

SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS
23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.

AUDITORS REPORT

The Board of Trustees
Sundaram BNP Paribas Mutual Fund
Chennai

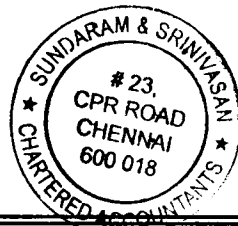
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS BOND SAVER** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and Revenue Account are in agreement with the books of accounts of Sundaram BNP Paribas Mutual Fund.
3. a) The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
b) In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes forming part of Accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of Balance Sheet, of the state of affairs of the aforesaid Schemes of Sundaram BNP Paribas Mutual Fund, **SUNDARAM BNP PARIBAS BOND SAVER** as at March 31, 2010 and
 - b) In the case of Revenue Account of the **Deficit** of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS BOND SAVER** for the year ended on March 31, 2010.

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



Place: Chennai
Date: 25th June, 2010


K. SRINIVASAN
PARTNER (M.No : 5809)

BALANCE SHEET AS AT 31st MARCH, 2010

Amount in Rs.

	SCHEDULE NO.	31-Mar-10	31-Mar-09
LIABILITIES			
Unit Capital	1	329,812,211	669,404,729
Reserves & Surplus	2	107,265,918	298,978,009
Current Liabilities & Provisions	3	8,778,520	16,610,555
		445,856,649	984,993,293
ASSETS			
Investments	4	431,603,726	919,212,765
Deposits	5	3,869,670	3,714,799
Other Current Assets	6	10,383,253	62,065,729
		445,856,649	984,993,293

Notes on Accounts

9


0

-

As per our Report of even date

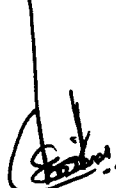
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

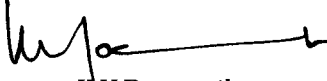



K. Ramkumar
Fund Manager


T.S. Sritharan
Chief Financial Officer


T.P. Raman
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd


K.V. Ramanathan
Chairman


S. Vijay
Director


R. Rajamani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June 2010

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

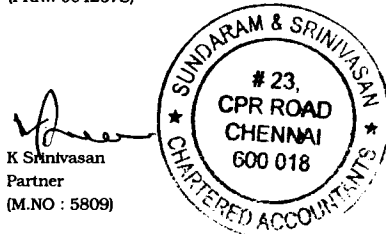
		Amount, Rs			
		Schedule No.	2009 - 2010	2008 - 2009	
REVENUE					
Interest		7	39,112,719		47,649,354
Net profit on inter scheme transfer / sale of investments			720,929		789,839
Net Diminution on sale of investments written back			5,999,259		-
Sundry Income			257,098		50,000
TOTAL (A)			46,090,005	46,090,005	48,489,193
EXPENSES					
Net diminution in Value of Investment		8	-		2,771,772
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)			7,349,237		5,671,350
Management fee			3,657,922		4,334,968
Trusteeship fee			60,965		59,252
Commission to Agents			3,090,978		3,021,476
Publicity expenses			3,884,458		-
Audit fee			86,034		84,817
Other operating expenses (Including Marketing Expenses Rs.316950.4(Previous year Rs.499759))			983,987		2,535,517
Custodian charges			114,120		145,282
Registrar expenses			691,533		615,540
SEBI Fees			8,710		-
			19,927,944		19,239,974
Less : Amount transferred from Load on account of Marketing Expenses			-		-
TOTAL (B)			19,927,944		19,239,974
SURPLUS / (DEFICIT) (A-B)			26,162,061		29,249,219
Add/(Less) : Balance in Equalisation Account			(203,195,843)		111,936,391
			(177,033,782)		141,185,610
Less: Income Distributed			12,323,708		22,767,170
Distribution Tax			2,307,880		4,188,920
			14,631,588		26,956,090
Surplus /(Deficit) transferred to Balance Sheet			(191,665,370)		114,229,520

Notes on Accounts

9

As per our Report of even date

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



For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd

K V Ramanathan
 Chairman

For
Sundaram BNP Paribas Asset Management Company Ltd

K. Ramkumar
 Fund Manager

T.S. Sritharan
 Chief Financial Officer

T P Raman
 Managing Director

S Viji
 Director

R. Rajamani
 Director

Francois Mouzay
 Director

Place : Chennai
 Date : 25th June 2010

SCHEDULE : 1**Unit Capital**

	31/03/2010		31/03/2009	
	UNITS	RS.	UNITS	RS.
Initial capital	8,328,980.50	83,289,805	8,328,980.50	83,289,805
Unit Capital				
Opening Capital	66,940,472.91	669,404,729	40,017,428.21	400,174,283
Add: Units sold during the year	9,590,931.62	95,909,316	63,296,113.53	632,961,135
	76,531,404.53	765,314,045	103,313,541.74	1,033,135,418
Less : Units repurchased during the year	43,550,183.46	435,501,834	36,373,068.83	363,730,689
Units at the end of the Year	32,981,221.07	329,812,211	66,940,472.91	669,404,729
		329,812,211		669,404,729

SCHEDULE : 2**Reserves & Surplus**

	31/03/2010		31/03/2009	
	Rs.		Rs.	
Unit Premium Reserve				
Opening Balance	46,721		46,721	
Less : Transferred to Other Income	(46,721)		-	
				46,721
General Reserve				
Opening Balance	298,931,288		184,701,768	
Add /(Less): Transfer from Revenue Account	(191,665,370)		114,229,520	
		107,265,918		298,931,288
		107,265,918		298,978,009

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	7,300,910	7,033,583
Distributed Income Payable	219,595	7,105,364
Unclaimed Distributed Income (No of Warrants - 1257)	1,226,039	1,230,792
Others	31,976	1,240,816
	8,778,520	16,610,555

SCHEDULE : 4**Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
Privately Placed - Non Convertible Debentures	50,046,588	-
Listed - Non-Convertible Debentures	208,101,191	259,235,346
Government Securities	2,692,123	179,719,708
Certificate of Deposits	168,465,398	398,379,695
Others- Reverse Repo / CBLO	2,298,426	81,878,016
	431,603,726	919,212,765

SCHEDULE : 5**Deposits**

	31/03/2010	31/03/2009
	Rs.	Rs.
Deposits with Scheduled Bank	3,869,670	3,714,799
	3,869,670	3,714,799

SCHEDULE : 6**Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	2,587,982	2,179,187
Outstanding and accrued Income	7,473,759	11,954,398
Others	321,512	47,932,144
	10,383,253	62,065,729

SCHEDULE : 7**Interest**

	01-04-2009 TO 31-03-2010	01-04-2008 TO 31-03-2009
	Rs.	Rs.
Interest from banks and others	3,156,052	14,440,653
Interest on Debentures and Bonds	32,427,509	27,977,464
Discounting Charges	3,529,158	5,231,236
	39,112,719	47,649,354

	01-04-2009 TO 31-03-2010	01-04-2008 TO 31-03-2009
SCHEDULE :8-Net Diminution in the Value of Investments		
Diminution in the Value of Investments		
Equity Shares	-	-
Central Government Securities	2,268,000	2,268,000
Privately placed Debentures / Bonds	1,465,458	1,465,458
Debentures / Bonds listed / awaiting listing on the recognised stock exchange		
Total (A)	3,733,458	3,733,458
	Rs.	Rs.
Diminution in the Value of Investments		
Equity Shares		
Central Government Securities		5,607,957
Privately placed Debentures / Bonds		897,273
Debentures / Bonds listed / awaiting listing on the recognised stock exchange		
Total	-	6,505,230
Change in Unrealised Depreciation in the Value of Investments	(3,733,458)	2,771,772

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS BOND SAVER

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

SCHEDULE 9

All amounts mentioned rupees in lakhs

NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1. INVESTMENTS

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies. Investments are marked to market. In valuing the Scheme's investments:

a) Government Securities

· Government Securities are valued at the prices obtained from CRISIL in accordance with the guidelines for valuation of securities for mutual funds issued by SEBI.

· Instruments bought on 'repo' basis have been valued at the resale price after deduction of applicable interest up to date of resale.

b) Other Securities

· Traded Securities are valued at the last quoted closing price on the stock exchange. Non-traded / thinly traded securities are valued in good faith on the basis of guidelines issued by SEBI in this regard.

In accordance with the guidance note on accounting for investments in the financial statement of mutual funds issued by The Institute of Chartered Accountants of India, the investments are valued separately category-wise and the net unrealised appreciation is directly transferred to unrealised appreciation reserve and the net diminution is debited to revenue account.

1.2. INCOME RECOGNITION

- (i) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (ii) Income on investments is accounted on accrual basis.
- (iii) Other income is accounted on cash basis.

1.3. EXPENSES

Expenses are accounted for on accrual basis.

1.4. LOAD

In terms of SEBI circular dated 30th June 2009, out of the exit load charged to the investor, a maximum of 1% of the redemption proceeds is maintained in a separate account which can be used by the AMC to pay commission to the distributor and for marketing and selling expenses of the scheme. Any balance in excess of 1% is credited to the scheme immediately and unutilised portion in the load account shall be credited to the scheme whenever felt appropriate by the AMC.

1.5. EQUALISATION ACCOUNT

In terms of SEBI circular dated 15th March 2010, on Unit Premium Reserve, the equalisation account has been credited/debited with an appropriate portion (excluding the Unit Premium Reserve and Unrealised Appreciation) of the sale proceeds/repurchase price in respect of units sold / repurchased on or after 15th March 2010. The net balance in this account is transferred to revenue account for the Year

1.6. UNIT PREMIUM RESERVE

In terms of SEBI Circular dated 15th March 2010, on Unit Premium Reserve, when units are sold / repurchased on or after 15th March 2010 a part of the sale price / re-purchase price representing unrealized gains is credited/debited to Unit Premium Reserve. The balance in Unit Premium Reserve will not be utilised for determination of distributable surplus.

2. INVESTMENT MANAGER FEES

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

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Average daily net asset value	6,096.29	5,925.25
Management fee @ 0.60% of average daily net asset value. (Previous year 0.73%)	36.58	43.35

3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM BNP PARIBAS MUTUAL FUND.

As Per Annexure - I

4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE YEAR

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

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
PURCHASE VALUE (AMOUNT)	87,172.98	59,537.97
%	1429.93%	1004.82%
SALES VALUE (AMOUNT)	91,313.27	56,406.24
%	1497.85%	951.96%

5. AGGREGATE FAIR VALUE OF NON-TRADED / THINLY TRADED INVESTMENTS-

Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Year :

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Year	2,581.47	489.30
% to the asset under management	59.00%	5.05%

6. INCOME / EXPENDITURE

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

DESCRIPTION	01.04.09 to 31.03.10	01.04.08 to 31.03.09
INCOME	7.55%	8.18%
EXPENDITURE	2.06%	1.82%

7. CONTINGENT LIABILITY

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

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Sundaram Finance Ltd (Sponsor)	0.88	2.14
Sundaram Finance Distribution Ltd (Subsidiary of Sponsor)	-	0.002
Indus Ind Bank Ltd (Associate)	0.04	0.08

9. TOTAL VALUE OF INVESTMENTS (EXCLUDING MONEY MARKET INVESTMENT) FALLING UNDER EACH MAJOR INDUSTRY GROUP WHICH CONSTITUTES NOT LESS THAN 5% OF THE TOTAL INVESTMENTS IS AS BELOW:

(% of total investment within the classification)

Refer Annexure - II

9.a. **Accounting Standard 17 on Segment Reporting**

As the Financial Statements are prepared separately on each scheme, no further disclosure under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is considered necessary. There is no secondary reporting segment.

9.b. **Accounting Standard 18 on Related Party Disclosures**

Related party disclosures as required by the Accounting Standard 18 – “ Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given as Annexure – ✓

10. LOAD COLLECTED AND UTILISED

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Opening Balance	9.14	4.88
Add.: Amount received on Sale / Repurchase of units (net)	21.78	4.76
Less: Amount Adjusted towards Brokerage & Marketing Exp	-	-
Less: Transferred to Income	2.10	0.50
Closing Balance	28.82	9.14

In terms of SEBI guidelines dated 30th June 2009, from 1st Aug 2009 out of the exit load charged to the investor, a maximum of 1% of the redemption proceeds is maintained in a separate account which can be used by the AMC to pay commission to the distributor and marketing & selling expenses of the scheme and any balance is credited to the scheme, as against the previous practice of crediting the entire amount to load upto 31st July 2009 under other liabilities (other than the amount utilised for meeting commission to distributor and marketing and selling expenses which was included under unit premium reserve)

As a result, the other income is higher by Rs.2.1 lakhs with consequential impact on the deficit, Reserves and Surplus, Current Liabilities and Provisions, Net Asset Value and Distributable income.

11. EQUALISATION ACCOUNT / UNIT PREMIUM RESERVE

In terms of SEBI Circular dated 15th March 2010, when units are sold / repurchased an appropriate portion (excluding Unit premium Reserves and un realized appreciation) of the sale proceeds / re-purchase price is credited / debited to equalisation account as against the policy of crediting/ debiting the entire difference between the sale price/repurchase price and face value of the units to equalisation account followed in the earlier years.

As a result of above change, the deficit transferred to Balance Sheet is higher by Rs.Nil with consequential impact on Unit Premium Reserve and Distributable Income. However this does not have any impact on total Reserve and Surplus and Net Asset Value.

12. PORTFOLIO DISCLOSURE

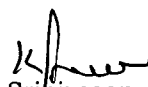
Full portfolio of the scheme is given in Annexure - III

13. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I


Signatures to the schedules 1 to 9 are forming part of the Balance Sheet and the Revenue Account.

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



K Srinivasan
Partner
(M.No : 5809)




For Sundaram BNP Paribas Asset Management Company Ltd

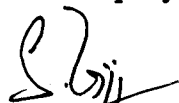

K Ramkumar
Fund Manager



T S Sritharan
Chief Financial Officer

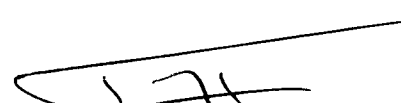

T P Raman
Managing Director

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


K V Ramanathan
Chairman


S Viji
Director


R Rajamani
Director


Francois Moudzay
Director

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

14. HISTORICAL PER UNIT STATISTICS

		2009-10		2008-09		2007-08	
		Rs.		Rs.		Rs.	
(A)	Gross income						
	(i) income other than profit on sale of investment	1.1859		0.7126		1.5662	
	(ii) income from profit on inter scheme sales/transfer of investments	0.0219		0.0118		0.0000	
	(iii) income from profit on sale of investment to third parties	-0.2228		-0.0847		0.0207	
	(iv) transfer to revenue account from past year's reserves	0.0000		0.0000		0.0000	
(B)	Aggregate of expenses, write off, amortisation and charges	0.3814		0.1613		0.3383	
(C)	Net income	0.6036		0.4784		1.2486	
(D)	Net unrealised appreciation/(diminution) in value of investments			(0.0414)		(0.0933)	
(E)	Net Assets Value						
	Growth	27.1413	29.8021	26.3026	26.4011	24.5818	
	Quarterly Dividend	10.2488	10.1381	10.3089	10.3393	10.3880	10.4284
	Half Yearly Dividend	10.3965		10.3268		10.1170	
	Annual Dividend	10.4501		10.1261		10.1195	
	Bonus	14.3005	14.2681	13.8542	13.6739	12.9439	12.6820
(F)	Highest repurchase price *						
	Growth	27.1602	27.2295	26.956	27.0107	24.5794	
	Quarterly Dividend	10.644	10.5609	11.1625	11.1213	10.6132	0.0000
	Half Yearly Dividend	10.6093		10.8947		10.6167	
	Annual Dividend	10.4234		10.0917		10.7633	
	Bonus - Principal	14.2807		13.9805	14.1984	12.8907	
	Bonus - Bonus units	14.217	13.8598			12.9277	12.6235
	Lowest repurchase price *						
	Growth	25.7765	27.0876	23.9671	25.9820	22.7857	
	Quarterly Dividend	9.7972	10.1666	10.1034	10.4166	10.2131	0.0000
	Half Yearly Dividend	9.9817		9.9957		10.3853	
	Annual Dividend	9.9526		9.9974		10.2122	
	Bonus - Principal	14.1439		12.8931	12.6615	12.0320	
	Bonus - Bonus units	14.0312	13.8598			12.0320	11.7145
	Highest ongoing sale price *						
	Growth	27.2222		26.9560	26.7274	24.5936	
	Quarterly Dividend	10.6668		11.1625	11.1715	10.6096	10.3140
	Half Yearly Dividend	10.6544		11.0572		10.7189	
	Annual Dividend	10.4562		10.887		10.7207	
	Bonus - Principal			0	0.0000	0.0000	
	Bonus - Bonus units					0.0000	0.0000
	Lowest ongoing sale price *						
	Growth	26.3026		24.0293	26.0066	22.7857	
	Quarterly Dividend	9.9929		10.2085	10.4589	10.2528	10.3140
	Half Yearly Dividend	10.1403		9.869		10.3651	
	Annual Dividend	10.1261		9.9863		10.2172	
	Bonus - Principal			0.0000	0.0000	0.0000	
	Bonus - Bonus units					0.0000	0.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.06%		1.82%		1.53%	
(H)	Ratio of gross income to average daily net assets by percentage	7.55%		8.81%		9.93%	

* includes load as applicable

15. Computation of Distributable Income

	31/03/2010	31/03/2009
Net Income as per revenue account	(177033782)	141,185,610
Add : Balance of Undistributed income as at 1st April brought forward	298,931,288	184,701,768
	121,897,506	325,887,378
Less : Income Distributed during the year	14,631,588	26,956,090
Distributable Income	107,265,918	298,931,288

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

Annexure - II

SUNDARAM BNP PARIBAS BOND SAVER

	% of total investments within the classification	
	2009-2010	2008-2009
A) Debt Instruments		
a) Listed / awaiting listing on Stock Exchange		
Finance	75.97%	80.78%
Chemicals	24.03%	-
Energy	-	19.22%
b) Privately Placed		
Communications	100.00%	-

Annexure - III

SUNDARAM BNP PARIBAS BOND SAVER

Portfolio Statement for the period ended 31st March, 2010

Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
A) Debt Instruments				
a) Listed / Awaiting listing on Stock Exchanges				
MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD **	AA-	58	580.96	13.46%
TATA CHEMICALS LTD **	AA+	50	500.15	11.59%
SUNDARAM BNP PARIBAS HOME FINANCE LTD **	AA	50	500.40	11.59%
POWER FINANCE CORPORATION **	AAA	50	499.51	11.57%
Sub Total			2081.02	48.22%
b) Govt Security				
6.05% GOVT SEC - 02/02/2019	GSEC	22800	20.01	0.46%
6.83% GOI 19/01/2039	GSEC	8200	6.91	0.16%
			26.92	0.62%
c) Securitized Debt Instruments				
	NIL			
d) Privately Placed / Unlisted				
TATA COMMUNICATIONS LIMITED **	AAA	50	500.47	11.60%
			500.47	11.60%
B) Money Market Instruments				
CENTRAL BANK OF INDIA	PR1+	500	499.03	11.56%
IDBI BANK	A1+	475	470.13	10.89%
STATE BANK OF TRAVANCORE	P1+	250	241.69	5.60%
ORIENTAL BANK OF COMMERCE	P1+	500	473.80	10.98%
Sub Total			1684.65	39.03%
C) Others				
REVERSE REPO / CBLO			22.98	0.53%
GRAND TOTAL			4316.03	100.00%

** Thinly Traded / Non Traded Securities