

# 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 Z** 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.

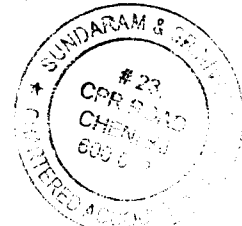
On the basis of the audit as indicated above, we report as follows:-

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 Z** 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 Z** for the period ended on March 31, 2010.

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

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

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



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

		Amount in Rs.
	<b>SCHEDULE NO.</b>	<b>31-Mar-10</b>
<b>LIABILITIES</b>		
Unit Capital	1	585,469,070
Reserves & Surplus	2	4,238,080
Current Liabilities & Provisions	3	151,263
		<b>589,858,413</b>
<b>ASSETS</b>		
Investments	4	563,369,143
Other Current Assets	5	26,489,270
		<b>589,858,413</b>


Notes on Accounts

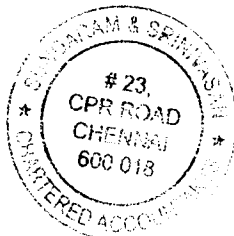
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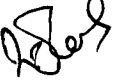
As per our Report of even date


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

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

  
K Srinivasan  
Partner  
(M.NO : 5809)

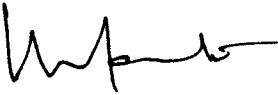


  
K. Ramkumar  
Fund Manager

  
T.S. Sritharan  
Chief Financial Officer

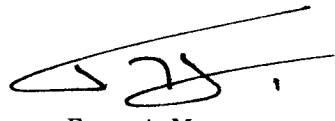
  
T.P. Raman  
Managing Director

**For and on Behalf of**  
**Sundaram BNP Paribas Trustee Company Ltd**

  
K V Ramanathan  
Chairman

  
S Vijji  
Director

  
R. Rajamani  
Director

  
Francois Mouzay  
Director

Place : Chennai  
Date : 25th June 2010

**REVENUE ACCOUNT FOR THE PERIOD FROM 12.03.2010 To 31.03.2010**

		Amount, Rs	
	Schedule No.	12-03-2010 TO 31-03-2010	
<b>REVENUE</b>			
Interest	6	2,520,264	
		<b>2,520,264</b>	
<b>TOTAL (A)</b>			<b>2,520,264</b>
<b>EXPENSES</b>			
Management fee		32,184	
Trusteeship fee		3,220	
Audit fee		5,515	
Other operating expenses (Including Marketing Expenses Rs.85340 )		93,053	
Custodian charges		4,412	
Registrar expenses		12,876	
		<b>151,260</b>	
<b>TOTAL (B)</b>			<b>151,260</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>2,369,004</b>
Add/(Less) : Balance in Equalisation Account			<b>2,369,004</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>2,369,004</b>

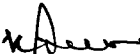
Notes on Accounts

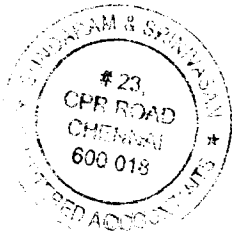
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As per our Report of even date

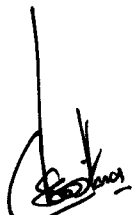
**For**  
**Sundaram & Srinivasan**  
Chartered Accountants  
(FRN.: 004207S)


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

  
K Srinivasan  
Partner  
(M.NO : 5809)

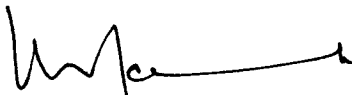


  
K. Ramkumar  
Fund Manager

  
T.S. Sritharan  
Chief Financial Officer

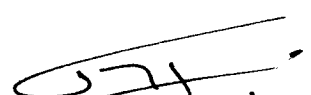
  
P Raman  
Managing Director

**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**

	<b>31/03/2010</b>	
	<b>UNITS</b>	<b>AMOUNT</b>
	<b>Initial capital</b>	<b>58,546,907.00</b>
<b>Unit Capital</b>		
Opening Capital	-	-
Add: Units sold during the Period	58,546,913.90	585,469,139
	58,546,913.90	585,469,139
Less : Units repurchased during the Period	6.90	69
Units at the end of the Period	58,546,907.00	585,469,070

**585,469,070****SCHEDULE : 2****Reserves & Surplus**

	<b>31/03/2010</b>	
	<b>Rs.</b>	
<b>General Reserve</b>		
Opening Balance	-	
Add /(Less): Transfer from Revenue Account	2,369,004	<b>2,369,004</b>
<b>Unrealised appreciation reserve</b>		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the period	1,869,076	
Unrealised Appreciation Reserve (Schedule 7)		<b>1,869,076</b>

**4,238,080****SCHEDULE : 3****Current Liabilities & Provisions**

	<b>31/03/2010</b>
	<b>Rs.</b>
<b>Current Liabilities</b>	
Sundry Creditors	146,531
Others	4,732
	<b>151,263</b>

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

	<b>31/03/2010</b>
	<b>Rs.</b>
Listed	
- Non-Convertible Debentures	378,676,403
Unlisted	
- Non-Convertible Debentures	155,393,076
Zero Coupon Bonds	25,602,197
Others - Reverse Repo / CBLO	3,697,467
	<b>563,369,143</b>

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

	<b>31/03/2010</b>
	<b>Rs.</b>
Balance with banks in Current Accounts	181,137
Outstanding and accrued Income	26,308,133
	<b>26,489,270</b>

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

	<b>12-03-2010 to 31-03-2010</b>
	<b>Rs.</b>
Interest from banks and others	91,424
Interest on Debentures and Bonds	2,393,434
Discounting Charges	35,406
	<b>2,520,264</b>

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

	<b>12-03-2010 to 31-03-2010</b>
	<b>Rs.</b>
<b>Appreciation in Value of Investments</b>	
Central Government Securities	628,405
Privately placed Debentures / Bonds	
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	1,240,671
Others	-
Appreciation in value of investments	<b>1,869,076</b>
<b>Diminution in value of investments \</b>	
Equity Shares	-
Derivatives	-
Privately placed debentures / Bonds	
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	-
Net -Unrealised appreciation reserve (schedule 2)	<b>1,869,076</b>

**SUNDARAM BNP PARIBAS MUTUAL FUND**  
**SUNDARAM BNP PARIBAS FIXED TERM PLAN Z**

**Schedules forming part of the Balance Sheet as at 31-Mar-2010  
and the Revenue Account for the Period from 12-Mar-2010 to 31-Mar-2010**

**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 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	12.03.10 to 31.03.10
Average daily net asset value	5,876.25
Management fee @ 0.10% of average daily net asset value.	0.32

**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	12.03.10 to 31.03.10
<b>PURCHASE VALUE(AMOUNT)</b>	<b>5,578.03</b>
<b>%</b>	<b>94.92%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>-</b>
<b>%</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	12.03.10 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	<b>5,597.07</b>
% to the asset under management	<b>95.00%</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	12.03.10 to 31.03.10
<b>INCOME</b>	<b>7.83%</b>
<b>EXPENDITURE</b>	<b>0.47%</b>

#### 7. CONTINGENT LIABILITY

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

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

	12.03.10 to 31.03.10
Sundaram Finance Ltd (Sponsor)	<b>1.43</b> ✓
Indus Ind Bank Ltd (Associate)	<b>NIL</b>

#### 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 – ✓



**10 PORTFOLIO DISCLOSURE**


Full portfolio of the scheme is given in Annexure - III

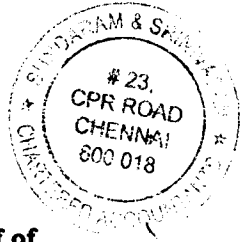
**11 MOVEMENT IN UNIT CAPITAL**

As Per Schedule-I


Signatures to the schedules 1 to 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)

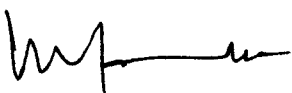


  
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Fund Manager

**For Sundaram BNP Paribas Asset Management Company Ltd**  
  
T S Sritharan  
Chief Financial Officer

  
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**For and on Behalf of**

  
K V Ramanathan  
Chairman

  
S. Viji  
Director

  
R Rajamani  
Director

  
Francois Mouzay  
Director

**Place : Chennai  
Date : 25th June, 2010**

**14. HISTORICAL PER UNIT STATISTICS**

		2009-2010	
		Rs.	
(A)	Gross income		
	(I) income other than profit on sale of investment	0.0430	
	(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	0.0026	
(C)	Net income	0.0404	
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0319	
REGULAR			
		Dividend Option	Growth Option
(E)	Net Assets Value	10.0724	10.0724
(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	0.47%	
(H)	Ratio of gross income to average daily net assets by percentage	7.83%	

\* includes entry load as applicable

**15. Computation of Distributable Income**

	31/03/2010
Net Income as per revenue account	2,369,004
Add : Balance of Undistributed income as at 1st April brought forward	-
	2,369,004
Less : Income Distributed during the year	-
Distributable Income	2,369,004

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

## Annexure - II

Sundaram BNP Paribas Fixed Term Plan - Z	
	% of total investments within the classification
	2009-2010
<b>A) Debt Instruments</b>	
<b>a) Listed / awaiting listing on Stock Exchange</b>	
FINANCE	60.26%
BASIC INDUSTRIES	26.63%
CONSUMER GOODS	13.10%
<b>b) Privately Placed</b>	
FINANCE	85.84%

## Annexure - III

Sundaram BNP Paribas Fixed Term Plan - Z				
Portfolio Statement for the period ended 31st March, 2010				
Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
<b>A) Debt Instruments</b>				
<b>a) Listed / awaiting listing on Stock Exchange</b>				
TATA STEEL LIMITED **	AAA	98	1008.57	17.90%
INDIAN HOTELS COMPANY LIMITED **	LAA+	500000	496.22	8.81%
KOTAK MAHINDRA PRIME LIMITED **	LAA	100	1004.40	17.83%
RELIANCE CAPITAL LTD **	AAA	50	511.02	9.07%
RELIANCE CAPITAL LTD **	AAA	35	358.73	6.37%
BAJAJ AUTO FINANCE LTD	LAA+	4	407.83	7.24%
<b>Sub Total</b>			<b>3786.76</b>	<b>67.22%</b>
<b>b) Privately Placed</b>				
KESORAM INDUSTRIES LIMITED **	AA	25	256.02	4.54%
FULLERTON INDIA CREDIT COMPANY LTD **	LAA+	75	750.63	13.32%
IL & FS FINANCIAL SERVICES LIMITED **	A1+	80000	803.30	14.26%
<b>Sub Total</b>			<b>1809.95</b>	<b>32.13%</b>
<b>B) Money Market Instruments</b>				
	NIL			
<b>C) Others</b>				
Reverse Repo / CBLO			36.97	0.66%
<b>GRAND TOTAL</b>			<b>5633.69</b>	<b>100.00%</b>

\*\* Thinly Traded / Non Traded Securities