

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 M** 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 M** 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 M** for the year ended on March 31, 2010.

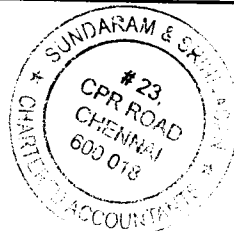
For and on behalf of **SUNDARAM & SRINIVASAN**
CHARTERED ACCOUNTANTS
(FRN No.: 004207S)



K. SRINIVASAN
PARTNER (M.No : 5809)

Place: Chennai
Date: 25th June, 2010

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BALANCE SHEET AS AT 31st MARCH, 2010

Amount in Rs. Amount in Rs.

	SCHEDULE NO.	31-Mar-10	31-Mar-09
LIABILITIES			
Unit Capital	1	76,279,566	80,253,658
Reserves & Surplus	2	10,538,906	4,635,041
Current Liabilities & Provisions	3	88,075	440,253
		86,906,547	85,328,952
ASSETS			
Investments	4	81,746,591	80,550,256
Other Current Assets	5	5,159,956	4,778,696
		86,906,547	85,328,952

Notes on Accounts

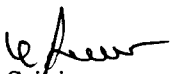
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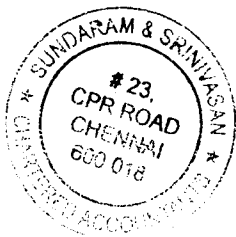
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As per our Report of even date

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

For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

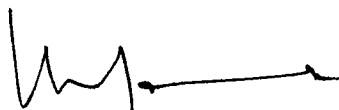



K. Ramkumar
Fund Manager


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	
		2009 - 2010	2008 - 2009
REVENUE			
Interest	6	8,660,221	3,861,294
Other Income		22,784	-
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		827,989	-
TOTAL (A)		9,510,994	3,861,294
EXPENSES			
Net diminution in value of investment	7	-	-
Management fee		193,332	80,327
Trusteeship fee		8,786	3,341
Commission to Agents		490,192	198,300
Publicity expenses		6,006	-
Audit fee		5,947	5,515
Other operating expenses (Including Marketing Expenses Rs.789, Previous Year Nil)		23,112	9,668
Custodian charges		52,977	26,886
Registrar expenses		19,426	8,226
		799,778	332,263
Less : Amount transferred from Load on account of Marketing Expenses		82	-
TOTAL (B)		799,696	332,263
SURPLUS / (DEFICIT) (A-B)		8,711,298	3,529,031
Add/(Less) : Balance in Equalisation Account		(557,163)	-
		8,154,135	3,529,031
Less: Income Distributed		805,799	336,717
Distribution Tax		114,123	47,690
		919,922	384,407
Surplus /(Deficit) transferred to Balance Sheet		7,234,213	3,144,624

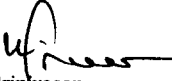
Notes on Accounts

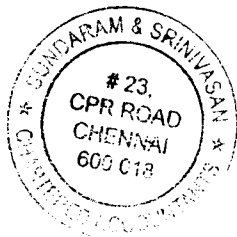
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As per our Report of even date


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

For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

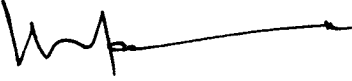



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Director

Place : Chennai
Date : 25th June 2010

SCHEDULE : 1**Unit Capital**

	31/03/2010		31/03/2009	
	Units	Rs.	Units	Rs.
	Initial capital	8,025,365.80	80,253,658	8,025,365.80
Unit Capital				
Opening Capital	8,025,365.80	80,253,658	8,025,365.80	80,253,658
Add: Units sold during the year	3,090.80	30,908		
Less : Units repurchased during the year	8,028,457	80,284,566	8,025,365.80	80,253,658
Units at the end of the year	400,500	4,005,000		
	7,627,957	76,279,566	8,025,365.80	80,253,658
		76,279,566		80,253,658

SCHEDULE : 2**Reserves & Surplus**

	31/03/2010		31/03/2009	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	3,144,624		-	
Add /(Less): Transfer from Revenue Account	7,234,213	10,378,837	3,144,624	3,144,624
Unrealised appreciation reserve				
Opening Balance	1,490,417		-	
Add/(Less) Net unrealized appreciation for the year	(1,330,348)		1,490,417	
Unrealised Appreciation Reserve (Schedule 7)		160,069		1,490,417
		10,538,906		4,635,041

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	86,217	53,576
Contract for Purchase of Investments	-	-
Distributed Income Payable	-	336,717
Others	1,858	49,960
	88,075	440,253

SCHEDULE : 4**Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
Debtures/Bonds		
- Privately Placed		24,116,844
-Listed/Awaiting listing on Stock Exchanges	64,183,054	48,492,394
Certificate of Deposits	8,269,903	2,271,466
Commercial Papers	-	4,503,314
Others -Reverse Repo / CBLO	9,293,634	1,166,238
	81,746,591	80,550,256

SCHEDULE : 5**Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	507,289	92,438
Outstanding and accrued Income	4,652,667	4,686,258
	5,159,956	4,778,696

SCHEDULE : 6**Interest**

	01-04-2009 to 31-03-2010	22-10-2008 to 31-03-2009
	Rs.	Rs.
Interest from banks and others	47,952	49,796
Interest on Debentures and Bonds	7,610,842	3,495,930
Discounting Charges	1,001,428	315,568
	8,660,222	3,861,294

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

	01-04-2009 to 31-03-2010	22-10-2008 to 31-03-2009
	Rs.	Rs.
Appreciation in Value of Investments		
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	160,069	1,490,417.00
Appreciation in value of investments	160,069	1,490,417.00
Net -Unrealised appreciation reserve (schedule 2)	160,069	1,490,417

SUNDARAM BNP PARIBAS MUTUAL FUND
SUNDARAM BNP PARIBAS FTP -18 MONTHS SERIES M

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
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 Year

2. INVESTMENT MANAGER FEES

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

Description	01.04.09 to 31.03.10	22.10.08 to 31.03.09
Average daily net asset value	878.76	829.67
Management fee @ 0.22% of average daily net asset value. (Previous year 0.24%)	1.93	0.80

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	22.10.08 to 31.03.09
PURCHASE VALUE (AMOUNT)	415.95	970.24
%	47.33%	116.94%
SALES VALUE (AMOUNT)	471.96	191.30
%	53.71%	23.06%

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	22.10.08 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	641.83	362.68
% to the asset under management	73.04%	42.72%

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	22.10.08 to 31.03.09
INCOME	10.82%	10.55%
EXPENDITURE	0.91%	1.00%

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	22.10.08 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	22.10.08 to 31.03.09
Opening Balance	-	-
Add.: Amount received on Sale / Repurchase of units (net)	0.69	-
Less: Amount Adjusted towards Brokerage & Marketing Exp	-	-
Less: Transferred to Income	0.23	-
Closing Balance	0.46	-

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

11. PORTFOLIO DISCLOSURE

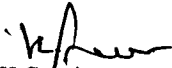
Full portfolio of the scheme is given in Annexure - III

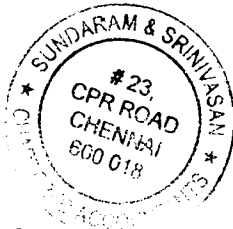
12. MOVEMENT IN UNIT CAPITAL

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

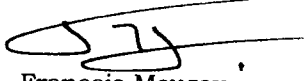

T P Raman
Managing Director

**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 Rs.					2008-09 Rs.				
	Dividend Option	Growth Option	Super Inst Dividend Option	Inst Growth Option	Super Inst Growth Option	Dividend Option	Growth Option	Super Inst Dividend Option	Inst Growth Option	Super Inst Growth Option
(A) Gross income										
(I) income other than profit on sale of investment			1.1383					0.4811		
(ii) income from profit on inter scheme sales/transfer of investments			0.0000					0.0000		
(iii) income from profit on sale of investment to third parties			0.1085					0.0000		
(iv) transfer to revenue account from past year's reserves			0.0000					0.0000		
(B) Aggregate of expenses, write off, amortisation and charges			0.1048					0.0414		
(C) Net income			1.1420					0.4397		
(D) Net unrealised appreciation/(diminution) in value of investments			0.0210					0.1857		
(E) Net Assets Value	10.3384	11.5605	10.2762	11.5605	11.5605	10.2755	10.6254	10.2754	10.6254	10.6254
(F) Highest repurchase price		11.2187								
Lowest repurchase price		11.2187								
Highest ongoing sale price *						10.0000	10.0000		10.0000	
Lowest ongoing sale price *						10.0000	10.0000		10.0000	
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage			0.91%					1.00%		
(H) Ratio of gross income to average daily net assets by percentage			10.82%					11.55%		

* includes entry load as applicable

14. Computation of Distributable Income

	31/03/2010	31/03/2009
Net Income as per revenue account	8,154,135	3,529,031
Add : Balance of Undistributed income as at 1st April brought forward	3,144,624	-
	11,298,759	3,529,031
Less : Income Distributed during the year	919,922	384,407
Distributable Income	10,378,837	3,144,624

15. Previous year figures have been regrouped wherever necessary to conform with the current year's classification

Annexure - II

Sundaram BNP Paribas Fixed Term Plan - M		
	% 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		
FINANCE	NIL	100.00%

Annexure - III

Sundaram BNP Paribas Fixed Term Plan - M				
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				
ICICI HOME FINANCE LTD **	LAAA	15	150.13	18.37%
KOTAK MAHINDRA PRIME LTD **	AA	12	120.08	14.69%
RELIANCE CAPITAL LTD **	AAA	12	120.14	14.70%
NABARD **	AAA	12	121.05	14.81%
INFRASTRUCTURE DEVELOPMENT FINANCE CORPORATION **	AA+	13	130.43	15.96%
			641.83	78.51%
b) Privately Placed	NIL			
B) Money Market Instruments				
SOUTH INDIAN BANK	PR1+	5	4.93	0.60%
CENTRAL BANK OF INDIA	A1+	80	77.77	9.51%
			82.70	10.12%
C) Others				
Reverse Repo / CBLO			92.94	11.37%
GRAND TOTAL			817.47	100.00%

** Thinly Traded / Non Traded Securities