

**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 AO** as at March 31, 2012 and the Revenue Account for the **Period** ended on **October 3, 2011**. These financial statements are the responsibility of the management. Our responsibility is to express our opinion on these financial statements based on our audit.

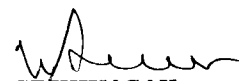
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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 AO** as at March 31, 2012 and
  - b) In the case of Revenue Account of the **Deficit** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AO** for the **Period** ended on **03/10/2011**.

**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	-	685,959,763
Reserves & Surplus	2	-	22,242,400
Current Liabilities & Provisions	3	47,905	272,608
		<b>47,905</b>	<b>708,474,771</b>
<b>ASSETS</b>			
Investments	4	-	678,207,681
Other Current Assets	5	47,905	30,267,090
		<b>47,905</b>	<b>708,474,771</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**

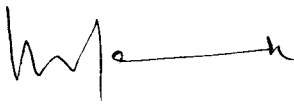
  
K Srinivasan  
Partner  
(M.NO : 5809)




  
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

## REVENUE ACCOUNT FOR THE PERIOD FROM 01/04/2011 - 03/10/2011

		Amount, Rs			
		Schedule No.	01/04/2011 - 03/10/2011	28/09/2010 - 31/03/2011	
<b>REVENUE</b>					
Interest		6	30,303,678	30,259,105	
Net diminution on sale of investments written back			6,245,671	-	
<b>TOTAL (A)</b>			<b>36,549,349</b>	<b>30,259,105</b>	<b>30,259,105</b>
<b>EXPENSES</b>					
Net diminution in value of investment		7	-	6,245,671	
Loss on inter scheme transfer / sale of investments			7,454	12,835	
Management fee			737,842	703,279	
Trusteeship fee			36,890	35,164	
Commission to Agents			885,873	702,239	
Publicity expenses			23,148	16,325	
Audit fee			9,956	8,700	
Marketing expenses			-	142,007	
Operating expenses			84,188	74,965	
Custodian charges			25,407	30,889	
Registrar expenses			40,678	44,631	
<b>TOTAL (B)</b>			<b>1,851,436</b>	<b>8,016,705</b>	<b>8,016,705</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>34,697,913</b>	<b>22,242,400</b>	<b>22,242,400</b>
Add/(Less) : Balance in Equalisation Account			(52,499,557)	-	-
			<b>(17,801,644)</b>	<b>22,242,400</b>	<b>22,242,400</b>
<b>Less: Income Distributed</b>			3,843,976	-	-
Distribution Tax			596,780	-	-
			<b>4,440,756</b>		
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(22,242,400)</b>		<b>22,242,400</b>

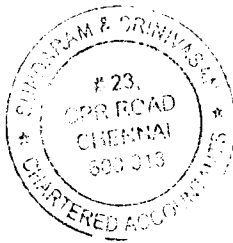
Notes on Accounts

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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*  
K Srinivasan  
Partner  
(M.NO : 5809)

*Dwijendra Srivatsava*  
Dwijendra Srivatsava  
Fund Manager

*T P Raman*  
T P Raman  
Managing Director

For and on Behalf of  
Sundaram Trustee Company Ltd

*K V Ramanathan*  
K V Ramanathan  
Chairman

*S Viji*  
S Viji  
Director

*R. Rajamani*  
R. Rajamani  
Director

*M. S. Sundara Rajan*  
M. S. Sundara Rajan  
Director

Place : Chennai  
Date : 26th June 2012

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

	31-Mar-12		31-Mar-11	
	UNITS	AMOUNT	UNITS	AMOUNT
<b>Initial capital</b>	<b>68,595,976</b>	<b>685,959,763</b>	68,595,976	<b>685,959,763</b>
<b>Unit Capital</b>				
Opening Capital	68,595,976.30	685,959,763	-	-
Add: Units sold during the Period			68,595,976.30	685,959,763
Less : Units repurchased during the Period	68,595,976.30 68,595,976.30	685,959,763 685,959,763	68,595,976.30 -	685,959,763 -
Units at the end of the Period	-	-	68,595,976.30	685,959,763
		-		<b>685,959,763</b>

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

	31/03/2012		31/03/2011	
	Rs.		Rs.	
<b>General Reserve</b>				
Opening Balance	22,242,400		-	
Add /(Less): Transfer from Revenue Account	(22,242,400)		22,242,400	
		-		<b>22,242,400</b>
		-		<b>22,242,400</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	47,353	260,796
Others	552	11,812
	<b>47,905</b>	<b>272,608</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Certificate of Deposits	-	274,948,885
Commercial Papers	-	402,859,250
Others - Reverse Repo / CBLO	-	399,546
	<b>-</b>	<b>678,207,681</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	47,905	257,108
Outstanding and accrued Income	-	30,008,752
Others	-	1,230
	<b>47,905</b>	<b>30,267,090</b>

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

	<b>01/04/2011 - 03/10/2011</b>	<b>28/09/2010 - 31/03/2011</b>
	Rs.	Rs.
Interest from banks and others	899,942	219,566
Discounting Charges	29,403,736	30,039,539
	<b>30,303,678</b>	<b>30,259,105</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	Rs.	Rs.
<b>Diminution in value of investments</b>		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	-	6,245,671
	-	6,245,671
Net - Unrealised Diminution in value of Investments	-	<b>(6,245,671)</b>

# SUNDARAM MUTUAL FUND

## SUNDARAM FIXED TERM PLAN AO

Schedules forming part of the Balance Sheet as at 31-Mar-2012  
and the Revenue Account for the Period from 01.04.2011 to 03.10.2011

### 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 Period.

#### 2. INVESTMENT MANAGER FEES

Management fee is computed on daily average net assets as under:

Description	01.04.11 to 03.10.11	28.09.10 to 31.03.11
Average daily net asset value	7,259.35	6,937.73
Management fee @ 0.20% of average daily net asset value.(Previous year 0.20%)	7.38	7.03

#### 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 PERIOD.**

The aggregate value of investments purchased and sold (including matured) during the Period. as a percentage of average daily net asset value is as under :

Description	01.04.11 to 03.10.11	28.09.10 to 31.03.11
<b>PURCHASE VALUE (AMOUNT)</b>	-	<b>6,849.69</b>
%	<b>0.00%</b>	<b>98.73%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>7,434.59</b>	<b>9.33</b>
%	<b>102.41%</b>	<b>0.13%</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 Period. :

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 Period.	<b>NIL</b>	<b>6,778.08</b>
% to the asset under management	<b>NIL</b>	<b>95.71%</b>

**6. INCOME / EXPENDITURE**

The total income and expenditure as a percentage of the daily average net assets, during the Period. are given below.

DESCRIPTION	01.04.11 to 03.10.11	28.09.10 to 31.03.11
<b>INCOME</b>	<b>9.91%</b>	<b>8.61%</b>
<b>EXPENDITURE</b>	<b>0.50%</b>	<b>0.50%</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 03.10.11	28.09.10 to 31.03.11
Sundaram Finance Ltd (Sponsor)	<b>NIL</b>	<b>NIL</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 Servcies Ltd (R & T)	<b>0.41</b>	<b>0.45</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)

NIL

**10. PORTFOLIO DISCLOSURE**

NIL

**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

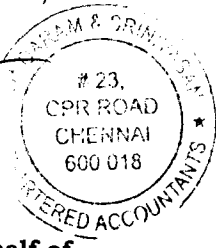



Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

**For Sundaram & Srinivasan  
Chartered Accountants**

(FRN No.: 004207S)

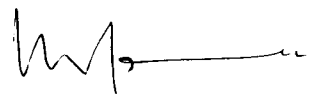
  
K Srinivasan  
Partner  
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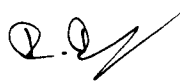
  
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K V Ramanathan  
Chairman

  
S Viji  
Director

  
R Rajamani  
Director

M S Sundara Rajan  
Director

**Place : Chennai**

**Date : 26th June, 2012**