

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 FTP -18 MONTHS SERIES L** as at March 31, 2010 and the Revenue Account for the **year** 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.

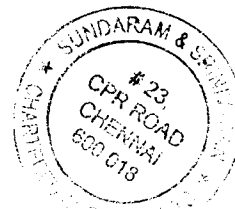
On the basis of the audit as indicated above, we report as follows:-

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.
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 FTP -18 MONTHS SERIES L** 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 FTP -18 MONTHS SERIES L** for the year 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)



BALANCE SHEET AS AT 31st MARCH, 2010

Amount in Rs.

	SCHEDULE NO.	31-Mar-10	31-Mar-09
LIABILITIES			
Unit Capital	1	407,198,995	419,350,010
Reserves & Surplus	2	70,229,049	29,939,183
Current Liabilities & Provisions	3	889,925	1,152,707
		478,317,969	450,441,900
ASSETS			
Investments	4	464,950,204	423,582,979
Other Current Assets	5	13,367,765	26,858,921
		478,317,969	450,441,900


Notes on Accounts

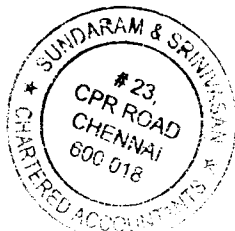
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As per our Report of even date


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


For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

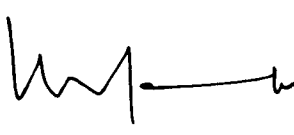



K. Ramkumar
Fund Manager

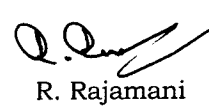

T.S. Sritharan
Chief Financial Officer

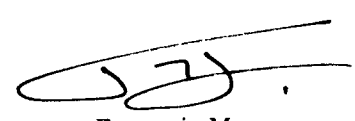

T P Raman
Managing Director

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

REVENUE ACCOUNT FOR THE YEAR ENDED 31.03.2010

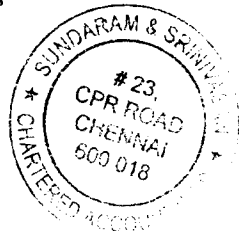
	Schedule No.	Amount, Rs		Amount, Rs	
		01.04.2009 TO 31.03.2010		16.10.2008 TO 31.03.2009	
REVENUE					
Interest	6	47,615,049		23,454,964	
Other Income		179,700		90,000	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		2,089,313		1,038,040	
Net profit on inter scheme transfer / sale of investments		4,558,561		254,411	
TOTAL (A)		54,442,623	54,442,623	24,837,415	24,837,415
EXPENSES					
Net diminution in value of investment	7	171,583		-	
Management fee		1,254,931		574,711	
Trusteeship fee		46,479		21,273	
Commission to Agents		1,367,706		783,565	
Publicity expenses		24,395		-	
Audit fee		7,770		5,515	
Other operating expenses (Including Marketing Expenses Rs.267511/- , Previous Year NIL)		401,596		71,297	
Custodian charges		52,983		26,891	
Registrar expenses		103,540		48,775	
TOTAL (B)		3,430,983	3,430,983	1,532,027	1,532,027
SURPLUS / (DEFICIT) (A-B)			51,011,640		23,305,388
Add/(Less) : Balance in Equalisation Account			(1,248,823)		(239,115)
			49,762,817		23,066,273
Less: Income Distributed		1,556,902		788,549	
Distribution Tax		142,910	1,699,812	111,680	900,229
Surplus /(Deficit) transferred to Balance Sheet			48,063,005		22,166,044

Notes on Accounts

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As per our Report of even date

For

Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)K Srinivasan
Partner
(M.NO : 5809)

For

Sundaram BNP Paribas Asset Management Company Ltd

K. Ramkumar
Fund ManagerT.S. Sritharan
Chief Financial OfficerT P Raman
Managing DirectorFor and on Behalf of
Sundaram BNP Paribas Trustee Company LtdK V Ramanathan
ChairmanS Viji
DirectorR. Rajamani
DirectorFrancois Mouzay
DirectorPlace : Chennai
Date : 25th June 2010

SCHEDULE : 1**Unit Capital**

	31/03/2010		31/03/2009	
	Rs.		Rs.	
Initial capital	42,589,689.82	425,896,898	42,589,689.82	425,896,898
Unit Capital				
Opening Capital	41,935,001.02	419,350,010	42,589,689.82	425,896,898
Add : Unit Sold during the year	14,313.76	143,138		
	41,949,314.78	419,493,148	42,589,689.82	425,896,898
Less : Units repurchased during the year	1,229,415.25	12,294,153	654,688.80	6,546,888
Units at the end of the Year	40,719,899.53	407,198,995	41,935,001.02	419,350,010
		407,198,995		419,350,010

SCHEDULE : 2**Reserves & Surplus**

	31/03/2010		31/03/2009	
	Rs.		Rs.	
General Reserve				
Opening Balance	22,166,044		-	
Add /(Less): Transfer from Revenue Account	48,063,005	70,229,049	22,166,044	22,166,044
Unrealised appreciation reserve				
Opening Balance	7,773,139		-	
Add/(Less) Net unrealized appreciation for the year	(7,773,139)		7,773,139	
Unrealised Appreciation Reserve (Schedule 7)		-		7,773,139
		70,229,049		29,939,183

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	841,450	241,519
Distributed Income Payable	39,417	788,549
Others	9,058	122,639
	889,925	1,152,707

SCHEDULE : 4**Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
Listed		
- Non-Convertible Debentures	198,146,035	358,841,166
Unlisted		
- Non-Convertible Debentures		60,819,011
Certificate of Deposits	259,009,508	-
Others - Reverse Repo / CBLO	7,794,661	3,922,802
	464,950,204	423,582,979

SCHEDULE : 5**Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	630,397	291,276
Outstanding and accrued Income	12,737,368	26,567,645
	13,367,765	26,858,921

SCHEDULE : 6**Interest**

	31/03/2010	06-10-2008 to 31-03-2009
	Rs.	Rs.
Interest from banks and others	96,296	211,860
Interest on Debentures and Bonds	45,006,296	23,243,104
Discounting Charges	2,512,457	-
	47,615,049	23,454,964

SCHEDULE :7**Net unrealised appreciation/(dimunition) in the value of Investments**

	31/03/2010	06-10-2008 to 31-03-2009
	Rs.	Rs.
Appreciation in Value of Investments		
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	25,030	7,773,139
Appreciation in value of investments	25,030	7,773,139
Diminution in value of investments\		
Privately placed debentures / Bonds		
Debentures & Bonds listed / awaiting listing in the Recognised the recognised stock exchange	196,613	-
	196,613	-
Net -Unrealised appreciation/(dimunition) in the value of Invsetment (schedule 2)	(171,583)	7,773,139

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS FTP -18 MONTHS SERIES L

Schedules forming part of the Balance Sheet as at 31-Mar-2010
and the Revenue Account for the Year ended 31-Mar-2010

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 Year

2. INVESTMENT MANAGER FEES

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

Description	01.04.09 to 31.03.10	06.10.08 to 31.03.09
Average daily net asset value	4,647.84	4,386.75
Management fee @ 0.27% of average daily net asset value. (Previous year 0.13%)	12.55	5.74

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 YEAR

The aggregate value of investments purchased and sold (including matured) during the Year as a percentage of average daily net asset value is as under :

Description	01.04.09 to 31.03.10	06.10.08 to 31.03.09
PURCHASE VALUE (AMOUNT)	4,504.50	4,766.88
%	96.92%	108.67%
SALES VALUE (AMOUNT)	4,050.10	648.01
%	87.14%	14.77%

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 Year :

Description	01.04.09 to 31.03.10	06.10.08 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 Year	1,981.46	2,517.89
% to the asset under management	42.00%	56.04%

6. INCOME / EXPENDITURE

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

DESCRIPTION	01.04.09 to 31.03.10	06.10.08 to 31.03.09
INCOME	11.71%	11.67%
EXPENDITURE	0.70%	0.72%

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 31.03.10	06.10.08 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

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. LOAD COLLECTED AND UTILISED

Description	01.04.09 to 31.03.10	06.10.08 to 31.03.09
Opening Balance	0.12	-
Add.: Amount received on Sale / Repurchase of units (net)	2.03	1.02
Less: Amount Adjusted towards Brokerage & Marketing Exp	-	-
Less: Transferred to Income	1.80	0.90
Closing Balance	0.35	0.12

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

11. PORTFOLIO DISCLOSURE

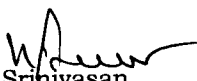
Full portfolio of the scheme is given in Annexure - III

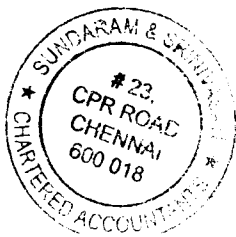
12. MOVEMENT IN UNIT CAPITAL

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
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

13. HISTORICAL PER UNIT STATISTICS

	2009-2010						2008-09					
	Rs.						Rs.					
	REGULAR		INSTITUTIONAL		SUPER INSTITUTIONAL		REGULAR		INSTITUTIONAL		SUPER INSTITUTIONAL	
	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option
(A) Gross income												
(i) income other than profit on sale of investment		1.1737										0.5615
(ii) income from profit on inter scheme sales/transfer of investments			0.1119									0.0061
(iii) income from profit on sale of investment to third parties			0.0513									0.0248
(iv) transfer to revenue account from past year's reserves			0.0000									0.0000
(B) Aggregate of expenses, write off, amortisation and charges			0.0800									0.0365
(C) Net income			1.2569									0.5558
(D) Net unrealised appreciation/(diminution) in value of investments			-0.0042									0.1854
(E) Net Assets Value	10.3811	11.6379	10.4303	11.8099	10.4209	11.8222	10.2595	10.6896	10.2916	10.7416	10.2953	10.7453
(F) Highest repurchase price	10.3915	11.4092		11.4502		11.0033	10.3521	10.4768	0.0000	10.3571	0.0000	10.3642
Lowest repurchase price	10.3915	10.5542		10.9593		11.0033	9.9519	9.9602	0.0000	10.0275	0.0000	9.9588
Highest ongoing sale price *							10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Lowest ongoing sale price *							10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage												0.72%
(H) Ratio of gross income to average daily net assets by percentage												11.67%

* includes entry load as applicable

14. Computation of Distributable Income

	31/03/2010	31/03/2009
Net Income as per revenue account	49,762,817	23,066,273
Add : Balance of Undistributed income as at 1st April brought forward	22,166,044	-
	71,928,861	23,066,273
Less : Income Distributed during the year	1,699,812	900,229
Distributable Income	70,229,049	22,166,044

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

Annexure - II

Sundaram BNP Paribas Fixed Term Plan - L

	% of total investments within the classification	
	2009-2010	2008-2009
A) Debt Instruments		
a) Listed / awaiting listing on Stock Exchange		
FINANCE	100.00%	100.00%
b) Privately Placed	NIL	100.00%

Annexure - III

Sundaram BNP Paribas Fixed Term Plan - L

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				
KOTAK MAHINDRA PRIME LTD **	AA	38	380.25	8.18%
HDFC LTD **	AAA	20	200.03	4.30%
ICICI HOME FINANCE LTD **	LAAA	70	700.60	15.07%
SHRIRAM TRANSPORT FINANCE CO LTD **	AA(ind)	70	700.58	15.07%
			1981.46	42.62%
b) Privately Placed	NIL			
B) Money Market Instruments				
UNITED BANK OF INDIA	A1+	1300	1296.06	27.88%
SOUTH INDIAN BANK	PR1+	1295	1294.03	27.83%
			2590.09	55.71%
C) Others				
Reverse Repo / CBLO			77.95	1.68%
GRAND TOTAL			4649.50	100.00%

** Thinly Traded / Non Traded Securities