

**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 MONTHLY INCOME PLAN - AGGRESSIVE PLAN** 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 MONTHLY INCOME PLAN - AGGRESSIVE PLAN** as at March 31, 2012 and
  - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM MONTHLY INCOME PLAN - AGGRESSIVE PLAN** 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.

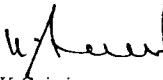
	SCHEDULE NO.	31-Mar-12	31-Mar-11
<b>LIABILITIES</b>			
Unit Capital	1	96,471,829	212,649,040
Reserves & Surplus	2	6,736,264	4,941,382
Current Liabilities & Provisions	3	2,108,755	6,837,834
		<b>105,316,848</b>	<b>224,428,256</b>
<b>ASSETS</b>			
Investments	4	97,679,473	209,771,455
Current Assets	5	7,637,375	14,656,801
		<b>105,316,848</b>	<b>224,428,256</b>

Notes on Accounts 8

As per our Report of even date


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

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

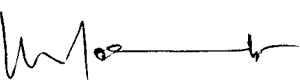
  
K Srinivasan  
Partner  
(M.NO : 5809)



  
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

	Schedule No.	Amount, Rs		Amount, Rs	
		2011 - 12		2010 - 11	
<b>REVENUE</b>					
Interest	6	9,690,083		11,130,267	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		2,904,188	
Net diminution on sale of investments written back		4,391,720		-	
Other Income		11,249		-	
<b>TOTAL (A)</b>		<b>14,093,052</b>	<b>14,093,052</b>	<b>14,034,455</b>	<b>14,034,455</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	32,802		6,863,925	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		3,464,949		-	
Loss on inter scheme transfer / sale of investments		1,137,698		902,167	
Management fee		908,503		1,437,472	
Trusteeship fee		15,588		20,719	
Commission to Agents		1,095,671		543,372	
Publicity expenses		2,266,263		41,765	
Audit fee		12,058		12,117	
Marketing Expenses		-		1,292,909	
Operating expenses		230,457		405,284	
Custodian charges		39,198		62,136	
Registrar expenses		186,318		362,007	
SEBI Fees		1,482		-	
		9,390,988		11,943,872	
Less : Amount transferred from Load on account of Marketing Expenses		1,976,086		234,197	
<b>TOTAL (B)</b>			<b>7,414,902</b>		<b>11,709,675</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>6,678,150</b>		<b>2,324,780</b>
Add/(Less) : Balance in Equalisation Account			(2,642,797)		2,011,748
			4,035,353		4,336,528
<b>Less: Income Distributed</b>		517,780		2,392,085	
Distribution Tax		99,730	617,510	413,380	2,805,465
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>3,417,844</b>		<b>1,531,063</b>

Notes on Accounts

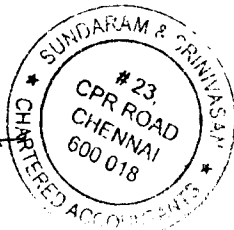
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As per our Report of even date

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

For  
**Sundaram Asset Management Company Ltd**

K Srinivasan  
 Partner  
 (M.NO : 5809)



Dwivedra 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**

	31/03/2012		31/03/2011	
		Rs.		Rs.
	Units	Amount	Units	Amount
<b>Initial capital</b>	6,129,023.28	61,290,233	6,129,023	61,290,233
<b>Unit Capital</b>				
Opening Capital	21,264,904.03	212,649,040	21,630,529	216,305,286
Add: Units sold during the Year	5,389,036.81	53,890,368	37,311.13	373,111
	26,653,940.84	266,539,408	21,667,839.74	216,678,397
Less : Units repurchased during the Year	17,006,757.92	170,067,579	402,935.71	4,029,357
Units at the end of the Year	9,647,182.92	96,471,829	21,264,904.03	212,649,040
		<b>96,471,829</b>		<b>212,649,040</b>

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

	31/03/2012		31/03/2011	
		Rs.		Rs.
<b>Unit Premium Reserve</b>				
Amount Received on Sale / Repurchase of Units (net)	3,234,625		5,617	
Add/Less : Movement during the year	(1,594,625)	1,640,000	3,229,008	3,234,625
<b>General Reserve</b>				
Opening Balance	1,678,421		147,358	
Add /(Less): Transfer from Revenue Account	3,417,844	5,096,264	1,531,063	1,678,421
<b>Unrealised appreciation reserve</b>				
Opening Balance	28,336		52,627	
Add/(Less) Net unrealized appreciation	(28,336)		(24,291)	
Unrealised Appreciation Reserve (Schedule 7)				28,336
		<b>6,736,264</b>		<b>4,941,382</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	2,105,149	6,809,304
Others	3,606	28,530
	<b>2,108,755</b>	<b>6,837,834</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	Rs.	Rs.
-Non Convertiable Debentures Listed / awaiting listing on Stock Exchanges	56,114,395	121,579,900
Certificate of Deposits	7,305,209	21,020,975
Others - Reverse Repo / CBLO	2,895,716	3,995,457
MUTUAL FUND (FOF)	31,364,153	63,175,123
	<b>97,679,473</b>	<b>209,771,455</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	Rs.	Rs.
Balance with banks in Current Accounts	3,492,493	899,468
Contract for Sale of Investments	-	-
Outstanding and accrued Income	1,687,888	6,508,190
Others	2,456,994	7,249,143
	<b>7,637,375</b>	<b>14,656,801</b>

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

	<b>2011 - 12</b>	<b>2010 - 11</b>
	Rs.	Rs.
Interest from banks and others	722,977	741,931
Interest on Debentures and Bonds	8,211,055	6,888,858
Discounting Charges	756,051	3,499,478
	<b>9,690,083</b>	<b>11,130,267</b>

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

	<b>31/03/2012</b>	<b>31/03/2011</b>
	Rs.	Rs.
<b>Appreciation in Value of Investments</b>		
Others	-	28,336
Appreciation in value of investments	-	<b>28,336</b>
<b>Diminution in value of investments</b>		
Mutual Fund Units	2,063,902	4,792,891
Privately placed debentures / Bonds		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	408,304	2,071,034
Certificate of Deposits	32,802	
<b>Diminution in value of investments</b>	<b>2,505,008</b>	<b>6,863,925</b>
Net - Diminution in value of investment	<b>(2,505,008)</b>	<b>(6,835,589)</b>

## SUNDARAM MUTUAL FUND

### SUNDARAM MONTHLY INCOME PLAN - AGGRESSIVE PLAN

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) Dividend is accounted on accrual basis and recognized on ex-dividend dates.

(ii) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.

(iii) Income on investments is accounted on accrual basis.

(iv) 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

In terms of SEBI circular dated 15th March 2010, on Unit Premium Reserve, the equalisation account has been credited/debited with an appropriate portion (excluding the Unit Premium Reserve and Unrealised Appreciation) of the sale proceeds/repurchase price in respect of units sold / repurchased on or after 15th March 2010. The net balance in this account is transferred to revenue account for the Year.

##### 1.6. UNIT PREMIUM RESERVE

In terms of SEBI Circular dated 15th March 2010, on Unit Premium Reserve, when units are sold / repurchased on or after 15th March 2010 a part of the sale price / re-purchase price representing unrealized gains is credited/debited to Unit Premium Reserve. The balance in Unit Premium Reserve will not be utilised for determination of distributable surplus.

#### 2. INVESTMENT MANAGER FEES

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

Description	01.04.11 to 31.03.12	01.04.10 to 31.03.11
Average daily net asset value	1,559.02	2,071.99
Management fee @ 0.58% of average daily net asset value.(Previous year 0.69%)	9.09	14.37

**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 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	01.04.10 to 31.03.11
PURCHASE VALUE (AMOUNT)	1,312.58	4,902.58
%	84.19%	236.61%
SALES VALUE (AMOUNT)	2,457.77	3,141.21
%	157.65%	151.60%

**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.	634.20	1,376.55
% to the asset under management	61.46%	63.26%

**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	01.04.10 to 31.03.11
INCOME	9.04%	6.77%
EXPENDITURE	1.78%	1.90%

**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 31.03.12	01.04.10 to 31.03.11
Sundaram Finance Ltd (Sponsor)	0.10	0.82
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	0.01
Indus Ind Bank Ltd (Associate)	0.15	0.46
Sundaram BNP Paribas Funds Services Ltd (R & T)	1.86	2.93

**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





## ANNEXURE - II

SUNDARAM MONTHLY INCOME PLAN-AGGRESSIVE	% of total investments within the classification	
	2011-2012	2010-2011
<b>DEBT INSTRUMENTS</b>		
<b>a) Listed / awaiting listing on Stock Exchange</b>		
DIVERSIFIED	6.95%	20.81%
FINANCE	93.05%	75.12%
IT	0.00%	0.82%
<b>Money Market Instruments</b>		
FINANCE	100.00%	100.00%

## ANNEXURE - III

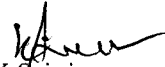
SUNDARAM MONTHLY INCOME PLAN-AGGRESSIVE					
Portfolio Statement for the Year ended 31 March, 2012					
S.NO	Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Holding
	<b>A) Debt Instruments</b>				
	<b>a) Listed / awaiting listing on Stock Exchange</b>				
1	SREI EQUIPMENT FINANCE PVT LTD **	AA	230	229.40	23.48%
2	Reliance Capital Ltd **	AAA	15	148.33	15.19%
3	Housing Development Fin Corp Ltd **	AAA	10	99.34	10.17%
4	Housing Development Fin Corp Ltd **	AAA	4	40.09	4.10%
5	Aditya Birla NUVO Ltd **	AA+	4	39.00	3.99%
6	Shriram Transport Finance Company **	AA	500	4.99	0.51%
	<b>Sub Total</b>			<b>561.14</b>	<b>57.45%</b>
	<b>B) Money Market Instruments</b>				
1	State Bank of Mysore **	A1+	80	73.05	7.48%
	<b>Sub Total</b>			<b>73.05</b>	<b>7.48%</b>
	<b>C) Others</b>				
1	REVERSE REPO / CBLO			28.96	2.96%
	<b>GRAND TOTAL</b>			<b>976.79</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

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**

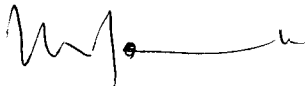
  
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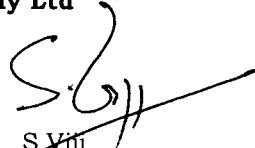


  
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**Place : Chennai**

**Date : 26th June, 2012**