

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 MONTHLY INCOME PLAN** 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 MONTHLY INCOME PLAN** as at March 31, 2010 and
 - b) In the case of Revenue Account of the **Surplus** of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS MONTHLY INCOME PLAN** 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	292,106,233	181,455,943
Reserves & Surplus	2	97,031,132	26,101,782
Current Liabilities & Provisions	3	5,220,163	1,545,125
		394,357,528	209,102,850
ASSETS			
Investments	4	375,994,782	202,917,127
Other Current Assets	5	18,362,746	6,185,723
		394,357,528	209,102,850

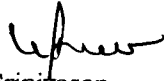
Notes on Accounts

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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

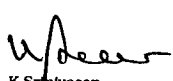
Place : Chennai

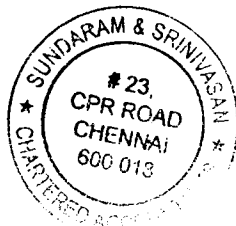
Date : 25th June 2010

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

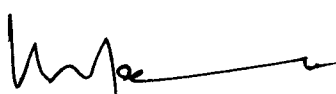
	Schedule No.	Amount, Rs	
		01-04-2009 to 31-03-2010	01-04-2008 to 31-03-2009
REVENUE			
Dividend		414,270	344,552
Interest	6	13,568,936	20,423,878
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		8,595,375	-
Net profit on inter scheme transfer / sale of investments		42,224	-
Net Diminution on investments written back		14,835,000	
TOTAL (A)		37,455,805	20,768,430
EXPENSES			
Net diminution in value of investment	7	-	11,501,749
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		-	16,135,477
Loss on inter scheme transfer / sale of investments		-	1,649,666
Management fee		2,321,299	2,281,975
Trusteeship fee		27,306	26,846
Commission to Agents		1,118,895	2,468,359
Publicity expenses		132,872	919,322
Audit fee		34,290	34,517
Other operating expenses (Including Marketing Expenses Rs.959597/- (Previous Year Rs.1202450)		1,481,691	1,583,608
Custodian charges		61,358	69,900
Registrar expenses		428,398	351,619
SEBI Fees		1,867	-
Less : Amount transferred from Load on account of Marketing Expenses		5,607,976	37,023,039
TOTAL (B)		5,607,976	34,818,726
SURPLUS / (DEFICIT) (A-B)		31,847,829	(14,050,296)
Add/(Less) : Balance In Equalisation Account		38,523,733	5,176,220
Less: Income Distributed		70,371,562	(8,874,076)
Distribution Tax		1,401,969	-
		209,650	-
Surplus /(Deficit) transferred to Balance Sheet		1,611,619	(8,874,076)
		68,759,943	(8,874,076)

Notes on Accounts
As per our Report of even date
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)


K Srinivasan
Partner
(M.NO : 5809)

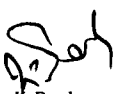



For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd


K V Ramanathan
Chairman

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For
Sundaram BNP Paribas Asset Management Company Ltd

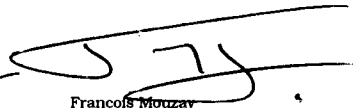

K Ramkumar
Fund Manager


T.S. Sritharan
Chief Financial Officer


T P Raman
Managing Director


S Viji
Director


R. Rajasani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June 2010

SCHEDULE : 1**Unit Capital**

	31/03/2010		31/03/2009	
	UNITS	AMOUNT	UNITS	AMOUNT
	235,839,195.69	2,358,391,957	235,839,195.69	2,358,391,957
Initial capital				
Unit Capital				
Opening Capital	18,145,594.33	181,455,944	19,555,882.29	195,558,822
Add: Units sold during the year	23,173,486.89	231,734,869	11,481,992.34	114,819,924
Less : Units repurchased during the year	41,319,081.22	413,190,813	31,037,874.63	310,378,746
	12,108,457.96	121,084,580	12,892,280.30	128,922,803
Units at the end of the Year	29,210,623.26	292,106,233	18,145,594.33	181,455,943
		292,106,233		181,455,943

SCHEDULE : 2**Reserves & Surplus**

	31/03/2010		31/03/2009	
	Rs.		Rs.	
Unit Premium Reserve				
Amount Received on Sale / Repurchase of Units (net)	367,398	367,398		23,172,556
General Reserve				
Opening Balance	23,172,556		32,046,632	
Add /(Less): Transfer from Revenue Account	68,759,943	91,932,499	(8,874,076)	
Unrealised appreciation reserve				
Opening Balance	2,929,226		2,285	
Add/(Less) Net unrealized appreciation for the year	1,802,009		2,926,941	
Unrealised Appreciation Reserve (Schedule 7)		4,731,235		2,929,226
		97,031,132		26,101,782

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	5,156,515	1,493,354
Distributed Income Payable (136 Warrants)	31,584	31,584
Others	32,064	20,187
	5,220,163	1,545,125

SCHEDULE : 4**Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
Equity Shares	50,880,763	30,404,220
Privately Placed Debentures & Bonds	66,573,664	-
Non-Convertible Debentures	149,358,764	80,767,122
Government Securities	7,290,890	76,050,000
Certificate of Deposits	100,103,281	-
Commercial Papers	488,310	-
Investment in Reverse Repo / CBLO	1,299,110	15,695,786
	375,994,782	202,917,127

SCHEDULE : 5**Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	5,133,888	2,508,795
Outstanding and accrued Income	8,918,427	3,333,397
Others	4,310,430	343,531
	18,362,745	6,185,723

SCHEDULE : 6**Interest**

	01-04-2009 TO 31-03-2010	01-04-2008 TO 31-03-2009
	Rs.	Rs.
Interest from banks and others	5,234,307	5,038,479
Interest on Debentures and Bonds	6,266,347	8,789,681
Discounting Charges	2,068,282	6,595,718
	13,568,936	20,423,878

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

	01-04-2009 TO 31-03-2010	01-04-2008 TO 31-03-2009
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	3,304,141	2,527,703.00
Central Government Securities	5,387	-
Debentures / Bonds listed / awaiting listing on the recognised stock exchange	1,421,706	399,238.00
Unrealised appreciation reserve (schedule 2)	4,731,234	2,926,941
Diminution in the value of investments	4,731,234	-

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS MONTHLY INCOME PLAN

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

SCHEDULE 8

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) Dividend is accounted on accrual basis and recognized on ex-dividend dates.
- (ii) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (iii) Income on investments is accounted on accrual basis.
- (iv) 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	2,730.85	2,684.59
Management fee @ 0.85% of average daily net asset value.(Previous year 0.85%)	23.21	22.82

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)	14,233.60	17,473.93
%	521.22%	650.90%
SALES VALUE (AMOUNT)	12,525.23	17,437.31
%	458.66%	649.53%

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	2,159.32	241.20
% to the asset under management	55.00%	14.53%

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	13.72%	7.74%
EXPENDITURE	2.05%	2.06%

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)	0.52	0.36
Indus Ind Bank Ltd (Associate)	0.11	NIL

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

(% of total investment within the classification)

Refer Annexure - II

9. a. Accounting Standard 17 on Segment Reporting

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

9. b. Accounting Standard 18 on Related Party Disclosures

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

'10. LOAD COLLECTED AND UTILISED

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Opening Balance	1.37	22.04
Add.: Amount received on Sale / Repurchase of units (net)	1.76	1.38
Less: Amount Adjusted towards Brokerage & Marketing Exp	-	23.42
Less: Transferred to Income	-	-
Closing Balance	3.13	1.37

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 surplus, 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 lower by Rs.3.67 lakhs 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

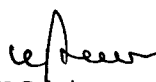
Full portfolio of the scheme is given in Annexure - III

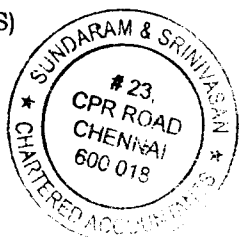
13. MOVEMENT IN UNIT CAPITAL

As Per Schedule-I

Signatures to the schedules 1 to 8 are forming part of the Balance Sheet and the Revenue Account.


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


K Srinivasan
Partner
(M.No : 5809)



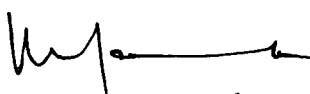
For Sundaram BNP Paribas Asset Management Company Ltd

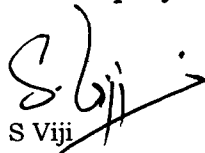

K Ramkumar
Fund Manager


T S Sritharan
Chief Financial Officer

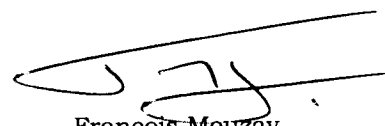

T P Raman
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd


K V Ramanathan
Chairman


S Viji
Director


R Rajamani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June, 2010

Annexure - II

SUNDARAM BNP PARIBAS MONTHLY INCOME PLAN

	% of total investments within the classification	
	2009-2010	2008-2009
A) Equity & Equity Linked Instruments		
FINANCIAL SERVICES	22.22%	-
TELECOM	20.98%	-
ENERGY	20.83%	6.32%
INDUSTRIAL MANUFACTURING	35.97%	-
METALS	-	5.34%
CONSUMER DURABLES	-	3.33%
B) Debt Instruments		
a) Listed / awaiting listing on Stock Exchange		
FINANCE	75.22%	-
DIVERSIFIED	24.78%	-
Banking & Finance	-	26.83%
Infrastructure	-	11.89%
b) Privately Placed		
COMMUNICATIONS	75.17%	-

Annexure - III

Portfolio Statement for the Month of March 31, 2010
SUNDARAM BNP PARIBAS MONTHLY INCOME PLAN

SI No	Investment	Industry / Ratings	Quantity	Market Value Rs.in Lakhs	% of NAV
A)	Equity & Equity Linked Instruments				
a)	Listed / awaiting listing on Stock Exchanges				
1	State Bank of India	FINANCIAL SERVICES	5441	113.08	2.91%
2	Bharti Airtel Limited	TELECOM	34157	106.76	2.74%
3	Reliance Industries Ltd.	ENERGY	9865	105.97	2.72%
4	Larsen & Toubro Ltd.	INDUSTRIAL MANUFACTURING	5986	97.62	2.51%
5	Crompton Greaves Ltd.	INDUSTRIAL MANUFACTURING	32718	85.38	2.19%
	EQUITY TOTAL			508.81	13.08%
B)	Debt Instruments				
a)	Listed / awaiting listing on Stock Exchanges				
	NCDs				
	HOUSING DEVELOPMENT FINANCE CORP **	AAA	23	230.53	6.13%
	NABARD **	AAA	8	80.70	2.15%
	POWER FINANCE CORPORATION **	AAA	20	200.00	5.32%
	BAJAJ AUTO FINANCE LTD **	AA+	1	101.21	2.69%
	ADITYA BIRLA NUVO LTD **	AA+	35	370.14	9.84%
	RELIANCE CAPITAL LTD **	AAA	50	511.02	13.59%
	SUBTOTAL			1,493.59	39.72%
b)	Privately placed / Unlisted				
	TRENT LTD **	LAA-	4200	24.50	0.65%
	TATA SONS LTD **	AAA	4	40.36	1.07%
	IL & FS FINANCIAL SERVICES LIMITED **	A1+	10000	100.41	2.67%
	TATA COMMUNICATIONS LIMITED **	AAA	50	500.47	13.31%
	SUBTOTAL			665.74	17.71%
c)	Government Securities				
	6.35% Govt Securities 02/01/2020	GSEC	81100	72.91	1.94%
	SUBTOTAL			72.91	1.94%
d)	Money Market Instruments				
	STATE BANK OF TRAVANCORE	P1+	300	290.03	7.71%
	ORIENTAL BANK OF COMMERCE	P1+	500	473.79	12.60%
	BAJAJ AUTO FINANCE LIMITED	P1+	1	4.88	0.13%
	ICICI BANK	A1+	250	237.21	6.31%
	SUBTOTAL			1,005.91	26.75%
	Reverse Repo / CBLO			12.99	0.35%
	TOTAL NET ASSETS			3,759.94	100.00%

** Thinly Traded / Non Traded Securities

14 Sundaram BNP Paribas Monthly Income Plan

14.14. Historical Per Unit Statistics	2009-2010				2008-2009				2007-08			
	Rs.				Rs.							
Gross Income												
Income other than profit on sale of investments												
Income from profit on inter scheme sales/transfer of investments			0.4787				1.1445		1.0900			
Income from profit on sale of investments to third parties			0.0014				-0.0909		0.0393			
Transfer from revenue account from past years reserves			0.2943				-0.8892		0.6318			
			0.0000				0.0000		0.0000			
Aggregate of expenses, writeoff and charges			0.1920				0.3049		0.3397			
Net Income			0.5824				-0.1404		1.4214			
Net unrealised appreciation/(Diminution) in value of investments			0.1620				0.4726		0.1703			
Net Assets Value	Monthly	Qrtly	Half-yearly	Growth	Monthly	Qrtly	Half-yearly	Growth	Monthly	Qrtly	Half-yearly	Growth
	10.9242	11.0907	11.1505	14.9793	9.6115	9.8682	9.7181	13.0554	9.9690	10.2411	10.0856	13.5474
Highest Repurchase Price	10.9274	11.0906	11.0253	14.9837	9.9941	10.2670	10.0905	13.5806	10.6615	11.1962	11.4382	14.1404
Lowest Repurchase Price	9.6880	10.0067	10.0625	13.0935	9.1851	9.4304	9.2786	12.4761	9.8914	10.2396	10.4993	12.4613
Highest Ongoing Sale Price	10.9274	11.0819	11.1232	14.9837	9.9941	10.2630	10.0884	13.5806	10.6615	11.0452	11.3718	14.1404
Lowest ongoing Sale Price	9.6115	9.9467	9.7181	13.0554	9.1851	9.7492	9.2870	12.4761	9.9249	10.3155	10.4917	12.5239
Ratio of expenses to average daily net assets by percentage			2.05%				2.06%				2.07%	
Ratio of gross income to average daily net assets by percentage			13.72%				7.74%				10.50%	

15. Computation of Distributable Income

	31/03/2010	31/03/2009
Net Income as per revenue account	70,371,562	(8,874,076)
Add : Balance of Undistributed income as at 1st April brought forward	23,172,556	32,046,632
	93,544,118	23,172,556
Less : Income Distributed during the year	1,611,619	-
Distributable Income	91,932,499	23,172,556

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