

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 - PSU 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.

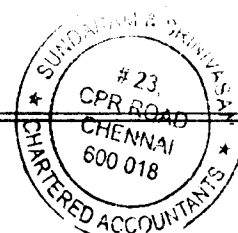
On the basis of the audit as indicated above, we report as follows:-

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 - PSU 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 - PSU 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	2,836,326,663	4,177,241,312
Reserves & Surplus	2	(140,945,173)	299,579,129
Current Liabilities & Provisions	3	5,472,690	21,413,282
		2,700,854,180	4,498,233,723
ASSETS			
Investments	4	2,694,926,571	4,489,000,047
Other Current Assets	5	5,927,609	9,233,676
		2,700,854,180	4,498,233,723

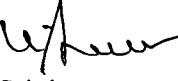
Notes on Accounts

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As per our Report of even date

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

For
Sundaram Asset Management Company Ltd

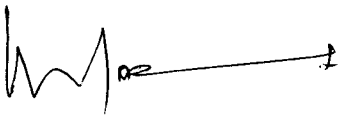

K Srinivasan
Partner
(M.NO : 5809)




J. Venkatesan
Fund Manager


T P 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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REVENUE ACCOUNT FOR THE PERIOD FROM 01 APR 2010 TO 31st MARCH, 2012

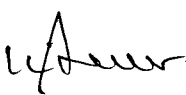
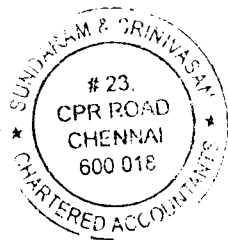
	Schedule No.	Amount, Rs	
		2011 - 12	2010 - 11
REVENUE			
Dividend		78,458,632	83,897,089
Interest	6	8,457,198	13,808,794
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-	519,248,806
Net profit on inter scheme transfer / sale of investments		2,661,409	1,074,325
Other Income		546,222	
TOTAL (A)		90,123,461	618,029,014
EXPENSES			
Net diminution in value of investment		171,154,553	
Net profit/loss on sale of investments (Other than inter-scheme transfer/sale)		134,846,409	-
Management fee		37,591,872	52,729,718
Trusteeship fee		351,016	502,403
Commission to Agents		24,103,417	40,019,933
Publicity expenses		11,475,083	11,942,424
Marketing Expenses		5,935,706	2,130,122
Audit fee		188,152	138,048
Other operating expenses		4,671,133	6,606,739
Custodian charges		842,329	1,467,071
Registrar expenses		3,262,272	5,894,074
SEBI Fees		30,186	32,947
		394,452,128	121,463,479
Less : Amount transferred from load on account of Marketing Expenses		7,014,519	8,486,884
TOTAL (B)		387,437,609	112,976,595
SURPLUS / (DEFICIT) (A-B)		(297,314,148)	505,052,419
Add/(Less) : Balance in Equalisation Account		50,255,382	(2,177,568)
		(247,058,766)	502,874,851
Less: Income Distributed		-	252,652,317
Distribution Tax		-	-
			252,652,317
Surplus /(Deficit) transferred to Balance Sheet		(247,058,766)	250,222,534

Notes on Accounts
As per our Report of even date

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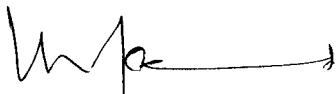
For Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For Sundaram Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)


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R. Rajam
Director
M. 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
	498,810,155.77	4,988,101,558	498,810,155.77	4,988,101,558
Initial capital				
Unit Capital				
Opening Capital	417,724,131	4,177,241,312	536,978,849	5,369,788,486
Add: Units sold during the year	15,937,566	159,375,659	122,144,883	1,221,448,834
Less : Units repurchased during the year	433,661,697	4,336,616,971	659,123,732	6,591,237,320
	150,029,031	1,500,290,308	241,399,601	2,413,996,008
Units at the end of the Year	283,632,666	2,836,326,663	417,724,131	4,177,241,312
		2,836,326,663		4,177,241,312

SCHEDULE : 2
Reserves & Surplus

	31/03/2012		31/03/2011	
	Rs.		Rs.	
Unit Premium Reserve				
Opening Balance	(109,961,193)		-	
Amount Received on Repurchase of Units	2,315,030		(109,961,193)	
		(107,646,163)		(109,961,193)
General Reserve				
Opening Balance	213,759,756		(36,462,778)	
Add /(Less): Transfer from Revenue Account	(247,058,766)		250,222,534	
		(33,299,010)		213,759,756
Unrealised appreciation reserve				
Opening Balance	195,780,566		2,482,632	
Add/(Less) Net unrealized appreciation for the year	(195,780,566)		193,297,934	
Unrealised Appreciation Reserve (Schedule 7)				195,780,566
		(140,945,173)		299,579,129

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2012	31/03/2011
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	4,737,036	20,984,039
Contract for Purchase of Investments	2	-
Income Distribution Payable	73,830	9,884
Others	661,822	419,359
	5,472,690	21,413,282

SCHEDULE : 4**Investments**

	31/03/2012	31/03/2011
	Rs.	Rs.
Equity Shares	2,600,302,071	4,337,174,727
Others - Reverse Repo	94,624,500	151,825,320
	2,694,926,571	4,489,000,047

SCHEDULE : 5**Other Current Assets**

	31/03/2012	31/03/2011
	Rs.	
Balance with banks in Current Accounts	2,925,463	6,821,633
Deposits with Clearing Corpn of India	1,900,000	-
Outstanding and accrued Income	62,982	32,238
Others	1,039,164	2,379,805
	5,927,609	9,233,676

SCHEDULE : 6**Interest**

	2011 - 12	2010 - 11
	Rs.	Rs.
Interest from banks and others	8,457,198	11,643,087
Discounting Charges	-	2,165,707
Sundry Income	549,583	-
	9,006,781	13,808,794

SCHEDULE :7**Net Appreciation value of Investments**

	2011 - 12	2010 - 11
	Rs.	Rs.
Equity Shares	-	195,780,566
Appreciation in Value of Investments		
Appreciation in value of investments (Schedule 2)	-	195,780,566
Diminution in value of investments		
Equity Shares	171,154,553	
Net Diminution value of Investments transferred to Revenue Account	171,154,553	-
	(171,154,553)	195,780,566

SUNDARAM MUTUAL FUND

SUNDARAM SELECT THEMATIC FUNDS - PSU 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.

c) Equity Derivative Instruments

• Open positions of traded equity Index / stock futures are valued at the last quoted closing price on the stock exchange.

• Equity derivative instruments 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.

When the future contracts of equity derivative instruments are squared off on or before the expiry of contract, the difference between the settlement price and contractual price is recognized in Revenue Account.

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	35,101.52	50,240.34
Management fee @ 1.07% of average daily net asset value. (Previous year 1.05%)	375.92	527.30

3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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)	6,313.82	43,573.11
%	17.99%	86.73%
SALES VALUE (AMOUNT)	18,691.35	58,125.48
%	53.25%	115.69%

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 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	2.57%	12.30%
EXPENDITURE	2.32%	2.25%

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)	5.14	35.71
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	0.00	0.00
Indus Ind Bank Ltd (Associate)	0.20	2.07
Sundaram BNP Paribas Funds Servcies Ltd (R & T)	32.62	21.21

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.0 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.	
(A) Gross income						
(i) income other than profit on sale of investment	0.3084		0.2339		0.0443	
(ii) income from profit on inter scheme sales/transfer of investments	0.0094		0.0026		0.0000	
(iii) income from profit on sale of investment to third parties	-0.4754		1.243		-0.0484	
(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	0.2871		0.2705		0.0471	
(C) Net income	-0.4447		1.2090		-0.0512	
(D) Net unrealised appreciation/(diminution) in value of investments	-0.6034		0.4687		0.0000	
	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	9.0756	9.9661	10.2999	11.3108	9.9362	9.9352
(F) Highest repurchase price*	10.6263	11.6689	12.9382	12.9365	9.899	9.9131
Lowest repurchase price*	7.8469	8.6168	9.4131	9.5308	9.4298	9.4296
Highest ongoing sale price *	10.6263	11.6689	12.9382	12.9365	10.0132	10.0132
Lowest ongoing sale price *	7.8469	8.5787	9.4131	9.5308	9.5251	9.5248
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.32%		2.25%		2.24%	
(H) Ratio of gross income to average daily net assets by percentage	2.57%		12.30%		2.11%	

* includes load as applicable

15. Computation of Distributable Income

	2011-12	2010-11	2009-10
Net Income as per revenue account	(247,058,766)	502,874,851	
Add : Balance of Undistributed income as at 1st April brought forward	213,759,756	(36,462,778)	(36,462,778)
	(33,299,010)	466,412,073	(36,462,778)
Less : Income Distributed during the year		252,652,317	
	(33,299,010)	213,759,756	(36,462,778)
Add : Unit Premium Reserve	(107,646,163)	(109,961,193)	
Distributable Income	(140,945,173)	103,798,563	(36,462,778)

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

SUNDARAM SELECT THEMATIC PSU FUND

Annexure - II

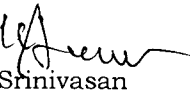
Equity	2011-12	2010-11
Energy	42.86%	34.63%
FERTILISERS & PESTICIDES	10.81%	6.70%
Financial Services	23.51%	34.83%
Industrial Manufacturing	7.96%	11.25%
Metals	8.20%	

Portfolio Statement for the Month of March-2012
SUNDARAM SELECT THEMATIC PSU
OPPURTUNITIES FUND

SI No	Investment	Industry / Ratings	Quantity	Market Value Rs.in Lakhs	% of Portfolio Assets
1	Gujarat State Fertilizers & Chemicals Ltd.	FERTILISERS & PESTICIDES	600000	2,540.70	9.43%
2	State Bank of India	FINANCIAL SERVICES	120000	2,515.62	9.33%
3	Oil & Natural Gas Corporation Ltd.	ENERGY	780000	2,093.13	7.77%
4	Petronet LNG Ltd.	ENERGY	1100000	1,848.55	6.86%
5	NTPC Ltd.	ENERGY	945000	1,537.99	5.71%
6	Power Grid Corporation of India Ltd.	ENERGY	1325407	1,433.43	5.32%
7	GAIL (India) Ltd.	ENERGY	340000	1,279.25	4.75%
8	Bharat Electronics Ltd.	INDUSTRIAL MANUFACTURING	70000	1,067.40	3.96%
9	Punjab National Bank	FINANCIAL SERVICES	109666	1,014.41	3.76%
10	Bharat Heavy Electricals Ltd.	INDUSTRIAL MANUFACTURING	390000	1,002.89	3.72%
11	Bank of Baroda	FINANCIAL SERVICES	120000	955.38	3.55%
12	Bharat Petroleum Corporation Ltd.	ENERGY	125000	875.31	3.25%
13	Steel Authority of India Ltd.	METALS	900000	848.25	3.15%
14	Container Corporation of India Ltd.	SERVICES	85576	817.12	3.03%
15	Coal India Ltd.	METALS	200000	687.80	2.55%
16	Gujarat Alkalies and Chemicals Ltd.	CHEMICALS	548354	665.98	2.47%
17	Hindustan Petroleum Corporation Ltd.	ENERGY	215000	652.74	2.42%
18	Indraprastha Gas Ltd.	ENERGY	163455	620.15	2.30%
19	The Jammu & Kashmir Bank Ltd.	FINANCIAL SERVICES	59365	545.56	2.02%
20	Indian Bank	FINANCIAL SERVICES	200000	488.00	1.81%
21	Rural Electrification Corporation Ltd.	FINANCIAL SERVICES	200000	410.80	1.52%
22	PTC India Ltd.	ENERGY	642876	394.73	1.46%
23	MOIL Ltd.	METALS	150000	375.38	1.39%
24	Rashtriya Chemicals and Fertilizers Ltd.	FERTILISERS & PESTICIDES	478207	269.95	1.00%
25	Engineers India Ltd.	CONSTRUCTION	97207	247.20	0.92%
26	Gujarat State Petronet Ltd.	ENERGY	290202	222.00	0.82%
27	NMDC Ltd.	METALS	137000	220.57	0.82%
28	Indian Oil Corporation Ltd.	ENERGY	71641	188.20	0.70%
29	Power Finance Corporation Ltd.	FINANCIAL SERVICES	100000	184.55	0.68%
EQUITY TOTAL				26,003.04	96.49%
B) Money Market Instruments Reverse Repo / CBLO				946.25	3.51%
Grand Total				26,949.29	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)

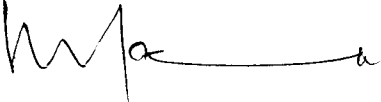


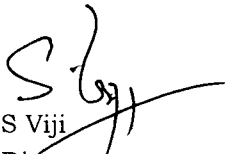
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S Viji
Director


R Rajamani
Director

M S Sundara Rajan
Director

Place : Chennai

Date : 26th June, 2012