

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 J** as at March 31, 2010 and the Revenue Account for the **period** ended on November 06, 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.

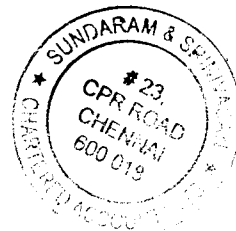
On the basis of the audit as indicated above, we report as follows:-

5. 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.
6. The Balance Sheet and Revenue Account are in agreement with the books of accounts of Sundaram BNP Paribas Mutual Fund.
7. 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.
8. 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 J** 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 J** for the period ended on November 06, 2009.

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

Place: Chennai
Date: 25th June 2010


K. SRINIVASAN
PARTNER (M.No : 5809)



BALANCE SHEET AS AT 31st MARCH, 2010

Amount in Rs.


	SCHEDULE NO.	31-Mar-10	31-Mar-09
LIABILITIES			
Unit Capital	1	-	982,476,366
Reserves & Surplus	2	-	66,721,279
Current Liabilities & Provisions	3	226,342	2,632,848
		226,342	1,051,830,493
ASSETS			
Investments	4	-	991,141,914
Other Current Assets	5	226,342	60,688,579
		226,342	1,051,830,493

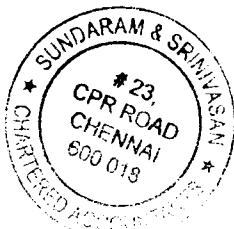
Notes on Accounts 8

As per our Report of even date

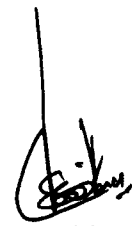
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

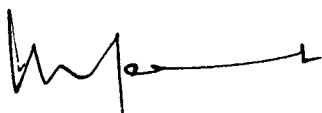



K. Ramkumar
Fund Manager


T.S. Sritharan
Chief Financial Officer

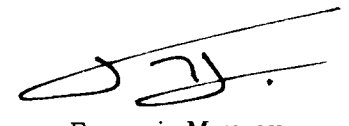

T P Raman
Managing Director

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 01.04.2009 TO 06.11.2009

	Schedule No.	Amount, Rs	
		01-04-2009 TO 06-11.2009	07-08-2008 to 31-03-2009
REVENUE			
Interest	6	62,007,210	69,501,806
Other Income		399,837	500,000
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		632,593	-
Net profit on inter scheme transfer / sale of investments		17,598,540	-
Net diminution on sale of investments written back		1,451,165	-
TOTAL (A)		82,089,345	70,001,806
EXPENSES			
Net diminution in value of investment	7	-	1,451,165
Management fee		1,428,921	1,612,817
Trusteeship fee		64,952	72,816
Commission to Agents		3,035,513	5,046,725
Publicity expenses		41,330	-
Audit fee		16,334	16,399
Other operating expenses (Including Marketing Expenses NIL , Previsou Year Rs.72578)		186,716	284,076
Custodian charges		35,402	35,985
Registrar expenses		178,603	163,517
		4,987,771	8,683,500
Less : Amount transferred from Load on account of Marketing Expenses		734,790	2,582,806
TOTAL (B)		4,252,981	6,100,694
SURPLUS / (DEFICIT) (A-B)		77,836,364	63,901,112
Add/(Less) : Balance in Equalisation Account		(125,116,525)	(5,678,542)
		(47,280,161)	58,222,570
Less: Income Distributed		6,098,550	3,374,429
Distribution Tax		949,270	520,160
		7,047,820	
Surplus /(Deficit) transferred to Balance Sheet		(54,327,981)	54,327,981

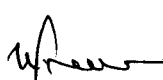
Notes on Accounts

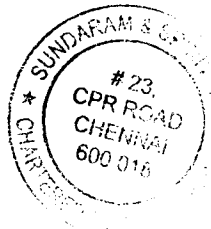
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As per our Report of even date


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

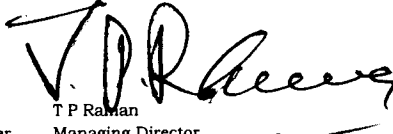
For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

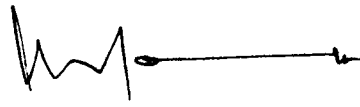



K. Ramkumar
Fund Manager



T.S. Sritharan
Chief Financial Officer



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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		31/03/2009	
	UNITS	Rs.	UNITS	Rs.
	Initial capital	124,496,815.35	1,244,968,154	124,496,815.35
Unit Capital				
Opening Capital	98,247,636.69	982,476,367	124,496,815.35	1,244,968,154
Add: Units sold during the Period	102,459.72	1,024,597	33,817.73	338,176
Less : Units repurchased during the Period	98,350,096.41	983,500,964	124,530,633.08	1,245,306,330
	98,350,096.41	983,500,964	26,282,996.39	262,829,963
Units at the end of the Period	-	-	98,247,636.69	982,476,367
				982,476,367

SCHEDULE : 2**Reserves & Surplus**

	31/03/2010		31/03/2009	
	Rs.		Rs.	
General Reserve				
Opening Balance	54,327,981	-	-	
Add /(Less): Transfer from Revenue Account	(54,327,981)	-	54,327,981	54,327,981
Unrealised appreciation reserve				
Opening Balance	12,393,298	-	-	
Add/(Less) Net unrealized appreciation for the year	(12,393,298)	-	12,393,298	12,393,298
Unrealised Appreciation Reserve (Schedule 7)		-		
				66,721,279

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	225,239	1,414,004
Distributed Income Payable	-	1,039,651
Others	1,103	179,193
	226,342	2,632,848

SCHEDULE : 4**Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
- Listed/Awaiting listing on Stock exchanges	-	449,067,657
- Privately Placed	-	397,653,669
Securitized Debt	-	134,265,069
Commercial Papers	-	9,837,454
Investment in Reverse Repo / CBLO	-	318,065
	-	991,141,914

SCHEDULE : 5**Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	226,342	1,891,422
Sundry Debtors		
Outstanding and accrued Income	-	58,797,157
Others	-	-
	226,342	60,688,579

SCHEDULE : 6**Interest**

	01-04-2009 to 06-11-2009	07-08-2008 to 31-03-2009
	Rs.	Rs.
Interest from banks and others	957,928	857,347
Interest on Debentures and Bonds	36,331,868	49,761,699
Discounting Charges	24,717,414	10,055,080
Deep Discounting charges	-	8,827,680
	62,007,210	69,501,806

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

	01-04-2009 to 06-11-2009	07-08-2008 to 31-03-2009
	Rs.	Rs.
Appreciation in Value of Investments		
Others	-	12,393,298
Appreciation in value of investments	-	12,393,298
Diminution in value of investments\		
Privately placed debentures / Bonds		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	-	(1,451,165)
	-	(1,451,165)
Net -Unrealised appreciation reserve (schedule 2)	-	12,393,298

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS FIXED TERM PLAN J

Schedules forming part of the Balance Sheet as at 31-Mar-2010
and the Revenue Account for the Period from 01-Apr-2009 to 06-Nov-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 06.11.09	07.08.08 to 31.03.09
Average daily net asset value	10,775.83	11,169.10
Management fee @ 0.22% of average daily net asset value. (Previous year 0.22%)	14.29	16.13

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 06.11.09	07.08.08 to 31.03.09
PURCHASE VALUE (AMOUNT)	2,686.95	16,365.50
%	24.93%	146.52%
SALES VALUE (AMOUNT)	12,485.77	6,566.69
%	115.87%	58.79%

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 06.11.09	07.08.08 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	4,490.68
% to the asset under management	NIL	42.80%

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 06.11.09	07.08.08 to 31.03.09
INCOME	12.64%	9.65%
EXPENDITURE	0.65%	0.64%

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 06.11.09	07.08.08 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)

NIL 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 – ✓

10. LOAD COLLECTED AND UTILISED

Description	01.04.09 to 06.11.09	07.08.08 to 31.03.09
Opening Balance	9.45	-
Add.: Amount received on Sale / Repurchase of units (net)	1.90	40.28
Less: Amount Adjusted towards Brokerage & Marketing Exp	7.35	25.83
Less: Transferred to Income	4.00	5.00
Closing Balance	-	9.45

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.0.32 lakhs with consequential impact on the deficit, Reserves and Surplus, Current Liabilities and Provisions, Net Asset Value and Distributable income.

11. PORTFOLIO DISCLOSURE

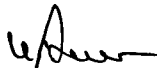
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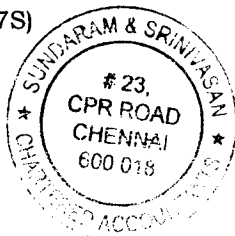
12. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.

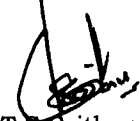
**For Sundaram & Srinivasan
Chartered Accountants**
(FRN No.: 004207S)



K Srinivasan
Partner
(M.No : 5809)




For Sundaram BNP Paribas Asset Management Company Ltd

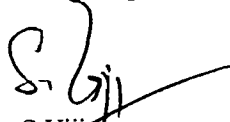

K Ramkumar
Fund Manager



T S Sriharan
Chief Financial Officer



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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

Annexure - II

SUNDARAM BNP PARIBAS FIXED TERM PLAN J

	% Of total investments within the classification 2008-2009
Privately Placed debentures	-
Listed awaiting listing	
Finance	100%
Securitized Debt	
Finance	100%
Non convertible Debentures	
Finance	100%