

## SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS  
23-C.P. RAMASWAMY ROAD,  
ALWARPET, CHENNAI - 600 018.

Independent auditor's report on the financial statements  
To the Board of Trustees of Sundaram Mutual Fund

### 1. Report on the Financial Statements.

We have audited the accompanying financial statement of Sundaram Mutual Fund SUNDARAM FIXED TERM PLAN CL as at 31st March 2013, which comprise the Balance Sheet and the Revenue Account for the period ended 18-02-2013 and a summary of significant accounting policies and other explanatory information

### 2. Management's Responsibility for the Financial Statements

The management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Sundaram Mutual Fund SUNDARAM FIXED TERM PLAN CL in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("The Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Mutual fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the system's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said statements together with the notes forming part of Accounts give the information required by "The Regulations" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, SUNDARAM FIXED TERM PLAN CL as at March 31, 2013
- In the case of Revenue Account of the Surplus of Sundaram Mutual fund SUNDARAM FIXED TERM PLAN CL for the Period ended on 18/02/2013.

### 5. Report on Other Legal and Regulatory Requirements


As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

- 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.
- The Balance sheet and Revenue Account are in agreement with the books of accounts of the Sundaram Mutual Fund.
- a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".  
b. In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.

For and on behalf of SUNDARAM & SRINIVASAN  
Chartered Accountants (FRN No:0042075)

Place: Chennai  
Date : 19<sup>th</sup> June 2013



  
K.SRINIVASAN  
Partner

Membership No. 5809

## BALANCE SHEET AS AT 31st MARCH, 2013


	SCHEDULE NO.	31-Mar-13	31-Mar-12
		Rs.	Rs.
<b>LIABILITIES</b>			
Unit Capital	1	-	859,473,660
Reserves & Surplus	2	-	8,189,378
Current Liabilities & Provisions	3	10,980	194,400
		<b>10,980</b>	<b>867,857,438</b>
<b>ASSETS</b>			
Investments	4	-	858,150,433
Other Current Assets	5	10,980	9,707,005
		<b>10,980</b>	<b>867,857,438</b>

Notes on Accounts 8

As per our Report of even date

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

**For**  
**Sundaram Mutual Fund**

  
K Srinivasan  
Partner  
(M.NO : 5809)



Place : Chennai  
Date : 19th June 2013



  
Authorised Signatory

## REVENUE ACCOUNT FOR THE PERIOD FROM 01.04.2012 TO 18.02.2013

	Schedule No.	01.04.2012 - 18.02.2013		17.02.2012 TO 31.03.2012	
		Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>					
Interest	6	77,952,673		10,113,288	
Net profit on inter scheme transfer / sale of investments		3,288		-	
Net diminution on sale of investments written back		1,644,215		-	
<b>TOTAL (A)</b>		<b>79,600,176</b>	<b>79,600,176</b>	<b>10,113,288</b>	<b>10,113,288</b>
<b>EXPENSES</b>					
Net diminution in value of investment	7	-		1,644,215	
Management fee		1,400,267		165,746	
Trusteeship fee		80,687		10,359	
Marketing Expenses		-		42,043	
Publicity expenses		2,548		-	
Audit fee		11,530		11,030	
Other operating expenses		176,822		20,874	
Custodian charges		37,130		6,680	
Commission to Agent		490,337		5,035	
Registrar expenses		50,320		17,928	
Investor Education Fees		72,874		-	
<b>TOTAL (B)</b>		<b>2,322,515</b>	<b>2,322,515</b>	<b>1,923,910</b>	<b>1,923,910</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>77,277,661</b>		<b>8,189,378</b>
Add/(Less) : Balance in Equalisation Account			(84,080,792)		-
			<b>(6,803,131)</b>		<b>8,189,378</b>
<b>Less: Income Distributed</b>		1,219,927		-	
Distribution Tax		166,320		-	
			<b>1,386,247</b>		
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(8,189,378)</b>		<b>8,189,378</b>

Notes on Accounts

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As per our Report of even date

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

For  
Sundaram Mutual Fund

K Srinivasan  
Partner  
(M.NO : 5809)



Place : Chennai  
Date : 19th June 2013



Authorised Signatory

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

	31/03/2013		31/03/2012	
	UNITS	Rs.	UNITS	Rs.
<b>Initial capital</b>	<b>85,947,366</b>	<b>859,473,660</b>	<b>85,947,366</b>	<b>859,473,660</b>
<b>Unit Capital</b>				
Opening Capital	85,947,366	859,473,660	-	-
Add: Units sold during the Period	-	-	85,947,366.00	859,473,660
Less : Units repurchased during the Period	85,947,366 85,947,366	859,473,660 859,473,660	85,947,366.00 -	859,473,660 -
Units at the end of the Period	-	-	85,947,366.00	859,473,660
				<b>859,473,660</b>

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

	31/03/2013		31/03/2012	
	Rs.	Rs.	Rs.	Rs.
<b>General Reserve</b>				
Opening Balance	8,189,378	-	-	-
Add /(Less): Transfer from Revenue Account	(8,189,378)	-	8,189,378	8,189,378
				<b>8,189,378</b>

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

	31/03/2013	31/03/2012
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	34	191,749
Others	10,946	2,651
	<b>10,980</b>	<b>194,400</b>



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

	31/03/2013	31/03/2012
	Rs.	Rs.
Listed		
Certificate of Deposits	-	857,850,820
Others - Reverse Repo / CBLO	-	299,613
	-	<b>858,150,433</b>

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

	31/03/2013	31/03/2012
	Rs.	Rs.
Balance with banks in Current Accounts	10,980	200,967
<b>Sundry Debtors</b>		
Outstanding and accrued Income	-	9,506,038
	<b>10,980</b>	<b>9,707,005</b>



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

	<b>01.04.2012 - 18.02.2013</b>	<b>17.02.2012 TO 31.03.2012</b>
	Rs.	Rs.
Interest from banks and others	552,001	607,441
Discounting Charges	77,400,672	9,505,847
	<b>77,952,673</b>	<b>10,113,288</b>

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

	<b>31.03.2013</b>	<b>31.03.2012</b>
	Rs.	Rs.
<b>Diminution in value of investments</b>		
Money Market Securities	-	1,644,215
Diminution in value of investments	-	1,644,215
<b>Net Diminution in value of investments</b>	-	<b>(1,644,215)</b>



# SUNDARAM MUTUAL FUND

## SUNDARAM FIXED TERM PLAN CL

Schedules forming part of the Balance Sheet as at 31-Mar-2013  
and the Revenue Account for the Period from 01.04.2012 to 18.02.2013

### 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 and in true and fair manner through appropriate valuation policies and procedures.

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

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

(iii) Other income is accounted on cash basis.

##### 1.3. EXPENSES

Expenses are accounted for on accrual basis.

##### 1.4. LOAD

In terms of SEBI (Mutual Funds) regulations, 1996:

a) Out of exit load charged to investor, during the period from 01st April, 2012 to 30th September, 2012 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.

b) The entire exit load charged to the investor for the period 01st October, 2012 to to 31st March, 2013, net of service tax is fully credited to the scheme.

##### 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 Period.

#### 2. INVESTMENT MANAGER FEES

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

Description	01.04.2012 to 18.02.2013	17.02.12 to 31.03.12
Average daily net asset value	9,089.58	8,616.64
Management fee @ 0.17% of average daily net asset value. [Previous year 0.16%]	14.00	1.66



**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 PERIOD.**

The aggregate value of investments purchased and sold (including matured) during the Period, as a percentage of average daily net asset value is as under :

Description	01.04.2012 to 18.02.2013	17.02.12 to 31.03.12
<b>PURCHASE VALUE (AMOUNT)</b>	-	<b>8,594.95</b>
%	<b>0.00%</b>	<b>99.75%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>9,464.05</b>	-
%	<b>104.12%</b>	<b>0.00%</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 Period. :

Description	31.03.2013	31.03.2012
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 Period.	<b>NIL</b>	<b>8,578.51</b>
% to the asset under management	<b>NIL</b>	<b>98.87%</b>

**6. INCOME / EXPENDITURE**

The total income and expenditure as a percentage of the daily average net assets, during the Period, are given below.

DESCRIPTION	01.04.2012 to 18.02.2013	17.02.12 to 31.03.12
<b>INCOME</b>	<b>9.87%</b>	<b>9.76%</b>
<b>EXPENDITURE</b>	<b>0.29% *</b>	<b>0.27%</b>

\* With effect from 01st Oct, 2012 Service Tax on AMC fees is charged over and above the total expense ratio as per SEBI guidelines and is included in the above expense ratio.

**7. CONTINGENT LIABILITY**

Contingent liability as at 31st March 2013 is Rs. Nil.

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

	01.04.2012 to 18.02.2013	17.02.12 to 31.03.12
Sundaram Finance Ltd (Sponsor)	<b>NIL</b>	<b>NIL</b>
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	<b>NIL</b>	<b>NIL</b>
Sundaram BNP Paribas Funds Services Ltd (R & T) With effect from 01st Oct, 2012, R&T fees and charges was absorbed by AMC.	<b>0.50</b>	<b>0.18</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)

NIL

**10. PORTFOLIO DISCLOSURE**

NIL

**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.

**13. 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

