

**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 F** as at March 31, 2010 and the Revenue Account for the **period** ended on August 27, 2009. 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:-

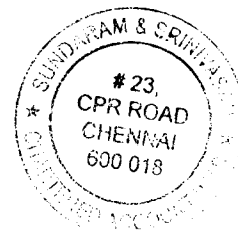
1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and Revenue Account are in agreement with the books of accounts of Sundaram BNP Paribas Mutual Fund.
3. a) The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.  
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 BNP Paribas Mutual Fund, **SUNDARAM BNP PARIBAS FIXED TERM PLAN F** as at March 31, 2010 and
  - b) In the case of Revenue Account of the **Deficit** of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS FIXED TERM PLAN F** for the period ended on August 27, 2009.

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



**K. SRINIVASAN**  
PARTNER (M.No : 5809)

Place: Chennai  
Date: 25<sup>th</sup> June, 2010



**BALANCE SHEET AS AT 31st MARCH, 2010**

Amount in Rs.


	SCHEDULE NO.	31-Mar-10	31-Mar-09
<b>LIABILITIES</b>			
Unit Capital	1	-	1,563,569,763
Reserves & Surplus	2	-	103,901,822
Current Liabilities & Provisions	3	11,030	1,537,738
		<b>11,030</b>	<b>1,669,009,323</b>
<b>ASSETS</b>			
Investments	4	-	1,563,121,663
Other Current Assets	5	11,030	105,887,660
		<b>11,030</b>	<b>1,669,009,323</b>

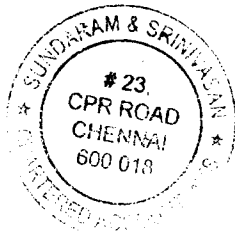
Notes on Accounts 8

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)

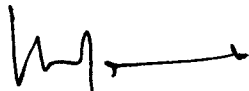


  
K. Ramkumar  
Fund Manager

  
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 1st APRIL 2009 to 27th August 2009

	Schedule No.	Amount, Rs		Amount, Rs	
		01-04-2009 to 27-08-2009		22-08-2008 to 31-03-2009	
<b>REVENUE</b>					
Interest	6	71,210,665		109,207,146	
Other Income		103,926		650,000	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		1,858,321		-	
Net profit on inter scheme transfer / sale of investments		-		151,400	
<b>TOTAL (A)</b>		<b>73,172,912</b>	<b>73,172,912</b>	<b>110,008,546</b>	<b>110,008,546</b>
<b>EXPENSES</b>					
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		-		432,480	
Management fee		1,734,976		2,476,047	
Trusteeship fee		69,399		99,037	
Commission to Agents		1,710,851		2,536,026	
Publicity expenses		-		-	
Audit fee		12,710		17,972	
Other operating expenses (Including Marketing Expenses NIL, Previous Year Rs.186957)		206,280		492,988	
Custodian charges		22,149		35,936	
Registrar expenses		167,032		222,563	
		<b>3,923,397</b>		<b>6,313,049</b>	
Less : Amount transferred from Load on account of Marketing Expenses		8,783		-	
<b>TOTAL (B)</b>			<b>3,914,614</b>		<b>6,313,049</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>69,258,298</b>		<b>103,695,497</b>
Add/(Less) : Balance in Equalisation Account			(169,184,298)		(811,603)
			<b>(99,926,000)</b>		<b>102,883,894</b>
Less: Income Distributed		1,178,924		1,395,620	
Distribution Tax		175,630	<b>1,354,554</b>	207,720	<b>1,603,340</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(101,280,554)</b>		<b>101,280,554</b>

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. Ramaathan  
Chairman


  
S. Viji  
Director


  
R. Rajamani  
Director


  
Francois Mouzay  
Director
Place : Chennai  
Date : 25th June 2010

<b>SCHEDULE : 1</b>				
<b>Unit Capital</b>				
	<b>31/03/2010</b>		<b>31/03/2009</b>	
	<b>UNITS</b>	<b>RS.</b>	<b>UNITS</b>	<b>RS</b>
<b>Initial capital</b>	161,127,534	<b>1,611,275,338</b>	161,127,534	<b>1,611,275,338</b>
<b>Unit Capital</b>				
Opening Capital	156,356,976	1,563,569,763	161,127,533	1,611,275,338
Add: Units sold during the Period	30,316	303,159	12,115	121,155
	156,387,292	1,563,872,922	161,139,648	1,611,396,493
Less : Units repurchased during the Period	156,387,292	1,563,872,922	4,782,672	47,826,730
Units at the end of the Period	-	-	156,356,976	1,563,569,763
				<b>1,563,569,763</b>

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

	<b>31/03/2010</b>		<b>31/03/2009</b>	
	<b>Rs.</b>		<b>Rs.</b>	
<b>General Reserve</b>				
Opening Balance	101,280,554		-	
Add /(Less): Transfer from Revenue Account	(101,280,554)	(0)	101,280,554	<b>101,280,554</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	2,621,268		-	
Add/(Less) Net unrealized appreciation for the year	(2,621,268)		2,621,268	
Unrealised Appreciation Reserve (Schedule 7)		-		<b>2,621,268</b>
		(0)		<b>103,901,822</b>

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

	<b>31/03/2010</b>	<b>31/03/2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Current Liabilities</b>		
Sundry Creditors	9,927	761,096
Distributed Income Payable (No Of Warrant -54)	-	643,494
Others	1,103	133,148
	<b>11,030</b>	<b>1,537,738</b>

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

	<b>31/03/2010</b>	<b>31/03/2009</b>
	<b>Rs.</b>	<b>Rs.</b>
Listed:		
- Debentures/Bonds	-	126,425,143
Certificate of Deposits	-	739,986,367
Commercial Papers	-	696,074,023
Investment in Reverse Repo / CBLO	-	636,130
	-	<b>1,563,121,663</b>

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

	<b>31/03/2010</b>	<b>31/03/2009</b>
	<b>Rs.</b>	<b>Rs.</b>
Balance with banks in Current Accounts	11,030	337,216
Outstanding and accrued Income	-	105,550,444
	<b>11,030</b>	<b>105,887,660</b>

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

	01-04-2009 to 27-08-2009	22-08-2008 to 31- 03-2009
	Rs.	Rs.
Interest from banks and others	473,012	1,200,729
Interest on Debentures and Bonds	4,230,137	7,541,469
Discounting Charges	66,507,516	100,464,948
	<b>71,210,665</b>	<b>109,207,146</b>

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

	01-04-2009 to 27-08-2009	22-08-2008 to 31- 03-2009
<b>Appreciation in Value of Investments</b>	Rs.	Rs.
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	-	2,621,268
Appreciation in value of investments	-	<b>2,621,268</b>
Net -Unrealised appreciation reserve (schedule 2)	-	<b>2,621,268</b>

## SUNDARAM BNP PARIBAS MUTUAL FUND

### SUNDARAM BNP PARIBAS FIXED TERM PLAN F

Schedules forming part of the Balance Sheet as at 31-Mar-2010  
and the Revenue Account for the Period from 01-Apr-2009 to 27-Aug-2009

#### 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.

##### 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	01.04.09 to 27.08.09	22.08.08 to 31.03.09
Average daily net asset value	17,000.28	16,283.05
Management fee @ 0.25% of average daily net asset value.(Previous year 0.15%)	17.35	24.76

## 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	01.04.09 to 27.08.09	22.08.08 to 31.03.09
<b>PURCHASE VALUE(AMOUNT)</b>	<b>1,358.17</b>	<b>21,769.25</b>
%	7.99%	133.69%
<b>SALES VALUE (AMOUNT)</b>	<b>16,956.81</b>	<b>6,170.61</b>
%	99.74%	37.90%

## 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	01.04.09 to 27.08.09	22.08.08 to 31.03.09
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	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 Period are given below.

DESCRIPTION	01.04.09 to 27.08.09	22.08.08 to 31.03.09
<b>INCOME</b>	<b>10.54%</b>	<b>11.11%</b>
<b>EXPENDITURE</b>	<b>0.57%</b>	<b>0.59%</b>

## 7. CONTINGENT LIABILITY

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

## 8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.09 to 27.08.09	22.08.08 to 31.03.09
Sundaram Finance Ltd (Sponsor)	NIL	NIL
Indus Ind Bank Ltd (Associate)	NIL	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



**q.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.

**q.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 – Y

**10. LOAD COLLECTED AND UTILISED**

Description	01.04.09 to 27.08.09	22.08.08 to 31.03.09
Opening Balance	0.80	-
Add.: Amount received on Sale / Repurchase of units (net)	0.33	7.30
Less: Amount Adjusted towards Brokerage & Marketing Exp	0.09	-
Less: Transferred to Income	1.04	6.50
Closing Balance	-	0.80

In terms of SEBI guidelines dated 30th June 2009, from 1st Aug 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 marketing & selling expenses of the scheme and any balance is credited to the scheme, as against the previous practice of crediting the entire amount to load upto 31st July 2009 under other liabilities (other than the amount utilised for meeting commission to distributor and marketing and selling expenses which was included under unit premium reserve)

As a result, the other income is higher by Rs.Nil with consequential impact on the deficit, Reserves and Surplus, Current Liabilities and Provisions, Net Asset Value and Distributable income.

**11. PORTFOLIO DISCLOSURE**

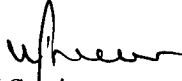
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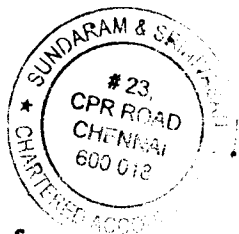
**12. MOVEMENT IN UNIT CAPITAL**

As Per Schedule-I

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)



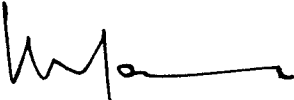
**For Sundaram BNP Paribas Asset Management Company Ltd**

  
K Ramkumar  
Fund Manager

  
T S Sritharan  
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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**

Annexure - II

SUNDARAM BNP PARIBAS FIXED TERM PLAN F	
	% of total investments within the classification
	2008-2009
A) Debt Instruments	
a) Privately Placed	
FINANCE	100%