

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 AL** 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.

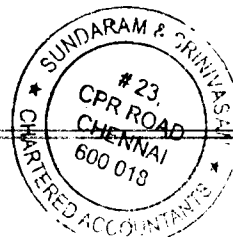
On the basis of the audit as indicated above, we report as follows:-

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 AL** as at March 31, 2012 and
 - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AL** 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	80,114,000	80,114,000
Reserves & Surplus	2	8,241,865	1,165,796
Current Liabilities & Provisions	3	108,222	14,514
		88,464,087	81,294,310
ASSETS			
Investments	4	84,460,670	77,683,428
Other Current Assets	5	4,003,417	3,610,882
		88,464,087	81,294,310

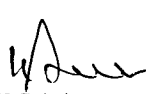
Notes on Accounts

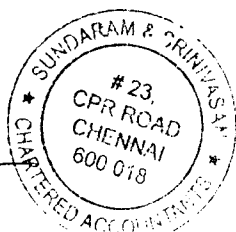
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As per our Report of even date

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

For
Sundaram Asset Management Company Ltd

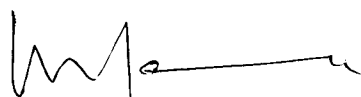

K Srinivasan
Partner
(M.NO : 5809)





Dwijendra Srivatsava
Fund Manager

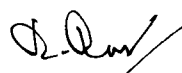

T P Raman
Managing Director

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 12

Amount, Rs

	Schedule No.	01.04.2011 To 31.03.2012		20.01.2011 TO 31.03.2011	
REVENUE					
Interest	6	7,159,257		1,269,427	
TOTAL (A)		7,159,257	7,159,257	1,269,427	1,269,427
EXPENSES					
Management fee		237,600		43,869	
Trusteeship fee		8,486		1,568	
Commission to Agents		269,578		67,002	
Publicity expenses		10,079		-	
Audit fee		6,024		5,515	
Other operating expenses		25,137		7,599	
Custodian charges		45,285		13,236	
Marketing Expenses		152,198			
Registrar expenses		9,332		2,219	
TOTAL (B)		763,719	763,719	141,008	141,008
SURPLUS / (DEFICIT) (A-B)			6,395,538		1,128,419
Surplus / (Deficit) transferred to Balance Sheet			6,395,538		1,128,419

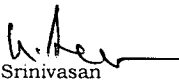
Notes on Accounts

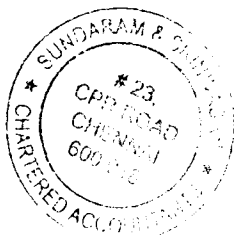
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As per our Report of even date

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

For
Sundaram Asset Management Company Ltd

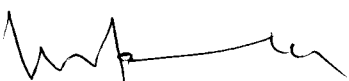

K Srinivasan
Partner
(M.NO : 5809)



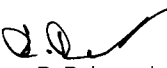

Dwijendra Srivatsava
Fund Manager

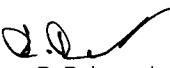

T P Ramani
Managing Director

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.	
	8,011,400	80,114,000	8,011,400	80,114,000
Initial capital				
Unit Capital				
Opening Capital	8,011,400.00	80,114,000	-	-
Add: Units sold during the Year	-	-	8,011,400.00	80,114,000
Less : Units repurchased during the Year	8,011,400.00	80,114,000.00	8,011,400.00	80,114,000.00
	-	-	-	-
Units at the end of the Year	8,011,400.00	80,114,000.00	8,011,400.00	80,114,000.00
		80,114,000		80,114,000

SCHEDULE : 2**Reserves & Surplus**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
General Reserve				
Opening Balance	1,128,419		-	
Add /(Less): Transfer from Revenue Account	6,395,538		1,128,419	
		7,523,957		1,128,419
Unrealised appreciation reserve				
Opening Balance	37,377		-	
Add/(Less) Net unrealized appreciation	680,531		37,377	
Unrealised Appreciation Reserve (Schedule 7)		717,908		37,377
		8,241,865		1,165,796

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	107,512	12,207
Others	710	2,307
	108,222	14,514

SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
Listed		
- Non-Convertible Debentures	83,661,852	76,085,245
Others - Reverse Repo / CBLO	798,818	1,598,183
	84,460,670	77,683,428

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	309,994	209,753
Outstanding and accrued Income	3,693,423	3,390,999
Others	-	10,130
	4,003,417	3,610,882

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SCHEDULE : 6**Interest**

	01.04.2011 To 31.03.2012	20.01.2011 TO 31.03.2011
	Rs.	Rs.
Interest from banks and others	127,767	224,908
Interest on Debentures and Bonds	7,031,490	1,044,519
	7,159,257	1,269,427

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	717,908	37,377
Appreciation in value of investments	717,908	37,377
Net -Unrealised Appreciation Reserve (schedule 2)	717,908	37,377

SUNDARAM MUTUAL FUND

SUNDARAM FIXED TERM PLAN AL

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	20.01.11 to 31.03.11
Average daily net asset value	848.56	805.45
Management fee @ 0.28% of average daily net asset value.(Previous year 0.28%)	2.38	0.44

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	20.01.11 to 31.03.11
PURCHASE VALUE (AMOUNT)	71.27	797.54
%	8.40%	99.02%
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.	836.62	760.85
% to the asset under management	94.69%	93.61%

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
INCOME	8.44%	8.10%
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	20.01.11 to 31.03.11
Sundaram Finance Ltd (Sponsor)	NIL	0.18
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	NIL	NIL
Sundaram BNP Paribas Funds Services Ltd (R & T)	0.09	0.04

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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13. HISTORICAL PER UNIT STATISTICS

	2011-2012		2010-2011	
	Rs.		Rs.	
(A) Gross income				
(i) income other than profit on sale of investment	0.8936		0.1585	
(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	0.0953		0.0176	
(C) Net income	0.7983		0.1409	
(D) Net unrealised appreciation/(diminution) in value of investments	0.0896		0.0047	
	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	11.0288	11.0288	10.1455	10.1455
(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	8.44%		8.10%	

* includes entry load as applicable

14. Computation of Distributable Income

	31/03/2012	31/03/2011
Net Income as per revenue account	6,395,538	1,128,418
Add : Balance of Undistributed income as at 1st April brought forward	1,128,418	-
	7,523,956	1,128,418
Less : Income Distributed during the year	-	-
Distributable Income	7,523,956	1,128,418

15. 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 AL		% of total investments within the classification	
		2011-2012	2010-2011
DEBT INSTRUMENTS			
a) Listed / awaiting listing on Stock Exchange			
DIVERSIFIED		38.53%	38.00%
FINANCE		61.47%	62.00%

ANNEXURE - III

SUNDARAM FIXED TERM PLAN AL					
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	TATA SONS LIMITED **	AAA	17	166.34	19.69%
2	Kotak Mahindra Prime Ltd **	AA+	16	160.44	19.00%
3	Larsen and Toubro Finance Ltd **	AA+	16000	157.11	18.60%
4	Aditya Birla NUVO Ltd **	AA+	16	155.98	18.47%
5	LIC HOUSING FINANCE **	AAA	10	99.38	11.77%
6	Bajaj Auto Finance **	AA+	1	97.36	11.53%
Sub Total				836.62	99.05%
B) Money Market Instruments					
NIL					
C) Others					
1	REVERSE REPO / CBLO			7.99	0.95%
GRAND TOTAL				844.61	100.00%

** Thinly traded / Non Traded securities


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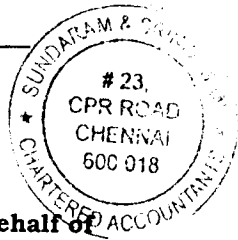
Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

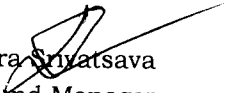
For Sundaram & Srinivasan
Chartered Accountants

(FRN No.: 004207S)

For Sundaram Asset Management Company Ltd

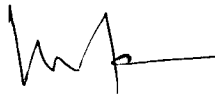

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Place : Chennai

Date : 26th June, 2012

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