

SUNDARAM & SRINIVASAN

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

AUDITORS REPORT

The Board of Trustees
Sundaram BNP Paribas Mutual Fund
Chennai

We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS FIXED TERM PLAN AA** as at March 31, 2010 and the Revenue Account for the **period** 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:-

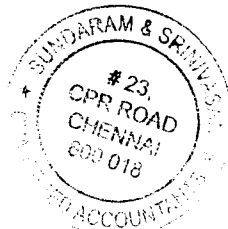
1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and Revenue Account are in agreement with the books of accounts of Sundaram BNP Paribas Mutual Fund.
3. a) The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
4. b) In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.
5. 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 BNP Paribas Mutual Fund, **SUNDARAM BNP PARIBAS FIXED TERM PLAN AA** as at March 31, 2010 and
 - b) In the case of Revenue Account of the **Surplus** of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS FIXED TERM PLAN AA** for the period ended on March 31, 2010.

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

Place: Chennai
Date: 25th June, 2010


K. SRINIVASAN
PARTNER (M No : 5809)

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BALANCE SHEET AS AT 31st MARCH, 2010

Amount in Rs.

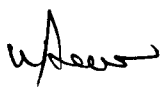
	SCHEDULE NO.	31-Mar-10
LIABILITIES		
Unit Capital	1	256,182,520
Reserves & Surplus	2	487,195
Current Liabilities & Provisions	3	12,216
		256,681,931
ASSETS		
Investments	4	252,588,022
Other Current Assets	5	4,093,909
		256,681,931

Notes on Accounts 8

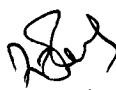
As per our Report of even date


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


For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

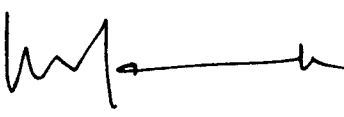



K. Ramkumar
Fund Manager


T.S.Sritharan
Chief Financial Officer

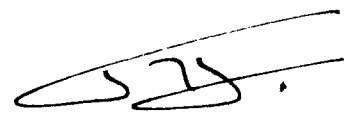

T P Raman
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd


K V Ramanathan
Chairman


S.Viji
Director


R. Rajamani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June 2010

REVENUE ACCOUNT FOR THE PERIOD FROM 26.03.2010 To 31.03.2010

		Amount, Rs	
	Schedule No.	26.03.2010 TO 31.03.2010	
REVENUE			
Interest	6	339,026	
TOTAL (A)		339,026	339,026
EXPENSES			
Management fee		4,213	
Trusteeship fee		421	
Audit fee		5,515	
Other operating expenses		433	
Registrar expenses		1,634	
TOTAL (B)		12,216	12,216
SURPLUS / (DEFICIT) (A-B)			326,810
Add/(Less) : Balance in Equalisation Account			326,810
Surplus / (Deficit) transferred to Balance Sheet			326,810


Notes on Accounts

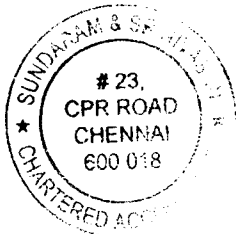
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As per our Report of even date


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


For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

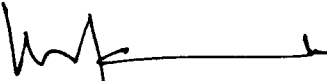



K. Ramkumar
Fund Manager


T.S. Sritharan
Chief Financial Officer


T P Raman
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd


K V Ramanathan
Chairman


S Viji
Director


R. Rajamani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June 2010

SCHEDULE : 1**Unit Capital**

	31/03/2010	
	UNITS	AMOUNT
Initial capital	25,618,252	256,182,520
Unit Capital		
Opening Capital	-	-
Add: Units sold during the Period	25,618,252.00	256,182,520
Less : Units repurchased during the Period	25,618,252.00	256,182,520
	-	-
Units at the end of the Period	25,618,252.00	256,182,520
		256,182,520

SCHEDULE : 2**Reserves & Surplus**

	31/03/2010	
	Rs.	
General Reserve		
Opening Balance	-	
Add /(Less): Transfer from Revenue Account	326,810	326,810
Unrealised appreciation reserve		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the year	160,385	160,385
Unrealised Appreciation Reserve (Schedule 7)		160,385
		487,195

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2010
	Rs.
Current Liabilities	
Sundry Creditors	10,810
Others	1,406
	12,216

SCHEDULE : 4**Investments**

	31/03/2010
	Rs.
Listed	
- Non-Convertible Debentures	45,991,609
Unlisted	
- Non-Convertible Debentures	45,185,615
Zero Coupon Bonds	46,092,065
Certificate of Deposits	28,142,403
Commercial Papers	74,884,748
Others - Reverse Repo / CBLO	12,291,582
	252,588,022

SCHEDULE : 5**Other Current Assets**

	31/03/2010
	Rs.
Balance with banks in Current Accounts	53,822
Outstanding and accrued Income	4,040,087
	4,093,909

SCHEDULE : 6**Interest**

	26.03.2010 TO 31.03.2010
	Rs.
Interest from banks and others	75,566
Interest on Debentures and Bonds	96,719
Discounting Charges	166,741
	339,026

SCHEDULE :7**Net unrealised appreciation in value of Investments**

	26.03.2010 TO 31.03.2010
	Rs.
Appreciation in Value of Investments	
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	160,385
Appreciation in value of investments	160,385
	-
Net -Unrealised appreciation reserve (schedule 2)	160,385

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS FIXED TERM PLAN AA

Schedules forming part of the Balance Sheet as at 31-Mar-2010
and the Revenue Account for the Period from 26-Mar-2010 to 31-Mar-2010

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.

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 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 Period

2. INVESTMENT MANAGER FEES

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

Description	26.03.10 to 31.03.10
Average daily net asset value	2,564.83
Management fee @ 0.09% of average daily net asset value.	0.04

3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM BNP PARIBAS 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	26.03.10 to 31.03.10
PURCHASE VALUE(AMOUNT)	2,401.36
%	93.63%
SALES VALUE (AMOUNT)	-
%	0.00%

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	26.03.10 to 31.03.10
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	1,373.25
% to the asset under management	53.50%

6. INCOME / EXPENDITURE

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

DESCRIPTION	26.03.10 to 31.03.10
INCOME	8.04%
EXPENDITURE	0.28%

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2010 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	26.03.10 to 31.03.10
Sundaram Finance Ltd (Sponsor)	NIL
Indus Ind Bank Ltd (Associate)	NIL

9. TOTAL VALUE OF INVESTMENTS (EXCLUDING MONEY MARKET INVESTMENT) 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

9.a. 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.

9.b. 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 – ✓

10. PORTFOLIO DISCLOSURE

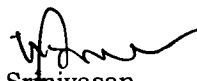
Full portfolio of the scheme is given in Annexure - III

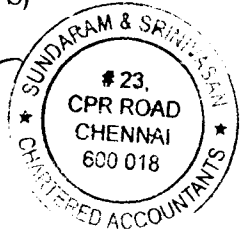
11. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

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

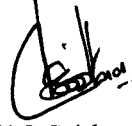
**For Sundaram & Srinivasan
Chartered Accountants**
(FRN No.: 004207S)


K Srinivasan
Partner
(M.No : 5809)




**For Sundaram BNP Paribas Asset Management Company
Ltd**

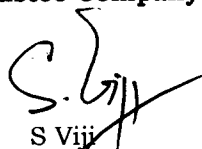

K Ramkumar
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**For and on Behalf of
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K V Ramanathan
Chairman


S Viji
Director


R Rajamani
Director


Francois Mouzay
Director

Place : Chennai

Date : 25th June, 2010

12. HISTORICAL PER UNIT STATISTICS

		2009-2010	
		Rs.	
(A)	Gross income		
	(i) income other than profit on sale of investment	0.0132	
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000	
	(iii) income from profit on sale of investment to third parties	0.0000	
	(iv) transfer to revenue account from past year's reserves	0.0000	
(B)	Aggregate of expenses, write off, amortisation and charges	0.0005	
(C)	Net income	0.0127	
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0063	
		Dividend Option	Growth Option
(E)	Net Assets Value	10.0190	10.0190
(F)	Highest repurchase price		10.0000
	Lowest repurchase price		10.0000
	Highest ongoing sale price *	10.0000	10.0000
	Lowest ongoing sale price *	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.28%	
(H)	Ratio of gross income to average daily net assets by percentage	8.04%	

* includes entry load as applicable

13. Computation of Distributable Income

	31/03/2010
Net Income as per revenue account	326,810
Add : Balance of Undistributed income as at 1st April brought forward	-
	326,810
Less : Income Distributed during the year	-
Distributable Income	326,810

14. Since the scheme was launched during the year, previous year figures are not provided.

Annexure - II

Sundaram BNP Paribas Fixed Term Plan - AA	
	% of total investments within the classification
2009-2010	
A) Debt Instruments	
a) Listed / awaiting listing on Stock Exchange	
FINANCE	100.00%
TOTAL	100.00%
b) Privately Placed	
FINANCE	49.47%
DIVERSIFIED	50.53%
TOTAL	100.00%

Annexure - III

Sundaram BNP Paribas Fixed Term Plan - AA				
Portfolio Statement for the period ended 31st March, 2010				
Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
A) Debt Instruments				
a) Listed / awaiting listing on Stock Exchange				
RELIANCE CAPITAL LTD **	AAA	45	459.92	18.21%
Sub Total			459.92	18.21%
b) Privately Placed				
IL & FS FINANCIAL SERVICES LIMITED **	A1+	45000	451.86	17.89%
KESORAM INDUSTRIES LIMITED **	AA	45	460.92	18.25%
Sub Total			912.78	36.14%
B) Money Market Instruments				
YES BANK	A1+	300	281.42	11.14%
RELIGARE FINVEST LIMITED	A1+	60	280.61	11.11%
SECURITIES TRADING CORPORATION OF INDIA	P1+	100	468.24	18.54%
			1030.27	40.79%
C) Others				
Reverse Repo / CBLO			122.92	4.87%
NCA				
GRAND TOTAL			2525.88	100.00%

** Thinly Traded / Non Traded Securities