

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 SELECT THEMATIC FUNDS - ENTERTAINMENT OPPORTUNITIES FUND** 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.

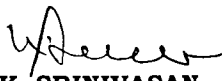
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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 - ENTERTAINMENT OPPORTUNITIES FUND** as at March 31, 2012 and
 - b) In the case of Revenue Account of the **Deficit** of Sundaram Mutual Fund - **SUNDARAM SELECT THEMATIC FUNDS - ENTERTAINMENT OPPORTUNITIES FUND** 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	366,564,189	443,726,851
Reserves & Surplus	2	(2,085,155)	123,491,358
Current Liabilities & Provisions	3	3,270,709	2,014,748
		367,749,743	569,232,957
ASSETS			
Investments	4	365,573,745	557,334,103
Other Current Assets	5	2,175,998	11,898,854
		367,749,743	569,232,957

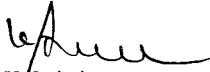
Notes on Accounts

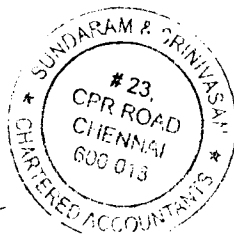
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As per our Report of even date

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

For
Sundaram Asset Management Company Ltd

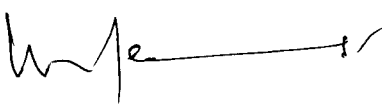

K Srinivasan
Partner
(M.NO : 5809)




J Venkatesan
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

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

	Schedule No.	Amount, Rs	
		2011-12	2010-11
REVENUE			
Dividend		3,312,020	3,523,929
Interest	6	4,169,764	2,204,494
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		61,688,210	59,458,118
Net profit on inter scheme transfer / sale of investments		-	6,811,828
Other Income		87,825	
TOTAL (A)		69,257,819	71,998,369
EXPENSES			
Net diminution in value of investment	7	147,170,657	-
Management fee		5,672,567	8,667,292
Trusteeship fee		45,382	69,338
Commission to Agents		2,029,219	2,927,274
Publicity expenses		732,163	3,902,641
Marketing Expenses		1,486,548	369,212
Audit fee		85,536	86,608
Other operating expenses including Marketing Expenses		727,173	1,087,465
Custodian charges		102,336	196,774
Registrar expenses		459,963	897,474
SEBI Fees		3,841	4,936
TOTAL (B)		158,515,385	18,209,014
Less : Amount transferred from load on account of Marketing Expenses		0	911,700
SURPLUS / (DEFICIT) (A-B)		(89,257,566)	54,701,055
Add/(Less) : Balance in Equalisation Account		(15,770,561)	(33,179,316)
		(105,028,127)	21,521,739
Less: Income Distributed		0	14,670
			14,670
Surplus /(Deficit) transferred to Balance Sheet		(105,028,127)	21,507,069

Notes on Accounts

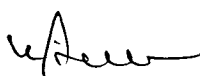
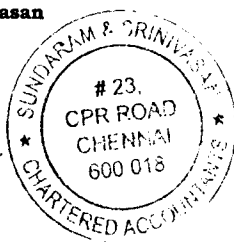

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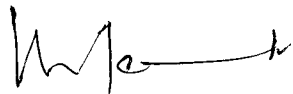
As per our Report of even date

For Sundaram & Srinivasan


Chartered Accountants

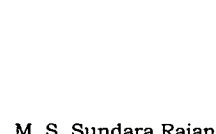
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Partner
(M.NO : 5809)**For Sundaram Asset Management Company Ltd**

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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	
	UNITS	AMOUNT	UNITS	AMOUNT
	Initial capital	84,733,557.08	847,335,579	84,733,557.08
Unit Capital				
Opening Capital	44,372,685	443,726,851	58,780,586	587,805,864
Add: Units sold during the year	657,065	6,570,652	2,611,845	26,118,453
	45,029,750	450,297,503	61,392,432	613,924,317
Less : Units repurchased during the year	8,373,331	83,733,313	17,019,747	170,197,466
Units at the end of the Year	36,656,419	366,564,189	44,372,685	443,726,851
		366,564,189		443,726,851
		0		-

SCHEDULE : 2**Reserves & Surplus**

	31/03/2012		31/03/2011	
	Rs.		Rs.	
Unit Premium Reserve	(29,982,426)		(839,519)	
Amount Received on Sale /Repurchase of Units	2,907,733	(27,074,693)	(29,142,907)	(29,982,426)
General Reserve				
Opening Balance	130,017,665		108,510,596	
Add /(Less): Transfer from Revenue Account	(105,028,127)	24,989,538	21,507,069	130,017,665
Unrealised appreciation reserve				
Opening Balance	23,456,119		107,262,091	
Add/(Less) Net unrealized appreciation for the year	(23,456,119)		(83,805,972)	
Unrealised Appreciation Reserve (Schedule 7)		-		23,456,119
		(2,085,155)		123,491,358

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	3,243,539	1,934,847
Others	27,170	79,901
	3,270,709	2,014,748

SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
Equity Shares	348,957,245	514,307,083
Others - Reverse Repo	16,616,500	43,027,020
	365,573,745	557,334,103

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	
Balance with banks in Current Accounts	1,542,992	3,161,250
Contract for Sale of Investments	-	8,728,459
Deposits with Clearing Corpn of India	500,000	-
Outstanding and accrued Income	11,369	9,145
Others	121,637	-
	2,175,998	11,898,854

SCHEDULE : 6**Interest**

	2011-12	2010-11
	Rs.	Rs.
Interest from banks and others	4,169,764	2,204,494
	4,169,764	2,204,494

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

	2011-12	2010-11
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares		23,456,119.00
Appreciation in value of investments	-	23,456,119
Diminution in value of investments		
Equity Shares	147,170,657	
Net Diminution value of Investments transferred to Revenue Account	147,170,657	-
Net Appreciation / (Diminution) value of Investments	(147,170,657)	23,456,119

SUNDARAM MUTUAL FUND

SUNDARAM SELECT THEMATIC FUNDS - ENTERTAINMENT OPPORTUNITIES FUND

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.

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. 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:

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Description	01.04.11 to 31.03.12	01.04.10 to 31.03.11
Average daily net asset value	4,538.05	6,933.83
Management fee @ 1.25% of average daily net asset value.(Previous year 1.25%)	56.73	86.67

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)	1,669.00	876.68
%	36.78%	12.64%
SALES VALUE (AMOUNT)	2,233.11	2,888.73
%	49.21%	41.66%

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.	NIL	NIL
% to the asset under management	NIL	NIL

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
INCOME	15.26%	10.38%
EXPENDITURE	2.50%	2.50%

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)	0.48	6.29
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	0.00	0.00
Indus Ind Bank Ltd (Associate)	0.02	0.01
Sundaram BNP Paribas Funds Services Ltd (R & T)	4.60	2.43

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.NIL Lakhs (Previous Year Rs.Nil lakhs) represent the margin towards future contracts and is disclosed under other current assets.

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 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 Rs.		2010-11 Rs.		2009-10 Rs.	
	Institutional Dividend	Growth Option	Institutional Dividend	Growth Option	Institutional Dividend	Growth Option
(A) Gross income						
(i) income other than profit on sale of investment		0.2065		0.0129		0.1351
(ii) income from profit on inter scheme sales/transfer of investments		0.0000		0.1535		0.8089
(iii) income from profit on sale of investment to third parties		1.6829		1.3400		4.3202
(iv) transfer to revenue account from past year's reserves		0.0000		0.0000		0.0000
Aggregate of expenses, write off, amortisation and charges		0.3095		0.3898		0.3432
Net income		1.5799		1.2328		4.9210
(B) Net unrealised appreciation/(diminution) in value of investments		-4.0149		0.5286		1.8248
(E) Net Assets Value	Dividend Option	Institutional Growth Option	Dividend Option	Institutional Growth Option	Dividend Option	Institutional Growth Option
	8.6883	11.004	11.1539	14.1298	11.8751	15.0415
(F) Highest repurchase price*	12.2472	15.5149	13.5814	17.2065	14.7152	15.9119
Lowest repurchase price*	7.9522	10.0745	10.4045	13.1812	8.7304	13.0459
Highest ongoing sale price *	11.9777	15.1735	13.5814	17.2065	15.0463	16.2899
Lowest ongoing sale price *	7.9522	10.0745	10.4045	13.1812	8.9717	8.7745
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage		2.50%		2.50%		2.49%
(H) Ratio of gross income to average daily net assets by percentage		15.26%		10.38%		45.83%

* includes load as applicable

15. Computation of Distributable Income

	31-Mar-12	31-Mar-11	31-Mar-10
Net Income as per revenue account	(105,028,127)	21,521,739	291,833,867
Add : Balance of Undistributed income as at 1st April brought forward	130,017,665	108,510,596	(103,326,296)
	24,989,538	130,032,335	188,507,571
Less : Income Distributed during the year		14,670	79,996,975
	24,989,538	130,017,665	108,510,596
Add Unit Premium Reserve	(27,074,693)	(29,982,426)	(639,519)
Distributable Income	(2,085,155)	100,035,239	107,671,077

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

SUNDARAM ENTERTAINMENT OPPORTUNITIES FUND

Annexure - II

Equity	2011-12	2010-11
Consumer Goods		11.24%
Energy		8.02%
FINANCIAL SERVICES	5.08%	6.32%
IT	7.19%	6.15%
Media	59.32%	57.19%
Services	17.88%	11.09%
TELECOM	6.43%	

Portfolio Statement for the Month of March-2012

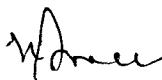
SUNDARAM Entertainment Opportunities FUND

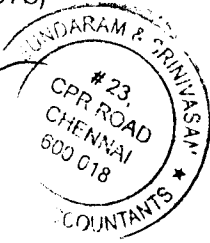
SI No	Investment	Industry / Ratings	Quantity	Market Value Rs.in Lakhs	% of Portfolio Assets
1	PVR Ltd.	MEDIA & ENTERTAINMENT	337303	497.35	13.60%
2	HT Media Ltd.	MEDIA & ENTERTAINMENT	274662	383.70	10.50%
3	Mahindra Holidays & Resorts India Ltd.	SERVICES	111052	334.54	9.15%
4	Dish TV India Ltd.	MEDIA & ENTERTAINMENT	512432	327.44	8.96%
5	OnMobile Global Ltd.	TELECOM	389986	234.38	6.41%
6	The Indian Hotels Company Ltd.	SERVICES	335970	214.01	5.85%
7	TV18 Broadcast Ltd.	MEDIA & ENTERTAINMENT	754133	207.76	5.68%
8	Entertainment Network (India) Ltd.	MEDIA & ENTERTAINMENT	87879	193.07	5.28%
9	Network18 Media & Investments Ltd.	FINANCIAL SERVICES	482126	177.18	4.85%
10	Info Edge (India) Ltd.	IT	23862	173.95	4.76%
11	Den Networks Ltd.	MEDIA & ENTERTAINMENT	130323	137.95	3.77%
12	D.B. Corp Ltd.	MEDIA & ENTERTAINMENT	61263	134.59	3.68%
13	United Spirits Ltd.	CONSUMER GOODS	22000	133.33	3.65%
14	TV Today Network Ltd.	MEDIA & ENTERTAINMENT	200000	102.80	2.81%
15	Infinite Computer Solutions (India) Ltd.	IT	100000	76.90	2.10%
16	Talwalkars Better Value Fitness Ltd.	SERVICES	49201	75.25	2.06%
17	New Delhi Television Ltd.	MEDIA & ENTERTAINMENT	114753	45.33	1.24%
18	Jagran Prakashan Ltd.	MEDIA & ENTERTAINMENT	39635	40.01	1.09%
EQUITY TOTAL				3,489.54	95.45%
B) Money Market Instruments					
Reverse Repo / CBLO				166.17	4.55%
C) Others					
Grand Total				3,655.71	100.00%

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)

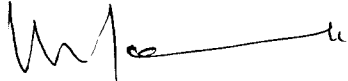


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Place : Chennai

Date : 26th June, 2012