

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** 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.

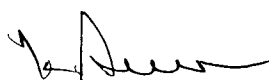
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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.

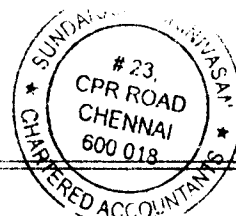
On the basis of the audit as indicated above, we report as follows:-

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



BALANCE SHEET AS AT 31st MARCH, 2012

Amount in Rs.

	SCHEDULE NO.	31-Mar-12	31-Mar-11
LIABILITIES			
Unit Capital	1	166,129,872	323,873,882
Reserves & Surplus	2	53,551,916	106,669,785
Current Liabilities & Provisions	3	3,465,948	5,327,364
		223,147,736	435,871,031
ASSETS			
Investments	4	210,919,897	408,162,941
Other Current Assets	5	12,227,839	27,708,090
		223,147,736	435,871,031

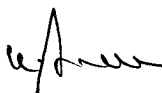
Notes on Accounts

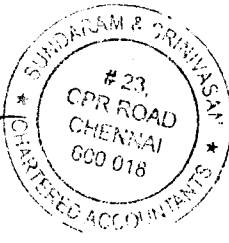
8


As per our Report of even date

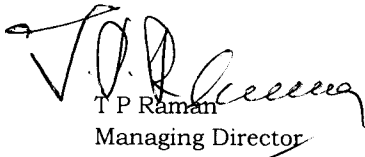
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram Asset Management Company Ltd

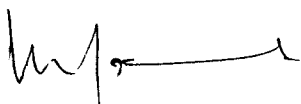

K Srinivasan
Partner
(M.NO : 5809)




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

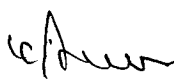
		Amount, Rs	
	Schedule No.	2011-12	2010-11
REVENUE			
Dividend		446,146	358,837
Interest	6	23,036,226	32,214,256
Other Income		9,258	
Net Diminution on investments written back		6,723,350	
		30,214,980	32,573,093
TOTAL (A)		30,214,980	32,573,093
EXPENSES			
Net diminution in value of investment	7	4,084,881	6,723,350
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		5,114,795	2,272,353
Loss on inter scheme transfer / sale of investments		1,882,092	3,993,663
Management fee		2,459,662	4,084,526
Trusteeship fee		29,767	50,500
Commission to Agents		1,716,537	3,044,722
Publicity expenses		3,493,400	51,609
Audit fee		34,941	36,146
Marketing Expenses		1,488,814	1,853,513
Operating Expenses		497,060	832,847
Custodian charges		108,903	133,567
Registrar expenses		331,353	664,274
SEBI Fees		2,897	3,270
		21,245,102	23,744,340
Less : Amount transferred from Load on account of Marketing Expenses		4,189,621	698,651
TOTAL (B)		17,055,481	23,045,689
SURPLUS / (DEFICIT) (A-B)		13,159,499	9,527,404
Add/(Less) : Balance in Equalisation Account		(55,580,003)	5,119,826
		(42,420,504)	14,647,230
Less: Income Distributed		1,907,057	7,276,693
Distribution Tax		264,950	1,149,780
		2,172,007	8,426,473
Surplus /(Deficit) transferred to Balance Sheet		(44,592,511)	6,220,757

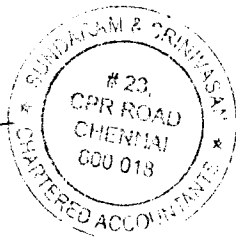
Notes on Accounts

8

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

For
Sundaram Asset Management Company Ltd

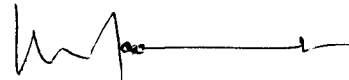

K Srinivasan
Partner
(M.NO : 5809)




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

210

SCHEDULE : 1**Unit Capital**

	31/03/2012		31/03/2011	
	UNITS	AMOUNT	UNITS	AMOUNT
Initial capital	235,839,195.69	2,358,391,957	235,839,195.69	2,358,391,957
Unit Capital				
Opening Capital	32,387,388.16	323,873,882	32,461,643.10	324,616,431
Add: Units sold during the Year	6,016,122.28	60,161,223	1,319.81	13,198
Less : Units repurchased during the Year	38,403,510.44	384,035,104	32,462,962.91	324,629,629
	21,790,523.25	217,905,233	75,574.75	755,748
Units at the end of the Year	16,612,987.19	166,129,872	32,387,388.16	323,873,882
		166,129,872		323,873,882

SCHEDULE : 2**Reserves & Surplus**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
Unit Premium Reserve	458,673		367,398	
Amount Received on Sale / Repurchase of Units (net)	(515,522)	(56,849)	91,275	458,673
General Reserve				
Opening Balance	98,153,256		91,932,499	
Add /(Less): Transfer from Revenue Account	(44,592,511)	53,560,745	6,220,757	98,153,256
Unrealised appreciation reserve				
Opening Balance	8,057,856		4,731,235	
Add/(Less) Net unrealized appreciation	(8,009,836)		3,326,621	
Unrealised Appreciation Reserve (Schedule 7)		48,020	8,057,856	8,057,856
		53,551,916		106,669,785

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	2,961,961	5,262,319
Contract for Purchase of Investments	450,246	-
Distributed Income Payable (136 Warrants)	46,343	26,196
Others	7,398	38,849
	3,465,948	5,327,364

SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
Equity Shares	44,341,110	66,705,497
Non-Convertible Debentures	67,784,920	223,101,481
Government Securities	1,404,564	1,439,807
Certificate of Deposits	66,335,246	97,902,258
Investment in Reverse Repo / CBLO	31,054,057	199,773
Others - Mutual Fund Units	-	18,814,125
	210,919,897	408,162,941

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	7,167,896	3,866,785
Outstanding and accrued Income	2,181,066	10,363,470
Others	2,878,877	13,477,835
	12,227,839	27,708,090

SCHEDULE : 6**Interest**

	31.03.2012	31.03.2011
	Rs.	Rs.
Interest from banks and others	2,418,533	1,324,249
Interest on Debentures and Bonds	14,424,396	24,832,352
Discounting Charges	6,193,297	6,057,655
	23,036,226	32,214,256

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

	31.03.2012	31.03.2011
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	-	7,977,565
Central Government Securities	-	15,129
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	48,020	65,162
Unrealised appreciation reserve (schedule 2)	48,020	8,057,856
Diminution in value of investments		
Equity Shares	3,831,181	-
Central Government Securities	20,114	-
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange		4,426,839
Certificate of Deposits	233,586	
Other MF Units	-	2,296,511
	4,084,881	4,426,839
Diminution in the value of investments	(4,036,861)	3,631,017

SUNDARAM MUTUAL FUND

SUNDARAM MONTHLY INCOME PLAN - MODERATE 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

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) 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	2,977.02	5,049.91
Management fee @ 0.82% of average daily net asset value.(Previous year 0.81%)	24.60	40.85

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)	9,360.16	9,702.90
%	314.41%	192.14%
SALES VALUE (AMOUNT)	11,607.60	9,337.67
%	389.91%	184.91%

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.	1,060.44	3,210.04
% to the asset under management	48.27%	74.56%

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	10.15%	6.45%
EXPENDITURE	2.01%	1.99%

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)	0.17	0.59
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	0.62	0.16
Sundaram BNP Paribas Funds Services Ltd (R & T)	3.31	4.56

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

14. Historical Per Unit Statistics

	2011-2012				2010-2011				2009-2010			
	Monthly	Qrtly	Half-yearly	Growth	Monthly	Qrtly	Half-yearly	Growth	Monthly	Qrtly	Half-yearly	Growth
A. Gross Income												
Income other than profit on sale of investments			1.4135				1.0057				0.4787	
Income from profit on inter scheme sales/transfer of investments			-0.1133				-0.1233				0.0014	
Income from profit on sale of investments to third parties			-0.3079				-0.0702				0.2943	
Transfer from revenue account from past years reserves			0.0000				0.0000				0.0000	
B Aggregate of expenses, writeoff and charges			0.6118				0.3321				0.1920	
C Net Income			0.3806				0.4802				0.5824	
D Net unrealised appreciation/(Diminution) in value of investments			-0.2430				0.2488				0.1620	
E Net Assets Value	10.4222	11.2703	11.3338	15.6227	10.6603	11.0623	11.1264	15.3365	10.9242	11.0907	11.1505	14.9793
F Highest Repurchase Price	10.7285	11.3238	11.3676	15.8027	11.0888	11.3519	11.4175	15.7582	10.9274	11.0906	11.0253	14.9837
Lowest Repurchase Price	9.9370	10.7669	10.8501	14.7906	10.3663	10.7574	10.8204	14.9147	9.6880	10.0067	10.0625	13.0935
Highest Ongoing Sale Price	10.7590	11.4002	11.3941	15.8027	11.0888	11.3519	11.4175	15.7582	10.9274	11.0819	11.1232	14.9837
Lowest ongoing Sale Price	9.7967	10.6506	10.7917	14.6427	10.3663	10.7574	10.8204	14.9147	9.6115	9.9467	9.7181	13.0554
G Ratio of expenses to average dailynet assets by percentage			2.01%				1.99%				2.05%	
Ratio of gross income to average daily net assets by percentage			10.15%				6.45%				13.72%	

15. Computation of Distributable Income

	31/03/2012	31/03/2011	31/03/2010
Net Income as per revenue account	(42,420,504)	14,647,230	70,371,562
Add : Balance of Undistributed income as at 1st April brought forward	98,153,256	91,932,499	23,172,556
	55,732,752	106,579,729	93,544,118
Less : Income Distributed during the year	2,172,007	8,426,472	1,611,619
Distributable Income	53,560,745	98,153,256	91,932,499

16. Previous year figures have been regrouped wherever necessary to conform with the current year's classification

ANNEXURE - II

SUNDARAM MONTHLY INCOME PLAN-MODERATE	% of total investments within the classification	
	2011-2012	2010-2011
EQUITY INSTRUMENTS		
AUTOMOBILE	24.27%	11.99%
CONSTRUCTIONS	17.15%	0.00%
DIVERSIFIED	0.00%	21.92%
ENERGY	17.25%	12.06%
FINANCE	18.10%	17.53%
TELECOM	18.35%	14.22%
MUTUAL FUND UNITS	0.00%	22.28%
DEBT INSTRUMENTS		
a) Listed / awaiting listing on Stock Exchange		
CHEMICALS	0.00%	13.73%
DIVERSIFIED	0.00%	32.57%
FINANCE	100.00%	53.70%
b) Privately Placed		
Money Market Instruments		
FINANCE	100.00%	100.00%

ANNEXURE - III


SUNDARAM MONTHLY INCOME PLAN-MODERATE					
Portfolio Statement for the Year ended 31 March, 2012					
S.NO	Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Holding
	Equity & Equity Linked Instruments				
	a) Listed / awaiting listing on Stock Exchanges				
1	Maruti Udyog Ltd	AUTOMOBILE	7970	107.64	5.10%
2	Bharathi Tele Venture Ltd-Equity	TELECOM	24083	81.38	3.86%
3	State Bank of India	FINANCE	3828	80.25	3.80%
4	Reliance Industries Ltd	ENERGY	10192	76.50	3.63%
5	Larsen & Toubro Eng Co	CONSTRUCTIONS	5810	76.05	3.61%
6	Crompton Greaves Ltd	MANUFACTURING	15639	21.60	1.02%
	Sub Total			443.41	21.02%
	A) Debt Instruments				
	a) Listed / awaiting listing on Stock Exchange				
1	SREI EQUIPMENT FINANCE PVT LTD **	AA	400	398.95	18.91%
2	Reliance Capital Ltd **	AAA	11	108.78	5.16%
3	SUNDARAM BNP HOME FINANCE LTD. **	AA	7	70.23	3.33%
4	Larsen and Toubro Finance Ltd **	AA+	5	50.05	2.37%
5	Cholamandalam Investment & Finance **	AA	3	29.93	1.42%
6	SUNDARAM BNP HOME FINANCE LTD. **	AA	1	9.92	0.47%
7	LIC HOUSING FINANCE **	AAA	1	10.00	0.47%
	Sub Total			677.85	32.14%
	b) Govt Security				
1	Govt. of India - GSEC / TBL		16100	14.05	0.67%
	Sub Total			14.05	0.67%
	B) Money Market Instruments				
1	State Bank of Mysore **	A1+	605	552.71	26.20%
2	IDBI Bank **	A1+	70	64.76	3.07%
3	ICICI Bank **	A1+	50	45.89	2.18%
	Sub Total			663.35	31.45%
	C) Others				
1	REVERSE REPO / CBLO			310.54	14.72%
	GRAND TOTAL			2,109.20	100.00%

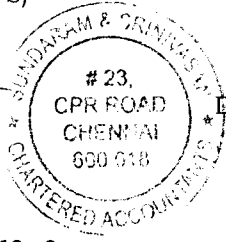
** Thinly traded / Non Traded securities

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

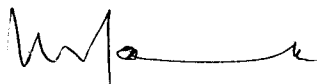

K Srinivasan
Partner
(M.No : 5809)

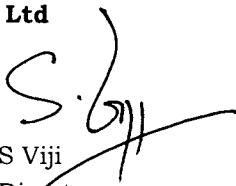



Dwijendra Srivatsava
Fund Manager


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