

Sundaram BNP Paribas India Leadership Fund

An Open ended Equity Scheme



SUNDARAM BNP PARIBAS

MUTUAL

Offer Document cum Application Form (Updated upto 31/12/2006) (Offer of units at NAV based price)

Initial Issue Opened on: 31-05-2004

Initial Issue Closed on: 18-06-2004

Scheme Reopened on: 02-07-2004



SUNDARAM FINANCE

SPONSORS

Sundaram Finance Limited

21, Patullos Road Chennai 600 002

Phone : (044) 28521181

Fax : (044) 28520456

&

BNP PARIBAS Asset Management

5, Avenue Kleber,

75116, Paris, France

www.bnpparibas-am.com

TRUSTEE

Sundaram BNP Paribas Trustee

Company Limited

46, Whites Road, Second Floor,

Royapettah,

Chennai 600014.

Phone : (044) 28583362/28583367

Fax : (044) 28583156

INVESTMENT MANAGER

**Sundaram BNP Paribas Asset
Management Company Limited**

46, Whites Road, Second Floor,

Royapettah,

Chennai 600014.

Phone : (044) 28583362/28583367

Fax : (044) 28583156

www.sundarambnpparibas.in

www.wiseinvestoronline.com



The particulars of SUNDARAM BNP PARIBAS INDIA LEADERSHIP FUND (Scheme) have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date and filed with SEBI. The units being offered for public subscription under the Scheme have neither been approved nor disapproved by the Securities and Exchange Board of India (SEBI) nor has SEBI certified the accuracy or adequacy of the offer document. This offer document sets forth concisely the information about the scheme that a prospective investor ought to know before investing and the offer document should be retained for future reference. Investors may note that this offer document remains effective until a material change occurs (Other than a change in fundamental attributes and within the purview of the offer document) and thereafter the changes shall be filed with SEBI and circulated to the Unitholders along with the half-yearly reports.

Important Notice

Investing in mutual fund schemes involves certain risks and considerations associated generally with making investments in securities. The value of the Scheme's investments, may be affected generally by factors affecting capital markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws), or other political and economic developments. Consequently, there can be no assurance that the Scheme offered in this document, will achieve the stated objectives. The

NAV of the Units of this Scheme may fluctuate and can go up or down. Past performance of the Schemes managed by the Sponsor or their affiliates or the Asset Management Company are not indicative of the future performance of this Scheme.

Prospective investors are advised to review this document carefully and in its entirety and consult with their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of subscribing to, purchasing or holding Units under this Scheme, before making an application to purchase or hold the Units.

Sundaram BNP Paribas Mutual Fund (the Mutual Fund) and Sundaram BNP Paribas Asset Management Company (the AMC), have not authorized any person to give any information or make any representations, either oral or written, not stated in this document in connection with issue of Units under this Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this document, as the same have not been authorized by the Mutual Fund or the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations that are not contained in this document or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

This offer document is dated 31.12.2006. Investors may also like to ascertain about any further changes after the date of this document from the Mutual Fund/its Investor Service Centres/distributors or brokers.

24 HOUR NAV RESPONSE SYSTEM: (044) 28585607



Highlights

- A Mutual Fund sponsored by Sundaram Finance Limited and BNP Paribas Asset Management.
- The Scheme's primary objective is to achieve capital appreciation by investing in select stocks of companies which meet the criteria of 'Leaders' in their respective sectors/sub sectors. The leaders are identified as the top two/three companies in any sector/sub sector in terms of net revenue or total income.
- Sale of units will be for a minimum of Rs. 5,000 and Rs. 500 for additional purchases.
- Being an open-ended Scheme, investors may buy or sell units on a continuous basis at NAV related prices
- Half-yearly disclosure of scheme portfolio.
- Tax benefits available subject to provisions under the prevailing tax laws

Risk Factors

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- As with any investment in securities, the NAV of the Units issued under this Scheme can go up or down depending on the factors and forces affecting the capital markets.
- Past performance of the Sponsor, AMC/Fund does not indicate the future performance of the Schemes of the Fund.
- Sundaram BNP Paribas India Leadership Fund is the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The NAV of this Scheme may be affected by settlement periods and transfer procedures.
- Trading volumes may restrict the liquidity of the scheme's investments.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes beyond the contribution of an amount of Rs 1 lakh made by it towards setting up the Mutual Fund.
- As per SEBI circular SEBI/IMD/Cir No. 10/22701/03 dated 12th December 2003 each scheme and individual plan(s) under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/plan(s). In case of non fulfillment with either of the above two conditions in a three month time period or the end of the succeeding calendar quarter, whichever is earlier, from the close of the New fund offer of open ended schemes or on an ongoing basis for each calendar quarter, the schemes/plans shall be wound up by following the guidelines prescribed by SEBI and the investor's money would be redeemed at applicable NAV.
SEBI has provided further clarifications vide circular SEBI/IMD/Cir No. 1/42529/05 dated 14th June 2005 in respect to determining the breach of the 25% limit by an Investor (i) the earlier circular would be applicable at the portfolio level. (ii) The average net assets of the scheme would be calculated daily and any breach of the 25% holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor will be computed to determine whether that investor has breached the 25 % limit over the quarter. If there is a breach of limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.
- As per SEBI Regulations, initial issue expenses chargeable to the scheme are subject to a maximum of 6% of the amount collected during the New Fund Offer Period. The initial issue expenses shall be amortised in the books of the scheme within three years from the date of allotment in terms of SEBI Regulations. Therefore, the NAV of the scheme will be reduced daily upto a maximum extent Rs. 0.0002 due to amortisation of initial issue expenses.
- Investors should study this Offer Document carefully in its entirety and should not construe the contents hereof as advise relating to legal, taxation, investment or any other matters. Investors may, if they wish, consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/redeem Units.
- Neither this Offer Document nor the Units have been registered in any jurisdiction. The distribution of this Offer Document in certain jurisdictions may be restricted or totally prohibited due to registration requirements and accordingly, persons who come into possession of this Offer Document are required to inform themselves about and to observe any such restrictions and or legal compliance requirements.

Prevention of Money Laundering

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a

client identification programme, verify and maintain the record of identity and address (es) of investors.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted this responsibility of collection of documents relating to identity and address and record keeping to an independent agency (presently CDSL Ventures Limited) that will act as central record keeping agency ('Central Agency'). As a token of having verified the identity and address and for efficient retrieval of records, the Central Agency will issue a Mutual Fund Identification Number ('MIN') to each investor who submits an application and the prescribed documents to the Central Agency.

Investors who have obtained the MIN can invest in the schemes of the mutual fund by quoting the MIN in lieu of submitting information and documents required under AML Laws.

Mutual Fund Identification Number

Investors who wish to obtain a MIN have to submit a completed Application Form for MIN ('MIN Form') along with all the prescribed documents listed in the MIN Form, at any of the Point of Service ('POS'). The MIN Form is available at our website (www.sundarambnpparibas.in) and AMFI website (www.amfiindia.com). POS are the designated centres appointed by the Central Agency for receiving application forms, processing data and allotment of MIN. List of and location of POS is available at our website (www.sundarambnpparibas.in) and www.amfiindia.com. On submission of application, documents and information to the satisfaction of the POS, the investor will be allotted a provisional MIN across the counter. Subsequently, the Central Agency will scrutinize the information and documents submitted by the investor, and confirm the MIN. However, the Central Agency may cancel the MIN within 15 working days from the date of allotment of provisional MIN, in case of any deficiency in the document/information. Intimation on cancellation of MIN will be dispatched by the Central Agency to the investor immediately. No communication will be sent to the investor if the MIN as allotted is confirmed.

Presently, it is mandatory for all applications for subscription of value of Rs.50,000/- and above to quote the MIN of all the applicants (guardian in case of minor) in the application for subscription. The MIN will be validated with the records of the Central Agency before allotting units. Applications for subscriptions of value of Rs.50,000/- and above without a valid MIN may be rejected.

In the event of any MIN Application Form being subsequently rejected for lack of information / deficiency / insufficiency of mandatory documentation, the investment transaction will be cancelled and the amount may be redeemed at applicable NAV, subject to payment of exit load, wherever applicable. Such redemption proceeds will be despatched within a maximum period of 21 days from date of acceptance of application. (In case of an ELSS Scheme or a New Fund Offer, allotment will be done only on confirmation from the Central Agency that the MIN is final and if the Central Agency informs that the MIN is cancelled, the original amount invested will be refunded).

All investors (both individual and non-individual) can apply for a MIN. However, applicants should note that minors cannot apply for a MIN and any investment in the name of minors should be along with a Guardian, who should obtain a MIN for the purpose of investing with a Mutual Fund. Also, applicants / unit holders intending to apply for units / currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their respective MIN at the time of investment above the threshold. PoA holders are not permitted to apply for a MIN on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other MIN related details, should the applicant desire to change such information. POS will extend the services of effecting such changes.

Sundaram BNP Paribas India Leadership Fund

Certificate of Due Diligence

It is confirmed that:

1. This Offer Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
2. All legal requirements connected with the Scheme and also the guidelines, instructions, etc. issued by the Government of India and any other competent authority in this behalf, have been duly complied with.
3. The disclosures made in this Offer Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investment in the Scheme.
4. The intermediaries named in the offer document are registered with SEBI and till date such registration is valid.

Place: Chennai
Date: 20.02.2007

T P Raman
Managing Director

TABLE OF CONTENTS		PAGE NO.
PART I	Highlights	1
	Risk Factors	1
	Anti Prevention of Money Laundering Measures	1
	Certificate of Due Diligence	1
	Definitions	3
	SCHEME SUMMARY	3
	CONSTITUTION OF MUTUAL FUND	4
	Sponsors	4
	Sundaram Finance Ltd	4
	BNP Paribas Asset Management	4
	Sundaram BNP Paribas Mutual Fund	4
	Sundaram BNP Paribas Trustee Company	5
	Directors of the Trustee Company	5
	Functions and Responsibilities	5
	Trusteeship Fees	6
	Sundaram BNP Paribas Asset Management Company	7
	Investment Management Agreement	7
	Board of Directors	7
	Functions and Responsibilities of the AMC	7
	Asset Management Fee	8
	Key Personnel Information	8
	Fund Manager of the Scheme	8
	Compliance Officer	8
	Head - Customer Service & Transaction Processing Manager – Customer Support	8
	AUDITORS TO THE SCHEME	8
	REGISTRAR	9
	CUSTODIAN	9
PART II	FUNDAMENTAL ATTRIBUTES OF THE SCHEME	9
	Type of the Scheme	9
	Investment objective	9
	Asset Allocation	9
	Terms of issue	9
	Changes in fundamental attributes	9
	Terms of the Issue	
	Investment Strategy and Risk control	9
	Procedure for investment decisions	10
	DERIVATIVE	10
	Fund Management	12
	Benchmark	12
	Investment limitation	12
	VALUATION OF ASSETS AND NET ASSET VALUE	12
	CALCULATION OF NET ASSET VALUE	13
	NAV Information	13
	ACCOUNTING POLICIES AND STANDARDS	13
	BENCHMARK INDEX	
PART III	UNITS AND OFFER	14
	Offer of Units & Minimum Subscription (Target) amount	14
	New Fund Offer period and Minimum Investment	14
	Who Can Invest	14
	How to Apply	15
	Options and Investments Plans offered under the Scheme	15
	Subscription to the units on On-Going Basis	15
	Cut-off timings and applicable NAV for sale / repurchase of units,	

TABLE OF CONTENTS		PAGE NO.
	switch-ins and switch-outs	16
	Mode of Payment	16
	Allotment and Refunds	16
	Repurchase of Units	16
	Repurchase Price	17
	Fractional Units	17
	Suspension of Sale / Repurchase of units	17
	Account Statement	17
	Mode of payment of redemption proceeds / dividend	17
	Redemption by NRIs	18
	Right to Light redemption	18
	Listing	18
	Transfer	18
	Transmission of Units	18
	Switching	18
	Nomination Facility	18
	Additional Facilities	19
	General	20
	Unclaimed Redemption / Dividend Amount	20
PART IV	LOAD STRUCTURE	20
	EXPENSES	20
	Initial Issue Expenses	20
	Initial Issue Expenses of the latest Scheme launched	20
	Annual Recurring Expenses	20
	CONDENSED FINANCIAL INFORMATION OF THE SCHEMES LAUNCHED DURING THE LAST THREE FISCAL YEARS	20
PART V	INVESTOR RIGHTS & SERVICES	24
	Investor Services	24
	Information about the Scheme	25
	Account Statements	25
	NAV Information	25
	Disclosure of Information under the Regulations	25
	Rights of Unit holders of the Scheme	25
	Procedure and manner of obtaining investors approval in specified circumstances.	25
	Duration of the scheme	25
	Procedure and Manner of Winding-up	26
	TAX BENEFITS OF INVESTING IN A MUTUAL FUND IMPLICATIONS TO UNITHOLDERS	26
PART VI	OTHER MATTERS	27
	Investment in Group companies	27
	Investor Grievances Redressal Mechanism	27
	Associate Transaction	28
	Investments made in companies which have invested more than 5% of the net asset value of the schemes of Sundaram BNP Paribas Mutual Fund	28
	Borrowing by the Mutual Fund	29
	Inter Scheme Transfers	30
	Inter Scheme Investments	30
	Investment by the AMC	30
	Dividends and Distributions	30
	Penalties and Pending Litigations	30
	Documents available for Inspection	30
	Approval by Board of Trustees	30

DEFINITIONS

In this Offer Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

Asset Management Company	Sundaram BNP Paribas Asset Management Company Limited, a Company incorporated under the Companies Act, 1956 or AMC or Investment Manager and registered with SEBI to act as the Investment Manager for the Schemes of Sundaram BNP Paribas Mutual Fund.
Custodian	Standard Chartered Bank, acting as Custodian to the Scheme, or any other Custodian who is approved by the Trustees
Mutual Fund	Sundaram BNP Paribas Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered with SEBI vide Registration No.MF/034/97/2 dated January 3, 1997.
NAV	The Net Asset Value per unit of this Scheme calculated in the manner provided in this Offer Document or as may be prescribed by the SEBI Regulations from time to time.
Offer Document	This document issued by Sundaram BNP Paribas Mutual Fund offering units of Sundaram BNP Paribas India Leadership Fund for investment.
Scheme	Sundaram BNP Paribas India Leadership Fund -an open-ended equity scheme.
SEBI	Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
SEBI Regulations / Regulation	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.
Trust Deed	The Trust Deed dated August 24, 1996 (as amended on 31.03.2006) establishing the Mutual Fund.
Trustee	Sundaram BNP Paribas Trustee Company Ltd., a company incorporated under the Companies Act, 1956 and appointed as Trustee of Sundaram BNP Paribas Mutual Fund vide the amended Trust Deed dated March 31,2006.
Unit	The interest of the investors of the Scheme which consists of each unit representing one undivided share in the Net Assets of the Scheme.
Unit holder	A participant in the Scheme
Working Day	A day other than: (1) Saturday and Sunday (2) a day on which National Stock Exchange or Bombay Stock Exchange is closed (3) a day on which the sale and repurchase of Units are suspended by the Trustees.

PART I

(1) SCHEME SUMMARY

Name of the Scheme	Sundaram BNP Paribas India Leadership Fund		
Structure	Open ended equity Fund		
Scheme objective	The primary investment objective of the scheme is to achieve capital appreciation by investing in select stocks of companies which meet the criteria of 'Leaders' in their respective sectors/sub sectors. The leaders are identified as the top two/three companies in any sector/sub sector in terms of net revenue or total income.		
Offer price	During the New Fund Offer period the units were offered at Rs. 10/- each. On an ongoing phase, the units are being offered at NAV related prices, subject to applicable load, if any.		
Minimum application amount	Rs. 5,000/- and additional purchase of Rs. 500 thereafter		
Options	(i) Growth (ii) Dividend – (a) Payout (b) Reinvestment Default option -Dividend Payout. (If the investor does not indicate an investment option in the application form, the default option will become applicable.)		
Benchmark	S&P CNX Nifty		
Initial issue expenses	Initial issue expenses upto a maximum of 6% will be amortised in the books of the Scheme over a period of 3 years from the date of allotment.		
Liquidity	The Scheme is an open ended scheme and will offer units for sale and redemption on every working day at NAV based prices subject to load, if any.		
Transparency	The NAV will be determined on every Working Day except in special circumstances as described in the Offer document. The AMC shall also endeavour to have the NAV published in a daily newspaper and updated on the AMC's website. The AMC shall also update the NAV's on the website of Association of Mutual Funds in India (AMFI) every working day. Further transparency will be maintained through half yearly disclosure of established portfolio through newsletters.		
SIP investments			
Minimum amount	Rs. 500		
Frequency	Monthly and Quarterly		
Load	Ongoing basis		
	Regular investments	SIP	
Entry load	For applications less than Rs. 2 Cr. – 2.25%	2.25% (applicable on each transaction)	
	For applications equal to or more than Rs. 2 Cr. – Nil	irrespective of the amount.	
Exit load	Nil	Nil	
	No entry / exit load will be charged for investments made by Fund of Funds schemes.		

2. CONSTITUTION OF THE MUTUAL FUND

Sponsor

The Sponsors of the Sundaram BNP Paribas Mutual Fund are Sundaram Finance Limited (SF) and BNP Paribas Asset Management (BNP PAM). Sundaram BNP Paribas Asset Management Company Limited is a Joint Venture of Sundaram Finance Limited and BNP Paribas Asset Management.

Sundaram Finance Ltd

SF is India's leading non-banking finance company having a track record for more than 51 years with an asset base over Rs. 5,615 Crores. A strong player in the Commercial vehicle and Car finance segments, the Sundaram Finance Group's services range from automobile finance to home loans to mutual funds to insurance. Sundaram Finance has a nation wide network of over 165 branches, an employee strength of over 2000 people and stands as one of the most trusted financial services provider in the country. Sundaram Finance Group remains true to its core values of prudence, fairness, transparency and service excellence. It has a deposit base exceeding Rs. 628 Crores covering over 2,68,000 accounts and an uninterrupted dividend record of accomplishment since inception. The public deposit schemes of SF enjoy the prestigious 'FAAA' (F triple A) rating from Credit Rating Information Services of India Ltd (CRISIL) and the prestigious MAAA (M triple A) rating from ICRA Ltd signifying the highest degree of safety of depositors' funds. SF's commercial paper has been rated P1+ by CRISIL. Sundaram BNP Paribas Asset Management Company Ltd is a subsidiary of Sundaram Finance Ltd. SF is holding 50.10% in the paid up share capital of the company and the balance 49.90% is held by BNP PAM.

Other subsidiaries of SF are:

1. Sundaram Home Finance Limited, set up in 1999, provides retail home finance.
2. Royal Sundaram Alliance Insurance Company Limited: The company is a joint venture between Sundaram finance Limited and Royal & Sun Alliance Plc. The company is engaged in Non Life Insurance Business.
3. Sundaram Finance Distribution Limited (formerly Sundaram Insurance Broking Limited) distributes and markets financial, savings, loan, investments and insurance products.
4. LGF Services (Private) Limited: The company engaged in the services of distributing Non-Life Insurance products.
5. Sundaram BNP Paribas Trustee Company Limited (Formerly Sundaram Finance Trustee Company Ltd) was incorporated on December 2, 2003. The trustee Company has assumed the trusteeship functions fully from the Board of trustees of Sundaram Mutual Fund with effect from March 31st, 2006. After the introduction of BNP Paribas Asset Management as Co-Sponsor of the Mutual Fund the company has become a joint venture company.
6. Sundaram InfoTech solutions Limited is engaged in the business of IT Services, Customised Software Solutions, Software products to cater the needs of financial services Industry, data center and Industrial Management, network management, data warehousing and related services.
7. Sundaram Business Services is engaged in Business Process Outsourcing, back office support in areas of automobile financing, insurance and accounting services.

The Sponsor has irrevocably settled a sum of Rs 1 Lakh as corpus of the Trust, which shall be held and managed by the Trust in accordance with the Trust Deed dated March 31st 2006.

Financial performance of Sundaram Finance Ltd for the last 3 financial years –

(Rs. In Crore)

Description	Period ended 31/12/2006	Year ended 31/03/2006	Year ended 31/03/05	Year Ended 31/03/04
Turnover/Total Income	461.67	595.85	459.08	357.89
Profit after tax	64.33	170.59	75.99	55.62
Equity Capital (FV Rs. 10/- each)	27.78	27.78	27.78	24.00
Free Reserves	847.39	783.05	655.22	499.24
Net worth	875.17	810.83	683.00	523.24
Earnings Per share (Rs.)	23.16	61.42	27.36	23.18
Book Value per share (Rs.)	315.04	291.92	283.01	218.02
Percentage of Dividend Paid	-	135%	75%	70%

(Source: published/unaudited financial results of Sundaram Finance Limited).

BNP PARIBAS ASSET MANAGEMENT

BNP Paribas Asset Management is a wholly controlled subsidiary of BNP Paribas and is a major player in fund management and distribution, with Euro 274 Billion in assets under management and advisory as on December 31, 2005, and more than 1400 staff and a presence in 20 countries.

Group Companies of BNP PAM Ltd are:

- BNP PAM GmbH (Germany) is an entity, which markets financial products. It is not regulated and was established in May 1986
- BNP PAM SGR (Italy) is an asset management company. It is regulated by the CONSOB and the Bank of Italy. It was established in December 1998.
- Antin Participation 19 (France) is a company buying equity interests in financial companies; it is not regulated and was established in June 2004
- Shenyin Wanguo BNP PAM (China) is an asset management company. It is regulated by the commission de Surveillance. It was established in May 1989.

Associate companies of BNP PAM:

- Fauchier Partners Management Limited (Guernsey) is an asset management company. It is regulated by the Guernsey Financial Services commission. It was established in September 2001.
- BNP Paribas Asset Management Asia Limited (Hong Kong) is an asset management company. It is regulated by the Securities and Futures Commission. It was established in June 1997.
- BNP PAM Monaco (Monaco) is an asset management company. It is regulated by the Commission de Surveillance. It was established May 1989.

Financial performance of BNP Paribas Asset Management for three financial years –

(In Million Euros)

Description	Year Ended 31/12/05	Year Ended 31/12/04	Year Ended 31/12/03
Turnover / Total income	669.35	605.75	521.07
Profit After Tax	145.19	102.96	90.83
Equity Capital (- each)*	62.85	62.85	59.61
Free Reserves	379.79	337.51	324.46
Net – Worth	442.64	400.36	384.08
Earnings per Share (Euro)	36.97	26.21	24.38
Book Value per Share (Euro)	112.69	101.93	103.08
Percentage of Dividend Paid **	100%	100%	100%

* Face Value of the stock at Euro 16

** Dividends paid as a percentage of Profit After Tax

Sundaram BNP Paribas Mutual Fund

Sundaram Mutual Fund has been constituted as a Trust under the Indian Trusts Act, 1882. The Mutual Fund has been registered with SEBI vide Registration No. MF/034/97/2 dated January 3, 1997. The trust deed dated August 24, 1996 and the deed of amendment dated March 22, 2004 have been duly registered with the Sub - Registrar, Chennai under serial no 356 of 1996 and serial number 108 of 2004, respectively. The sponsor has irrevocably settled a sum of Rs. 1 lakhs as corpus of the

trust, which shall be held and managed by the trust in accordance with the Trust deed dated August 24, 1996.

After the introduction of BNP Paribas Asset Management as the co-sponsor of the Mutual Fund, the Trust Deed has been amended. The amended Trust Deed dated March 31st, 2006 has been duly registered with the Sub-registrar, Chennai, under Serial No. 193 of 2006.

Sundaram BNP Paribas Trustee Company

The Sponsors, Sundaram Finance Limited and BNP Paribas Asset Management has appointed Sundaram BNP Paribas Trustee Company Ltd as the Trustee vide an amended Trust Deed dated 31st March 2006.

The Board of Directors of the Trustee Company

Name, Address	Principal Occupation
K.V. Ramanathan, IAS (Retired) Chairman (Independent Director) Rohini, # 9 Second Seaward Road, Valmiki Nagar, Thiruvanmiyur, Chennai – 600 041.	Former Executive Director Asian Development Bank Manila, Philippines Chairman Bangalore Land and Homes Ltd
S. Viji New No.71, Old No.33, Poes Garden, Chennai – 600 086	Chairman Sundaram Finance Limited Sundaram Home Finance Limited TVS Lean Logistics Limited. Managing Director Brakes India Limited Director Sundaram Industries Limited TV Sundram Iyengar & Sons Limited Wheels India Limited Royal Sundaram Alliance Insurance Company Limited Managing Trustee Bharath International Trust, Chennai Trustee Sundaram Educational Trust Sundaram Medical Foundation Vice Chairman Worth Trust, Katpadi
R. Rajamani (Independent Director) 8-2-585/A/1, Road No.9 Banjara Hills Hyderabad - 500 034	Former Secretary Environment & Forests Government of India Director ICICI Knowledge Park Canara Bank Factors Ltd.
K.V. Krishnamurthy (Independent Director) 174, Kalpataru Residency, Tower A 107 Road no.8, Sion (East) Mumbai 400 022	Director Assets Reconstruction Company of India Ltd. Rap Media Limited, Mumbai Centrum Finance Limited Centrum Direct Limited Essel Propack Limited JSW Steel Ltd Rathnakar Bank Limited Borosil Glass works Partner (Part Time) KCA & Co., Chartered Accountants
Rault, Yann 40 Avnue Junot, 75018 Paris, France	No other directorships held currently
Al Noor Premji (Alternate Director to Mr. Rault, Yann) 63A Ulundri Drive, Castle Hill, NSW 2154, Australia	No other directorships held currently

FUNCTIONS AND RESPONSIBILITIES OF TRUSTEES

The Trustees are vested with the general power of superintendence, direction and management of the affairs of the Trust. The Trustees have appointed Sundaram BNP Paribas Asset Management Company Limited as the AMC for Sundaram BNP Paribas Mutual Fund and have to ensure that the AMC fulfils the functions assigned to it, from time to time, subject to the Trust Deed, SEBI Regulations and laws in force.

The Trustees report every half-year to SEBI and annually to the investors on the functioning of the Fund. As per the Trust Deed and SEBI Regulations, the Trustees inter alia, have the following functions and responsibilities:

- A trustee in carrying out his responsibilities as a member of the Board of Trustees or of Trustee Company shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which he may be associated.
- No trustee shall participate in the meetings of the Board of Trustees or trustee company when decisions for investments in which he may be interested are taken.
- All the trustees shall furnish to the Board of Trustees or trustee company, particulars of interest which he may have in any other company, or institution or financial intermediary or any corporate by virtue of his position as director, partner or with which he may be associated in any other capacity.
- Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund on a quarterly basis.
- The Trustees shall have the right to obtain from the Asset Management Company such information as is considered necessary.
- The Trustees shall ensure that the transactions entered into by the Asset Management Company are in accordance with the SEBI Regulations and the Scheme. The Trustees shall ensure that the Asset Management Company has been managing the schemes independently of other activities and have taken adequate steps to ensure that the interest of the investors of one scheme are not being compromised with those of any other scheme or of other activities of the Asset Management Company.
- The Trustees shall ensure that all the activities of the Asset Management Company are in accordance with the provisions of the SEBI Regulations.
- Where the Trustees have reason to believe that the conduct of business of the Mutual Fund is not in accordance with SEBI Regulations and the Scheme, they shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
- The Trustees shall be accountable for and be the custodian of the funds and property of the Scheme and shall hold the same in trust for the benefit of the unit holders in accordance with SEBI Regulations and the provisions of the Trust Deed.
- The Trustees shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of the Scheme in accordance with the SEBI Regulations and the provisions of the Trust Deed.
- The Trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy themselves that such contracts are executed in the interest of the unit holders.
- The Trustees shall periodically review the investor complaints received and the Redressal of the same by the Asset Management Company.

- The Trustees shall ensure that the mutual fund buys and sells, securities on the basis of deliveries and in all cases of purchases, take delivery of the relative securities and in all cases of sale, deliver the securities and in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance.
- The Trustees are required to obtain the consent of the unit holders of a Scheme
 - A) Whenever required to do so by SEBI in the interest of the unit holders; or
 - B) Upon the request made by three-fourths of the unit holders of this Scheme; or
 - C) If the majority of the Trustees decide to wind up the Scheme(s) or prematurely, redeem the Units.
- The trustees shall ensure that no change in the fundamental attributes of the Scheme(s) or the Trust or fees and expenses payable or any other change which would modify the Scheme(s) or affect the interest of the unit holders, shall be carried out unless,
 - 1) a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - 2) the unit holders are given an option to exit at the prevailing NAV without any exit load.
- The Trustees are required to call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report the same to SEBI, as and when required.
- The Trustees are required to review on a quarterly basis all transactions carried out between the Fund, AMC and its associates.
- The Trustees are required to review quarterly the net worth of the AMC and in case of any shortfall ensure that the AMC make up for the shortfall as per clause (f) of sub regulation (1) of regulation 21 of the SEBI Regulations.
- The Trustees are required to ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of the unit holders.
- The Trustees are required to abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.
- The meetings of the Trustees shall be held at least once in every two months and at least six meetings shall be held in every year.
- The Trustees shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
- The Trustees shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement.
- The Trustees have to furnish to SEBI on a half-yearly basis: -
 - a) A report on the activities of the Fund;
 - b) A certificate stating that the Trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the AMC;
 - c) A certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in Regulation 24, sub regulation (2) of the SEBI Regulations, have been undertaken by the AMC and has taken adequate steps to ensure that the interests of the unit holders are protected.
- The independent trustees are required to give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of the group companies of the Sponsor.
- No amendment to the Trust Deed shall be carried out without the prior approval of SEBI and the unit holders, where it affects the interest of unit holders

In terms of SEBI (Mutual Funds) (Amendment) Regulation 1999, the Trustees shall exercise due diligence as under:

A. General Due Diligence:

- 1) The Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
- 2) The Trustees shall review the desirability of continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management to float new scheme.
- 3) The Trustees shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- 4) The Trustees shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- 5) The Trustees shall arrange for test checks of service contracts.
- 6) The Trustees shall immediately report to SEBI of any special developments in the mutual fund.

B. Specific Due Diligence:

The Trustees shall:

- 1) Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees;
- 2) Obtain compliance certificates at regular intervals from the AMC;
- 3) Hold meetings of the Trustees more frequently;
- 4) Consider the reports of the independent auditor and compliance reports of the asset management company at the meetings of Trustees for appropriate action;
- 5) Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings;
- 6) Prescribe and adhere to a code of ethics by the Trustees, the Asset Management Company and its personnel;
- 7) Communicate in writing to the Asset Management Company of the deficiencies and checking on the rectification of deficiencies.

Notwithstanding anything contained in sub regulations (1) to (25) of Regulation 25, the Trustees shall not be liable for acts done in good faith if they have exercised adequate due diligence honestly.

The independent trustees shall pay specific attention to the following, as may be applicable, namely: -

- 1) The Investment Management Agreement and the compensation paid under the agreement;
- 2) Service contracts with affiliates – whether the Asset Management Company has charged higher fees than outside contractors for the same services;
- 3) Selection of the Asset Management Company's independent directors;
- 4) Securities transactions involving affiliates to the extent such transactions are permitted;
- 5) Selecting and appointing individuals to fill independent directors vacancies;
- 6) Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;
- 7) The reasonableness of fees paid to sponsors, Asset Management Company and any other services provided for;
- 8) Principal underwriting contracts and their renewals;
- 9) Any service contract with the associates of the Asset Management Company.

An audit committee of the Trustees has been constituted which reviews the internal audit systems and the recommendations of the internal and statutory audit reports.

For the Current Financial Year (2006-07), 4 meeting of the Trustees and 5 Meetings of the audit committee were held.

The Supervisory role of the Board of Trustees is discharged by having continuous feedback from the AMC on the matters of importance and review of the Mutual Funds operations

Trusteeship Fees

Pursuant to the Trust Deed dated March 31st 2006, (which is amended from time to time) presently the Trustee Company is entitled to a fee of 0.01% of the daily average net assets of all the schemes of the Mutual Fund.

3. THE ASSET MANAGEMENT COMPANY

Sundaram BNP Paribas Asset Management Company Limited, the investment manager of Sundaram BNP Paribas Mutual Fund, is a public limited company, incorporated under the Companies Act, 1956. The paid-up capital of the AMC is Rs.15.33 Crores. It is a Joint venture Company of Sundaram Finance Limited (SF) and BNP Paribas Asset Management (BNP PAM). SF is holding 50.10% in the paid up share capital of the company and the balance 49.90% is held by BNP PAM. SEBI has permitted AMC to commence PMS activity and providing management and advisory services to offshore funds, pension funds, provident funds, venture capitals funds, and management of insurance funds, financial consultancy and exchange of research on commercial basis under regulation 24(2).

The AMC commenced the Investment Advisory Services with effect from December 22, 2005. Portfolio Management Services is yet to be commenced.

i. Investment Management Agreement

Sundaram Asset Management Company Limited has been appointed as the Investment Manager vide Investment Management Agreement (IMA) dated August 24, 1996, executed between the Trustees and the AMC. Consequent to the change in the name of the AMC and Trustee Company, the agreement stands modified with the name of the Sundaram BNP Paribas Asset Management Company Ltd, as Investment Manager and Sundaram BNP Paribas Trustee Company, as the Trustees.

ii. Board of Directors of Asset Management Company

D N Ghosh Chairman Former Chairman State Bank of India BC-148 Sector I Salt Lake Calcutta 700 064	Chairman ICRA Limited ICRA Management Consulting Services Ltd. L & L Services (P) Ltd SJK Steel Plant Ltd Director Housing Development Finance Corporation Ltd. Managing Trustee Sameeksha Trust (Economic and Political Weekly)
S Krishnamurthy (Independent Director) Former Managing Director General Insurance Corporation of India 9 Nandanam Extension Chennai – 600 035.	No other directorships held currently
T.N. Anantharama Iyer (Independent Director) Former Managing Director Discount and Finance House of India Ltd 8 Rajmayur, 19th Road Khar (West) Mumbai – 400 052	No other directorships held currently
T.T. Srinivasaraghavan No 5 Kasturi Estates, Third Street, Gopalapuram, Chennai 600 086	Chairman Infreight India Technologies India (P) Ltd. Managing Director Sundaram Finance Ltd. Director Sundaram Business Services Limited Sundaram Infotech Solutions Limited Sundaram Home Finance Ltd. Royal Sundaram Alliance Insurance Co. Ltd. Council Member Federation of Automobile Dealers Association Member-General Committee Madras Chamber of Commerce & Industry Past President International Finance & Leasing Association
T.P. Raman, Managing Director Flat No. C#3, "Ashreya", No. 11, Raman Street, T Nagar, Chennai 600 017	Director Association of Mutual Funds In India

Ashoke Bijapurkar (Independent Director) 210, Konark Shram 156, Madan Mohan Malviya Marg, Tardeo, MUMBAI – 400034	Managing Director Future Step Advisory Services Private Limited Director Dhara Vegetable Oil and Foods Company Private Limited Mother Dairy Fruit and Vegetable Private Limited
Banikanta Mishra (Independent Director) Faculty Quarters No.4 Xavier Institute of Management Bhubaneswar 751013.	No other directorships currently held
T Anantha Narayanan (Independent Director) Sri Niketan, 1, Raja Street, Mandaveli, Chennai – 600 028.	Director Indusind Bank Limited Ashok Leyland Properties Limited Ashok Leyland Projects Services Limited Ashley Holdings Limited Ashley Investments Limited Allsec Technologies Limited
De Froment, Guy 33, Marryat Road, London SW19 5BE, UK	Director BNP Paribas Asset Management Shinhan BNP Paribas ITMC BNP PAM SGR (Italy) BNP Paribas Asset Management UK Ltd BNP Paribas Asset Management Japan Ltd BNP Paribas Asset Management Ltd (Nassau) FPML (Guernsey) BMCI Gestion (Morocco) BNP PAM Uruguay (Uruguay) BNP Paribas Asset Management Argentina SA (Argentina) BNP Paribas Argentina Asset Management SA (Argentina) BNP Paribas Asset Management Brasil Ltd (Brasil) Parvest (Luxembourg) BNP Paribas Japaquant (French SICAV) BNP Paribas Quantamerica (French SICAV)
Max Diulius 1, Rue Lallier, Paris, France 75009	No other Directorships currently held

iii. Functions and Responsibilities of the AMC

Important duties of the AMC as per the Investment Management Agreement are:

- AMC will assume the day-to-day management of the Mutual Fund and in that capacity, subject to the supervision of the Trustees, shall be responsible for and have powers of implementing schemes and making investment decisions and managing the assets of the schemes of the Mutual Fund in accordance with the scheme objectives, Trust Deed and SEBI Regulations in the best interest of the unit holders.
- Implement a specific scheme in all respects including the allotment and the issue of unit certificates/account statements to the investors who are successful in getting the units allotted to them as per the terms of the Scheme and collect the subscriptions to and sale proceeds of units.
- Disclose the basis of calculating the repurchase price and Net Asset Value (NAV) of units of the schemes of the Mutual Fund as stated in the offer documents and to disclose the NAV to the unit holders at such intervals as may be specified by the Board of Trustees or SEBI or as may be mentioned in the offer document.
- Take all steps to protect the investments made out of the schemes and achieve the objectives of each scheme, as a diligent and prudent person would do.
- Maintain or cause to be maintained a register containing the names and other required particulars of unit holders in print or magnetic/electronic media.

- Distribute the profits of the schemes earned in accordance with the provisions of the schemes and in conformity with SEBI Regulations.
- Within six months from the date of closing of each financial year, forward to SEBI, a copy of the Annual Report containing the audited annual statements of accounts viz., the Balance Sheet and the Profit and Loss account of the Mutual Fund and other information including details of investments and deposits held by the Mutual Fund so that the entire scheme-wise portfolio of the Mutual Fund is disclosed.
- No offer document of a scheme, key information or memorandum is issued or publicised without the Trustees' prior approval in writing.
- Ensure at all times that the assets and funds of the Mutual Fund are segregated from those of the AMC and assets of any other funds for which the AMC is responsible.
- The AMC shall file with the Trustees details of transactions in securities by its key personnel, transactions with any of its associates, details of interests of directors and other reports required to be filed under SEBI Regulations.
- The AMC shall ensure that the dealings in securities through its associates are in accordance with SEBI Regulations and guidelines issued from time to time.
- The AMC shall maintain high standards of integrity and fairness in all its dealings and in the conduct of its business.
- The AMC shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement.
- The AMC shall not make any exaggerated statement, whether oral or written, either about its qualifications or about capability to render investment management services or its achievements.
- As per SEBI Regulations, no change in controlling interest of the AMC shall be made unless,
- Prior approval of the trustees and SEBI is obtained;
- A written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
- The unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.

iv. Asset Management Fee

Sundaram BNP Paribas Asset Management Company Ltd is entitled to an investment management and advisory fee of 1.25% of the weekly average net assets upto Rs.100 Crores and 1% of the weekly average net assets of the balance amount

v. Key Personnel of the AMC

Name and Designation	Qualification	Age	Past experience
T P Raman Managing Director	M.Com., CAIIB	64	30 years in State Bank of India. Retired as General Manager of SBI Capital Markets Ltd., Chennai.
Sanjay Santhanam Vice-President- Sales & Marketing	B-Tech, PGDM (IIM, Bangalore)	39	9 years, of which 2 years in Lintas India Ltd, 4 years in Contract Advertising India Ltd and 3 years in ANZ Grindlays Bank.
N Prasad Chief Investment Officer	M.Com	46	13 years, of which 7 years in Canara Bank, 3 Chief Investment Officer years in Canbank Mutual Fund, and 3 years in ICICI Asset Management Co. Limited.
Anoop Bhaskar Head – Equity	B.Com, M B A (Finance)	39	15 years, of which 1 year in Cross Borders Finance and projects, 1 year in Brisk Financial Services, 1 year in Shriram Financial Services and 10 years in Franklin Templeton.

Srividhya Rajesh Fund Manager – Equity	MMS (BITS), PG Dip. in Equity Research and Chartered Financial Analyst, ICFAI, Hyderabad.	33	10 years of which 1-year in a stock broking firm.
J.Venkatesan Fund Manager	M.Com., Grad CWA, CAIIB	44	Overall Experience of 23 Years of which 16 years in Canbank Mutual Fund in Various capacities and 7 Years in Canara Bank.
S.Krishnakumar Co-Fund Manager Head – Equity Research	BE, PGDBA (Financial & Portfolio Management)	40	17 years of which 7 years in Anush Shares & Securities P Ltd, as senior research analyst, consultant and vice president. Prior to that worked as Product Development Engineer for a period of six years in Lucas TVS, an auto electricals major.
Dheeraj Singh Head – Fixed Income	BE, PGDM (IIM Bangalore)	38	Over 10 Years experience in managing funds in various capacities. His last assignment was with IL & FS Asset Management Co Ltd.
Rahul Pal Fund Manager	B.Com, A.C.A.	30	3 Years in IDBI
R. Vijayendiran Dealer	M.Com.	42	17 years, of which 3 years in Stock Broking company, 3 years in Stock Holding Corporation of India, 3 years in Citicorp and 2 years in Kotak Securities.
T.S. Sritharan Chief Financial Officer & Head – Operations	B.Com, A.C.A. AIII	45	18 years of which 8 years in united India Insurance Company Limited.
P. Sundararajan Company Secretary & Compliance Officer	B.Com. B.L. FCS, CFE, CISM	50	26 years in Sundaram Finance Ltd in various capacities of which 10 years as Deputy Secretary and Compliance Officer.
Sunil Subramaniam Vice president – Retail Distribution	Msc, MBA	46	22 years out of which 10 years in State Bank of India, 9 years in American Express Bank and 2 years in Bank of America.
Vaidyanathan Head – Product Development	B.Com, CWA, ACS (Inter), PGDBM (IIM B), PGD MB & FS (ICFAI)	41	15 Years, of which 13 years in The Hindu as Head of Research Team for Business Line Newspaper and 2 Years in Chemplast Sanmar as Executive (MIS)

vi. Fund Manager

Srividhya Rajesh is the Fund Manager of the scheme (For the experience and qualification of the Fund Manager please read the table of Key Employees above).

vii. Compliance Officer

P Sundararajan B.Com. B.L FCS, CFE, CISM
Sundaram BNP Paribas Asset Management Company Limited
46 Whites Road, Royapettah
Chennai - 600 014
Phone : (044) 28583362, 28583367
Fax. : (044) 28583156

viii. Manager – Customer Support

S. Balasubramanian,
Head - Customer Service & Transaction Processing
46, Whites Road, Royapettah, Chennai 600 014.
Tel.: (91) (44) 28583362/28583367
Fax: (91) (44) 28583156

4. Auditors of the Mutual Fund

M/s Sundaram & Srinivasan,
Chartered Accountants,
23 C.P. Ramaswamy Road,
Alwarpet, Chennai 600018.

5. REGISTRAR

Computer Age Management Services (P) Limited (CAMS), a Category-I Registrar and Transfer Agent registered with SEBI, vide Registration No. INR 000002813, has been appointed to act as the Registrar and Transfer Agent to this scheme. CAMS will accept and process investors' applications and advise the AMC of the details of subscription; handle communications with investors, resolve investor grievances, perform data-entry services and despatch Unit Certificates and/or Accounts Statements. Sundaram BNP Paribas Mutual Fund, the AMC and the Trustees, after taking appropriate due diligence measures, are satisfied that the Registrar can provide the services required and have the adequate facilities to do so. The Letter of Agreement of the Registrar will be available for inspection by the investors. The Registrar will be paid a fee in accordance with the R&T Agreement. The Trustees reserve the right to appoint any other firm approved by SEBI as the Registrar of the scheme/Mutual Fund.

6. CUSTODIAN

Standard Chartered Bank (SCB) registered with SEBI, vide Registration No. IN/CUS/006, has been appointed Custodian of the securities that are bought and sold under this Scheme. The responsibilities of the Custodian include:

- to keep in safe custody all the securities and instruments belonging to the Scheme;
to ensure smooth inflow/outflow of securities and instruments as and when necessary in the best interests of the investors;
- to ensure that the benefits due on the holdings are received; and
- to be responsible for the loss or damage to the securities due to negligence on its part or on the part of its approved agents.

A Custodian Agreement has been entered into by Standard Chartered Bank with the AMC and the Mutual Fund outlining the custodial fees, duties, functions and obligations of the Custodian. The Trustees reserve the right to appoint any other firm approved by SEBI as the Custodian of the Scheme.

PART II

INVESTMENT OBJECTIVES, STRATEGY AND PROCEDURE

1. Fundamental Attributes of the Scheme

a) Type of the Scheme

Sundaram BNP Paribas India Leadership Fund India is an open-ended equity scheme.

b) Investment objective

The investment objective of the scheme is to achieve capital appreciation by investing in select stocks of companies, which meet criteria of 'Leaders' in their respective sectors/ subsectors. The leaders are identified as top 2/3 companies in any sector/subsector in terms of net revenue or total income.

c) Asset Allocation & Risk Profile

The funds of the Scheme will be invested in equities and equity-related instruments, equity futures and options and money market instruments. Pending deployment of funds in terms of investment objectives of this Scheme, the funds may also be invested in short-term deposits with scheduled commercial banks and money market instruments.

Under normal circumstances, the broad asset allocation of the scheme will be as follows:

Instrument	% Of the investible funds (indicative)	Risk profile
Equity instruments of 'Leaders' as stated above	At least 65%	High
Equity instruments of others including investments in conglomerates and potential leaders (including ADRs and GDRs)	Not exceeding 35%	High
Equity Futures and Options including those of indices.	Not exceeding 25% (underlying contract value)	High
Money market instruments	Not exceeding 15%	Low

This allocation is not absolute and may vary depending upon prevailing market conditions and the AMC may alter the asset allocation for short period on defensive considerations.

For this purpose the term 'equity instruments' includes warrants and fully convertible debentures.

d) Terms of issue

- (i). Liquidity provisions such as listing, repurchase and redemptions are clearly defined in part III- units and offer of this document;
- (ii). Aggregate fees and expenses are stated in Part IV of this offer document;
- (iii). The scheme does not offer any guarantee or assured returns to the investors.

e) Changes in fundamental attributes

When any change in the fundamental attribute of this scheme or the trust or fees and expenses payable or any other change which would modify the scheme or affect the interest of the unitholders, is proposed to be carried out, no such change shall be carried out unless (i) written communication about the proposed change is sent out to each unitholder and an advertisement is given in one English daily newspaper having nation wide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated; and (ii) the unitholders are given an option to exit at the prevailing NAV without any exit load. (Note: for the purpose of this clause, fundamental attributes mean the investment objective and the terms of issue of this scheme as detailed above.)

(2) INVESTMENT STRATEGY AND RISK CONTROL

The primary objective of the Scheme is to achieve capital appreciation over time through investments in a reasonably diversified portfolio of "leadership stocks", i.e., stocks of companies who are leaders in their respective sectors/subsectors. Such companies generally perform better than lower-placed competitors in terms of revenue growth and profitability during economic upswings, though their profits and stock prices may not necessarily rise at a faster pace than of firms at the lower rungs. Also, leading firms display greater resilience than others during periods of economic slowdown or contraction.

The Scheme's investments will be guided by a top-down investment approach. Unlike that of a widely diversified fund, the Scheme's target group of investee companies is envisaged to include the top two or three companies in each sector/subsector in terms of net revenue or total income. Such a target group will open up avenues for profitable investments in top companies across a broad spectrum of sectors and sub-sectors. A comprehensive list of sectors, sub-sectors and companies will be developed by the AMC based on the framework provided by agencies like CMIE, AMFI and Capital Market etc.

Investments may also be made in the stocks of conglomerates that operate in more than one sector though they may not be leaders in any one sector. Also, to tap the upside potential of growth companies that are not currently leaders in their sector, the Scheme may invest up to 20% of its aggregate net assets in the stocks of such companies.

Investments may also be made in the initial public offerings (IPOs) of large companies that, in the opinion of the fund manager, are current or potential leaders in their sectors or subsectors.

In selecting particular companies for investment, emphasis will be laid on their performance, including production and sales in quantitative and value terms, quality of their management, business strengths, potential for sustainable and profitable medium- and long-term growth, and reasonableness of the current market valuation of their stocks.

A break-up of the investment portfolio will be disclosed in the Scheme's fact-sheets and other regulatory reports in accordance with the sectoral classification prescribed by the Association of Mutual Funds in India (AMFI).

Pending deployment of funds, the money will be invested in call money, notice money, fixed deposits of banks and other institutions and other money market instruments as may be permitted by regulatory bodies from time to time.

ii) Procedure for Investment Decisions

a) Equity

The Fund Manager and Analysts research the prospects for the company in question and prepare a report under guidance from the Chief Investment Officer (CIO). Information for analysis is obtained from either or all of the following:

- Published sources
- Research reports of broking houses
- Company visits

The Fund Manager subsequently oversees the presentation of the report to the Internal Investment Committee (IIC), comprising the Managing Director and the CIO. The IIC considers the research report and approves the names of the companies for the Fund Manager. Once the approval of the IIC is obtained, the Fund Manager can buy within the policy guidelines set by the Investment Committee (IC), comprising the Managing Director and three Directors of the AMC.

The IC lays down guidelines for determining exposure levels. The investment pattern will be reviewed every week in the investment meetings and rebalancing will be done, if needed.

Whenever a stock is bought or sold, the reasons are recorded in the deal ticket. The Fund Manager makes the stock purchases only from the list of IIC approved stocks.

The investment group, comprising the Fund Manager, CIO and Analysts meets every day to take stock of actions taken the previous day. The IIC meets every week to review the decision of the Fund Manager, and to compare the performance of the schemes with the benchmark and peers.

Every quarter, the Fund Manager presents a review of the decisions taken and on the schemes performance to the Board of Directors and the Board of Trustees.

Investments in the options/futures of any company specific will be made subject to that company complying with the market capitalization norms specified above. However, such norms will not be applicable to index futures and options.

Risk Control

Liquidity Risk

Some of the stocks that form the portfolio may be illiquid in terms of trading on the stock market. Care will be taken to monitor, in terms of the number of days it takes to liquidate every stock in the portfolio based on a share of the average volume traded over the previous one year. Efforts will be made to keep the average liquidation period within prudent limits prescribed internally.

The AMC will also use any derivative or hedging techniques that may be permitted by SEBI.

Concentration Risk

In order to diversify individual company risk, the fund will on an average and under normal circumstances invest in at least 25 companies across various sectors. The quantum of exposure will be decided on the basis of relative earnings, growth, valuations and potential valuations. Large exposure to one single company is generally avoided to minimise company-specific risks.

3. DERIVATIVES

SEBI has vide its Circular No. DNPD/cir-29/2005 dated September 14, 2005, permitted all mutual funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf.

WHAT ARE DERIVATIVES?

Derivatives are financial contracts or instruments that derive their value, usually the price, from an underlying asset. They are basically used to hedge off the risk involved in the trading, i.e., the price risk involved in trading.

FUTURES

A purchase of futures obligates the purchaser to take delivery of the underlying asset at the expiry of the contract. In reality, the transaction is netted off at the end of the contract and the difference settled between the investor and the clearinghouse.

Approximately 15-20% of the value of the contract lies with the exchange as 'margin' money. The margin varies depending on the volatility of the underlying security and the difference between the spot price and the contract price.

OPTIONS

An option holder has a choice to 'buy' or 'sell' the underlying security (depending on the type of option held) at the option maturity date. There is no obligation to 'buy' or 'sell'. The choice is exercised depending on the financial reward/penalty of exercising the option.

A "Call" option is one where the option holder can have a choice to buy a security at a pre-determined price on a pre-specified date.

A 'Put' option is one where the option holder can have a choice to sell a security at a pre-determined price on a pre-specified date.

What kind of trades can a Mutual Fund do?

Mutual Funds can deal in derivatives for the purposes of hedging and/or portfolio balancing. Portfolio balancing may include any kind of deals in derivatives provided these are fully 'covered' (i.e. by holding a position in the underlying securities/cash/cash equivalents / options / futures).

Trading is permitted only in Exchange-listed derivatives.

- The securities held shall be marked to market by the AMC at all times.
- 'Untraded' derivatives shall be valued in accordance with the valuation method approved by the Trustees and acceptable to the auditors, subject to SEBI Regulations/Guidelines

Exposure: Exposure to derivatives will be limited to 25% of the net asset value of the Scheme at the time of the transaction. Exposure is calculated as the notional value as a percentage of net assets of the Scheme. The Scheme will maintain cash or securities to cover the exposure of derivatives.

Reporting requirements:

The AMC shall cover the following aspects in their reports to Trustees periodically

- Transactions in derivatives both in volume and value terms.
- Market value of cash/cash equivalents/securities held to cover the exposure.
- Any breach of the exposure limit laid down in the Scheme offer document.
- Comments of the Trustees on the above aspects in the report filed with SEBI.

Use of derivatives in furtherance of investment objective:

- Essentially, mutual funds can use these instruments to achieve results that are not possible in the cash market.
- A short position in index futures or futures on a particular stock can be assumed to hedge a long position in the cash market.
- The Scheme can alternatively buy 'Puts' with an appropriate strike price, as insurance against a downward move in a stock held by it.
- A scheme can increase its income by selling options (premium earned).

- Sell Puts on stocks, with strikes at levels where the fund would like to buy the stock.
- Sell Calls on stocks already owned by it, with strikes at levels where the fund would like to sell the stock, or on stocks which the fund expects will remain in a narrow price range.
- Also, if the index futures trade at a steep discount or premium to the spot price, the fund can take advantage of the situation by switching out of stocks into futures, or vice versa. At the expiry of the futures contract, its price will have to converge with the spot (since the last settlement will be with reference to the spot). Such arbitrage profit will aid enhancement of the NAV.

What products are available?

The derivative products currently available in India include:

- **Futures on the Index** (Nifty and Sensex)
 - Can be used for hedging the portfolio as well as arbitraging
- **Options on the Index** (Nifty and Sensex)
 - Can be used to hedge positions in the Index Futures or as an alternative to Index Futures and use of strategies to enhance income
- **Options on Individual Stocks** (53 stocks)
 - Can be used to hedge long positions in stocks (buying puts)
 - Can be used to hedge short positions in stock futures (buying calls) and use of strategies to enhance returns
- **Futures on Individual Stocks** (53 stocks)
 - Can be used as proxy for the stock itself for buying or selling short positions can be assumed

All of these products are cash-settled (by paying/receiving price differences), and are available in three maturities, viz. 1, 2, and 3 month. All these products share common expiry dates, viz. last Thursday of every month. These are traded on the BSE as well as the NSE.

Currently, volume in the options and futures on stocks is dominated by a handful of scrips like Satyam, Infosys, Digital, Reliance, Reliance Petro, L&T, and ACC. Others like Sterlite Optical and Telco etc. are occasionally active. However, the volume in the Nifty futures is quite healthy.

As volume has picked up, the bid-ask spreads have also narrowed substantially.

Risks with Futures

The payoffs in futures are linear with reference to the underlying asset, and as such the risk is basically directional.

Thus buyers and sellers of futures carry equal risks.

Risks with Options

In the case of buying options (Calls or Puts), the risk is "limited" to the extent of premium paid (upfront), while in the case of selling options, the risk is "unlimited".

Actually, "limited or "unlimited" can be better expressed as "known" and "unknown" respectively. However, the "unknown" risk can be mitigated by staying covered, eg., selling "covered calls", or constructing "bull/bear spreads".

The payoffs in options, it may be noted, unlike in the case of futures, are non-linear, eg., if you sell Nifty June 1100s Calls @ 10 (premium), your profit is 10 even if the Nifty goes down.

The underlying principles that will govern investments in Options are:

- View on the market and the underlying asset
- Buy "intrinsic value" (in-the-money) and sell "time premium" (at or in-the-money)
- As far as possible buy longer-term options, and sell short-term (this is not always possible in the Indian context)
- Avoid naked positions

- Write naked puts only when the Scheme would like to buy the stock
- Evaluate strategies
 - What is the up-front outlay?
 - What is the downside and upside potential from the position?
 - How much will the underlying stock have to move to make money?
 - Keep sight of breakeven point(s)

Examples:

Say, the Fund is holding 10,000 shares of Company 'A' whose current market price is Rs.160/-. The Fund Manager's view is that it might be coming off by Rs.10-12 in the next one month due to technical reasons, but he would like to hold the security as he is convinced of the fundamentals of the company. The Fund Manager writes 10,000 Nos. of Call Options of this stock at Rs.10/- if one is willing to buy it. What he has done is that he has given the buyer of the Call Option a choice to buy the stock 'A' at Rs.160/- a month from now (technically on the last Thursday of the calendar month) while he collected Rs.10/- from the buyer. This Rs.10/ is an income to the Scheme. A month from now either of the scenarios may emerge:

- Stock price falls to Rs.150/- since the fund manager has sold the Call Options at Rs.10/ he effectively covered the loss in the stock price from the level of Rs.160 to Rs.150 even though he is holding the stock. The option holder will forego.
- Stock price falls below Rs.150/-. Here, the Fund Manager incurs an effective loss (from the decision making price of Rs.160/) to the extent the stock price is below Rs.150/-.
- Stock price goes up to Rs.170/-. This movement is contrary to the expectations of the Fund Manager. The Fund Manager will not lose anything here also because he already received Rs10/- from the buyer of the Call Option which added to the market price as on date of decision would make his realization at Rs.170/ which is the current market price. The buyer will ask him to deliver the stocks at Rs.160/. The Fund Manager delivers the stock and covers it from the market.
- Stock price goes beyond Rs.170/-. Here, the Fund Manager loses the effective gains that could have been made on the stock over and above the price of Rs.170/- since the buyer of the option will exercise the option and encash the returns above Rs.170-. This is an opportunity loss for the fund.

Common Derivative Positive Positions and Limits

SR NO.	DERIVATIVE	ACTION	DESCRIPTION	LIMIT
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. Limit 25% of portfolio
2	Index futures	Sell	Hedging of portfolio against expected market downturn	Up to 25% of equity portion of the fund
3	Index Options - Call	Buy	Buy index calls against cash (existing / expected) to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit 25% of Portfolio
4	Index Options - Call	Sell	Covered Call Sale-against existing portfolio	Up to 25% of equity portion of the fund
5	Index Options - Put	Buy	Buy Index Puts to hedge existing portfolio	Up to 25% of equity portion of the fund
6	Index Options - Put	Sell	Covered Put Sale-Possible top sell index puts against existing / expected cash	To the extent of cash / equivalents in the portfolio. Max. limit 25% of Portfolio
7	Stock Futures	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. Limit 25% of portfolio; per scrip limit (10%)

8	Stock Futures	Sell	Sell against existing stock - Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%
9	Stock Options - Call	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. Limit 25% of portfolio; per scrip limit 10%
10	Stock Options - Call	Sell	Sell against existing stock	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%
11	Index Options - Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%
12	Index Options - Put	Sell	Covered Put Sale Against cash	To the extent of cash / equivalents in the portfolio. Max. Limit 25% of portfolio; per scrip limit 10%

4. Fund Management

The AMC has qualified professionals for its investment research and dealing activities.

5. Portfolio Turnover

The Scheme has no explicit constraints either on maintaining or limiting the portfolio turnover (aggregate of purchases and sales to the average assets). Being an open-ended Scheme, it is estimated that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy the likely turnover in the portfolio. However, higher turnover will significantly impact the brokerage and transaction costs.

6. Benchmark indices

The performance of the scheme would be compared with S&P CNX NIFTY Index. S&P CNX NIFTY index is a capitalization-weighted index of 50 stocks. It is maintained by India Index Services & Products Limited (a joint venture of NSE & CRISIL).

Method of Computation

S&P CNX Nifty is computed using market-capitalisation weighted method, wherein the level of the index reflects the total market value of all the stocks in the index relative to a particular base period. The method also takes into account constituent changes in the index and importantly corporate actions such as stock splits, rights, etc without affecting the index value.

Base Date and Value

The base period - selected for S&P CNX Nifty index is the close of prices on November 3, 1995, which marks the completion of one year of operations of NSE's Capital Market Segment. The base value of the index has been set at 1000 and a base capital of Rs.2.06 trillion.

Criteria for Selection of Constituent Stocks

The constituents and the criteria for the selection judge the effectiveness of the index. S&P CNX Nifty is unique in this respect. Selection of the index set is based on 3 criteria namely Liquidity (Impact Cost, Market Capitalisation and Floating Stock

Market Capitalisation

Companies eligible for inclusion in Nifty must have a six monthly average market capitalisation of Rs.500 crores or more during the last six months.

Floating Stock

Companies eligible for inclusion in S&P CNX Nifty should have at least 12% floating stock. For this purpose, floating stock shall mean stocks, which are not held by the promoters and associated entities (where identifiable) of such companies.

Note: Benchmark Index is for performance measurement only and does not limit the choice of Investments to that of its constituents.

7. INVESTMENT LIMITATIONS

1. All the Scheme's assets will be invested in transferable securities, whether in money markets or in capital markets, including any bank deposits or money at call or any other money market instruments.
2. The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any company. Further, the Scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related investments.
3. The Mutual Fund under all its schemes, including this Scheme, taken together will not own more than 10% of any company's paid up capital carrying voting rights.
4. Transfer of investments from one Scheme to another Scheme, including this Scheme, shall be allowed only if such transfers are made at the prevailing market price for quoted securities on a spot basis, and the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
5. The Scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter scheme investments made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.
6. The Scheme shall buy and sell securities on the basis of deliveries, and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance. Provided that mutual funds shall enter into derivatives transactions in a recognised stock exchange for the purpose of hedging and portfolio balancing, in accordance with the guidelines issued by the SEBI.
7. The Scheme shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
8. Pending deployment of funds of the Scheme in securities in terms of the investment objectives of the Scheme, the Mutual Fund can invest the funds of the Scheme in short-term deposits of scheduled commercial banks or in call deposits.
9. The Scheme shall not make any investment in:
 - a) any unlisted security of an associate or group company of the sponsor; or
 - b) any security issued by way of private placement by an associate or group company of the sponsor; or
 - c) the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
10. The Scheme shall not invest in any fund of funds scheme.

To the extent the above investment limitations are amended by the SEBI Regulations, the Trustees/AMC may alter these limitations from time to time.

8. VALUATION OF ASSETS AND NET ASSET VALUE

The assets of the Scheme will be valued as per the following guidelines in conformity with Regulation 47 read with the Eighth Schedule of SEBI Regulations.

(1) Traded Securities

- Traded securities will be valued at the last quoted closing price on the National Stock Exchange (NSE).
- However, if the securities are not traded on the NSE, the securities will be valued on the price quoted at the Bombay Stock Exchange of India Limited (BSE).
- When on a particular valuation day security has not been traded either on NSE or BSE, then the value at which it is traded on another stock exchange will be used.
- However, it may be left to the AMC to select/change the appropriate stock exchange and the AMC shall record the reasons in writing for the selection/change.
- When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the NSE/ BSE or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to the valuation date.

(2) Thinly traded / Non-traded Securities

- a) When trading in an equity / equity related security in a month is less than Rs.5 lacs and the total volume is less than 50,000 shares, it shall be treated as a thinly traded security and valued accordingly.
- b) A debt security (other than Government Securities) that has a trading volume of less than Rs.15 crores for a period of thirty days prior to the valuation date shall be considered as a thinly traded security based upon information provided by the relevant stock exchange on the volume of debt securities traded.
- c) When a security (other than Government securities) is not traded on any stock exchange for a period of thirty days prior to the valuation date the scrip must be treated as a non-traded security.
- d) Non-traded/ thinly traded securities shall be valued "in-good faith" by the AMC on the basis of valuation principles laid down by SEBI vide Gazette 489 dated 26/07/2000.

(3) Illiquid Securities

Aggregate value of 'illiquid securities' of the Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

(4) General

- a) All expenses and income accrued up to the valuation date shall be considered for computation of Net Asset Value. For this purpose, major expenses and income will be accrued on a day-to-day basis while minor expenses and income will be accrued periodically, provided the non accrual does not affect the NAV calculation by more than 1%.
- b) Any changes in securities and in the number of units be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the net asset value disclosure the recording may be delayed up to a period of seven days following the date of the transaction, provided that as a result of the non-recording, the net asset value calculations shall not be affected by more than 1%.

9. CALCULATION OF NET ASSET VALUE

The Net Asset Value (NAV) is the most widely accepted yardstick for measuring the performance of any scheme of a mutual fund. NAV calculations shall be based upon the following formula:

NAV=

$\frac{\text{Market value of the Scheme's investments + other current assets + Deposits + Unamortised initial issue expenses - all Liabilities except Unit capital, Reserve and Profit and Loss Account}}{\text{Number of SUNDARAM BNP PARIBAS INDIA LEADERSHIP FUND Units outstanding}}$

- a) Repurchase Price NAV per Unit on the Valuation Date
[1- Exit Load (if any)]
Example: Applicable NAV is Rs.10.00
Exit Load 2%
=10 x (1 - .02) = 9.80
- b) Sale Price NAV per Unit on the Valuation Date
[1+ Entry Load (if any)]
Example: Applicable NAV is Rs.10.00
Entry Load 2%
=10 x (1 + .02) = 10.20

10. NAV INFORMATION

The Scheme's NAV will be available at the corporate office of Sundaram BNP Paribas Asset Management Company Limited at Chennai during working hours on all working days.

The valuation of Assets, computation and publication of NAV and publication of the repurchase and sale prices shall be in terms of SEBI Regulations as amended from time to time.

The Board may suspend determination or publication of the NAV of the units during the existence of a state of emergency, or a breakdown in communications or in the event of suspension of trading on the Stock Exchanges and resultantly the NAV cannot be calculated.

11. ACCOUNTING POLICIES AND STANDARDS

In accordance with SEBI Regulation 50 read with the Ninth Schedule to the SEBI Regulations, the Scheme shall follow the following accounting policies:

- (i). AMC shall keep and maintain proper books of accounts, records and documents, for the Scheme so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of the Scheme;
- (ii). For the purpose of the financial statements, the Mutual Fund shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealised gain arising out of the appreciation on investments cannot be distributed, provisions shall be made for exclusion of this item when arriving at distributable income;
- (iii). Dividend income earned by the Scheme shall be recognised, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments which are not quoted on a stock exchange, dividend income will be recognised on the date of declaration;
- (iv). In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase shall not be treated as a cost of purchase but shall be debited to the Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to the Interest Recoverable Account;
- (v). In determining the holding cost of investments and the gains or loss on sale of investments, the 'average cost' method shall be followed;
- (vi). Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements for the

year. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction will be recorded, in the event of a purchase, as of the date on which the Scheme obtains an enforceable obligation to pay the price or, in the event of sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold;

- (vii). Bonus shares to which the Scheme becomes entitled shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlement would be recognised only when the original shares on which the rights entitlement accrues are traded on the stock exchange on ex-rights basis;
- (viii). An asset shall be classified as non-performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income/instalment has fallen due. Provisioning for such non-performing assets will be made as per circular issued by SEBI in this regard.
- (ix). When units are sold, the difference between the sale price and the face value of the unit, if positive, shall be credited to reserves and if negative shall be debited to reserves, the face value being credited to Capital Account. Similarly, when units are repurchased, the difference between the purchase price and face value of the unit, if positive, shall be debited to reserves and, if negative, should be credited to reserves, the face value being debited to the capital account.
- (x). When units are sold an appropriate part of the sale proceeds shall be credited to an Equalisation Account and when units are repurchased an appropriate amount would be debited to Equalisation Account. The net balance of this account shall be credited or debited to Reserve Account. The balance on the Equalisation Account debited or credited to the Revenue Account shall not decrease or increase the net income of the fund but is only an adjustment to the distributable surplus. It shall therefore, be reflected in the Revenue Account only after the net income of the fund is determined.
- (xi). The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front end discount shall be reduced from the cost of the investment;
- (xii). Underwriting commission shall be recognised as revenue only when there is no devolvement on the Scheme. Where there is devolvement on the Scheme, the full underwriting commission received and not merely the portion applicable to the devolvement shall be reduced from the cost of investment.
- (xiii). Being an open-ended Scheme, the initial issue expenses, incurred if any, would be amortized over a period of five years.

The accounting policies and standards as outlined above are as per the prevailing SEBI Regulations and are subject to such changes made in the Regulations.

12. ANNUAL FINANCIAL REPORTS AND HALF-YEARLY DISCLOSURES

The full text of the Annual Report will be available for inspection at the Corporate Office of the AMC and a copy thereof shall be made available to the unitholders on payment of a nominal fee. The abridged scheme-wise annual report shall be mailed to all unitholders not later

than six months from the date of closure of the relevant accounting year.

The Mutual Fund shall before the expiry of one month from the close of each half year, i.e., on March 31 and September 30, publish the unaudited financial results, in one English daily news paper circulating in the whole of India and in a Tamil daily news paper published from Chennai.

The fund shall publish, before expiry of one month from the close of each half-year that is on 31st March and 30th September, its scheme portfolio in the format prescribed by SEBI in one national English daily newspaper and in a Tamil daily newspaper published from Chennai or send a copy to all the unitholders.

PART III

UNITS AND OFFER

a) Offer of units

During the New Fund offer period, units were offered at Rs.10/-. On an ongoing basis, units are being offered at NAV related prices plus entry load, if any.

b) Minimum investment

The minimum investment is Rs.5,000 /- and in multiples of Rs. 500 thereafter.

c) Who can invest

The following persons may apply for subscribing to the units of Sundaram BNP Paribas India Leadership Fund (subject wherever appropriate, to subscription to units of mutual funds being permitted under relevant statutory regulations and the applicants' constitutions):

1. Resident adult individuals either singly or jointly (not exceeding three)
2. Minors through their parents/ lawful guardians
3. Companies/Bodies Corporate/Public Sector Undertakings registered in India
4. Religious and Charitable Trusts under the provisions of 11(5)(xii) of Income Tax Act 1961 read with Rule 17C of Income Tax Rules, 1962.
5. Wakf Boards or endowments and Registered societies (including registered co-operative societies) and private trusts, authorised to invest in units
6. Partnership firms
7. Hindu Undivided Family (HUF)
8. Banks and Financial Institutions
9. Non-resident Indian (NRI), Persons of India origin on full repatriation basis (subject to RBI approval, if required)
10. Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis (subject to RBI approval)
11. An association of persons or a body of individuals and Societies registered under the Societies Registration act, 1860(so long as the purchase of units is permitted under the respective constitutions)
12. Army/Air force/Navy/Para-military funds and other eligible institutions
13. Provident/ pension/Gratuity and such other funds as and when permitted to invest
14. Scientific and/or industrial research organizations authorised to invest in units
15. Other associations, institutions, etc., authorised to invest in mutual fund units

NOTES:

- i. *It is expressly understood that the investor has the necessary legal authority and has complied with applicable internal procedures for subscribing/redeeming the units. The AMC/Trustee will not be responsible in case any transaction made by an investor is ultra vires the relevant constitution/internal procedures.*
- ii. *Non-Resident Indians and Persons of Indian Origin residing abroad (NRIs) and Foreign Institutional Investors (FIIs) have been granted a general permission by the Reserve Bank of India [Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000] for investing in/redeeming units of mutual funds subject to conditions set out in the aforesaid regulations.*
- iii. *In the case of an application under a power of attorney or by a limited company or other corporate body or an eligible institution or a registered society or a trust fund, the original power of attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application, as the case may be, or a duly notarised copy thereof, along with a certified copy of the memorandum and articles of association and/or bye-laws and/or trust deed and/or partnership deed and certificate of registration should be submitted. The officials should sign the application under their official designation. A list of duly certified/attested specimen signatures of the authorised officials should also be attached to the application. In case of a trust/fund, it shall submit a resolution from the trustee(s) authorising the purchase*
- iv. *In the case of investments of Rs 50,000 and above, the applicant or in case of applications in joint names, each applicant, is required to mention their PAN (Permanent Account Number) allotted under the Income Tax Act, 1961 or where the same has not been allotted to the applicant or the joint applicant(s) as the case may be, declaration in form 60/61 is required to be submitted by all applicant who does not have PAN. The applications of Rs. 50,000 or more without the PAN or Form 60/61 would liable to be rejected.*
- v. *Investors who wish to invest Rs.50,000 or more in the scheme has to mention the MIN in the application form. For more details about MIN, please refer the para title "Mutual Fund Identification Number" in the relevant section of this document.*

d) How to apply

- Application forms for sale of units will be available with all offices of Sundaram BNP Paribas AMC, brokers, agents, and the registrar and at all bank collection centres.
- Application forms complete in all respects, accompanied by the amount of investment by means of a cheque/demand draft are to be submitted at the specified collection centres. A complete list of collection centres is enclosed elsewhere.
- As per the directives issued by SEBI, it is mandatory for Applicants to mention their bank account numbers in their applications for purchase of units/requests for redemption.
- Kindly retain the acknowledgement slip initialled/stamped by the collecting authority.

e) Options and Investment Plans offered under the scheme

The scheme offers the investors two investment options.

- a) Growth Option b) Dividend Option (Dividend payout and Dividend reinvestment facilities are available).

Investors are required to tick the appropriate box in the application form indicating their option. In case the investor's fails to indicate the option; it would be deemed that the unit holder has opted for the Dividend option.

Growth Option

Investors who prefer capital appreciation can opt for this option. No dividend will be declared under this option; the income earned on the investors units would remain invested in the scheme and will be reflected in the net asset value of this option.

Dividend Option - Payout

Investors who wish to receive regular income in the form of dividends can opt for the Dividend Option. Dividends, if any, will be paid by means of Warrants/Demand Drafts / Cheques payable at par at the nearest City/Town of the Investor.

As per the Regulations, the Fund shall despatch to the unit holders, the dividend warrants within 30 days of declaration of dividend. Dividends will be payable to those unit holders whose name appear in the Register of unit holders on the Record Date.

The cheques/warrants will be drawn in the name of the sole/first holder and will be posted/mailed to the address as indicated in the application form. As per SEBI guidelines and in the interest of the investors to safeguard from loss or theft of dividend cheques/warrants, investors are requested provide the name of the bank, branch and account number in the application form. Such information would be incorporated in the cheque/warrants.

Effect of Dividends: When dividends are paid, the NAV will stand reduced by the amount of Dividend and distribution tax, if any applicable. To the extent the entire net income and realized gains are not distributed, the same will remain invested in the scheme and be reflected in the NAV. Since dividends are declared under dividend option only, the NAV of Growth option will not be affected by the payment of such dividend

Dividend reinvestment option

Under the dividend reinvestment option, the Dividend (Subject to tax, if any) due and payable to the unit holder will be compulsorily, and without any further act by the unit holders, reinvested in the scheme (under the dividend option, at the first ex-dividend NAV.) The Dividends so reinvested shall be constructive payment of dividends to the unit holder and constructive receipt of the same amount from each unit holder for reinvestment in units.

On reinvestment of dividends, the number of units to the credit of unit holder will increase to the extent of the dividend divided by the applicable NAV as explained above. The dividend will be reinvested based on the frequency of dividend.

f) Subscription to the units of the scheme on ongoing basis

The units will be available at the sale price subject to the minimum investment amount specified above on every working day. The AMC reserves the right to review the terms of acceptance of subscription requests and reserves the right to change the basis for subscription from amount basis to any other basis, subject to the SEBI Regulations.

g) The cut off times and applicable NAVs for subscriptions, redemptions and Switches are applicable as per the following table

Purchases and Switch in	Applicable NAV
Receipt of valid applications along with local cheque or DD payable at par at the place where the application is received up to 3:00 pm on a Working Day	Closing NAV of the day on which the application is received shall be applicable.
Receipt of valid applications along with local cheque or DD payable at par at the place where the application is received after 3:00 pm on a Working Day	Closing NAV of the next Working Day shall be applicable.
Receipt of valid applications with outstation cheques/ demand drafts not payable at par at the place where the application is received	Closing NAV of the day on which cheque/demand draft is credited shall be applicable.
Redemptions and Switch out	
Receipt of valid applications upto 3 p.m. on a working day	Same day's closing NAV shall be applicable.
Receipt of valid applications after 3 p.m on a working day	The closing NAV of the next Working Day shall be applicable.

Note: The Cut off timings shall also be applicable to Investments made through "Sweep" mode.

Allotment is assured to all eligible applicants provided the applications are complete in all respects and are in order. However, the allotment of such units would be at the discretion of the trustees. The AMC/Mutual Fund reserves its right to accept or to reject in whole or in part any application not in accordance with the terms of the scheme, without assigning any reason.

h) Mode of Payment

The payment may be made by any of the following modes:

- (i) by a cheque payable locally and drawn on any bank which is a member of the bankers clearing house located at the place where the application form is submitted; or
- (ii) by demand draft payable at the place where the application form is submitted, from applicants residing at places where there is no collection centres for this scheme.
- (iii) The bank charges/commission as per SBI guidelines for DD charges may be deducted from the amount of investment. Such bank charges/commission will be treated as eligible expenses debited to the scheme within the expenses limits laid out under the Regulations.
- (iv) In case of NRIs, and Persons of Indian Origin residing abroad payment may be made by Indian Rupee Drafts payable at Chennai, purchased abroad or by cheque/DD payable at Chennai, drawn on Non-resident (External) account, FCNR account maintained with the banks authorised to deal in Foreign Exchange in India. **All cheques/ demand drafts should be drawn in favour of 'Sundaram BNP Paribas India Leadership Fund' and crossed 'Account Payee only'. Please note that Cash, Stock Invest, money orders and postal orders will not be accepted.**

i) Allotment and Refund

Allotment of units in the scheme would be at the discretion of the

Board of trustees. Allotment is assured to all applicants provided the applications are complete in all respects and are in order.

Applications not complete in any respect are liable to be rejected. In the event of non-allotment of units, no interest will be payable by Sundaram BNP Paribas Mutual Fund on the money refunded. The decision of the trustees as regards any representation arising from the disqualification of any application shall be absolute and final. Sundaram BNP Paribas Mutual Fund reserves its right to accept or to reject in whole or in part any application not accordance with the terms of scheme, without assigning any reason.

Refund order will be marked "Account Payee only" and drawn in the name of Sole/first applicant. All refund cheques will be sent by Registered Post, acknowledgement due. It is mandatory for applicants to provide their bank name, branch name and account in their application for purchase/redemption of units.

j) Repurchase of Units

Repurchase requests can be sent to specified investor service centre or to the corporate office of the AMC or to the Registrar. Repurchase price will be at the Net Asset Value per unit and reduced by exit load if any. Unit holders shall have the option to exercise repurchase for a minimum of Rs.500/-. The repurchase request can be made by specifying the rupee amount or by specifying the number of units to be redeemed. If a repurchase request is for both a specified rupee amount and a specified number of units, specified number of units will be considered the definitive request. In order to protect the interest of the investors from fraudulent encashment of redemption cheques, the current SEBI guidelines provide that redemption cheques are to specify the name of the investor and the bank name and account number where the cheque is to be credited. Hence investors are advised in their interest to provide the name of the bank, branch address, account type, account number for remittance of repurchase amount. Sundaram BNP Paribas Mutual Fund/Sundaram BNP Paribas Asset Management Company Limited will not be responsible for any loss arising out of fraudulent encashment of cheques and delay/lost in transit.

In case the units are standing in the names of more than one unit holder, where mode of holding is specified as "Joint", repurchase requests will have to be signed by all unit holders. However, in cases of holding specified as "Anyone or Survivor", any one of the unit holders will have the power to make requests, without it being necessary for all the unit holders to sign. However, in all cases, the proceeds of the redemption will be only to the first-named holder.

The unit holder may either request for mailing of the redemption proceeds to his / her address or collection of the same from the Customer Service Centre.

A fresh Account Statement will be despatched reflecting the updated holding of the unit holder after every transaction.

Investors may note that the AMC/trustees may close a unit holder's account if at the time of any part of repurchase of units by the unit holder, the value of units (represented by units in the investors account if such repurchase of units were to take place, valued at the applicable repurchase price), falls below Rs 500/-As per SEBI Regulations, the repurchase warrant shall be mailed within ten working days from the date of receipt of the repurchase request at the office of the Registrar/Asset Management Company. In case of delay in despatch of redemption or repurchase proceeds within the period specified in sub-clause (b) of the Regulation 53, the AMC is liable to pay interest to the unit holders at such rate as may be specified by SEBI.

k) Repurchase Price

All valid requests for repurchase of units of this scheme received before 3.00 PM on any Working Day will be valued based on the applicable repurchase price. Requests received after 3.00 PM will be treated as having been received on the next Working Day. Please see "Right to Limit Redemption".

The repurchase price will be calculated on the basis of the load structure applying the following formula:

$$\text{Repurchase Price} = \text{Applicable NAV per Unit (1- Exit Load if any)}$$

To illustrate, if the applicable NAV is Rs 11.00, exit load is 0.50%, the redemption price will be computed as follows:

$$= \text{Rs } 11 * (1 - 0.50\%)$$

$$= \text{Rs. } 10.945$$

**Applicable NAV is the Net Asset Value per unit computed in terms of the Regulations.*

As per SEBI Regulations, the Repurchase Price shall not be lower than 93% of the NAV and the Sale Price shall not be higher than 107% of the NAV and the difference between the repurchase and sale price will not exceed 7% of the Sale price.

l) Fractional Units

Since the request for investment or repurchase of units, is generally made in Rupee amount and not in terms of number of units, investors may be left with Fractional units in their Account. Fractional units will be computed and accounted for up to three decimal places. However, Fractional units will in no way affect the investors' ability to redeem the units, either in part or in full standing to the unit holders' credit.

m) Suspension of Sale/ Repurchase of units

The sale/repurchase of the units of the scheme may be suspended temporarily or indefinitely under any of the following circumstances:

- During the period of Book closure, if any
- Stock markets stop functioning or trading is restricted
- Periods of extreme volatility in the stock markets, which in the opinion of the Investment Manager is prejudicial to the interest of the unit holders.
- A complete breakdown or dislocation of business in the major financial markets
- Natural calamities
- Declaration of war or occurrence of insurrection, civil commotion or any other serious or sustained financial, political or industrial emergency or disturbance.
- SEBI, by order, so directs.

In the above circumstances, the time limits indicated, for processing requests for purchase and repurchase of units will not be applicable.

Suspension or restriction of repurchase / redemption facility shall be made applicable only after the approval from the Board of Directors and the trustees. The approval from the AMC Board and the trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

n) Account Statement

Each unit holder will be sent a non-transferable Account statement, which is a conclusive proof of investment in the schemes of Sundaram BNP Paribas Mutual Fund. On an ongoing basis, the AMC will endeavour to forward the Account statement within ten working days after every transaction of Sale or repurchase of units and also in the case of other services by ordinary post or by e-mail. Investors are urged

to preserve the Account Statement carefully as it is a valuable document.

o) Mode of Payment of Redemption/Dividend

The AMC proposes to use a variety of methods to pay dividends and effect redemptions to the investors. In choosing the payment method for any specific investor, the AMC will endeavour to see which method would best suit the investor, taking into consideration the banking facilities available, the level of technology employed by different banks and the investor's preference.

The AMC will constantly review the options in use and new options that may emerge in the context of making payment of dividends and effecting redemptions and alter the payment mechanisms to best serve the investors. In this endeavour, at all points of time, the objective of the AMC will be to ensure speedy and safe payment of the dividends due to the investors, in a manner most convenient and cost effective for the investors.

For the present, the AMC proposes to make dividend payments and effect redemption by the following methods.

- Direct Credits

Some banks have reached a level of technology implementation whereby they are in a position to credit the proceeds to the account of the account holders electronically. For the investors who have an account with such banks the AMC will, in consultation with the bank and under advice to unit holders, directly credit the account of the investors based on the account details provided by the investors. At this point of time, this would probably be the quickest and safest method for an investor to receive payments due to him. Currently, the following banks have confirmed that they can extend this facility for the investors of the scheme:

Names of the Banks

- | | |
|---|------------------------|
| 1) ABN AMRO Bank | 6) IDBI Bank. |
| 2) ICICI Bank Limited (select branches) | 7) HSBC Bank |
| 3) HDFC Bank Limited | 8) UTI Bank |
| 4) Standard Chartered Bank | 9) Kotak Mahindra Bank |
| 5) Deutsche Bank | 10) YES Bank |

If the investor has an account with any of the above banks, then he/she may provide the complete and correct account details to the AMC for direct credit of dividends and redemptions.

The AMC may alter the list of the banks participating in this arrangement from time to time based on its experience of dealing with any of these banks or add to the list of banks any other bank that may be able to provide this facility to the satisfaction of AMC.

The investor has a choice of changing his option about the method of receiving the dividends, and redemptions if he/she so desires. For this purpose, the investor has to communicate the change in details to the AMC or to its Customer Service Centres.

- Warrants/Payable at par cheques

The AMC will make arrangements with banks to issue dividend warrants and payable at par redemption cheques at designated centres as notified in the Application Form for subscription of units of the scheme on an ongoing basis. The AMC will endeavour to increase the number of locations where such warrants are payable at par. However, if an investor resides at a centre outside the locations, then the instrument will be issued to be payable at par at the centre nearest to where the investor resides. The cost of clearing these instruments from such nearest centre will be borne by the investor.

As prescribed by SEBI and in order to protect interests of the investors, it is mandatory for the investors to provide their full bank details for the AMC to make dividend payment.

- Other modes of payment

The AMC would constantly endeavour to make the transaction processing convenient and cost-effective for its customers. The AMC may choose for any investor that method of making the dividend payments and redemptions from among the options available, that in the AMC's discretion it appears best suited to the investor's position at any point of time. The AMC may also explore other innovative and convenient methods of making payments when such options become available with the help of technology or other infrastructure created by appropriate service providers.

The investor is aware that the Mutual Fund needs to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through ECS etc. The investor expressly agrees and authorizes the Mutual Fund to correspond with the investor or make payments to the investor through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the Mutual Fund uses such intermediaries for the convenience of the investor and such intermediaries are the agent(s) of the investor and not the Mutual Fund. The Mutual Fund is not responsible for delayed receipt or non receipt of any correspondence or payment through such intermediaries.

p) Redemption by NRIs

Credit balances in the account of an NRIs investor may be redeemed by such investors in accordance with the procedure described above and subject to any procedures laid down by the RBI, if any. Such redemption proceeds will be paid by a Rupee Cheque payable to the NRIs or by a Foreign Currency draft drawn at the then current rates of exchange less bank charges thereof to RBI procedures and approvals.

The fund will not be liable for any delays / for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs.

In terms of schedule 5 of notification no. FEMA 20/2000 dated 19th May 2000 issued under the Foreign Exchange Management Act 1999 (FEMA), RBI has granted general permission to NRIs who have purchased units issued by Mutual Funds in accordance with the aforesaid notification to tender units to the mutual funds for repurchase or for the payment of maturity proceeds.

For the purpose of this section, the term 'mutual funds' is as referred to in Clause 23(D) of Section 10 of Income-Tax Act 1961.

q) Right to Limit Redemption

The Board of Directors of the trustee company and the AMC may, in general interest of unit holders of the scheme and keeping in view the unforeseen circumstances/unusual market conditions, limit the total number of units which may be redeemed on any Working Day to 5% of the total number of units then issued and outstanding under the scheme or to such other percentage as the said Boards may determine. In such a case, the approval of both the Boards, giving details of circumstances and justification for the proposed action shall be informed to SEBI in advance. Any units, which, by virtue of these limitations, are not redeemed on a particular day, or carried forward for redemption to the next day, for which NAV is declared, in the order in which the request for redemption were received. Redemptions so carried forward are priced on the basis of the redemption price of the day on which the redemption is made. Under such circumstances, to

the extent multiple redemption requests are received at the same time on a single Working Day, the redemptions will be made on pro-rata basis based on the size of each redemption request, the balance amount being carried forward to the next day(s) for which NAV is declared.

r) Listing

As the funds stands ready to buy back the units of this scheme any time on any working day, it is not proposed to list the units of this scheme on any stock exchange.

s) Transfer

The units of Sundaram BNP Paribas India Leadership Fund are freely transferable by act of parties or by operation of law. For effecting a transfer the applicable transfer form(s) shall be duly stamped and signed by all the unit holders and submitted along with the relevant unit certificate(s). The Asset Management Company shall on production of instrument of transfer together with the relevant unit certificates, register the transfer and return the unit certificates to the transferee within thirty days from the date of lodgement of transfer request at the office of the Registrar.

t) Transmission

In case the unit holder holds units in a single name, units shall be transmitted in favour of the nominee where the unit holder has appointed a nominee upon production of Death Certificate or any other documents to the satisfaction of the Fund, AMC or Registrar. If the unit holder has not appointed a nominee, the units shall be transmitted in favour of the unit holder's executor/administrator of its estate/legal heir(s) as the case may be on production of the Death Certificate or any other documents to the satisfaction of the Fund/AMC/Registrar. In case more than one registered unit holder holds units, then upon death of the first unit holder, units shall be transmitted to the second unit holder on production of the necessary documents, including Death Certificate. The rights in the units will vest in the nominee upon the death of all Joint unit Holders upon the nominee producing the Death Certificate or any other document to the satisfaction of the Fund/AMC/Registrar.

u) Switching

Unit holders will have an option to switch all or part of their investments in the scheme to any other scheme of Sundaram BNP Paribas Mutual Fund, which is available for investment at that time.

The switch will be effected by way of a repurchase of units and a reinvestment of the proceeds in another scheme(s). Accordingly, to be effective, the switch must comply with the repurchase rules of this scheme and the issue rules of the other scheme (e.g as to the minimum number of units that may be repurchased or issued, load etc.)

The price at which the units will be switched out of the scheme will be based on the prevailing repurchase price and the proceeds will be invested in another scheme(s) at the prevailing public offering price for units in that scheme.

v) Nomination Facility

In terms of Regulation 29A of SEBI Mutual Fund Regulations, the AMC will provide an option to investors, being individuals, to nominate a person in whom the units will vest upon the death of the investor. Joint holders may together nominate a person as a nominee. It must be understood that by providing this facility, the AMC is not declaring the nominee as the person entitled to the units upon the death of unit holder nor does the AMC purport to confer or grant any rights other than those available under law to the nominee. The nominee receives the units (subject to the rights of any subsisting charge holder) only as an agent/ trustee of the person who is entitled to them under law.

Where nominee is a minor, the details of parent/ guardian need to be furnished. Only an individual provided he/ she is otherwise not disqualified to own the units could be a nominee. Transmission of units (subject to the rights of any charge holder) to the nominee will constitute full discharge of the obligations of the AMC/ trustee, towards the estate / legal heirs/ successors of the deceased unit holder. The nomination facility is subject to applicable laws. Investors are requested to comply with the prescribed procedures to avail this facility, the details of which are available with the R&T agent.

w) Additional Facilities

Automatic Investment of Money plan (AIM) (Applicable only to Resident Indian Investors)

Applicants who cannot subscribe the minimum amount of Rs.5, 000/- in one lump sum, but would still like to participate in the scheme may opt for the Automatic Investment of Money (AIM) Plan. This is an additional facility and innovation introduced by Sundaram BNP Paribas Mutual Fund to help the small investors.

Under this plan, an applicant can open an account in the scheme with a minimum initial investment of Rs.500/- and make any additional investment thereafter.

The investor has to sign a declaration that he shall remit the balance amount to ensure that he attains the minimum subscription amount of Rs. 5,000/- within 12 months from the date of the first investment. This can be achieved in any number of instalments provided each instalment is not less than Rs.500/-. Based on the amount of investment made in each instalment, fresh units will be allotted at the applicable sale price.

In case an investor who has opted for the AIM plan fails to attain the minimum subscription amount of Rs.5, 000/- within the period stipulated in the above paragraph, the trustees reserve the right to close his account at the applicable NAV after the stipulated period. Any investor who opts for the AIM plan can subsequently opt for the Systematic Investment Plan (see below) on attaining the minimum investment amount of Rs.5, 000/-.

Systematic Investment Plan (SIP)

- The Scheme offering SIP can be availed on any working day of the Month/quarter by
 - Auto debit or
 - Cheques facility.
- For second and subsequent installments, investor can choose any of the following dates -
 - 1st, 7th, 14th, 20th or 25th of the Month as SIP date for monthly option
 - 1st, 7th, 14th, 20st or 25th of the beginning Month of each quarter as SIP date for quarterly option.
- Unit holders will have the right to discontinue the SIP facility at any time by sending a written request to the ISC. Notice of such discontinuance should be received at least 21 days prior to the due date of the next cheque/payment instructions. On receipt of such request, the SIP facility will be terminated and the balance post dated cheque(s) will be returned to the Unit holder.
- Investors should note that an application for SIP cannot be submitted at collection banks.
- The following documents may be submitted at least 40 days before the first SIP date for ECS (Debit clearing)/Direct Debit:

New Investors	Existing Investors
Application from for the respective Scheme(s)	SIP Enrolment Form
SIP Auto debit facility First SIP Cheque	SIP Auto debit facility form First SIP Cheque

Systematic Withdrawal Plan (SWP)

Enhancement is suitable for investors who are looking for a regular monthly / quarterly income. Through this one can withdraw a fixed amount or a variable amount every month/quarter. This facility is offered for Growth options under the Plans, in the following modes: a) Fixed amount withdrawal: The Unit holder can withdraw a fixed amount every month / quarter. b) Capital Appreciation (Variable) withdrawal. The Unit holder withdraws the amount by which his/her capital appreciates in the month / quarter Minimum withdrawal amount: Rs.1000/- under the fixed amount withdrawal option and capital appreciation withdrawal option. However, the AMC at its sole discretion retains the right to close an account if the outstanding balance, based on the Net Assets value, falls below Rs.1000/- due to redemption or use of SWP- facility or otherwise. SWP processing Date: Withdrawals are processed on the first working day of every month/quarter. Applicable Exit Load: Exit Load of applicable schemes. The capital appreciation portion will be subject to capital gains tax at applicable rates. In the event of there being no capital appreciation, no withdrawal/payment will be effected.

Systematic Transfer Plan (STP)

STP is a facility wherein a unit holder of a Sundaram BNP Paribas Mutual Fund scheme can opt to transfer a fixed amount or capital appreciation amount at regular intervals to another scheme of Sundaram BNP Paribas Mutual Fund. The amount transferred under the STP from the Transferor scheme to the Transferee scheme, shall be effected by redeeming units of Transferor scheme and subscribing to the units of the Transferee scheme. STP is available to the investors on the commencement of ongoing sale and redemption of the units under the scheme after the New Fund Offer period.

The STP can be availed by the investors on : 1st, 7th, 14th, 20th and 25th of every month/quarter. Also, the amount for each STP shall be a minimum of Rs.500/- and Rs.1000/- for monthly and quarterly respectively.

The load structure for STP transactions will be as follows:

Transferor Scheme	Transferee Scheme	Exit Load in Transferor scheme	Entry Load Transferee Scheme	Exit Load Transferee Scheme
Equity and Balanced Schemes of Sundaram BNP Paribas Mutual Fund	Equity and Balanced Schemes of Sundaram BNP Paribas Mutual fund	Exit load of the respective scheme	Nil	Nil
Equity and Balanced Schemes of Sundaram BNP Paribas Mutual Fund	Other than Equity and Balanced schemes	Exit load of the respective scheme	Nil	Nil
Other than Equity and Balanced schemes	Equity and Balanced Schemes of Sundaram BNP Paribas Mutual Fund	Exit load of the respective scheme	Entry Load of the respective scheme	Nil

No transfer will take place if there is no minimum capital appreciation. The capital appreciation portion will be subject to capital gains tax at applicable rates.

Investors may opt to exit from the facility by giving a written notice to the Registrar at least 14 days prior to the next transfer date.

STP may be terminated automatically if the balance falls below the minimum account balance or upon the receipt of notification of death or incapacity of the unit holders by the Fund.

The AMC reserves the right to have differential load structures for investors who opt for the STP.

Rules relating to the STP may be changed from time to time by the AMC.

Dividend Sweep-in facility

This facility would help the investors to transfer the dividend receivable in a particular Sundaram BNP Paribas Mutual scheme into any other Open End schemes of the Sundaram BNP Paribas Mutual. This will be processed on the record date of the dividend declared under the scheme. A minimum amount of Rs. 500/- shall be available in the investor's account.

The dividend (net of TDS, if applicable) will be swept into the scheme opted by the investor at the applicable NAV based prices and minimum investments eligibility requirements without any entry load.

General

1. All allotments of units will be subject to realisation of the payment instrument and therefore any payment towards redemption/dividends in respect of such units will be made only after such realisation.
2. An application to purchase the units is not binding on the fund unless it is confirmed in writing by the AMC and the payment for the purchase has been realised by the scheme. An entry made by the AMC as to the date/time of receipt of an application for purchase/redemption will be conclusive and binding on the applicant.
3. The scheme is not obliged to re-present any dishonoured cheque or any other payment instrument, or inform the applicant of the dishonour. In such cases, the facility of purchasing units by issue of cheque may not be permitted to the applicant concerned and the expenses incurred by the scheme may be payable by the applicant. Any request for withdrawal of an application made during the New Fund Offer period will be treated as a redemption request and processed at the redemption price of the scheme on the first day after it re-opens for sale and redemption on an on-going basis
4. All allotments of units and payments to non-residents will be subject to the applicable regulations prescribed in this regard by RBI/other authorities. Non-resident Indians (NRIs) are requested to submit the necessary documents for undertaking the various transactions of purchase/redemptions, without which redemptions/dividends cannot be paid.
5. After the completion of a transaction, (allotment/redemption switch etc.) an account statement will be sent reflecting the same. The AMC/Mutual Fund will not be responsible for any delay/non-receipt of redemption /dividend proceeds where it is attributable to any incorrect/incomplete/inconsistent information provided by the investor. Where any request from the investor is ambiguous or contrary to the terms of the scheme or does not conform to the procedures prescribed by the scheme, the AMC/Trustee reserves their right to reject it.
6. The investor is aware that the mutual fund needs to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investors by cheques, drafts, warrants, through ECS etc. The Investor expressly agrees and authorises the mutual fund to correspond with the investor or make payments to the investor through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries are agents of the investor and not the mutual fund. The Mutual fund is not responsible for delayed receipt or non-receipt of any correspondence or payment through such intermediaries.
7. Unit holders are requested to check the account statement and report any discrepancy noticed by them to the R&T agent or customer service department of the AMC immediately. In case of

any non-intimation within 15 days, it will be taken that there are no discrepancies.

8. The Mutual Fund will have a first and paramount lien/set-off with respect to every unit/dividend for any amount owed by the unit holder to it.
9. All information contained in this offer document is based on the laws currently in force and are subject to any change thereto.
10. In the case of amendments made to any law/regulations (e.g. SEBI Regulations, Foreign Exchange Regulations, Taxation Laws etc) in relation to mutual funds or the scheme, such amendments will automatically apply to the scheme to the extent and in the manner provided in such laws/regulations. Any amendment to regulations/clarifications/ guidelines issued by SEBI for the operation of mutual funds will apply to the scheme.
11. Subject to SEBI regulations, the Trustees will have the power to do anything not inconsistent with the provisions of the scheme/Regulations, which appear to them to be desirable or expedient for giving effect to the provisions of the scheme or for removal of any difficulty or inconsistency that may arise in the operation of the scheme. In exercise of such powers, the Trustees may prescribe necessary forms, terms and rules with power to the AMC to alter them from time to time.
12. The Trustees may add or otherwise modify any feature investment plans/patterns, options etc. after obtaining the approval of unit holders, SEBI and other authorities, wherever required, in accordance with the SEBI Regulations and other applicable laws and the same will be binding on each unit holder or any person claiming through him, as if such unit holder or person had expressly agreed to such addition/modification.
13. All disputes arising out of or in relation to the issue made under the scheme will be subject to the exclusive jurisdiction of courts in India.

UNCLAIMED REDEMPTION / DIVIDEND AMOUNT

The unclaimed redemption amount and dividend amounts may be deployed by the mutual fund in call money market or money market instruments only and the investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing net asset value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned on such funds will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

PART IV

1. LOAD STRUCTURE

Entry Load and Exit Load:

For the present, the Board of Trustees have prescribed the following entry and exit loads for units to be issued:

Entry Load: Applications < Rs. 2 Crores: 2.25%
Applications = or > Rs. 2 Crores: Nil

Exit Load: Nil

For investments made by Fund Of Fund Schemes no Entry Load & Exit Load will be charged

For this purpose, applicable NAV means the Net Asset Value per Unit at the close of the business on the valuation date.

The repurchase price shall not be lower than 93% of the applicable NAV per unit and the sale price not higher than 107% of the applicable NAV. However, the spread between the repurchase and sale prices will

not exceed the permissible limit of 7% of the sale price as prescribed by SEBI Regulations.

The Board of Trustees reserves the right to prescribe or modify the load structure with prospective effect and to introduce an exit load or a combination of entry and exit loads, subject to a maximum as prescribed under SEBI Regulations. The change will be notified by a suitable display at the Corporate Office of the AMC and at the Investor Service Centres.

Any imposition or enhancement of a load in future shall be applicable on prospective investments only. At the time of changing the load structure, the addendum detailing the changes will be attached to the offer document. The addendum will be circulated to all the distributors/brokers so that the same can be attached to all copies of the offer documents already in stock. The addendum will also be sent along with the newsletter sent to the unitholders in advance.

Arrangements will be made to display the changes/modifications in the offer document in the form of a notice at all the investor service centres and distributors/brokers office.

The introduction of the exit load/ Contingent Deferred Sales Charges (CDSC) along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.

All loads (including CDSC) for the Scheme shall be maintained in a separate account and may be utilised towards the selling and distribution expenses. Any surplus in this account may be credited to the Scheme, whenever felt appropriate by the AMC.

2. EXPENSES

(a) Initial Issue Expenses:

As per SEBI Regulations, initial issue expenses chargeable to the Scheme are subject to a maximum of 6% of the amount collected during the NFO. The AMC shall absorb any expenses over and above 6%. As such in this Scheme, for every Rs.100/- contributed by the investor, atleast Rs.94 will be available to the Scheme for investment.

The initial issue expenses (upto6%) shall be amortised in the books of the Scheme over a period of 5 years from the date of allotment in terms of Regulation 52(5) read with the Tenth Schedule of SEBI Regulations.

However as per the addendum dated 01-09-2005 the amortisation of initial expenses period has been reduced from five years to three years. Consequent to the same impact of initial issue expenses will be as under:

Particulars

Initial Issue expenses Incurred (after adjusting Load) Rs. In cr.	1.53
Amount Charged per day upto 30/09/05 in Rs.	8377
Impact on NAV per day in Rs.	0.0001
Amount to be charged w.e.f. 01/10/2005 Rs.	17946
Impact on NAV per day in Rs.	0.0002

Initial Issue Expenses of the latest Scheme launched:

Month/Year	Scheme	Amount Rs. in lakh	Borne by AMC/ Amortised by the Scheme
June 04	Sundaram BNP Paribas India Leadership Fund	245	Scheme
December 04	Sundaram BNP Paribas Floating Rate Fund	5.89	AMC
January 05	Sundaram BNP Paribas S.M.I.L.E Fund	1442	Scheme
August 05	Sundaram BNP Paribas Capex opportunities Fund	2174	Scheme
October 05	Sundaram BNP Paribas Value Plus	4.13	AMC
February 06	Sundaram BNP Paribas Fixed Term Plan	13.00	AMC
March 06	Sundaram BNP Paribas Rural India Fund	5848	Scheme
June 06	Sundaram BNP Paribas Fixed Term Plan Series VI and VII	1.20	AMC
September 06	Sundaram BNP Paribas Fixed Term Plan Series IX	1.19	AMC
October 06	Sundaram BNP Paribas Fixed Term Plan Series VIII	0.79	AMC
November 06	Sundaram BNP Paribas Fixed Term Plan Series X & XI	1.21	AMC
December 06	Sundaram BNP Paribas Fixed Term Plan Series XIV, XVII & XXI	2.00	AMC

(b) Annual Recurring Expenses

The total annual recurring expenses of this Scheme excluding issue or redemption expenses but including the investment management advisory fee, shall be subject to the limits mentioned below.

Head of Expense	Estimated (%)
Investment Management & Advisory Fees to the AMC	1.25%
Trustee fees and expenses	0.03%
Custodian Fees	0.30%
Registrar & Transfer Agent Fees	0.20%
Marketing & Selling Expenses including Agents' Commission	0.50%
Misc. Expenses including Audit Fees, cost of investor communication, Cost of fund transfer	0.22%
Total Annual Recurring Expenses	2.50%

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme may have to bear.

The investment management fees charged shall be 1.25% of the average daily net assets up to Rs.100 crores, and 1.00% of the average daily net assets on the excess amount over Rs.100 crores.

The above estimates have been made in good faith as per information available to the Investment manager and the above expenses are subject to change inter se. The total annual recurring expenses of the Scheme excluding issue or redemption expenses, but including the Investment Management and Advisory Fee shall be subject to the following limits:

On the first Rs 100 Crores of the average weekly net assets	2.50%
On the next Rs 300 Crores of the average weekly net assets	2.25%
On the next Rs 300 Crores of the average weekly net assets	2.00%
On the balance assets	1.75%

As per the SEBI Regulations, the total recurring expenses that can be charged to this Scheme shall be subject to the applicable guidelines and any recurring expense above the permitted limits will be borne by the AMC.

(3) CONDENSED FINANCIAL INFORMATION OF THE SCHEMES LAUNCHED DURING THE LAST THREE FISCAL YEARS:

Sundaram BNP Paribas Monthly Income Plan (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	12.01.04 31.03.04	01.01.04 31.03.05	01.04.05 31.03.06	01.04.06 31.12.06
1.	Date of allotment	19.01.04	19.01.04	19.01.04	19.01.04
2.	NAV at the beginning				
	Monthly	10.00	10.09	10.2398	10.7739
	Quarterly	10.00	10.09	10.3614	10.8490
	Half-yearly	10.00	10.09	10.4987	11.7383
	Growth	10.00	10.09	10.7078	12.2751
3.	Dividend (Rest.)				
	Monthly (Incl Div Tax)	—	0.66765	1.5272	1.2529
	Quarterly	—	0.46229	1.9162	0.9629
	Half-yearly	—	0.46229	0.4279	2.4197
	Growth	—	—	—	—
4.	Transfer to reserves	—	—	—	—
5.	NAV at the end (Rest.)				
	Monthly	10.09	10.2398	10.7739	10.2769
	Quarterly	10.09	10.3614	10.8490	10.6667
	Half-yearly	10.09	10.4987	11.7383	10.6807
	Growth	10.09	10.7078	12.2751	12.7400
6.	Annualised Return (Since inception)	0.09%#	5.62%	9.69%	8.57%
7.	Benchmark returns \$	0.90%	6.96%	6.00%	6.67%
8.	Net Assets at the end of the period (Rs. in crore)	247.21	76.65	48.03	52.57
9.	Ratio of recurring expenses to Average Net Assets	2.04%	2.21%	1.94%	2.08%
10.	Net income (per unit)	0.0891	0.85	1.71	0.76

- Absolute Return \$ - CRISIL MIP Blended Index

Sundaram BNP Paribas Floating Rate Fund – Short Term Plan (Amount in Rs)

Sl.No	HISTORICAL PER UNIT STATISTICS	30.12.04	01.04.05	01.04.06
		31.03.05	31.03.06	31.12.06
1.	Date of allotment	30.12.04	30.12.04	30.12.04
2.	NAV at the beginning - Regular			
	Monthly	10.00	10.1297	10.1882
	Growth	10.00	10.1297	10.6986
	NAV at the beginning - Institutional			
	Daily	10.00	10.0519	10.0519
	Weekly	10.00	10.1196	10.2228
	Monthly	10.00	10.1365	10.2126
	Growth	10.00	10.1365	10.7176
3.	Dividend – Regular – Monthly	0.0676	0.4312	0.5277
	Dividend –Institutional – Daily	0.08296	0.7317	
	Weekly	0.01407	0.04157	—
	Monthly	0.0349	0.9017	0.5729
	Quarterly	—	0.0877	—
4.	Transfer to reserves	—	—	—
5.	NAV at the end - Regular			
	Monthly	10.1297	10.1882	10.2130
	Growth	10.1297	10.6986	11.1469
	NAV at the end- Institutional			
	Daily	10.0519	10.0519	10.0519
	Weekly	10.1196	10.2228	NIL
	Monthly	10.1365	10.2126	10.2397
6.	Return – Regular - \$	0.41%	5.47	6.92%
	Institutional \$	0.43%	6.05	7.52%
7.	Benchmark returns \$ – Regular (CRISIL Liquid Fund Index)	0.37%	5.88	5.38%
	Institutional \$	0.37%	5.73	5.38%
8	Net Assets at the end of the period (Rs. in crore)	129.05	128.88	150.77
9.	Ratio of recurring expenses to Average Net Assets – Regular	1.01%	1.02%	1.00%
	Institutional	0.73%	0.46%	0.43%
10.	Net income (per unit)	0.175	1.06	0.5951

\$- Last one month returns

Sundaram BNP Paribas Floating Rate Fund – Long Term Plan (Amount in Rs)

Sl.No	HISTORICAL PER UNIT STATISTICS	30.12.04	01.04.05	01.04.06
		31.03.05	31.03.06	31.12.06
1.	Date of allotment	30.12.04	30.12.04	30.12.04
2.	NAV at the beginning - Regular			
	Monthly	10.00	10.1217	10.2532
	Quarterly	10.00	10.1217	10.2271
	Half Yearly	10.00	10.1217	10.3776
	Annual	10.00	10.1217	10.6162
	Growth	10.00	10.1217	10.6187
	NAV at the beginning - Institutional			
	Monthly	10.00	10.1220	10.2516
	Quarterly	10.00	10.1220	—
	Growth	10.00	10.1220	10.6185
3.	Dividend – Regular			
	Monthly	0.06264	0.3598	0.8304
	Quarterly	—	—	0.6472
	Half Yearly	—	—	0.9060
	Annual	—	—	1.2984
	Dividend –Institutional			
	Monthly	0.03044	0.3050	0.2178
	Quarterly	—	0.2861	—
4.	Transfer to reserves	—	—	—
5.	NAV at the end - Regular			
	Monthly	10.1217	10.2532	10.2772
	Quarterly	10.1217	10.2271	10.3206
	Half - Yearly	10.1217	10.3776	10.3213
	Annual	10.1217	10.6162	10.3177
	Growth	10.1217	10.6187	11.1259
	NAV at the End- Institutional			
	Monthly	10.1220	10.2516	10.2782
Quarterly	10.1220	—	—	
Growth	10.1220	10.6185	13.0433	
6.	Annualised Return – Regular (Since inception)	0.39%	4.95	5.49%
	Institutional	0.39%	4.95	14.23%
7.	Benchmark returns – Regular (CRISIL Composite Bond Fund Index)	0.37%	2.79	-4.28%
	Institutional	0.37%	2.79	-4.28%
8	Net Assets at the end of the period (Rs. in crore)	15.59	13.71	8.84
9.	Ratio of recurring expenses to Average Net Assets – Regular	1.00%	1.00%	1.00%
	Institutional	1.00%	1.00%	1.00%
10.	Net income (per unit)	0.176	0.4723	0.5871

Sundaram BNP Paribas Value Plus

(Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	04.12.05 31.03.06	01.04.06 31.12.06
1.	Date of allotment	04.12.05	04.12.05
2.	NAV at the beginning	10.00	—
	Growth	10.00	10.6566
3.	Dividend (Rs.)	—	—
4.	Transfer to reserves	—	—
5.	NAV at the end (Rs.)		
	Growth	10.6566	10.9895
6.	Return (Since inception) #	6.56	9.21%
7.	Benchmark returns \$	3.58	9.08%
8.	Net Assets at the end of the period (Rs. in crore)	3.74	3.58
9.	Ratio of recurring expenses to Average Net Assets	0.78%	.73%
10.	Net income (per unit)	0.16	0.6140

- Absolute Return \$ - CRISIL MIP Blended Fund absolute

Sundaram BNP Paribas Fixed Term Plan – Series 3 (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	24.02.06 31.03.06	01.04.06 31.12.06
1.	Date of allotment	24.02.06	24.02.06
2.	NAV at the beginning		
	Growth	10.00	10.0766
	Dividend	10.00	10.0766
3.	Dividend (Rs.)	—	—
4.	Transfer to reserves	—	—
5.	NAV at the end (Rs.)		
	Dividend	10.0766	10.6884
	Growth	10.0766	10.6884
6.	Return (Since inception) #	0.766	8.21%
7.	Benchmark returns \$	-0.17	6.00%
8.	Net Assets at the end of the period (Rs. in crore)	24.02	25.33
9.	Ratio of recurring expenses to Average Net Assets	0.26%	0.26%
10.	Net income (per unit)	0.077	0.6162

- Absolute Return \$ - CRISIL Composite Bond Fund Index Absolute Returns

Sundaram BNP Paribas Fixed Term Plan – Series 7 (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	30.06.06 31.12.06
1.	Date of allotment	30.06.06
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	—
4.	Transfer to reserves	—
5.	NAV at the end (Rs.)	
	Dividend	10.3997
	Growth	10.3997
6.	Return (Since inception) #	7.97%
7.	Benchmark returns \$	5.73%
8.	Net Assets at the end of the period (Rs. in crore)	14.92
9.	Ratio of recurring expenses to Average Net Assets	0.27%
10.	Net income (per unit)	0.4048

- Absolute Return \$ - CRISIL Composite Bond Fund Index Absolute Returns

Sundaram BNP Paribas Fixed Term Plan – Series 11 (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	30.06.06 31.12.06
1.	Date of allotment	13.11.06
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	—
4.	Transfer to reserves	—
5.	NAV at the end (Rs.)	
	Dividend	10.1056
	Growth	10.1056
6.	Return (Since inception) #	8.20%
7.	Benchmark returns \$	5.58%
8.	Net Assets at the end of the period (Rs. in crore)	322.14
9.	Ratio of recurring expenses to Average Net Assets	0.12%
10.	Net income (per unit)	0.1110

- Absolute Return \$ - CRISIL Liquid Fund Index

Sundaram BNP Paribas Fixed Term Plan – Series 14 (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	30.06.06 31.12.06
1.	Date of allotment	13.12.06
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	—
4.	Transfer to reserves	—
5.	NAV at the end (Rs.)	
	Dividend	10.0360
	Growth	10.0360
6.	Return (Since inception) #	7.73%
7.	Benchmark returns \$	5.42%
8.	Net Assets at the end of the period (Rs. in crore)	322.14
9.	Ratio of recurring expenses to Average Net Assets	0.12%
10.	Net income (per unit)	0.0343

- Absolute Return \$ - CRISIL Liquid Fund Index

Sundaram BNP Paribas India Leadership Fund (Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	02.07.04 31.03.05	01.04.05 31.03.06	01.04.06 31.12.06
1	Date of allotment	02.07.04	02.07.04	02.07.04
2	NAV at the beginning			
	Dividend	10.00	11.2217	17.4221
	Growth	10.00	13.7713	27.7691
3	Transfer to reserves	-	-	-
4	Dividend	2.50	4.00	3.00
5	NAV at the end (Rs.)			
	Dividend	11.2217	17.4221	14.6840
	Growth	13.7713	27.7691	30.1023
6	Annualised Return (Since inception)	37.52%	79.54%	55.89%
7	Benchmark returns (S&PCNX Nifty)	30.64%	57.64%	46.49%
8	Net Assets at the end of the period (Rs. in crore)	79.68	274.06	314.64
9	Ratio of recurring expenses to Average Net Assets	2.19%	2.43%	0.02%
10	Net income (per unit)	1.75	1.67	1.81

Sundaram BNP Paribas S.M.I.L.E. Fund

(Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	02.07.04 31.03.05	01.04.05 31.03.06	01.04.06 31.12.06
1.	Date of allotment	15.02.05	15.02.05	15.02.05
2.	NAV at the beginning			
	Dividend	10.00	10.0715	14.9073
	Growth	10.00	10.0724	17.2667
3.	Dividend (Rs.)	—	2.00	—
4.	Transfer to reserves	—	—	—
5.	NAV at the end (Rs.)			
	Dividend	10.0715	14.9073	16.2459
	Growth	10.0724	17.2667	18.8143
6.	Annualised Return (Since inception)	-0.4%	62.81	41.39%
7.	Benchmark returns \$	-2.03%	52.50	41.03%
8.	Net Assets at the end of the period (Rs. in crore)	352.18	280.08	221.41
9.	Ratio of recurring expenses to Average Net Assets	2.13%	2.33%	2.36%
10.	Net income (per unit)	0.07	5.37	3.44

- Absolute Return \$ - BSE 500

Sundaram BNP Paribas CAPEX Opportunities Fund – Growth (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	29.09.05 31.03.06	01.04.06 31.12.06
1.	Date of allotment	29.09.05	29.09.05
2.	NAV at the beginning	10.00	—
	Growth	10.00	14.9113
3.	Dividend (Rs.)	—	—
4.	Transfer to reserves		
5.	NAV at the end (Rs.)		
	Growth	14.9113	17.4207
6.	Return (Since inception)	49.11	56.55%
7.	Benchmark returns \$	165.67	63.85%
8.	Net Assets at the end of the period (Rs. in crore)	281.75	252.77
9.	Ratio of recurring expenses to Average Net Assets	2.35%	2.35%
10.	Net income (per unit)	1.18	1.78

- Absolute Returns based on NAV at the end \$ BSE Capital Goods Index

Sundaram BNP Paribas CAPEX Opportunities Fund - Dividend (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	29.09.05 31.03.06	01.04.06 31.12.06
1.	Date of allotment	29.09.05	29.09.05
2.	NAV at the beginning	10.00	—
	Dividend	10.00	13.9647
3.	Dividend (Rs.)	1.00	—
4.	Transfer to reserves	—	—
5.	NAV at the end (Rs.) Dividend	13.9647	16.2484
6.	Return (Since inception)	39.65	56.07%
7.	Benchmark returns \$	65.67	63.85%
8.	Net Assets at the end of the period (Rs. in crore)	499.74	372.17
9.	Ratio of recurring expenses to Average Net Assets	2.27%	2.30%
10.	Net income (per unit)	1.56	2.65

- Absolute Returns based on NAV at the end \$ BSE Capital Goods Index

Sundaram BNP Paribas RURAL INDIA Fund

(Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	12.05.2006 31.12.06
1.	Date of allotment	12.05.06
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	1.00
4.	Transfer to reserves	—
5.	NAV at the end (Rs.)	
	Dividend	10.8775
	Growth	11.9222
6.	Return (Since inception) #	19.22%
7.	Benchmark returns \$	6.92%
8.	Net Assets at the end of the period (Rs. in crore)	1006.79
9.	Ratio of recurring expenses to Average Net Assets	2.00
10.	Net income (per unit)	1.34

- Absolute Return \$ - BSE 500

Note:

1. Annualised returns reported in the tables above are calculated with the inception NAV taken at Rs.10, the face or par value of the Unit at the time of allotment. Any dividends paid by the Scheme have been assumed as reinvested in units of the Scheme at the ex-dividend NAV for the purpose of calculating the annualised returns.
2. The Net unrealized appreciation and depreciation is excluded for the purpose of calculating the Net income per unit.
3. Past Performance may or may not be sustained in future and may not necessarily provide a basis for comparison with other investments.
4. All Dividends inclusive of Corporate and Non Corporate Dividend wherever applicable.

PE 31.12.06 figures were unaudited

PART V**(1) INVETORS RIGHTS AND SERVICES****(a) Investor Services**

Prospective investors and existing unitholders are welcome to contact the Manager – Customer Support at the Corporate Office of the AMC for any further information about the Schemes of the Mutual Fund and also for any service concerning their investments in the Schemes of the Mutual Fund.

The address and phone numbers are:

S. Balasubramanian,
Head - Customer Service & Transaction Processing
46, Whites Road, Royapettah, Chennai 600 014.
Tel.: (91) (44) 28583362/28583367
Fax: (91) (44) 28583156

24-Hour Response: (91) (044) 28585607

The AMC ensures that all monetary transactions are completed within ten working days from the date of receipt at the Investor Service Centres. Further, under normal circumstances, the AMC shall endeavour to adhere to the following time schedules on an ongoing basis (from the date of receipt of the request)

Redemption cheque mailing	Within 5 working days
Purchase request	Within 3 working days
Address change	Within 10 working days
Ownership transmission	Within 10 working days

The above-mentioned time schedule does not include postal transit time. The general complaints/requests regarding non-receipt of unit certificates/account statements received by the AMC/Registrar have been resolved by issuing duplicate certificates/statements.

(b) Information about the Scheme

An abridged scheme-wise annual report shall be mailed to all unitholders within six months from March 31 of each year. The abridged report shall contain such details as are required under the SEBI Regulations.

The AMC will also disclose the NAV of the Scheme on every Working Day. Transparency will be maintained through half-yearly disclosure of the established portfolio of the Scheme through newsletters or publish in newspapers.

The AMC will also publish the NAV, Repurchase Price and Sale Price of the Units of this Scheme as per SEBI regulations.

(c) Account Statements

Each unitholder will be sent a non-transferable Account Statement, which is a conclusive proof of investment in the Schemes of the Mutual Fund. The AMC will endeavour to forward the account statement within ten working days after every transaction of Sale or Repurchase of Units and also in the case of other services. Investors are urged to preserve the Account Statement carefully as it is a valuable document.

(d) NAV Information

The NAV of the Scheme will be calculated and announced by the Mutual Fund on every Working Day. The unitholders and all prospective investors can obtain the latest NAV information, by calling the Corporate Office of the AMC or any of the designated Investor Service Centres. Publication of NAV, Repurchase and Sale prices shall be made daily at least in two daily newspapers in terms of SEBI Regulations.

(e) Disclosure of information under the Regulations

The full annual report shall be available for inspection at the corporate office of the Mutual Fund and a copy thereof shall be made available to the unit holder on payment of Rs.10/-. The abridged Scheme-wise annual report shall be mailed to all Unitholders not later than six months from the date of closure of the relevant accounting year.

The Mutual Fund and the AMC shall before expiry of one month from the close of each half year, i.e. March 31 and September 30, publish the unaudited financial results in one English newspaper circulating in the whole of India and in a Tamil newspaper published from Chennai. These shall also be displayed on the websites of the mutual fund and that of the Association of Mutual Funds in India (AMFI).

The Scheme shall publish, before expiry of one month from the close of each half year, that is on March 31 and September 30, its Scheme portfolio in the prescribed format as per SEBI Regulations in one national English daily newspaper and in a newspaper in the language of the region where the HO of the Mutual Fund is situated or send a copy to all the unitholders and it shall also be displayed on the web site of the Mutual Fund.

(f) Rights of Unitholders of the Scheme

- Unitholders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme and dividend if any declared by the Mutual Fund under the Scheme.
- When a dividend is declared under this Scheme, the dividend option unitholders are entitled to the despatch of the dividend warrant within 30 days from the date of declaration of dividend.
- Unitholders are entitled to the despatch of redemption or repurchase proceeds within 10 working days from the date of redemption or repurchase.

- The Board of Trustees is bound to make such disclosures to the unitholders as are essential in order to keep them informed about any information, known to the Board of Trustees, which may have an adverse bearing on their investments.
- The appointment of the AMC for the Scheme can be terminated by a majority of the Trustees or by three-fourths of the unitholders of the Scheme.
- Any change in the appointment of the AMC shall be subject to the prior approval of SEBI and the unitholders of the respective schemes.
- The Board of Trustees are obliged to convene a meeting on a requisition made by three-fourths of the unitholders of the Scheme.
- Three-fourths of the unitholders can pass a resolution to wind up the Scheme.
- The unitholders have the right to inspect all the documents listed under "Documents Available for Inspection" stated elsewhere in this document.
- The Board of Trustees shall obtain the consent of the unitholders:
 - (i) whenever required to do so by SEBI, in the interest of the unitholders;
 - (ii) whenever required to do so on the requisition made by 75% of the unitholders of the Scheme;
 - (iii) when the Board of Trustees decides to wind up or prematurely redeem the units of the Scheme;
- when any change in the fundamental attribute of this Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme or affect the interest of the unitholders, is proposed to be carried out, no change shall be carried out unless
 - Δ a written communication about the proposed change is sent out to each unit holder and an advertisement is given in one English daily newspaper having nation wide circulation as well as in a newspaper published in the language of the region where the Head office of the mutual fund is situated; and
 - Δ the unitholders are given an option to exit at the prevailing NAV without any exit load.

[Note: For the purpose of this clause, Fundamental Attributes mean the Investment Objective and Terms of this Scheme].

(g) Procedure and Manner of Obtaining Investors Approval in Specified Circumstances

In circumstances requiring the approval of unitholders, the AMC shall be guided by the directions issued by SEBI and the Board of Trustees, under the Regulations, in regard to the manner of obtaining such approval. Further, those unitholders who have not given their consent or have not responded shall be allowed to redeem their holdings in full in the Scheme at any time at the NAV based price.

(h) Duration of the Scheme

The Scheme being an open-ended Scheme would have a perpetual duration. However, in terms of the SEBI regulations, the Scheme may be wound up earlier after repaying the amount due to the unitholders:

1. if on the happening of any event which, in the opinion of the Board of Trustees, requires this Scheme to be wound up; or
2. if 75% of the unitholders of the Scheme pass a resolution that the Scheme be wound up; or
3. SEBI so directs in the interest of the unitholders of the Scheme; or
4. If the number of investors of the Scheme/Plan falls below 25 and any one unitholder holds above 25% of the corpus of the Scheme.

When the Scheme is to be wound up, the Board of Trustees shall give notice of the circumstances leading to its winding up :

- (i) to SEBI and
- (ii) to the unitholders of the Scheme by publication in the newspaper(s) as per prevailing guidelines.

On and from the date of the publications of the notice of winding up, the Board of Trustees or the AMC, as the case may be, shall:

1. cease to carry on any business activities in respect of the Scheme so wound up;
2. cease to create or cancel Units in the Scheme; and
3. cease to issue or redeem Units in the Scheme.

(i) Procedure and manner of Winding up

The Board of Trustees shall call a meeting of the unitholders to approve by simple majority of the unitholders present and voting at the meeting for authorising the Board of Trustees or any other person to take steps for the winding up of the Scheme.

The Board of Trustees or the person authorised above shall dispose of the assets of the Scheme concerned in the best interest of the unitholders of the Scheme.

The proceeds of sale realised in pursuance of the above, shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme, and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unitholders in proportion to their respective interest in the assets of the Scheme, as on date the decision for winding up was taken. On completion of the winding up, the Board of Trustees shall forward to SEBI and the unitholders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, net assets available for distribution to the unitholders and a certificate from the auditors of the Scheme.

Notwithstanding anything contained herein above, the provisions of the SEBI Regulations in respect of disclosures of half-yearly reports shall continue to be applicable until winding up is completed or the Scheme ceases to exist.

After receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

A) TAX IMPLICATIONS TO UNITHOLDERS

The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Income-tax Act, 1961 ('Act'), the Wealth-tax Act, 1957 and the Finance Act, 2006(collectively called 'the relevant provisions').

THE FOLLOWING INFORMATION IS PROVIDED FOR GENERAL INFORMATION ONLY. HOWEVER, IN VIEW OF THE INDIVIDUAL NATURE OF THE IMPLICATIONS, EACH INVESTOR IS ADVISED TO CONSULT WITH HIS OR HER OWN TAX ADVISORS/AUTHORISED DEALERS WITH RESPECT TO THE SPECIFIC TAX AND OTHER IMPLICATIONS ARISING OUT OF HIS OR HER PARTICIPATION IN THE SCHEMES.

A1. UNDER THE INCOME-TAX ACT, 1961

The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Act, taking into account the amendments made by the Finance Act, 2006.

The tax implications of the following income received by the investors are discussed below:

- i) Income on units (other than sale/redemption);
- ii) Income on sale/redemption of the units.

A.1.1 Taxability of income on units (other than sale):

The income received by an investor (other than income on sale/redemption) in respect of units of a mutual fund specified under Section 10(23D) of the Act, is exempt under the Act. As the income is exempt from tax, no tax is withheld by the Mutual Fund upon distribution of such income.

A.1.2 Taxability of income on sale/redemption of units:

The taxability of the income on sale/redemption of units and the rates at which such income is taxed is discussed below:

If the units are held as stock-in-trade:

If the units are held by an investor as stock-in-trade of a business, the said income will be taxed at the rates at which the normal income of that investor is taxed. The applicable rates to different investors are indicated in Note 1.

If the units are held as investments:

If the units are held as investments, the tax rates applicable will depend on whether the gain on sale of units is classified as a short term capital gain or a long term capital gain. As per section 2(42A) of the Act, units of the scheme held as a capital asset, for a period of more than 12 months immediately preceding the date of transfer, will be treated as long-term capital assets for the computation of capital gains; in all other cases, they would be treated as short-term capital assets.

The tax rates applicable on short term or long term capital gain arising on transfer of units of a **scheme** are stated in the following table:

Nature of income	Tax rate
Short-term capital gains	In case of FIIs, 30 percent* For others, taxed at normal tax rates (as explained in Note 1).
Long-term capital gains	In case of FIIs, 10 percent* (without indexation) In case of others, 20 percent* (with indexation #) or, 10 percent* (without indexation), whichever less.

* plus surcharge and education cess as may be applicable (refer Note 2). In case of non-resident investors, the above rates would be subject to applicable treaty relief.

no indexation benefit for non-resident investors if investment made is in foreign currency.

The withholding tax implication (i.e. TDS) in respect of the capital gains explained above is discussed below:

(a) Resident Investors:

No tax is required to be deducted at source from capital gains arising to resident investors at the time of repurchase or redemption of the units.

(b) Non-Resident Investors:

As per the provisions of Act [Section 195], tax is required to be deducted at source from the sale proceeds or redemption proceeds paid to non-resident investors. This withholding is in addition to the STT payable, if any, by the investor. The rates are:

- (i) Foreign Institutional Investors: No tax has to be deducted on redemption/sale proceeds [Section 196D(2)].
- (ii) Non-Resident Indian ('NRI') / Person of Indian origin ('PIO'): Tax on short term capital gains arising out of redemption of units is deducted at the rate of 10% (plus surcharge) for an equity oriented

fund and at 30% (plus surcharge) for a non equity oriented fund. Tax, on long-term capital gains is deducted at the rate of 20% (plus surcharge). However, in case of long-term capital gains on redemption of units of an equity-oriented fund, no tax would be deducted. In addition a surcharge @10% plus applicable cess will be charged as per the Income Tax Act, 1961.

(iii) **Non-Resident Corporate:** Tax is deducted at the rate of 40 percent on short term capital gains and 20 percent on long-term capital gains. The said rates at which capital gains are charged to tax would be further increased by the applicable surcharge and education cess stated in Note 2 below. No tax would, however, be deducted in case of long term capital gains on redemption of units of an equity oriented fund. All the above non-resident investors may also claim the tax treaty benefits available, if any. For details of applicability and eligibility of such benefits, the investors are requested to consult their tax advisors.

Provisions regarding Dividend income and Bonus

According to the provisions of Section 94(7) of the Act, losses arising from the sale/redemption of units purchased within 3 months prior to the record date (for entitlement of dividends) and sold within 9 months after such date, is disallowed to the extent of income on such units (other than on sale/redemption) claimed as tax exempt. According to the provisions of Section 94(8) of the Act, if an investor purchases units within 3 months before the record date (for entitlement of bonus) and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus units.

Note 1:

The individuals (including NRIs / PIOs) and HUFs, are to be taxed in respect of their total income at the following rates:

Slab	Tax rate *
Total income upto Rs.1,00,000 #	Nil
More than Rs.100,000 # but upto Rs.150,000	10 percent of excess over Rs.100,000
More than Rs.150,000 but upto Rs.250,000	20 percent of excess over Rs. 150,000 + Rs.5,000 \$
Exceeding Rs.250,000	30 percent of excess over Rs 250,000 + Rs.25,000 \$.

* plus surcharge and education cess as may be applicable (refer Note 2).

For females below sixty-five years of age, Rs. 100,000 has to be read as Rs. 135,000 and for senior citizens above sixty-five years of age, Rs. 100,000 has to be read as Rs. 185,000.

\$ For females below sixty-five years of age, Rs. 5,000 has to be read as Rs. 1,500 and Rs 25,000 has to be read as Rs 21,500. Similarly for senior citizens above sixty-five years of age, Rs. 5,000 has to be read as nil and Rs 25,000 has to be read as Rs. 13,000.

The corporate tax rate for domestic companies is 30 per cent [plus applicable surcharge (as per note 2) and education cess]. However, the tax rate applicable to foreign companies is 40 per cent [plus applicable surcharge and education cess (as per note 2)].

Note 2:

Assessee	Rate of surcharge applicable
Individuals (including NRIs/ PIOs), HUFs, Non-Corporate FIs where the taxable income is up to Rs. 1,00,000 per annum	A surcharge by way of education cess of 2 percent is payable on the total amount of tax
Individuals (including NRIs/ PIOs), HUFs and Non-corporate FIs where the taxable income is in excess of Rs. 1,00,000 per annum Domestic Companies	10 percent basic surcharge. An additional surcharge by way of education cess of 2 percent is payable on the total amount of tax plus surcharge. 10 percent basic surcharge. An additional surcharge by way of education cess of 2 percent is payable on the total amount of tax plus surcharge.
Foreign Companies (including corporate FI)	2.5 percent basic surcharge. An additional surcharge by way of education cess of 2 percent is payable on the total amount of tax plus surcharge.

UNDER THE WEALTH TAX ACT, 1957

Units are not to be treated as assets as defined under Section 2(ea) of the Wealth-Tax Act, 1957 and hence will not be liable to wealth-tax.

B) TAX IMPLICATIONS ON MUTUAL FUND

INCOME EARNED OR RECEIVED BY THE MUTUAL FUND

Sundaram BNP Paribas Mutual Fund is registered with SEBI and as such, the entire income of the Fund is exempt from income tax under Section 10(23D) of the Act. In view of the provisions of Section 196(iv) of the Act, no income tax is deductible at source on the income earned by the mutual fund.

INCOME DISTRIBUTED BY THE MUTUAL FUND

As per provisions of the Act (Section 115R), Sundaram BNP Paribas Mutual Fund will be required to pay dividend distribution tax ('DDT') as follows:

- No DDT to be paid on open-ended equity oriented funds
- DDT to be paid on other funds at the following rates:
 - at 14.025 percent (including a surcharge of 10 percent and an additional surcharge by way of education cess of 2 percent on the amount of tax plus surcharge) on dividend distributed to individuals and HUFs; and
 - at 22.44 percent (including a surcharge of 10 percent and an additional surcharge by way of education cess of 2 percent on the amount of tax plus surcharge) on dividend distributed to persons other than individuals and HUFs, for instance, corporate.

Finance Act, 2006 has amended the Section 115R of the Act and the benefit of exemption from DDT available to open ended equity oriented funds has been extended to close ended equity oriented funds. This amendment has come into effect from 1 June 2006.

RELIGIOUS AND CHARITABLE TRUSTS

Investments in the units of the Fund by Religious and Charitable Trusts is an eligible investment under Section 11(5) of the Act, read with Rule 17C of the Income-tax Rules, 1962.

PART VI

Other Matters

1. Investments in Group Companies

Sundaram BNP Paribas Mutual Fund, under all its Schemes, has no investment in the Group companies of the Sponsor. The AMC does not have a separate policy for investment in securities of the group companies. Any such investments will be made on pure commercial consideration for the benefits of the Mutual Fund and as per Regulations. As per current regulations, no investment will be made in any unlisted securities of an associate or group company of the sponsor and in any securities issued by way of private placement by an associate or group company of the sponsor. Further, no investment shall be made in listed securities of group companies of the sponsor in excess of 25% of the net assets of the Scheme.

2. Investor grievances redressal mechanism

Service requests and grievances, if any, from the investors are received at the corporate office of the AMC or its investor service centres or by its registrars. The service requests, complaints or grievances are closely followed up with the Registrar to ensure timely redressal and prompt investor service. Given below is a summary of all such service requests/complaints/grievances received from the unitholders of the schemes of Sundaram BNP Paribas Mutual Fund up to 31.12.2006.

Summary of service requests/complaints/grievances received and redressed:

Slno.	Scheme	2004 - 05	2005-06	01.04.06 31.12.06
1.	Sundaram BNP Paribas Tax saver '97	441	516	260
2.	Sundaram BNP Paribas Growth Fund	5341	5956	5356
3.	Sundaram BNP Paribas Bond Saver	18455	8460	3377
4.	Sundaram BNP Paribas Tax saver '98	39	122	372
5.	Sundaram BNP Paribas Tax Saver OE	3920	8108	10861
6.	Sundaram BNP Paribas Money Fund	1213	1486	707
7.	Sundaram BNP Paribas Balanced Fund	3093	5334	2291
8.	Sundaram BNP Paribas Gilt Fund	206	337	61
9.	Sundaram BNP Paribas Select Focus	5184	3828	7643
10.	Sundaram BNP Paribas Select Midcap	10284	15572	42933
11.	Sundaram BNP Paribas Income Plus	2585	1229	490
12.	Sundaram BNP Paribas Select Debt	784	712	295
13.	Sundaram BNP Paribas Monthly Income Plan	5923	3025	1741
14.	Sundaram BNP Paribas India Leadership Fund	5597	8860	11582
15.	Sundaram BNP Paribas Floating Rate Fund	151	842	1014
16.	Sundaram BNP Paribas SMILE Fund	1521	14990	6218
17.	Sundaram BNP Paribas CAPEX Opportunities Fund	—	8905	18763
18.	Sundaram BNP Paribas Rural India Fund	—	—	20387
18.	Sundaram BNP Paribas Value Plus	—	13	12
19.	Sundaram BNP Paribas Fixed Term Plan	—	—	—

Note: there were no pending request/complaint/grievance as on 31.12.2006 except the following, which were resolved subsequently: Sundaram BNP Paribas growth Fund-1, Sundaram BNP Paribas Select fOCUS-4, Sundaram BNP Paribas Rural India Fund-1. Sundaram BNP Paribas Select Midcap – 1, Sundaram BNP Paribas Tax saver OE – 1, Sundaram BNP Paribas S.M.I.L.E. Fund – 1, Sundaram BNP Paribas CAPEX Opportunities Fund – 3

There were 13 complaints received through SEBI during the period from 1 April 2006 to 31st December 2006.

3. Associate Transactions

Payment made to Associates for the sale of units of the schemes

Rs. in lakhs

Scheme Name	2003-04	2004-05	2005-06	01.04.2006 31.12.2006
Sundaram BNP Paribas Growth Fund	3.84	7.33	7.38	12.48
Sundaram BNP Paribas Select Focus	4.42	3.55	2.93	16.85
Sundaram BNP Paribas Select Midcap	7.16	13.53	12.75	35.57
Sundaram BNP Paribas Tax Saver (OE)	0.44	0.90	10.55	10.49
Sundaram BNP Paribas Balanced Fund	0.63	1.20	1.17	0.71
Sundaram BNP Paribas India Leadership Fund	—	14.19	21.14	18.50
Sundaram BNP Paribas S M I L E Fund	—	21.08	23.90	7.21
Sundaram BNP Paribas Capex Opportunities Fund	—	—	89.10	36.18
Sundaram BNP Paribas Bond Saver	39.57	10.92	3.70	0.97
Sundaram BNP Paribas Money Fund	4.85	7.40	2.84	6.99
Sundaram BNP Paribas Income Plus	5.53	1.53	0.67	0.55
Sundaram BNP Paribas Gilt Fund	0.01	0.07	0.01	0.07
Sundaram BNP Paribas Select Debt	0.71	0.90	0.07	0.02
Sundaram BNP Paribas Monthly Income Plan	7.82	6.03	1.96	0.85
Sundaram BNP Paribas Floating Rate Fund – STP	—	0.95	3.84	1.88
Sundaram BNP Paribas Floating Rate Fund – LTP	—	0.69	1.29	0.54
Sundaram BNP Paribas Value Plus	—	—	0.20	0.02
Sundaram BNP Paribas Fixed Term Plan	—	—	0.05	0.19
Sundaram BNP Paribas Rural India Fund	—	—	—	153.81

4. Investments made in companies which have invested more than 5% of the net asset value of the schemes of Sundaram BNP Paribas Mutual Fund as on December 31, 2006

Company Name	Scheme	Investments made by the Scheme		Holdings as on 31.12.06 Market Value Rs. in Lakhs
		Scheme	Cost (Rs. in Lakhs)	
Allahabad Bank	Sundaram BNP Paribas Growth Fund	SUNGRO	185.08	-
		MIDCAP	217.73	-
		SILF	226.54	-
		SMILE	332.01	-
		SMON	18,110.83	2,946.36
		FTP-3 Yr Plan	460.12	-
		DEBTST	479.86	-
		SFTP17	1,468.87	1,470.60
Bajaj Auto Ltd	Sundaram BNP Paribas FTP Series 3	SUNGRO	453.26	167.49
		SILF	834.96	405.97
		STAX	49.56	-
		SRURAL	3,248.09	2,173.89
Bank of Baroda	Sundaram BNP Paribas Money Fund Sundaram BNP Paribas Money Fund	MIDCAP	1,794.11	1,498.80
		STAX	158.24	-
		SUNBAL	104.37	-
		SUNGRO (incl IPO)	452.78	57.43
		SUNMIP	27.59	-
		SMILE	110.98	-
		FOCUS	7.82	-
		SUNTAX	6.25	0.06
TAX98	3.78	0.03		
Bank of India	Sundaram BNP Paribas Floating Rate- Short Term Sundaram BNP Paribas Money Fund	SMILE	750.78	331.84
		STAX	61.17	-
		SUNGRO	437.14	240.60
		MIDCAP	998.10	1,161.16
		SILF	443.73	385.25
SRURAL	543.39	414.80		
Grasim Industries	Sundaram BNP Paribas FTP series 3	CAPEXD	491.35	-
		CAPEXG	498.15	-
		SFOCUS	154.46	-
		SILF	792.02	717.19
		SMILE	544.94	672.34
		STAX	258.85	336.17
		SUNGRO	564.78	622.33
		TAX98	3.01	-
		SUNTAX	2.36	0.21
		SRURAL	4,146.69	4,762.38
SUNBAL	126.84	150.58		
MIP	77.16	94.41		

HDFC Bank Ltd	Sundaram BNP Paribas Monry Fund Super institutional	SUNGRO	123.04	-
		SUNMIP	440.56	448.22
		SFRSTP	935.79	-
		MIDCAP	2,469.04	2,460.22
		SUNVAL	2.50	2.83
		TAXOE	25.95	-
		SMON	18,861.57	-
HCL Technologies Ltd	Sundaram BNP Paribas FTP series 3	SUNBAL	113.43	130.99
		SUNGRO	181.19	-
		STAX	108.00	126.89
		SUNVAL	5.13	1.51
		SILF	319.33	272.44
Hindalco Industries Ltd	Sundaram BNP Paribas FTP series 6	SUNGRO	6.12	-
		SFOCUS	216.23	220.58
		SRURAL	166.16	-
		SILF	646.25	-
		SMILE	460.11	-
		SUNBAL	45.97	45.29
		SUNBDS	49.29	982.10
Industrial Development Bank of India	Sundaram BNP Paribas Money Fund	SMON	13,950.41	4,968.08
		SRURAL	998.25	-
		SFRSTP	1,957.09	2,012.01
		SFRLTP	459.28	82.84
		DEBTST	297.79	127.66
		SUNVAL	2.47	2.48
		SUNBDS	174.78	20.47
India Nippon Electricals Ltd	Sundaram BNP Paribas Floating Rate Fund - LTP	STAX	38.70	18.81
		SMILE	36.86	-
Infrastructure development Finance Ltd	Sundaram BNP Paribas Money Fund	CAPEX D	1,012.66	-
		CAPEX G	483.42	-
		SFOCUS	14.99	-
		SILF	80.48	-
		SMON	4,728.07	4,844.38
		DEBTST	492.39	493.60
		STP14	492.39	493.60
		STP17	986.09	987.20
ITC Ltd	Sundaram BNP Paribas Money Fund Sundaram BNP Paribas Floating Rate Short Term Sundaram BNP Paribas Floating Rate Short Term Sundaram BNP Paribas Fixed Term Plan Sundaram BNP Paribas Money Fund Sundaram BNP Paribas Fixed Term Plan - Series 17	SUNGRO	408.58	341.04
		SFOCUS	544.52	398.40
		SILF	696.87	416.39
		SMILE	649.56	400.45
		SUNMIP	104.34	61.64
		CAPEX - D	411.48	88.67
		CAPEX - G	853.81	60.84
		SUNVAL	3.21	-
		STAX	239.95	90.73
		SRURAL	3,229.11	2,354.81
		SUNTAX	3.89	0.12
		TAX 98	.*	0.04
		SUNBAL	118.43	105.66
		Indian Petrochemicals Corpn Ltd	Sundaram BNP Paribas FTP series 9	SUNGRO
SRURAL	830.43			-
SMILE	198.90			-
SUNIP	.*			500.50

Mahindra & Mahindra Ltd	Sundaram BNP Paribas FTP series 6	Capex - D	725.31	575.82
		CAPEX - G	382.18	387.87
		SUNGRO	223.00	378.41
		SILF	543.78	828.05
		SRURAL	4,232.78	3,977.19
		SFOCUS	1,291.46	1,513.07
		SMILE	428.92	399.72
		SUNVAL	3.24	- Maruti
Udyog Limited	Sundaram BNP Paribas FTP series 9	SFOCUS	707.22	780.17
		SILF	503.72	593.76
		SUNGRO	402.30	301.20
		STAX	162.00	-
		SRURAL	4,037.73	-
Sundaram Fasteners Ltd	Sundaram BNP Paribas Money Fund	MIDCAP	704.01	-
		SMILE	176.07	-
Tata Chemicals Ltd	Sundaram BNP Paribas FTP Series 10	MIDCAP	1,734.13	1,326.65
		SRURAL	1,386.01	1,394.93
Thermax Ltd	Sundaram BNP Paribas FTP Series 3 Sundaram BNP Paribas FTP Series 8 Sundaram BNP Paribas FTP Series 11 Sundaram BNP Paribas FTP Series 11 Sundaram BNP Paribas FTP Series 14	CAPEXD	1,188.53	1,246.02
		CAPEXG	1,174.93	839.30
		MIDCAP	644.05	1,931.32
		STAX	51.24	140.96
		SRURAL	918.42	1,166.10
Wipro	Sundaram BNP Paribas FTP Series 3 Sundaram BNP Paribas FTP Series 8 Sundaram BNP Paribas FTP Series 14	SUNGRO	162.45	-
		SILF	1,084.52	622.84
		SUNBAL	15.52	94.52
		STAX	51.24	-

* Purchased during 2004 - 05

SUNGRO - Sundaram BNP Paribas Growth Fund

SUNBDS - Sundaram BNP Paribas Bond Saver

SMON - Sundaram BNP Paribas Money Fund

SUNBAL - Sundaram BNP Paribas Balanced Fund

SGILT - Sundaram BNP Paribas Gilt Fund

SUNIP - Sundaram BNP Paribas Income Plus

STAX - Sundaram BNP Paribas Tax saver Open-ended

SFOCUS - Sundaram BNP Paribas Select Focus

SUNTAX - Sundaram BNP Paribas Tax saver '97

TAX98 - Sundaram BNP Paribas Tax saver '98

MIDCAP - Sundaram BNP Paribas Midcap

SUNMIP - Sundaram BNP Paribas Monthly Income Plan

DEBT ST - Sundaram BNP Paribas Select Debt Short Term Asset Plan

DEBT DA - Sundaram BNP Paribas Select Debt Dynamic Asset Plan

SILF - Sundaram BNP Paribas India Leadership Fund

SFRF-STP - Sundaram BNP Paribas Floating Rate Fund - Short Term Plan

SFRF-LTP - Sundaram BNP Paribas Floating Rate Fund - Long Term Plan

SMILE - Sundaram BNP Paribas Small & Medium Indian Leading Equities Fund

SUNVAL - Sundaram BNP Paribas Value Plus

FTP - Sundaram BNP Paribas Fixed Term Plan

CAPEXD - Sundaram BNP Paribas CAPEX Opportunities Fund - Dividend

CAPEXG - Sundaram BNP Paribas CAPEX Opportunities Fund - Growth

The investment made in the schemes keeping in view of the fundamentals and long term prospects of the company

5. Borrowing by the Mutual Fund

The Mutual Fund has not resorted to any borrowings till date. However, the Scheme shall have powers to borrow to meet temporary liquidity needs for the purpose of repurchase, redemption of units, or payment of interest or dividend to the unitholders as permitted under the SEBI Regulations. Further, as per SEBI Regulations, the Scheme shall not borrow more than 20% of the Net Assets and the duration of such borrowing shall not exceed six months. The Scheme under such circumstances may borrow from any body corporate or a bank or from any other person at the prevailing interest rates. The Scheme may decide to offer such collateral security as may be necessary under the

circumstances. This may result in a reduction in the overall portfolio returns during the currency of the borrowing in case the cost of borrowing is higher than the portfolio rate of return.

6. Inter- Scheme Transfers

A transfer of traded securities from one scheme to another scheme of the Mutual Fund can be effected at the prevailing market prices on spot basis. In the case of any security not traded on a stock exchange, the transfer can be effected on fair valuation basis to be arrived by the AMC. Such transfers would be done in conformity with the objectives of the Schemes and SEBI Regulations.

7. Inter-Scheme Investments

This scheme may invest in other schemes of Sundaram BNP Paribas Mutual Fund without charging any fees, provided that the aggregate inter-scheme investments made by all schemes under the same management or in schemes under the management of any other Asset Management Company shall not exceed 5% of the Net Asset Value of the investing Mutual Fund. Such investments shall be made from time to time on the merits of the proposal.

8. Investment by the AMC

The AMC may invest in the Scheme depending upon its cash flows and investment opportunities. In such an event, the AMC will not charge management fees on its investment for the period it is retained in the Scheme.

The investment by the AMC shall not exceed 25% of the net assets of the Scheme on the date of investment.

Value of the Investments held by the AMC in the schemes of Sundaram BNP Paribas Mutual Fund as on 31.12.2006 is given in the following table:

Scheme Name	Value as on 31.12.2006 (Rs. in Lakhs)
Sundaram BNP Paribas India Leadership Fund	50.00
Sundaram BNP Paribas Balanced Fund	150.00
Sundaram BNP Paribas Select Focus	25.00
Sundaram BNP Paribas Select Midcap	25.00
Sundaram BNP Paribas Growth Fund	50.00
Sundaram BNP Paribas Money Fund – Institutional Plan	1.95
Sundaram BNP Paribas Fixed Term Plan	500.00
Sundaram BNP Paribas Capex Opportunities Fund	10.00

9. Dividends and Distributions

The Board of Trustees may decide and declare a dividend. However, it must be distinctly understood that the actual declaration of dividends under the Scheme and the frequency thereof will inter alia depend upon the disposable surplus of the Scheme. The decision of the Board of Trustees in this regard shall be final.

The dividend that may be paid out of the net surplus of the Scheme will be paid only to those unitholders whose names appear in the register of unitholders on the notified record date.

10. Penalties & Pending Litigations:

1. No penalties have been awarded by SEBI under the SEBI Act or any of its Regulations against the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC, Trustees or any of the directors or any key personnel

(specifically the fund managers) of the AMC and Trustees. No penalties have been awarded on the Sponsor and its associates by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors. No penalties have been awarded for any economic offence and violation of any securities laws.

2. There are no pending material litigation proceedings incidental to the business of the Mutual Fund to which the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC, Trustees or any of the directors or key personnel of the AMC is a party. Further, there are no pending criminal cases against the Sponsor or any company associated with the sponsor in any capacity including the AMC, Trustees or any of the directors or key personnel.
3. There is no deficiency in the systems and operations of the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity, including the AMC which SEBI has specifically advised to be disclosed in the Offer Document, or which has been notified by any other regulatory agency.
4. There are no enquiries or adjudication proceedings under the SEBI Act and the Regulations made there under, which are in progress against any company associated with the sponsor in any capacity including the AMC, Trustees or any directors or key personnel of the AMC.

11. Documents available for Inspection

The following documents are available for inspection to the unitholders at the Corporate Office of Sundaram BNP Paribas Asset Management Company Limited at Chennai:

- Trust Deed of Sundaram BNP Paribas Mutual Fund
- Copy of the Registration Certificate
- Investment Management Agreement
- Memorandum and Articles of Association of Sundaram BNP Paribas Asset Management Company Limited
- Memorandum and Articles of Association of Sundaram BNP Paribas Trustee Company
- Custodian Agreement
- Letter of Appointment of the Registrar
- Consent of Auditors
- SEBI (Mutual Funds) Regulations, 1996
- Indian Trusts Act, 1882
- The Companies Act, 1956

11. APPROVAL BY THE BOARD OF TRUSTEES

The original Offer Document was approved by the Board of Trustees of Sundaram Mutual Fund at their meeting held on January 12, 2004. Notwithstanding anything contained in the offer document the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines thereunder shall be applicable.

For and on behalf of the Board of Directors of
SUNDARAM BNP PARIBAS ASSET MANAGEMENT COMPANY LIMITED

T P Raman

Place: Chennai

Managing Director

Date: 20.02.2007

Sundaram BNP Paribas India Leadership Fund

SERIAL No. **SBNPPILF**



SUNDARAM BNP PARIBAS
MUTUAL

BROKER/AGENT NAME & CODE	SUB-BROKER'S NAME & CODE	COLLECTING CENTRE	DATE & TIME OF RECEIPT	REGISTRAR'S SERIAL NO.
ARN-0018		STAMP & SIGN		

1. Existing Unitholder

- a. Are you making a purchase into an existing folio? (Please ✓) Yes No. Folio Number
(If yes, Please note that investment details and mode of holding will be as per existing folio number. • If you have provided a Folio Number please fill in only Section 2a and then proceed to Section 4.)
- b. Do you wish to receive a consolidated account statement? (Please ✓) Yes No. if Yes e-mail or Post
Which folio number do you wish to consolidate under? Folio Number
(Only folios where the signatories appear in the same order may be consolidated)

2. Unit holder Information (Write in block letters . Leave space between words)

a. Full Name of First/Sole Applicant (as it appears in your bank account) Salutation Mr. Ms. Dr. Prof

PAN No. Investor MIN No. PA holder MIN No. Date of Birth

Full Name of Father Husband Guardian (in the case of minor) Contact person (in the case of Corporate) please tick the applicable Salutation Mr. Ms. Dr. Prof

Full Name of Second Applicant Salutation Mr. Ms. Dr. Prof

PAN No. Investor MIN No. PA holder MIN No.

Full Name of Third Applicant Salutation Mr. Ms. Dr. Prof

PAN No. Investor MIN No. PA holder MIN No.

As per SEBI regulations, PAN number must be provided for all unit holders, if the purchase amount is Rs.50,000/- and above, failing which the transaction is liable to be rejected. Please also provide a copy of the PAN card for validation. In case you are not having a PAN then please furnish your declaration in Form 60.

- b. Mode of Holding Single Joint Anyone or Survivor (default option – anyone or survivor)

- c. Mailing Address Home Office (P.O.Box Address is not sufficient)

Location PIN

City

State Country

- d. Mailing Address Home Office (Overseas address in case of NRIs/FIIs)

Location PIN

City

State Country

- e. Contact Particulars

Tel: Office Residence

Fax E-mail

Contact Person's Name.....(for non-individuals)

- f. Are you applying as Individual Partnership Public Ltd. Co. On behalf of Minor HUF Proprietorship

Trust Pvt. Ltd. Co. Society NRI Repatriation Non-Repatriation Others _____

- g. Do you want a PIN assigned to you? (This PIN will allow you access to your account via the internet) Yes No



SUNDARAM BNP PARIBAS Second Floor, 46 Whites Road,
Chennai - 600 014
Ph : (044) 28583362, 28583367, 28585606

SERIAL No. **SBNPPILF**

Acknowledgement

Received From Mr./Mrs./Ms.

Address

ISC's Signature & Stamp

Instructions

FORM NO. 60

[See second provision to rule 114B]

Form of declaration to be filed by a person who does not have either a permanent account number and who enters into any transaction specified under rule 114B

Please read the offer document carefully before filling in the application form. Applicants are deemed to have understood the terms subject to which this offer is being made, by filling and signing this application form.

SECTION 1: In section 1b of this form, you may indicate a folio number under which you would like to consolidate your investments under different schemes of Sundaram BNP Paribas Mutual Fund. Please note that Sundaram BNP Paribas Mutual Fund can only consolidate these folios where the signature(s) appear in the same order as the signature(s) in the folio under which you are consolidating.

If you have indicated that you are making additional investment into an existing folio, please complete section 2(a) of the application form and then proceed to section 4.

SECTION 2: All new applicants must complete section 2. Name and address must be given in full. All communication and payments will be made to the first applicant or to the Karta in case of HUF. Applicants who have ticked the mode of holding as 'Single' in section 2(b) may nominate a successor to receive units upon his/her death.

Where the mode of holding in section 2(b) has been specified as 'Joint' the first named holder shall receive all Account Statements, Redemption/refund warrants and any other correspondence sent from time to time.

In case of an application under a Power of Attorney or by a limited company or a body corporate or a registered society or a trust or a partnership, the relevant Power of Attorney or the relevant resolution or authority to make the application and the Trust Deed or the Partnership Deed as the case may be, or duly certified copy thereof, along with the Memorandum and Articles of Association and/or bye-laws must be lodged along with the Application Form at the Registrar's office in Chennai within seven days from the date of application, quoting the details of the application. Sole Proprietary firms may submit a completed nomination form to enable transmission of units in the event of death of the sole Proprietor. In case of HUF, a list of all co-parceners together with their dates of birth and specimen signatures must be lodged at the Registrar's office within seven days.

Applicants who request a Personal Identification Number (PIN) by ticking the box in section 2(g) will be sent a PIN agreement which will be mailed separately. This PIN allows you to access your account information via the Internet.

Unit holder information (Mandatory)

• **Permanent Account Number (PAN)**

If the amount of investment is Rs. 50,000/- or more than please furnish your PAN details and enclose a photocopy of PAN Card/PAN allotment Letter of all applicants. In case you are not having a PAN then please furnish your declaration in Form 60. We advise all applicants to provide this number irrespective of the application amount.

SECTION 3: Please tick the box if you would like to receive your redemption payment under the following mode.

- Direct Credit to your bank account with select banks.
- Warrants/Drafts (The warrants/drafts will be payable only at cities where Sundaram BNP Paribas Mutual Customer Service Centres are located).
- Electronic Clearing System

SECTION 4:

In order to protect the interest of the investors from fraudulent encashment of refund/redemption cheques, the current SEBI guidelines require that refund orders/redemption cheques specify the name of the investor, bank name and account number where the cheque is intended to be credited. Hence, investors are advised in their interest to provide the name of the Bank, Branch address, account type and account number for remittance of redemption amount. The Trustees / Investment Manager will not be responsible for any loss arising out of fraudulent encashment of cheques or delay/loss in transit. Investors must write the application form number/folio number on the reverse of the cheque and bank draft accompanying the application form.

SECTION 5: The minimum purchase amount is Rs.5,000/- and Rs.500/- for additional purchases. Please note that if you do not tick the investment option/type box of the relevant scheme in Section 5 and Section 2B for mode of holding the default option of the scheme is as mentioned below

Indication not made	Default
Growth / Dividend	Dividend Payout
Mode of holding in the case of more than one applicant	Anyone or Survivor

Mode of Payment : The cheque/bank draft should be drawn in favour of Sundaram BNP Paribas India Leadership Fund and crossed "A/c Payee only". DD charges will be absorbed by the fund according to SBI guidelines.

SECTION 6: Please fill in this section should you wish to nominate someone.

SECTION 7: Prevention of Money Laundering & Mutual Fund Identification Number - Please refer Offer Document for details

SECTION 8: Signature may be in English or in any Indian language. Thumb impressions must be attested by a Magistrate/Notary Public under his/her official seal. In case of HUF the Karta should sign on behalf of the HUF.

General

The investor is aware that the mutual fund needs to use intermediaries such as the post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investors by cheques, drafts, warrants, through ECS etc. The Investor expressly agrees and authorises the mutual fund to correspond with the investor or make payments to the investor through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries as agents of the investor and not that of the mutual fund/AMC. The mutual fund is not responsible for delayed receipt or nonreceipt of any correspondence or payment through such intermediaries.

1. Full name and address of the declarant.....
.....
.....
2. Particulars of transaction:.....
3. Amount of the transaction:.....
4. Are you assessed to tax? Yes No
5. If yes,
 - (i) Details of Ward/ Circle/ Range where the last return of income was filed?
.....
 - (ii) Reasons for not having permanent account number/General Index Register Number?.....
6. Details of the document being produced in support of address in column (1)
.....

Verification

I, do hereby declare that what is stated above is true to the best of my knowledge and belief. Verified today,the day of

Date :.....

Place :.....

Signature of the declarant.....

Instructions : Documents which can be produced in support of the address are :-

- (a) Ration Card
- (b) Passport
- (c) Driving licence
- (d) Identity Card issued by any institution
- (e) Copy of the electricity bill or telephone bill showing residential address
- (f) Any document or communication issued by any authority of Central Government, State Government or local bodies showing residential address
- (g) Any other documentary evidence in support of his address given in the declaration.

DIRECTORY

SPONSOR

Sundaram Finance Limited
Registered Office: 21 Pattulos Road,
Chennai-600 002
Telephone: (044) 28521181
Fax: (044) 28520456

BNP Paribas Asset Management
5, Avenue Kleber,
75116, Paris, France

Investment Manager
Sundaram BNP Paribas Asset Management Company Limited
Registered Office: 21 Pattulos Road,
Chennai-600 002
Corporate Office
Sundaram Towers II Floor
46 Whites Road
Royapettah Chennai 600014
Telephone: (044) 28583362,
28583367
Fax: (044) 28583156

Registrar

Computer Age Management Services (P) Limited

A&B Lakshmi Bhavan, 609 Anna Salai,
Chennai - 600006.
Telephone : (044) 28293292 / 28295402 /
28295163 / 28291549
Fax : (044) 28295403
Telefax : 0451-5181 CAMS IN

Auditors of Sundaram BNP Paribas Mutual Fund

M/s Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet, Chennai - 600 018
Telephone: (044) 24970762

TRUSTEES

Sundaram BNP Paribas Trustee Company Limited

Registered Office: 21 Pattulos Road,
Chennai-600 002
Corporate Office

Sundaram Towers II Floor
46, Whites Road
Royapettah Chennai 600014
Telephone: (044) 28583362,
28583367
Fax: (044) 28583156

Investor Relations Manager

S Balasubramanian
Head - Customer Service & Transaction Processing
Sundaram BNP Paribas Asset Management Company Limited
Corporate Office
Sundaram Towers II Floor
46 Whites Road
Royapettah Chennai 600014
Telephone: (044) 28583362,
28583367
Fax: (044) 28583156

Custodian

Standard Chartered Bank

24-25 M. G. Road
Fort, Mumbai 400 0023

Auditors of Sundaram BNP Paribas Asset Management Company Limited

M/s Brahmayya & Co.
Chartered Accountants
156 Thambu Chetty Street
Chennai- 600 001
Telephone: (044) 25341743

Sundaram BNP Paribas Mutual - Branch Addresses

Agra: Shop No. 9, Friends Tower, Sanjay Place, Agra. Ph: 9319145256 **Ahmedabad:** 104, Arth Complex, Behind A.K. Patel House, Mithakali Six Roads, Navarangapura, Ahmedabad 380009. Ph: 079-66613337 / 26440442 **Bangalore:** 1st Floor, Maangalaya Punarbhav, 132, Brigade Road, Next to Raheja Chancery, Bangalore 560025. Ph: 080-22076707 / 22126850 **Baroda:** 127/1 floor, Siddharth Complex, Near Express Hotel, R.C. Dutt Road, Alkapuri, Baroda 390007 Ph: 0265-2320671 / 3203204 **Bhopal:** Plot No. 10&11, 3rd floor, Alankar palace, Bank street, M.P.Nagar, Bhopal 462011. Ph: 0755-3203306 **Bhubaneswar:** C/o. Sundaram Finance Ltd, 1st Floor, "Aditya Plaza", 102, Bhoumanagar, Unit No. 4, Bhubaneswar 751001. Ph: 0674-3208280 / 9337024917 **Calicut:** 3rd Floor, 17/501 R2, Kanchas Building, Rajai Road, Calicut - 673001. Mob: 09847582339 **Chandigarh:** SCO-2475-2476, 2nd Floor, Sector 22C, Chandigarh-160022. Ph: 0172-5009166 / 5019166 **Chennai Sales Office:** O No 9, N No 23 Mootha Centre, Kodambakkam High Road, Chennai 600034. Ph: 044 28237262 / 28237363 **Chennai - H.O.:** Sundaram Towers, II Floor 46, Whites Road, Royapettah, Chennai - 600014. Ph: 044 - 28583362 / 28569900 **Cochin:** The Monarch, I Floor, P.T.Usha Road, Ernakulam, Cochin 682011. Ph: 9947045339 **Coimbatore:** No 41-A, I Floor, West Lokmanya Street, R.S.Puram, Coimbatore 641002. Ph: 0422-4360058/2542816 **Dehradun:** C/o Sundaram Finance Ltd., 57/19, II Floor, Shiva Palace, Rajpur Road, Dehradun 248001. Ph: 0135-3203262 / 9719166626 **Durgapur:** C/o Sundaram Finance Ltd., Unit No.A, 311, II Floor, Durgapur City Centre, Durgapur 713216 Ph: 0343-3200992 **Guwahati:** Kejrival Bhawan, 2nd Floor, Opposite Janta Hotel, G.S. Road, Guwahati 781001. Ph: 9954166281 **Hyderabad:** V V Vintage Boulevard, F.No.203, 2nd Floor, Raj Bhavan Road, Somajiguda, Hyderabad 500082. Ph: 040-23393669 / 23390815 / 23397600 **Indore:** 125, Starlit Towers, 29/1 Y.N.Road, Indore 452001. Ph: 0731-3203204 **Jaipur:** 303, 3rd Floor, Brij Anukampa Towers, Ashok Marg, C-Scheme, Jaipur 302011. Ph: 0141-5118364 / 3213853 **Jalandhar:** C/o Sundaram Finance Ltd., 5E, 1st Floor, Session Court Road, Near BMC Chook, Jalandhar 144001. Ph: 9872120037 **Jodhpur:** C/o Sundaram Finance Ltd., 120, I Floor, Mody Arcade, Chopasany Road, Near Bombay Motors, Jodhpur 342003. Ph: 9314613766 **Kanpur:** 2nd Floor, 218, 219 Kan Chambers, 14/113, Civil Lines, Kanpur 208001. Ph: 0512-3018530/3013530 **Kolkata:** "Lords Building", 7/1 Lord Sinha Road, Room No: 312, 3rd Floor, Kolkata 700071. Ph: 033-30580160 / 61 / 62 / 63 / 22816707 / 22835504 **Lucknow:** 210A 2nd Floor, Saran Chambers-2, 5, Park Road, Lucknow 226001. Ph: 0522-3017782/3017783/09415109859 **Ludhiana:** SCO - 18, 3rd Floor, No.307, Feroze Gandhi Market, Opp. Ludhiana Stock Exchange, Ludhiana-141001. Ph: 0161-3018500 / 9876197320 **Madurai:** No: 183C, North Veli Street, Opp: Duke Hotel, Madurai 625001. Ph: 0452-4376801/4377478 **Mumbai:** 602-603, 6th Floor, Dalamal House, Nariman Point, Mumbai 400 021. Ph: 022-22842878 / 22842879 / 22833863 / 22842832 **Nagpur:** C/O Fortune Business Centre, I Floor, 6 Vasanti Vihar, W H C Road, Shankar Nagar, Nagpur-440010. Ph: 0712-2558581 Mob: 09822832030 **Nashik:** L-17, Suyojit Sankul, Near Rajiv Gandhi Bhavan, Sharanpur Road, Nashik 422002. Ph: 9326788990 **New Delhi:** 605, 6th Floor, Ashoka Estate, 24, Barakhamba Road, New Delhi 110 001. Ph: 011-41515138 / 41515139 **Patna:** 205, Ashiana Hari Niwas, New Dak Bunglow Road, Patna 800001. Ph: 0612-3200593 **Pondicherry:** C/o. Sundaram Home Finance Ltd, 40, Mission Street, Pondicherry 605001. Ph: 9443090091 **Pune:** 1st Floor, Rachana Trade Estate, Erandwane, Opp Swad Hotel, Pune 411004. Ph: 020-30280927 / 28 / 29 / 30 **Rajpur:** Millenium Plaza, Office No. 26 III Floor, Behind Indian Coffee House, Raipur-492001. Mobile: 09893313588 **Rajkot:** C/o. Sundaram Finance Ltd, Flat No. 113, I Floor, Umesh Conl Complex, Near Chowdry High School, Kasturba Road, Rajkot 360 001. Ph: 98250 48797 **Salem:** New No.210 Old No315C, AVK Arcade, Omalur Main Road, Opp, to New Bus Stand, Salem 636004. Ph: 0427-4042827 / 9843081847 **Surat:** L-14, Jolly Plaza, Opp- Athwa Gate Police Station, Athwa Lines, Surat 395001. Ph: 0261-2461384 / 85 **Trichy:** Krishna Complex, 1st Floor, 60, Shastry Road, Tennur, Trichy 620017. Ph: 0431-2741509/4020828 **Trivandrum:** "Uttaradam", TC 26/1309(4), Above Rohini Tyres, Panavilla Junction, Trivandrum 695001. Ph: 9847089134 **Varanasi:** C/o R.P.Mishra, Brijnathana Mandir, Varanasi-221010. Ph: 9935243721 **Vellore:** First Floor, TKM Complex, 46 - 51, Katpadi Road, Vellore 632 004. Ph: 09843242336 **Vijayawada:** D.No. 40-10-5, Sree Ramachandra Complex, Benz Circle, Bajaj Showroom Lane, Vijayawada 520010. Ph: 0866-2470778 / 9848032734 **Vizag:** 47-10-10, 2nd Floor Rednam Regency, Near Diamond Park, Dwarkanagar, Visakhapatnam 530016. Ph: 0891-3209440 / 98480 35892