

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 AK** 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.

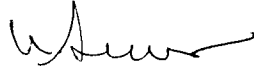
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence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

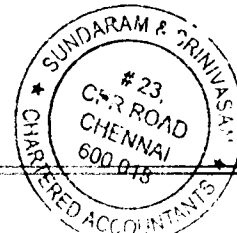
On the basis of the audit as indicated above, we report as follows:-

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



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BALANCE SHEET AS AT 31st MARCH, 2012

Amount in Rs.

	SCHEDULE NO.	31-Mar-12	31-Mar-11
LIABILITIES			
Unit Capital	1	94,492,810	94,492,810
Reserves & Surplus	2	9,466,161	788,744
Current Liabilities & Provisions	3	99,746	34,301
		104,058,717	95,315,855
ASSETS			
Investments	4	102,299,846	93,850,460
Other Current Assets	5	1,758,871	1,465,395
		104,058,717	95,315,855

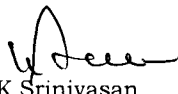
Notes on Accounts

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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

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

Amount, Rs

	Schedule No.	01.04.2011 TO 31.03.2012		07.03.2011 TO 31.03.2011	
REVENUE					
Interest	6	9,123,836		648,365	
		9,123,836		648,365	
TOTAL (A)			9,123,836		648,365
EXPENSES					
Management fee		99,633		6,496	
Trusteeship fee		9,964		650	
Commission to Agents		218,045		-	
Publicity expenses		10,079		-	
Audit fee		6,112		5,515	
Marketing Expenses		117,147		14,754	
Operating Expenses		10,833		1,668	
Custodian charges		45,285		4,412	
Registrar expenses		10,957		872	
		528,055		34,367	
TOTAL (B)			528,055		34,367
SURPLUS / (DEFICIT) (A-B)			8,595,781		613,998
Surplus /(Deficit) transferred to Balance Sheet			8,595,781		613,998

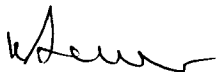
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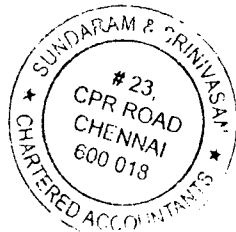
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As per our Report of even date

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

For
Sundaram Asset Management Company Ltd

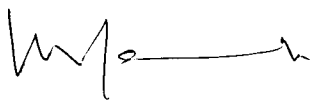

K Srinivasan
Partner
(M.NO : 5809)






Dwijendra Srivatsava
Fund Manager



T P Ramani
Managing Director

For and on Behalf of
Sundaram Trustee Company Ltd


K V Ramanathan
Chairman


S Vij
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	Rs.	
	9,449,281	94,492,810	9,449,281	94,492,810
Initial capital				
Unit Capital				
Opening Capital	9,449,281.00	94,492,810	-	-
Add: Units sold during the Year	-	-	9,449,281.00	94,492,810
Less : Units repurchased during the Year	9,449,281.00	94,492,810.00	9,449,281.00	94,492,810.00
	-	-	-	-
Units at the end of the Year	9,449,281.00	94,492,810.00	9,449,281.00	94,492,810.00
		94,492,810		94,492,810

SCHEDULE : 2**Reserves & Surplus**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
General Reserve				
Opening Balance	613,998		-	
Add /(Less): Transfer from Revenue Account	8,595,781	9,209,779	613,998	613,998
Unrealised appreciation reserve				
Opening Balance	174,746		-	
Add/(Less) Net unrealized appreciation	81,636		174,746	
Unrealised Appreciation Reserve (Schedule 7)		256,382		174,746
		9,466,161		788,744

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	99,009	32,957
Others	737	1,344
	99,746	34,301

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SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
- Non-Convertible Debentures	97,308,875	93,251,141
Certificate of Deposits	3,193,630	-
Others - Reverse Repo / CBLO	1,797,341	599,319
	102,299,846	93,850,460

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	308,893	123,477
Outstanding and accrued Income	1,449,978	1,341,916
Others	-	2
	1,758,871	1,465,395

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SCHEDULE : 6**Interest**

	01.04.2011 TO 31.03.2012	07.03.2011 TO 31.03.2011
	Rs.	Rs.
Interest from banks and others	56,098	78,265
Interest on Debentures and Bonds	9,050,930	570,100
Discounting Charges	16,808	-
	9,123,836	648,365

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

	31.03.2012	31/03/2011
	Rs.	Rs.
Appreciation in Value of Investments		
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	248,070	174,746
Money Mkt Instruments	8,312	-
Appreciation in value of investments	256,382	174,746
Net -Unrealised Appreciation Reserve (schedule 2)	256,382	174,746

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SUNDARAM MUTUAL FUND

SUNDARAM FIXED TERM PLAN AK

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	07.03.11 to 31.03.11
Average daily net asset value	996.31	948.64
Management fee @ 0.10% of average daily net asset value.(Previous year 0.10%)	1.00	0.06

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)	71.83	938.48
%	7.21%	98.93%
SALES VALUE (AMOUNT)	-	-
%	0.00%	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.	1,005.03	932.51
% to the asset under management	96.68%	97.87%

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	9.16%	9.98%
EXPENDITURE	0.53%	0.53%

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	NIL
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	NIL	NIL
Sundaram BNP Paribas Funds Services Ltd (R & T)	0.11	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

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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	0.9656		0.0686	
	(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	0.0000		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	0.0559		0.0036	
(C)	Net income	0.9097		0.0650	
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0271		0.0185	
		Dividend Option	Growth Option	Dividend Option	Growth Option
(E)	Net Assets Value	11.0018	11.0018	10.0835	10.0835
(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	0.53%		0.53%	
(H)	Ratio of gross income to average daily net assets by percentage	9.16%		9.98%	

* includes entry load as applicable

14. Computation of Distributable Income

	31/03/2012	31/03/2011
Net Income as per revenue account	8,595,781	613,998
Add : Balance of Undistributed income as at 1st April brought forward	613,998	-
	9,209,779	613,998
Less : Income Distributed during the year	-	-
Distributable Income	9,209,779	613,998

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 AK		% of total investments within the classification	
		2011-2012	2010-2011
DEBT INSTRUMENTS			
a) Listed / awaiting listing on Stock Exchange			
BASIC		18.20%	18.73%
FINANCE		81.80%	81.27%
Money Market Instruments			
FINANCE		100.00%	0.00%

ANNEXURE - III

SUNDARAM FIXED TERM PLAN AK					
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	Housing Development Fin Corp Ltd **	AAA	20	198.86	19.44%
2	LIC HOUSING FINANCE **	AAA	20	198.77	19.43%
3	Kotak Mahindra Prime Ltd **	AA+	18	179.38	17.53%
4	SREI EQUIPMENT FINANCE PVT LTD **	AA	18	179.16	17.51%
5	Rural Electrification Corporation **	AAA	18	177.11	17.31%
6	POWER FINANCE CORPORATION **	AAA	4	39.81	3.89%
Sub Total				973.09	95.12%
B) Money Market Instruments					
1	IDBI Bank **	A1+	35	31.94	3.12%
Sub Total				31.94	3.12%
C) Others					
1	REVERSE REPO / CBLO			17.97	1.76%
GRAND TOTAL				1,023.00	100.00%


** Thinly traded / Non Traded securities

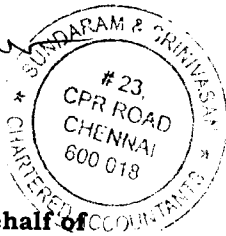
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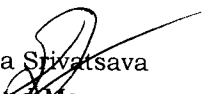
Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

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

For Sundaram Asset Management Company Ltd

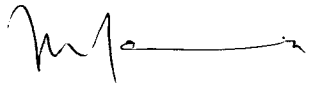

K Srinivasan
Partner
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Dwijendra Sivatsava
Fund Manager

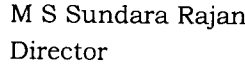

T P Raman
Managing Director

For and on Behalf of
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K V Ramanathan
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Director

Place : Chennai

Date : 26th June, 2012

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