

**AUDITORS REPORT**

The Board of Trustees  
Sundaram Mutual Fund  
Chennai

We have audited the attached Balance Sheet of Sundaram Mutual Fund - **SUNDARAM SELECT THEMATIC FUNDS ENERGY OPPORTUNITIES** 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.

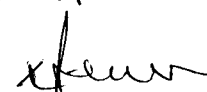
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence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

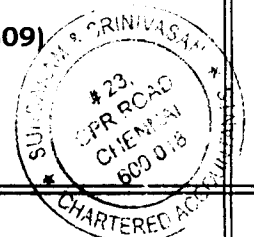
On the basis of the audit as indicated above, we report as follows:-

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 SELECT THEMATIC FUNDS ENERGY OPPORTUNITIES** as at March 31, 2012 and
  - b) In the case of Revenue Account of the **Surplus** of Sundaram Mutual Fund - **SUNDARAM SELECT THEMATIC FUNDS ENERGY OPPORTUNITIES** 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
<b>LIABILITIES</b>			
Unit Capital	1	10,959,331,702	14,735,148,894
Reserves & Surplus	2	(2,746,310,690)	(3,167,311,138)
Current Liabilities & Provisions	3	101,749,000	155,745,733
		<b>8,314,770,012</b>	<b>11,723,583,489</b>
<b>ASSETS</b>			
Investments	4	8,191,929,893	11,420,278,949
Other Current Assets	5	122,840,119	303,304,540
		<b>8,314,770,012</b>	<b>11,723,583,489</b>

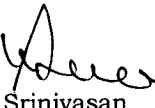
Notes on Accounts

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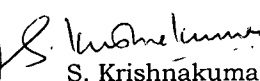
As per our Report of even date


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

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

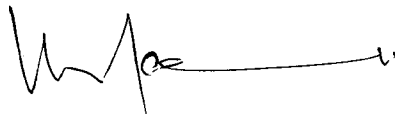
  
K Srinivasan  
Partner  
(M.NO : 5809)



  
S. Krishnakumar  
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

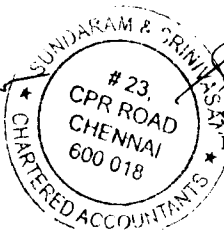
Place : Chennai  
Date : 26th June 2012

## REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

	Schedule No.	Amount, Rs	
		2011-12	2010-11
<b>REVENUE</b>			
Dividend		174,328,425	205,655,052
Interest	7	20,890,657	8,766,743
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)			2,180,104,103
Net profit on inter scheme transfer / sale of investments			16,417,472
Other Income		4,227,928	
		<b>199,447,010</b>	<b>2,410,943,370</b>
<b>TOTAL (A)</b>		<b>199,447,010</b>	<b>2,410,943,370</b>
<b>EXPENSES</b>			
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)	8	357,258,863	
Management fee		96,768,779	154,793,444
Trusteeship fee		942,702	1,534,836
Commission to Agents		54,272,985	84,082,036
Publicity expenses		4,019,451	20,445,073
Marketing Expenses		19,501,752	293,624
Other operating expenses		9,920,957	18,845,893
Audit fee		280,366	305,174
Custodian charges		2,445,763	4,876,339
Registrar expenses		6,776,942	12,036,196
Deferred Revenue expenses written off			288,003,070
SEBI Fees		77,958	110,995
		<b>552,266,518</b>	<b>585,326,680</b>
Less : Amount transferred from Unit Premium Reserve on account of Management Expenses		39,096	
<b>TOTAL (B)</b>		<b>552,227,422</b>	<b>585,326,680</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>		<b>(352,780,412)</b>	<b>1,825,616,690</b>
Add/(Less) : Balance in Equalisation Account		879,824,785	1,063,585,484
		<b>527,044,373</b>	<b>2,889,202,174</b>
<b>Less: Income Distributed</b>		-	-
<b>Distribution Tax</b>		-	-
<b>Surplus /(Deficit) transferred to Balance Sheet</b>		<b>527,044,373</b>	<b>2,889,202,174</b>

Notes on Accounts  
As per our Report of even date

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For  
Sundaram & Srinivasan  
Chartered Accountants  
(FRN.: 004207S)For  
Sundaram Asset Management Company LtdK Srinivasan  
Partner  
(M.NO : 5809)S. Krishnakumar  
Fund ManagerT P Raman  
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

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

	31/03/2012		31/03/2011	
	UNITS	AMOUNT	UNITS	AMOUNT
	2,786,285,045.82	27,862,850,458	2,786,285,045.82	27,862,850,458
<b>Initial capital</b>				
<b>Unit Capital</b>				
Opening Capital	1,473,514,889	14,735,148,894	2,159,365,197	21,593,651,970
Add: Units sold during the year	1,769,248	17,692,477	1,196,064	11,960,640
	1,475,284,137	14,752,841,371	2,160,561,261	21,605,612,610
Less : Units repurchased during the year	379,350,967	3,793,509,669	687,046,372	6,870,463,716
Units at the end of the Year	1,095,933,170	10,959,331,702	1,473,514,889	14,735,148,894
		<b>10,959,331,702</b>		<b>14,735,148,894</b>

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

	31/03/2012		31/03/2011	
	Rs.	Rs.	Rs.	Rs.
<b>Unit Premium Reserve</b>				
Opening Balance	-			
Add : Amount Received on Repurchase of Units	-			
<b>General Reserve</b>				
Opening Balance	(3,797,075,482)		(6,686,277,656)	
Add /(Less): Transfer from Revenue Account	527,044,373		2,889,202,174	
		<b>(3,270,031,109)</b>		<b>(3,797,075,482)</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	629,764,344		3,079,916,223	
Add/(Less) Net unrealized appreciation for the year	(106,043,925)		(2,450,151,879)	
Unrealised Appreciation Reserve (Schedule 8)		<b>523,720,419</b>		<b>629,764,344</b>
		<b>(2,746,310,690)</b>		<b>(3,167,311,138)</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	36,327,478	47,649,000
Contract for Purchase of Investments	64,909,307	106,865,732
Others	512,215	1,231,001
	<b>101,749,000</b>	<b>155,745,733</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
Equity Shares	7,962,980,393	11,286,373,349
Investment in Reverse Repo / CBLO	228,949,500	133,905,600
	<b>8,191,929,893</b>	<b>11,420,278,949</b>

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

	31/03/2012	31/03/2011
	Rs.	Rs.
Balance with banks in Current Accounts	9,595,866	166,360,674
Contract for Sale of Investments	81,330,241	105,083,180
Other Receivables	480,087	-
Deposits with Clearing Corpn of India	7,000,000	15,000,000
Equity Derivatives Instrument Account Margin Money	8,062,985	-
Outstanding and accrued Income	16,362,658	15,452,761
Others	8,282	1,407,925
	<b>122,840,119</b>	<b>303,304,540</b>

**SCHEDULE: 6****Deferred Revenue Expenditure**

	31/03/2012	31/03/2011
	Rs.	Rs.
Opening Balance	-	324,200,583
Less: Amount amortised during the period	-	288,003,070
Less: Amount recovered from Investors	-	36,197,513
	-	-

**SCHEDULE : 7****Interest**

	2011-12	2010-11
	Rs.	Rs.
Interest from banks and others	20,890,657	8,468,562
Discounting Charges	-	298,181
	<b>20,890,657</b>	<b>8,766,743</b>

**SCHEDULE :8****Net Appreciation/( Diminution) value of Investments**

	2011-12	2010-11
	Rs.	Rs.
Equity Shares	523,720,419	629,764,344
<b>Appreciation in Value of Investments</b>		
Appreciation in value of investments	<b>523,720,419</b>	<b>629,764,344</b>
<b>Diminution in value of investments</b>		
Net Appreciation/( Diminution) value of Investments transferred to Revenue Account	-	-
	<b>523,720,419</b>	<b>629,764,344</b>

# SUNDARAM MUTUAL FUND

## SUNDARAM SELECT THEMATIC FUNDS ENERGY OPPORTUNITIES

Schedules forming part of the Balance Sheet as at 31-Mar-2012  
and the Revenue Account for the Year ended 31-Mar-2012

### SCHEDULE 9

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.

Bonus/Rights entitlements are recognised on ex-bonus /ex- rights dates.

##### 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. INITIAL ISSUE EXPENSES

(i) The initial issue expenses are amortized over a period of three years from the date of allotment.

(ii) The unamortized portion of the deferred revenue expenditure is included in the net asset value.

(iii) In terms of SEBI Regulations, the unamortised initial issue expenses would be recovered from the investor while repurchasing the units of the scheme.

##### 1.5. 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 Year.

#### 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	94,270.15	153,483.56
Management fee @ 1.02% of average daily net asset value.(Previous year 1.01%)	967.69	1,547.93

#### 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 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
<b>PURCHASE VALUE (AMOUNT)</b>	<b>76,677.31</b>	<b>198,721.45</b>
%	<b>81.34%</b>	<b>129.47%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>105,136.94</b>	<b>258,692.90</b>
%	<b>111.53%</b>	<b>168.55%</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 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.	<b>NIL</b>	<b>NIL</b>
% to the asset under management	<b>NIL</b>	<b>NIL</b>

#### 6. INCOME / EXPENDITURE

The total income and expenditure (excluding deferred revenue expenditure un-amortised) 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
<b>INCOME</b>	<b>2.12%</b>	<b>15.71%</b>
<b>EXPENDITURE</b>	<b>2.07%</b>	<b>1.94%</b>

#### 7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2012 is NIL. Previous Year Rs.268.13 Lakhs, towards uncalled liability on partly paid shares.

#### 8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.11 to 31.03.12	01.04.10 to 31.03.11
Sundaram Finance Ltd (Sponsor)	<b>20.23</b>	<b>54.59</b>
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	<b>0.00</b>	<b>NIL</b>
Indus Ind Bank Ltd (Associate)	<b>0.19</b>	<b>NIL</b>
Sundaram BNP Paribas Funds Servcies Ltd (R & T)	<b>50.88</b>	<b>NIL</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)

Refer Annexure - II

#### 10. DETAILS OF DERIVATIVE CONTRACTS OUTSTANDING AT THE YEAR END AND EXECUTED DURING THE PERIOD

Margin account on futures amounting to Rs.80.63 Lakhs (Previous Year Rs.513.64 lakhs) represent the margin towards future contracts and is disclosed under other current assets.Refer Annexure VI for details of derivative contracts executed during the Year.

#### 11. PORTFOLIO DISCLOSURE

Full portfolio of the scheme is given in Annexure - III

#### 12. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

#### 13. ACCOUNTING STANDARD 3 ON CASH FLOW STATEMENT

The Cash flow statement as required by the Accounting Standard 3 issued by the Institute of Chartered Accountants of India is enclosed as Annexure - V

#### 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

	2011-12		2010-2011		2009-10 Rs.	
	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option
(A) Gross income						
(i) income other than profit on sale of investment	0.1820		0.1455		0.0889	
(ii) income from profit on inter scheme sales/transfer of investments	0.0000		0.0111		-0.0403	
(iii) income from profit on sale of investment to third parties	-0.3260		1.4795		0.7385	
(iv) transfer to revenue account from past year's reserves	0.0000		0.0000		0.0000	
(B) Aggregate of expenses, write off, amortisation and charges	0.1780		0.3972		0.3762	
(C) Net income	-0.3220		1.2389		0.4109	
(D) Net unrealised appreciation/(diminution) in value of investments	0.4779		0.4274		1.4263	
(E) Net Assets Value	7.4939	7.4947	7.8505	7.8504	8.3299	8.3298
(F) Highest repurchase price*	8.1693	8.1695	9.2082	9.2083	4.2559	4.2559
Lowest repurchase price*	6.5117	6.5124	7.2913	7.2912		
Highest ongoing sale price *	8.1693	8.1695	8.7298	8.7298	8.8360	8.8359
Lowest ongoing sale price *	6.5117	6.5124	7.2913	7.2912		
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.07%		1.94%		1.90%	
(H) Ratio of gross income to average daily net assets by percentage	2.12%		15.71%		38.73%	

\* includes load as applicable

## 15 Computation of Distributable Income

	2011-12	2010-11	2009-10
Net Income as per revenue account	527,044,373	2,889,202,174	6,798,615,058
Add : Balance of Undistributed income as at 1st April brought forward	(3,797,075,480)	(6,686,277,654)	(13,484,892,712)
	(3,270,031,107)	(3,797,075,480)	(6,686,277,654)
Less : Income Distributed during the year	-	-	-
Distributable Income	(3,270,031,107)	(3,797,075,480)	(6,686,277,654)

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

SUNDARAM ENERGY OPPORTUNITIES FUND

Annexure - II


Equity	2011-12	2010-11
FINANCIAL SERVICES	7.12%	
Energy	59.63%	59.59%
Industrial Manufacturing		11.51%
Metals	9.07%	8.13%
CONSTRUCTION	6.40%	

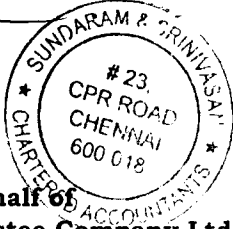
Portfolio Statement for the Month of March-2012  
SUNDARAM SELECT THEMATIC ENERGY  
OPPORTUNITIES FUND

SI No	Investment	Industry / Ratings	Quantity	Market Value Rs.in Lakhs	% of Portfolio Assets
1	Cairn India Ltd.	ENERGY	1651910	5,515.73	6.73%
2	Gujarat Gas Company Ltd.	ENERGY	1390395	5,458.00	6.66%
3	Oil & Natural Gas Corporation Ltd.	ENERGY	1946461	5,223.33	6.38%
4	Indraprastha Gas Ltd.	ENERGY	1266380	4,804.65	5.87%
5	Reliance Industries Ltd.	ENERGY	634884	4,765.44	5.82%
6	Bharat Petroleum Corporation Ltd.	ENERGY	619958	4,341.26	5.30%
7	Infrastructure Development Finance Company Ltd	FINANCIAL SERVICES	3110060	4,198.58	5.13%
8	Petronet LNG Ltd.	ENERGY	2157592	3,625.83	4.43%
9	Larsen & Toubro Ltd.	CONSTRUCTION	263670	3,451.44	4.21%
10	Maharashtra Seamless Ltd.	METALS	811668	3,167.13	3.87%
11	Gujarat State Petronet Ltd.	ENERGY	4096706	3,133.98	3.83%
12	GAIL (India) Ltd.	ENERGY	816915	3,073.64	3.75%
13	Hindustan Petroleum Corporation Ltd.	ENERGY	904909	2,747.30	3.35%
14	Oil India Ltd.	ENERGY	525345	2,677.68	3.27%
15	The India Cements Ltd.	CEMENT & CEMENT PRODUCTS	2378976	2,651.37	3.24%
16	Raymond Ltd.	TEXTILES	504829	2,144.01	2.62%
17	CESC Ltd.	ENERGY	779525	2,117.97	2.59%
18	Havells India Ltd.	CONSUMER GOODS	295032	1,687.88	2.06%
19	Lanco Infratech Ltd.	CONSTRUCTION	9021951	1,642.00	2.00%
20	Gujarat Mineral Development Corporation Ltd.	METALS	900000	1,638.45	2.00%
21	Thermax Ltd.	INDUSTRIAL MANUFACTURING	273035	1,268.25	1.55%
22	Videocon Industries Ltd.	CONSUMER GOODS	730000	1,251.22	1.53%
23	Rural Electrification Corporation Ltd.	FINANCIAL SERVICES	593000	1,218.02	1.49%
24	Cummins India Ltd.	INDUSTRIAL MANUFACTURING	230000	1,139.42	1.39%
25	Hindalco Industries Ltd.	METALS	794000	1,027.44	1.25%
26	Tata Steel Ltd.	METALS	210000	990.68	1.21%
27	Ashok Leyland Ltd.	AUTOMOBILE	2977800	903.76	1.10%
28	Tata Motors Ltd - CLASS A	AUTOMOBILE	500000	790.00	0.96%
29	Alstom Projects India Ltd.	INDUSTRIAL MANUFACTURING	216935	771.64	0.94%
30	TRF Ltd.	INDUSTRIAL MANUFACTURING	266671	768.01	0.94%
31	Chambal Fertilizers & Chemicals Ltd.	FERTILISERS & PESTICIDES	979978	757.52	0.92%
32	Sterlite Industries ( India ) Ltd.	METALS	359274	398.97	0.49%
33	Multi Commodity Exchange of India Limited	FINANCIAL SERVICES	19800	251.51	0.31%
34	Schneider Electric Infrastructure Ltd.	INDUSTRIAL MANUFACTURING	41543	27.71	0.03%
<b>EQUITY TOTAL</b>				<b>79,629.82</b>	<b>97.21%</b>
<b>B) Money Market Instruments Reverse Repo / CBLO</b>				<b>2,289.50</b>	<b>2.79%</b>
<b>Grand Total</b>				<b>81,919.31</b>	<b>100.00%</b>

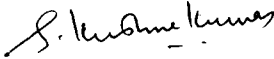
Signatures to the schedules 1 to 9 are forming part of the Balance Sheet and the Revenue Account.

**For Sundaram & Srinivasan**  
**Chartered Accountants**  
(FRN No.: 004207S)

  
K Srinivasan  
Partner  
(M.No : 5809)

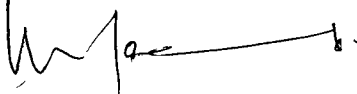



**For Sundaram Asset Management Company Ltd**

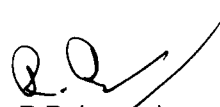
  
S Krishna Kumar  
Fund Manager

  
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**