

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

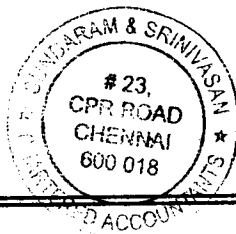
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS INCOME PLUS** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility is to express our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

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




K. SRINIVASAN
PARTNER (M.No : 5809)

Place: Chennai
Date: 25th June, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

Amount in Rs.

	SCHEDULE NO.	31-Mar-10	31-Mar-09
LIABILITIES			
Unit Capital	1	5,398,856	6,290,708
Reserves & Surplus	2	1,795,538	2,065,153
Current Liabilities & Provisions	3	338,190	323,010
		7,532,584	8,678,871
ASSETS			
Investments	4	6,395,618	7,527,538
Other Current Assets	5	1,136,966	1,151,333
		7,532,584	8,678,871

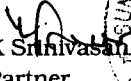
Notes on Accounts

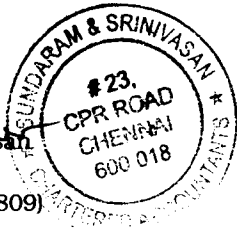
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As per our Report of even date

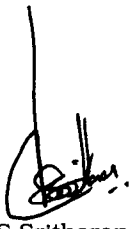
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)

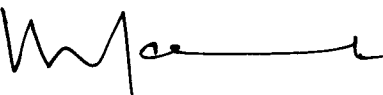



K. Ramkumar
Fund Manager


T.S. Sritharan
Chief Financial Officer


T P Raman
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd


K V Ramanathan
Chairman


S. Viji
Director


R. Rajamani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June 2010

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Amount, Rs

	Schedule No.	2009 - 2010		2008 - 2009	
REVENUE					
Interest	6	179,454		1,418,528	
TOTAL (A)		179,454	179,454	1,418,528	1,418,528
EXPENSES					
Management fee		77,987		188,027	
Trusteeship fee		778		1,880	
Commission to Agents		15,072		72,239	
Audit fee		5,553		16,652	
Other operating expenses (Including Marketing Expenses Rs. 25,227/- (Previous year Rs Nil-))		39,196		31,169	
Custodian charges		-		4,059	
Registrar expenses		8,736		37,606	
SEBI Fees		75		-	
		147,397		351,633	
Less : Amount transferred from Load on account of Marketing Expenses		-		-	
TOTAL (B)			147,397		351,633
SURPLUS / (DEFICIT) (A-B)			32,057		1,066,895
Add/(Less) : Balance in Equalisation Account			(301,672)		(6,064,626)
			(269,615)		(4,997,731)
Less: Income Distributed		-		-	
Distribution Tax		-		-	
Surplus /(Deficit) transferred to Balance Sheet			(269,615)		(4,997,731)

Notes on Accounts

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As per our Report of even date

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

K Srinivasan
Partner
(M.NO : 5809)

For
Sundaram BNP Paribas Asset Management Company Ltd

K. Ramkumar
Fund Manager

T.S. Sritharan
Chief Financial Officer

V.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

Francis Mouzay
Director

Place : Chennai
Date : 25th June 2010

SCHEDULE : 1

Unit Capital

	31/03/2010		31/03/2009	
	Units	Rs.	Units	Rs.
	Initial capital	77,003,500.00	770,035,000	77,003,500.00
Unit Capital				
Opening Capital	629,070.84	6,290,708	3,355,678.16	33,556,782
Add: Units sold during the year	-	-	-	-
Less : Units repurchased during the year	629,070.84 89,185.26	6,290,708 891,852	3,355,678.16 2,726,607.32	33,556,782 27,266,074
Units at the end of the year	539,885.58	5,398,856	629,070.84	6,290,708
		5,398,856		6,290,708

SCHEDULE : 2

Reserves & Surplus

	31/03/2010		31/03/2009	
	Rs.		Rs.	
	General Reserve			
Opening Balance	2,065,153		7,062,884	
Add /(Less): Transfer from Revenue Account	(269,615)		(4,997,731)	
		1,795,538		2,065,153
		1,795,538		2,065,153

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	329,839	312,249
Unclaimed Distributed Income (No of Warrants - 39)	7,285	7,380
Others	1,066	3,381
	338,190	323,010

SCHEDULE : 4

Investments

	31/03/2010	31/03/2009
	Rs.	Rs.
Investment in Reverse Repo / CBLO	6,395,618	7,527,538
	6,395,618	7,527,538

SCHEDULE : 5

Other Current Assets

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	1,136,096	1,150,402
Sundry Debtors		
Outstanding and accrued Income	870	931
	1,136,966	1,151,333

SCHEDULE : 6

Interest		
	01-04-2009 to 31-03-2010	01-04-2008 to 31-03-2009
	Rs.	Rs.
Interest from banks and others	179,454	754,411
Discounting Charges	-	664,117
	179,454	1,418,528

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS INCOME PLUS

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

SCHEDULE 7 NOTES ON ACCOUNTS

All amounts mentioned rupees in lakhs

1 SIGNIFICANT ACCOUNTING POLICIES

1.1. INVESTMENTS

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies.

Investments are marked to market. In valuing the Scheme's investments:

a) Government Securities

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

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

b) Other Securities

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

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

1.2. INCOME RECOGNITION

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

1.3. EXPENSES

Expenses are accounted for on accrual basis.

1.4. LOAD

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

1.5. EQUALISATION ACCOUNT

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	77.98	188.02
Management fee @ 1.00% of average daily net asset value.(Previous year 1.00%)	0.78	1.88

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)	-	241.56
%	0.00%	128.48%
SALES VALUE (AMOUNT)	-	637.86
%	0.00%	339.25%

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	NIL	NIL
% to the asset under management	NIL	NIL

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	2.30%	7.54%
EXPENDITURE	1.89%	1.87%

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)	0.03	0.13
Indus Ind Bank Ltd (Associate)	NIL	NIL

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


(% of total investment within the classification)

NIL

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	0.001	0.001
Add.: Amount received on Sale / Repurchase of units (net)	-	-
Less: Amount Adjusted towards Brokerage & Marketing Exp	0.001	0.001
Less: Transferred to Income	-	-
Closing Balance	0.001	0.001

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.Nil 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 surplus 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

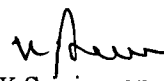
Full portfolio of the scheme is given in Annexure - II

13. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

Signatures to the schedules 1 to 7 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



P P Raman
Managing Director

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


K V Ramanathan
Chairman


S Viji
Director


R Rajamani
Director


Francois Mouzay
Director

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

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	0.3324		2.25		2.51	
(ii) income from profit on inter scheme sales/transfer of investments	0.0000		0.00		0.00	
(iii) income from profit on sale of investment to third parties	0.0000		0.00		0.00	
(iv) transfer to revenue account from past year's reserves	0.0000		0.00		-	
(B) Aggregate of expenses, write off, amortisation and charges	0.2730		0.56		1.37	
(C) Net income	0.0594		1.70		1.14	
(D) Net unrealised appreciation/(diminution) in value of investments	0.0000		0.00		0.00	
	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value	11.784	14.5134	11.7347	14.4528	11.1712	13.7584
(F) Highest repurchase price*	11.7788	14.5091	11.7308	14.4452	11.1503	13.7522
Lowest repurchase price*	11.7438	14.4532	11.1712	13.7584	10.6201	12.8325
Highest ongoing sale price			0.0000	0.0000	10.9070	13.4267
Lowest ongoing sale price			0.0000	0.0000	10.6382	12.8945
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	1.89%		1.87%		2.09%	
(H) Ratio of gross income to average daily net assets by percentage	2.30%		7.54%		14.60%	

* includes entry load as applicable

15. Computation of Distributable Income

	31.03.10	31.03.09
Net Income as per revenue account	- 269,615.00	(4,997,731)
Add : Balance of Undistributed income as at 1st April brought forward	2,065,153.00	7,062,884
	1,795,538	2,065,153
Less : Income Distributed during the year		-
Distributable Income	1,795,538	2,065,153

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

Annexure - II

SUNDARAM BNP PARIBAS INCOME PLUS				
Portfolio Statement for the period ended 31st March, 2010				
Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
A) Debt Instruments				
a) Listed / awaiting listing on Stock Exchange				
NIL				
B) Money Market Instruments				
NIL				
Subtotal			-	0.00%
C) Others				
REVERSE REPO / CBLO/CBLO			63.96	100.00%
Grand Total			63.96	100.00%

** Thinly traded / Non Traded securities