

**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 AV** as at March 31, 2012 and the Revenue Account for the **Period** ended on **January 19, 2012**. 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.

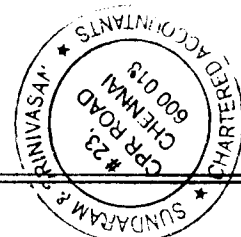
On the basis of the audit as indicated above, we report as follows:-

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 AV** as at March 31, 2012 and
  - b) In the case of Revenue Account of the **Deficit** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN AV** for the **Period** ended on **19/01/2012**.

**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	-	859,941,400
Reserves & Surplus	2	-	15,609,039
Current Liabilities & Provisions	3	241,018	263,921
		<b>241,018</b>	<b>875,814,360</b>
<b>ASSETS</b>			
Investments	4	-	858,747,912
Other Current Assets	5	241,018	17,066,448
		<b>241,018</b>	<b>875,814,360</b>

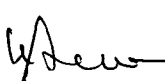
Notes on Accounts

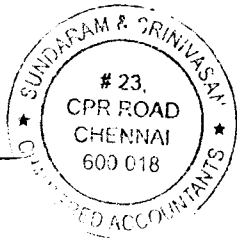
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As per our Report of even date


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

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

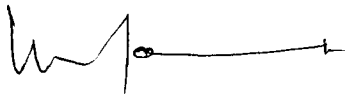
  
K Srinivasan  
Partner  
(M.NO : 5809)



  
Dwijendra Srivatsava  
Fund Manager

  
T P Ramiah  
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 To 19/01/2012

		Amount, Rs			
	Schedule No.	01/04/2011 - 19/01/2012		01/04/2010 - 31/03/2011	
<b>REVENUE</b>					
Interest	6	68,001,383		16,938,672	
Net diminution on sale of investments written back		671,684		-	
<b>TOTAL (A)</b>		<b>68,673,067</b>	<b>68,673,067</b>	<b>16,938,672</b>	<b>16,938,672</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	-		671,684	
Loss on inter scheme transfer / sale of investments		973		-	
Management fee		1,312,393		307,421	
Trusteeship fee		72,912		17,315	
Commission to Agents		856,638		157,193	
Marketing expenses		240,865		95,121	
Audit fee		10,993		5,515	
Other operating expenses		143,536		38,305	
Custodian charges		35,340		13,236	
Publicity Expenses		10,079		-	
Registrar expenses		84,523		23,843	
<b>TOTAL (B)</b>		<b>2,768,252</b>	<b>2,768,252</b>	<b>1,329,633</b>	<b>1,329,633</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>65,904,815</b>		<b>15,609,039</b>
Add/(Less) : Balance in Equalisation Account			(80,190,216)		-
			<b>(14,285,401)</b>		<b>15,609,039</b>
<b>Less: Income Distributed</b>		1,139,148		-	
Distribution Tax		184,490		-	
			<b>1,323,638</b>		
<b>Surplus / (Deficit) transferred to Balance Sheet</b>			<b>(15,609,039)</b>		<b>15,609,039</b>

Notes on Accounts

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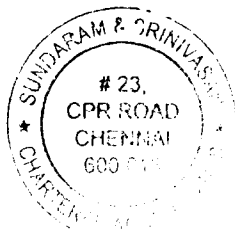
As per our Report of even date

For

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

For

Sundaram Asset Management Company Ltd

K Srinivasan  
Partner  
(M.NO : 5809)Dwijendra Srivatsava  
Fund ManagerT P Ramani  
Managing DirectorFor and on Behalf of  
Sundaram Trustee Company LtdK V Ramanathan  
ChairmanS. Viji  
DirectorR. Rajamani  
DirectorM. S. Sundara Rajan  
DirectorPlace : Chennai  
Date : 26th June 2012

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

	31/03/2012		31/03/2011	
	UNITS	AMOUNT	Rs.	
<b>Initial capital</b>	<b>85,994,140</b>	<b>859,941,400</b>	<b>85,994,140</b>	<b>859,941,400</b>
<b>Unit Capital</b>				
Opening Capital	85,994,140.00	859,941,400	-	-
Add: Units sold during the Period			85,994,140	859,941,400
Less : Units repurchased during the Period	85,994,140.00 85,994,140.00	859,941,400 859,941,400	85,994,140 -	859,941,400 -
Units at the end of the Period	-	-	85,994,140	859,941,400
		-		<b>859,941,400</b>

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

	31/03/2012		31/03/2011	
	Rs.		Rs.	
<b>General Reserve</b>				
Opening Balance	15,609,039		-	
Add /(Less): Transfer from Revenue Account	(15,609,039)	(0)	15,609,039	15,609,039
		(0)		<b>15,609,039</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	240,462	251,040
Others	556	12,881
	<b>241,018</b>	<b>263,921</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
Certificate of Deposits	-	857,649,161
Others - Reverse Repo / CBLO	-	1,098,751
	-	<b>858,747,912</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	241,018	207,605
Outstanding and accrued Income	-	16,858,843
	<b>241,018</b>	<b>17,066,448</b>

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

	<b>01/04/2011 - 19/01/2012</b>	<b>01/04/2010 - 31/03/2011</b>
	Rs.	Rs.
Interest from banks and others	1,216,687	80,078
Discounting Charges	66,784,696	16,858,594
	<b>68,001,383</b>	<b>16,938,672</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	Rs.	Rs.
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange		671,684
	-	671,684
Net - Unrealised Diminution in value of Investment	-	<b>(671,684)</b>

# SUNDARAM MUTUAL FUND

## SUNDARAM FIXED TERM PLAN AV

Schedules forming part of the Balance Sheet as at 31-Mar-2012  
and the Revenue Account for the Period from 01.04.2011 to 19.01.2012

### 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 Period.

#### 2. INVESTMENT MANAGER FEES

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

Description	01.04.11 to 19.01.12	18.01.11 to 31.03.11
Average daily net asset value	9,076.54	8,657.21
Management fee @ 0.18% of average daily net asset value.(Previous year 0.18%)	13.12	3.07

#### 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 19.01.12	18.01.11 to 31.03.11
<b>PURCHASE VALUE (AMOUNT)</b>	-	<b>8,583.21</b>
%	<b>0.00%</b>	<b>99.15%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>9,419.63</b>	-
%	<b>103.78%</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 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>8,576.49</b>
% to the asset under management	<b>NIL</b>	<b>97.96%</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 19.01.12	18.01.11 to 31.03.11
<b>INCOME</b>	<b>9.42%</b>	<b>9.78%</b>
<b>EXPENDITURE</b>	<b>0.38%</b>	<b>0.38%</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 19.01.12	18.01.11 to 31.03.11
Sundaram Finance Ltd (Sponsor)	<b>NIL</b>	<b>0.02</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>0.85</b>	<b>0.30</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

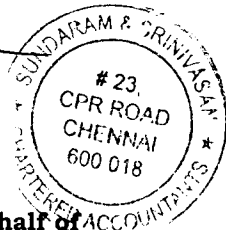



Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

**For Sundaram & Srinivasan  
Chartered Accountants**

(FRN No.: 004207S)

  
K Srinivasan  
Partner  
(M.No : 5809)



  
Dwijendra Srinivatsava  
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**