

# 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

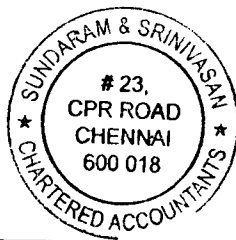
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS MONEY FUND** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility is to express our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

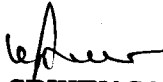
On the basis of the audit as indicated above, we report as follows:-

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 MONEY FUND** 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 MONEY FUND** for the year ended on March 31, 2010.

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



Place: Chennai  
Date: 25<sup>th</sup> 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
<b>LIABILITIES</b>			
Unit Capital	1	2,004,755,715	7,216,717,609
Reserves & Surplus	2	743,055,984	2,839,884,682
Loans	3	-	198,943,777
Current Liabilities & Provisions	4	20,383,388	141,600,557
		<b>2,768,195,087</b>	<b>10,397,146,625</b>
<b>ASSETS</b>			
Investments	5	2,735,684,348	10,188,005,765
Deposits	6	1,469,188	1,219,119
Other Current Assets	7	31,041,551	207,921,741
		<b>2,768,195,087</b>	<b>10,397,146,625</b>


Notes on Accounts

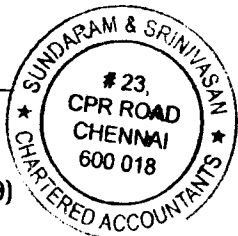
10


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

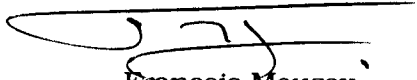
  
T P Raman  
Managing Director

**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

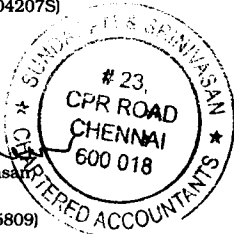
Date : 25th June 2010

## REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

		Amount, Rs			
	Schedule No.	2009-10		2008-09	
<b>REVENUE</b>					
Interest	8	304,885,074		513,966,070	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		5,836,886		7,270,160	
Net profit on inter scheme transfer / sale of investments		-		41,985	
<b>TOTAL (A)</b>		<b>310,721,960</b>		<b>521,278,215</b>	
<b>EXPENSES</b>			<b>310,721,960</b>		<b>521,278,215</b>
Loss on inter scheme transfer / sale of investments		187,992		-	
Management fee		9,729,386		6,823,466	
Trusteeship fee		672,708		625,361	
Commission to Agents		7,432,330		5,117,787	
Publicity expenses		70,588		-	
Audit fee		199,468		199,509	
Other operating expenses (Including Marketing Expenses - Rs.2957969/- (Previous Year Rs.1427099/-))		4,763,834		1,929,384	
Custodian charges		1,168,432		1,354,326	
Registrar expenses		3,399,659		3,207,968	
SEBI Fees		92,694		-	
Less : Amount transferred from Load on account of Marketing Expenses		<b>27,717,091</b>		<b>19,257,801</b>	
<b>TOTAL (B)</b>			<b>27,717,091</b>		<b>19,257,801</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>283,004,869</b>		<b>502,020,414</b>
Add/(Less) : Balance in Equalisation Account			(2,299,036,783)		2,219,056,230
			<b>(2,016,031,914)</b>		<b>2,721,078,644</b>
Less: Income Distributed		62,962,679		155,812,563	
Distribution Tax		17,834,105		44,140,860	
			<b>80,796,784</b>		<b>199,953,423</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(2,096,828,698)</b>		<b>2,521,123,221</b>

Notes on Accounts  
As per our Report of even date

10

For  
Sundaram & Srinivasan  
Chartered Accountants  
(FRN.: 004207S)K Srinivasan  
Partner  
(M.NO : 5809)For  
Sundaram BNP Paribas Asset Management Company LtdK. Ramkumar  
Fund ManagerT.S.Sritharan  
Chief Financial OfficerT P Raman  
Managing DirectorFor and on Behalf of  
Sundaram BNP Paribas Trustee Company LtdK V Ramanathan  
ChairmanS Vij  
DirectorR. Rajamani  
DirectorFrancois Mouzay  
DirectorPlace : Chennai  
Date : 25th June 2010

**SCHEDULE : 1****Unit Capital**

	31/03/2010		31/03/2009	
	UNITS	AMOUNT	UNITS	AMOUNT
<b>Initial capital</b>	<b>18,999,000.00</b>	<b>189,990,000</b>	<b>18,999,000.00</b>	<b>189,990,000</b>
<b>Unit Capital</b>				
Opening Capital	721,671,760.91	7,216,717,609	293,608,685.65	2,936,086,857
Add: Units sold during the year	21,244,891,458.07	212,448,914,581	18,032,736,267.06	180,327,362,670
	21,966,563,218.98	219,665,632,190	18,326,344,952.71	183,263,449,527
Less : Units repurchased during the year	21,766,087,647.43	217,660,876,475	17,604,673,191.80	176,046,731,918
Units at the end of the Year	200,475,571.55	2,004,755,715	721,671,760.91	7,216,717,609
		<b>2,004,755,715</b>		<b>7,216,717,609</b>

**SCHEDULE : 2****Reserves & Surplus**

	31/03/2010		31/03/2009	
	Rs.		Rs.	
<b>General Reserve</b>				
Opening Balance	2,839,884,682		318,761,461	
Add /(Less): Transfer from Revenue Account	(2,096,828,698)		2,521,123,221	
		<b>743,055,984</b>		<b>2,839,884,682</b>
<b>Unrealised appreciation reserve</b>				
Opening Balance	-		183,879	
Add/(Less) Net unrealized appreciation for the year (Schedule 9)	-		(183,879)	
Unrealised Appreciation Reserve		-		-
		<b>743,055,984</b>		<b>2,839,884,682</b>

**SCHEDULE : 3****Loans**

	31/03/2010	31/03/2009
	Rs.	Rs.
Loans from Other Commercial Banks	-	198,943,777
Rate of Interest : 18 % p.a (Met by Asset Management Co.)		
Source : Overdraft from HDFC Bank		
Terms : Clean OD		
* Met by Asset Management Co.		
	-	<b>198,943,777</b>

## SUNDARAM BNP PARIBAS MUTUAL FUND

## SUNDARAM BNP PARIBAS MONEY FUND

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

### SCHEDULE 10

*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	67,270.73	62,536.07
Management fee @ 0.14% of average daily net asset value. (Previous year 0.11%)	97.29	68.23

## 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
<b>PURCHASE VALUE (AMOUNT)</b>	<b>867,829.97</b>	<b>952,923.56</b>
%	1290.06%	1523.80%
<b>SALES VALUE (AMOUNT)</b>	<b>935,174.22</b>	<b>889,670.81</b>
%	1390.17%	1422.65%

## 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
<b>INCOME</b>	<b>4.62%</b>	<b>8.69%</b>
<b>EXPENDITURE</b>	<b>0.41%</b>	<b>0.30%</b>

## 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)	1.41	2.34
Sundaram Finance Distribution Ltd (Subsidiary of Sponsor)	(0.03)	0.20
Indus Ind Bank Ltd (Associate)	0.01	0.03

## 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:

Refer Annexure - II

9. a. **Accounting Standard – 3 on Cash Flow statement**

The Cash flow statement as required by the Accounting Standard 3 issued by the Institute of Chartered Accountants of India is enclosed as Annexure – <sup>A</sup>✓

9. b. **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. c. **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. 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.

## 11. PORTFOLIO DISCLOSURE

Full portfolio of the scheme is given in Annexure - III

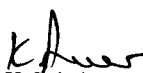
## 12. MOVEMENT IN UNIT CAPITAL

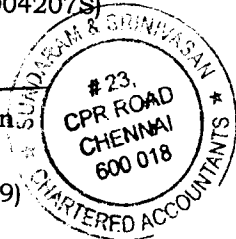
As Per Schedule-I

Signatures to the schedules 1 to 10 are forming part of the Balance Sheet and the Revenue Account.

**For Sundaram & Srinivasan  
Chartered Accountants**


(FRN No.: 0042079)


  
K Srinivasan  
Partner  
(M.No : 5809)




**For Sundaram BNP Paribas Asset Management Company Ltd**

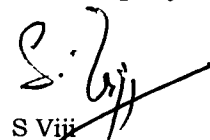
  
K Ramkumar  
Fund Manager

  
T S Sritharan  
Chief Financial Officer


  
T P Raman  
Managing Director

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

  
K V Ramanathan  
Chairman

  
S Viji  
Director

  
R Rajamani  
Director

  
Francois Mouzay  
Director

**Place : Chennai**

**Date : 25th June, 2010**



## Annexure - II

SUNDARAM BNP PARIBAS MONEY FUND		
	% of total investments within the classification	
	2009-2010	2008-2009
<b>A) Debt Instruments</b>		
<b>a) Listed / awaiting listing on Stock Exchange</b>		
Finance	NIL	100.00%
<b>b) Privately Placed</b>	NIL	-

## Annexure - III

SUNDARAM BNP PARIBAS MONEY FUND				
Portfolio Statement for the period ended 31st March, 2010				
Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
<b>A) Debt Instruments</b>				
<b>a) Listed / awaiting listing on Stock Exchange</b>				
	NIL			
<b>b) Privately Placed</b>				
	NIL			
<b>c) Securitized Debt Instruments</b>				
	Nil			
<b>B) Money Market Instruments</b>				
ICICI BANK	PR1+	2500	2474.79	9.05%
FEDERAL BANK	P1+	300	299.40	1.09%
CENTRAL BANK OF INDIA	PR1+	2500	2473.56	9.04%
PUNJAB NATIONAL BANK	PR1+	5500	5463.74	19.97%
AXIS BANK	P1+	3000	2974.53	10.87%
SIDBI	PR1+	500	495.24	1.81%
IDBI BANK	A1+	5525	5464.73	19.98%
UCO BANK	P1+	1600	1583.36	5.79%
ICICI SECURITIES PD	P1+	210	1049.04	3.83%
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	PR1+	395	1953.33	7.14%
SUNDARAM FASTENERS LIMITED	P1+	200	987.94	3.61%
HCL INFOSYSTEMS LIMITED	A1+	210	1034.88	3.78%
ADITYA BIRLA FINANCE LIMITED	A1+	200	985.39	3.60%
<b>Sub Total</b>			<b>27239.92</b>	<b>99.57%</b>
<b>C) Others</b>				
REVERSE REPO / CBLO			116.92	0.43%
<b>GRAND TOTAL</b>			<b>27,356.84</b>	<b>100.00%</b>

\*\* Thinly traded / Non Traded securities

## 13. HISTORICAL PER UNIT STATISTICS

		2009-10 Rs.			2008-09 Rs.			2007-08 Rs.		
(A)	Gross income									
	(i) income other than profit on sale of investment	1.5208			0.7122			2.2933		
	(ii) income from profit on inter scheme sales/transfer of investments	0.0009			0.0001			0.0699		
	(iii) income from profit on sale of investment to third parties	0.0291			0.0101			0.0174		
	(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	0.1383			0.0267			0.0784		
(C)	Net income	1.4125			0.6957			2.3023		
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0000			(0.0003)			0.0006		
(E)	Net Assets Value	Regular	Institutional	Super Institutional	Regular	Institutional	Super Institutional	Regular	Institutional	Super Institutional
	Growth	18.9065	19.1499	19.3898	18.2773	18.4307	18.5994	16.8952	16.9814	17.0877
	Daily Dividend	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953
	Weekly Dividend	10.6519	10.7489	10.6077	10.6077	10.6426	10.6426	10.4618	10.4894	10.4966
	Fortnightly Dividend	10.4314		10.4172	10.4172	10.3622	10.3585	10.2456	10.2910	
	Monthly Dividend	10.3063	10.3566	10.3132	10.3132	10.3622	10.2456	10.2456	10.2910	
	Quarterly Dividend	10.7634	10.8844	10.7012	10.7012	10.9260	10.4649	10.4649		
(F)	Highest repurchase price									
	Growth	18.9046	19.1454	19.3873	18.2745	18.412	18.5961	16.8865	16.9261	17.0788
	Daily Dividend	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953
	Weekly Dividend	10.6559	10.6606	10.6548	10.606	10.832	10.6446	10.5393	10.554	10.5651
	Fortnightly Dividend	10.4169		10.4158	10.4158	10.3498	10.3498	10.3498	10.3498	
	Monthly Dividend	10.3209	10.3463	10.3273	10.3273	10.3468	10.2426	10.2426	10.2648	
	Quarterly Dividend	10.7764	11.0337	11.0661	10.7988	10.9416	10.6228	10.6228	10.4387	
	Lowest repurchase price									
	Growth	18.2802	18.4339	18.6028	16.8991	17.0034	17.0918	15.7266	15.7834	15.8396
	Daily Dividend	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953
	Weekly Dividend	10.6055	10.6381	10.6426	10.4641	10.5033	10.5014	10.3514	10.3857	10.4322
	Fortnightly Dividend	10.4016		10.3441	10.3441	10.2433	10.2433	10.2433	10.2433	
	Monthly Dividend	10.2711	10.3177	10.2452	10.2452	10.3221	10.1455	10.1455	10.1943	
	Quarterly Dividend	10.6066	10.8157	11.0661	10.4946	10.8257	10.2588	10.2588	10.3541	
	Highest ongoing sale price									
	Growth	18.9046	19.1477	19.3873	18.2745	18.4276	18.5961	16.8865	16.9726	17.0665
	Daily Dividend	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953
	Weekly Dividend	10.6552	10.743	10.6414	10.606	10.6116	10.6408	10.5393	10.5583	10.5616
	Fortnightly Dividend	10.4236		10.4116	10.4116	10.3518	10.3518	10.3518	10.3518	
	Monthly Dividend	10.3209	10.353	10.3278	10.3278	10.372	10.2426	10.2426	10.26	
	Quarterly Dividend	10.7391	11.0463	11.0525	10.7798	10.9224	10.6276	10.6276	10.417	
	Lowest ongoing sale price									
	Growth	18.2802	18.4339	18.6028	16.8991	16.9930	17.0918	15.7266	15.7834	15.8396
	Daily Dividend	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953	10.0953
	Weekly Dividend	10.6055	10.6298	10.6414	10.4605	10.4966	10.493	10.3514	10.3877	10.3938
	Fortnightly Dividend	10.4102		10.3309	10.3309	10.2365	10.2365	10.2365	10.2365	
	Monthly Dividend	10.2721	10.3295	10.2423	10.2423	10.3168	10.1412	10.1412	10.1884	
	Quarterly Dividend	10.6163	10.8058	11.0499	10.4695	10.7894	10.2563	10.2563	10.297	
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.41%			0.30%			0.25%		
(H)	Ratio of gross income to average daily net assets by percentage	4.62%			8.69%			7.62%		

## 14. Computation of Distributable Income

	31/03/2010	31/03/2009
Net Income as per revenue account	(2,016,031,914)	2,721,076,644
Add : Balance of Undistributed income as at 1st April brought forward	2,839,884,682	318,761,461
	823,852,768	3,039,838,105
Less : Income Distributed during the year	80,796,784	199,953,423
Distributable Income	743,055,984	2,839,884,682

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