

AUDITORS REPORT

The Board of Trustees
Sundaram Mutual Fund
Chennai

We have audited the attached Balance Sheet of Sundaram Mutual Fund - **SUNDARAM TAX SAVER 98** as at March 31, 2011. This financial statement is the responsibility of the management. Our responsibility is to express our opinion on this financial statement 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 is 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 TAX SAVER 98** as at March 31, 2011 and

**For and on behalf of SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS (FRN No.: 004207S)**

Place: Chennai
Date: 24th June, 2011


K. SRINIVASAN
PARTNER (M.No: 5809)



BALANCE SHEET AS AT 31st MARCH, 2011

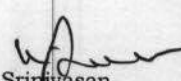
Amount in Rs.

	SCHEDULE NO.	31-Mar-11	31-Mar-10
LIABILITIES			
Current Liabilities & Provisions	1	171,510	167,128
		171,510	167,128
ASSETS			
Deposit with Banks	2	171,110	
Balance with Banks in Current Account	3	-	167,012
Other Current Assets	4	400	116
		171,510	167,128

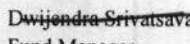
As per our Report of even date


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


For
Sundaram Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)





Dwijendra Srivatsava
Fund Manager

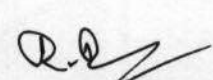

T.S. Sriharan
Chief Financial Officer

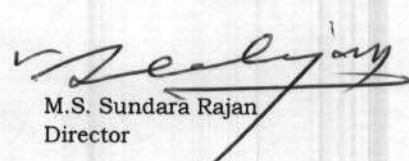

T P Raman
Managing Director

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 : 24th June 2011

SCHEDULE :1**Current Liabilities & Provisions**

	31/03/2011	31/03/2010
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	171,510	167,128
	171,510	167,128

SCHEDULE : 2**Deposits**

	31/03/2011	31/03/2010
	Rs.	Rs.
Deposits with HDFC Bank	171,110	-
	171,110	

SCHEDULE : 3**Bank Balances**

	31/03/2011	31/03/2010
	Rs.	Rs.
Balance with banks in Current Accounts	-	167,012
	-	167,012

SCHEDULE : 4**Other Current Assets**

	31/03/2011	31/03/2010
	Rs.	Rs.
Interest Accrued but not due	284	
Others	116	116
	400	116