

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 Z** as at March 31, 2012 and the Revenue Account for the **Period** ended on **June 13, 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.

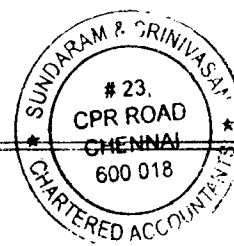
On the basis of the audit as indicated above, we report as follows:-

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 Z** as at March 31, 2012 and
 - b) In the case of Revenue Account of the **Deficit** of Sundaram Mutual Fund - **SUNDARAM FIXED TERM PLAN Z** for the **Period** ended on **13/06/2011**.

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.

Amount in Rs.

	SCHEDULE NO.	31-Mar-12	31-Mar-11
LIABILITIES			
Unit Capital	1	-	585,469,070
Reserves & Surplus	2	-	36,253,915
Current Liabilities & Provisions	3	30,561	91,060
		30,561	621,814,045
ASSETS			
Investments	4	-	592,390,102
Other Current Assets	5	30,561	29,423,943
		30,561	621,814,045

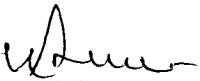
Notes on Accounts

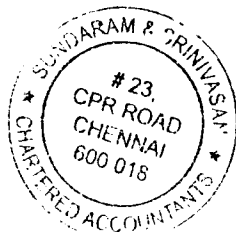
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As per our Report of even date

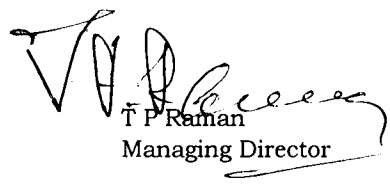
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Asset Management Company Ltd

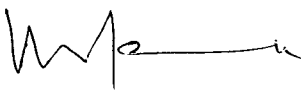

K Srinivasan
Partner
(M.NO : 5809)





Dwijendra Srivatsava
Fund Manager

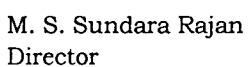

T P Raman
Managing Director

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 01/04/2011 - 13/06/2011

	Schedule No.	Amount, Rs		Amount, Rs	
		01/04/2011 - 13/06/2011		01/04/2010 - 31/03/2011	
REVENUE					
Interest	6	9,965,125		47,741,543	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		396,489	
Net diminution on sale of investments written back		9,366,890		-	
		19,332,015		48,138,032	
TOTAL (A)			19,332,015		48,138,032
EXPENSES					
Net diminution in value of investment	7	-		9,366,890	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		4,788,792		-	
Loss on inter scheme transfer / sale of investments		-		18,773	
Management fee		127,368		604,819	
Trusteeship fee		12,771		60,482	
Commission to Agents		483,205		1,950,713	
Publicity expenses		-		32,464	
Audit fee		17,050		8,539	
Other Operating Expenses		13,242		64,942	
Custodian charges		13,274		52,971	
Registrar expenses		13,945		67,729	
		5,469,647		12,228,322	
TOTAL (B)			5,469,647		12,228,322
SURPLUS / (DEFICIT) (A-B)			13,862,368		35,909,710
Add/(Less) : Balance in Equalisation Account			(43,231,971)		-
			(29,369,603)		35,909,710
Less: Income Distributed		5,259,742		1,666,329	
Distribution Tax		1,624,570		358,470	
			6,884,312		2,024,799
Surplus / (Deficit) transferred to Balance Sheet			(36,253,915)		33,884,911

Notes on Accounts

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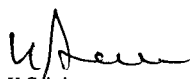
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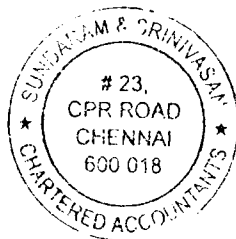
For

Sundaram & Srinivasan

Chartered Accountants

(FRN.: 004207S)



K Srinivasan
Partner
(M.NO : 5809)



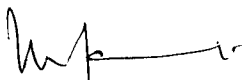
For

Sundaram Asset Management Company Ltd


Divyendra 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

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SCHEDULE : 1**Unit Capital**

	31-Mar-12		31-Mar-11	
	UNITS	AMOUNT	UNITS	AMOUNT
	Initial capital	58,546,907.00	585,469,070	58,546,907
Unit Capital				
Opening Capital	58,546,907.00	585,469,070	58,546,907.00	585,469,070
Add: Units sold during the Period	-	-	-	-
	58,546,907.00	585,469,070	58,546,907.00	585,469,070
Less : Units repurchased during the Period	58,546,907.00	585,469,070	-	-
Units at the end of the Period	-	-	58,546,907.00	585,469,070
				585,469,070

SCHEDULE : 2**Reserves & Surplus**

	31-Mar-12		31-Mar-12	
	Rs.		Rs.	
	General Reserve			
Opening Balance	36,253,915	-	2,369,004	
Add /(Less): Transfer from Revenue Account	(36,253,915)	-	33,884,911	36,253,915
Unrealised appreciation reserve				
Opening Balance	-	-	1,869,076	
Add/(Less) Net unrealized appreciation	-	-	(1,869,076)	
Unrealised Appreciation Reserve (Schedule 7)		-		0
				36,253,915

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	28,904	84,938
Others	1,657	6,122
	30,561	91,060

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SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
Listed		
Preference Shares	-	-
- Non-Convertible Debentures	-	444,925,547
Certificate of Deposits	-	108,449,846
Zero Coupon Bonds	-	38,615,163
Others - Reverse Repo / CBLO	-	399,546
	-	592,390,102

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	30,561	139,688
Outstanding and accrued Income	-	29,283,428
Others	-	827
	30,561	29,423,943

SCHEDULE : 6**Interest**

	01/04/2011 - 13/06/2011	01/04/2010 31/03/2011
	Rs.	Rs.
Interest from banks and others	2,624,268	245,714
Interest on Debentures and Bonds	4,765,281	43,425,686
Discounting Charges	2,575,576	4,070,143
	9,965,125	47,741,543

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	-	5,863,244
Zero Coupon Bonds	-	3,503,646
	-	9,366,890
Net -Unrealised appreciation reserve (schedule 2)	-	(9,366,890)

SUNDARAM MUTUAL FUND

SUNDARAM FIXED TERM PLAN Z

Schedules forming part of the Balance Sheet as at 31-Mar-2012
and the Revenue Account for the Period from 01.04.2011 to 13.06.2011

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 Period.

2. INVESTMENT MANAGER FEES

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

Description	01.04.11 to 13.06.11	01.04.10 to 31.03.11
Average daily net asset value	6,299.49	6,048.13
Management fee @ 0.10% of average daily net asset value.(Previous year 0.10%)	1.27	6.05

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

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 13.06.11	01.04.10 to 31.03.11
PURCHASE VALUE (AMOUNT)	5,400.55	3,412.59
%	85.73%	56.42%
SALES VALUE (AMOUNT)	11,421.00	3,013.29
%	181.30%	49.82%

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.	NIL	5,919.91
% to the asset under management	NIL	95.22%

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 13.06.11	01.04.10 to 31.03.11
INCOME	15.18%	7.96%
EXPENDITURE	0.53%	0.47%

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2012 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.11 to 13.06.11	01.04.10 to 31.03.11
Sundaram Finance Ltd (Sponsor)	NIL	1.43
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	NIL	NIL
Sundaram BNP Paribas Funds Services Ltd (R & T)	0.01	NIL

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.

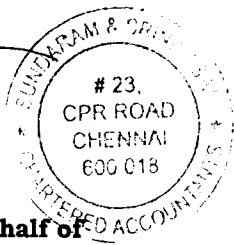
For Sundaram & Srinivasan

For Sundaram Asset Management Company Ltd


Chartered Accountants

(FRN No.: 004207S)

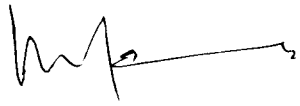

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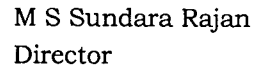

T P Ramah
Managing Director

**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