	2,601,307	2,419,523

SCHEDULE : 6**Interest**

	01.04.2011 TO 31.03.2012	11.01.2011 TO 31.03.2011
	Rs.	Rs.
Interest from banks and others	161,053	120,852
Interest on Debentures and Bonds	10,507,914	2,167,253
Discounting Charges	299,141	-
	10,968,108	2,288,105

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

	31/03/2012	31/03/2011
	Rs.	Rs.
Diminution in value of investments		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	713,809	599,577
Money Mkt Instruments	87,064	
	800,873	599,577
Net -Unrealised appreciation / (Diminution) in value of Investment	(800,873)	(599,577)

6255

SUNDARAM MUTUAL FUND

SUNDARAM FIXED TERM PLAN AJ

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 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

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	11.01.11 to 31.03.11
Average daily net asset value	1,153.57	1,095.01
Management fee @ 0.50% of average daily net asset value.(Previous year 0.42%)	5.77	1.00

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

bv6

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	11.01.11 to 31.03.11
PURCHASE VALUE (AMOUNT)	203.44	1,086.69
%	17.64%	99.24%
SALES VALUE (AMOUNT)	110.00	-
%	9.54%	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.	1,149.45	1,059.43
% to the asset under management	95.70%	95.86%

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	11.01.11 to 31.03.11
INCOME	9.51%	9.53%
EXPENDITURE	0.95%	0.95%

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	11.01.11 to 31.03.11
Sundaram Finance Ltd (Sponsor)	NIL	0.05
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	NIL	0.17
Sundaram BNP Paribas Funds Services Ltd (R & T)	0.13	0.06

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

657

14. HISTORICAL PER UNIT STATISTICS

	2011-12		2010-2011	
	Rs.		Rs.	
(A) Gross income				
(i) income other than profit on sale of investment	1.0057		0.2098	
(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	-0.0074		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	0.1005		0.0209	
(C) Net income	0.8978		0.1889	
(D) Net unrealised appreciation/(diminution) in value of investments	-0.0734		-0.0550	
	REGULAR		REGULAR	
	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	11.0132	11.0132	10.1339	10.1339
(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	0.95%		0.95%	
(H) Ratio of gross income to average daily net assets by percentage	9.51%		9.53%	

* includes entry load as applicable

15. Computation of Distributable Income

	31/03/2012	31/03/2011
Net Income as per revenue account	9,590,305	1,460,523
Add : Balance of Undistributed income as at 1st April brought forward	1,460,523	-
	11,050,828	1,460,523
Less : Income Distributed during the year	-	-
Distributable Income	11,050,828	1,460,523

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

658

ANNEXURE - II

SUNDARAM FIXED TERM PLAN AJ		% of total investments within the classification	
		2011-2012	2010-2011
DEBT INSTRUMENTS			
a) Listed / awaiting listing on Stock Exchange			
FINANCE		100.00%	95.22%
Money Market Instruments			
FINANCE		100.00%	0.00%

ANNEXURE - III

SUNDARAM FIXED TERM PLAN AJ					
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					
1	Kotak Mahindra Prime Ltd **	AA+	22	218.29	18.56%
2	Reliance Capital Ltd **	AAA	21	207.67	17.65%
3	Srei Infrastructure Finance Ltd **	AA	20	198.39	16.86%
4	SREI EQUIPMENT FINANCE PVT LTD **	AA	20	198.39	16.86%
5	Shriram Transport Finance Company **	AA	19500	194.74	16.55%
Sub Total				1017.46	86.49%
B) Money Market Instruments					
1	IDBI Bank **	A1+	145	132.00	11.22%
Sub Total				132.00	11.22%
C) Others					
1	REVERSE REPO / CBLO			26.96	2.29%
GRAND TOTAL				1,176.41	100.00%

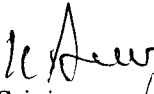
** Thinly traded / Non Traded securities

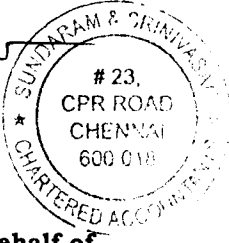
65/9

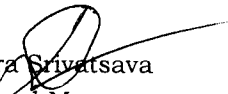
Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

**For Sundaram & Srinivasan
Chartered Accountants**

(FRN No.: 004207S)



K Srinivasan
Partner
(M.No : 5809)





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

660