

# 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

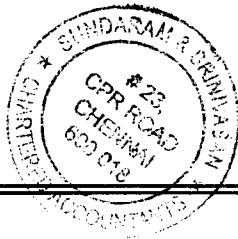
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS SELECT DEBT - SHORT TERM ASSET PLAN** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility 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 SELECT DEBT - SHORT TERM ASSET PLAN** 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 SELECT DEBT - SHORT TERM ASSET 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
<b>LIABILITIES</b>			
Unit Capital	1	565,591	1,902,098
Reserves & Surplus	2	180,445	774,301
Current Liabilities & Provisions	3	226,509	230,580
		<b>972,545</b>	<b>2,906,979</b>
<b>ASSETS</b>			
Investments	4	699,521	2,544,520
Other Current Assets	5	273,024	362,459
		<b>972,545</b>	<b>2,906,979</b>


Notes on Accounts

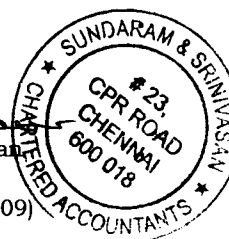
7

As per our Report of even date


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

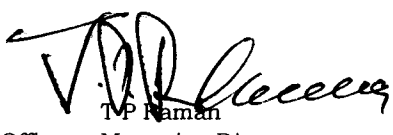
**For**  
**Sundaram BNP Paribas Asset Management Company Ltd**

  
K Srinivasan  
Partner  
(M.NO : 5809)

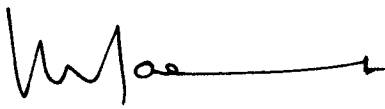


  
K. Ramkumar  
Fund Manager


  
T.S. Sritharan  
Chief Financial Officer

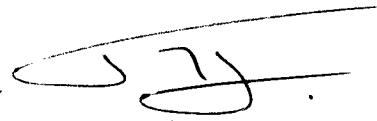
  
T.P. Raman  
Managing Director

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

  
K V Ramanathan  
Chairman

  
S Viji  
Director

  
R. Rajaramani  
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	6	25,738		579,925	
<b>TOTAL (A)</b>		<b>25,738</b>	<b>25,738</b>	<b>579,925</b>	<b>579,925</b>
<b>EXPENSES</b>					
Management fee		2,357		16,729	
Trusteeship fee		120		837	
Audit fee		3,822		5,565	
Other operating expenses [Including Marketing Expenses Nil(previous year Rs.Nil)]		387		18,949	
Custodian charges		-		1,005	
Registrar expenses		822		10,038	
<b>TOTAL (B)</b>		<b>7,508</b>	<b>7,508</b>	<b>53,123</b>	<b>53,123</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>18,230</b>		<b>526,802</b>
Add/(Less) : Balance in Equalisation Account			(610,707)		(4,109,213)
			<b>(592,477)</b>		<b>(3,582,411)</b>
<b>Less: Income Distributed</b>		1,209		37,259	
Distribution Tax		170	<b>1,379</b>	5,278	<b>42,537</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(593,856)</b>		<b>(3,624,948)</b>

Notes on Accounts

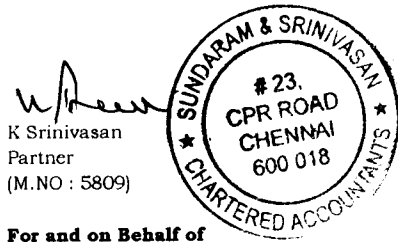
As per our Report of even date

For

**Sundaram & Srinivasan**

Chartered Accountants

(FRN.: 004207S)



For and on Behalf of

**Sundaram BNP Paribas Trustee Company Ltd**

7

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

K V Ramanathan  
Chairman

Place : Chennai

Date : 25th June 2010

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

	31/03/2010		31/03/2009	
	UNITS	AMOUNT	UNITS	AMOUNT
<b>Initial capital</b>	<b>24,285,600.00</b>	<b>242,856,000</b>	<b>24,285,600.00</b>	<b>242,856,000</b>
<b>Unit Capital</b>				
Opening Capital	190,209.83	1,902,098	1,256,168.88	12,561,688
Add: Units sold during the year	112.07	1,121	4,169.71	41,698
Less : Units repurchased during the year	190,321.90	1,903,219	1,260,338.59	12,603,386
	133,762.80	1,337,628	1,070,128.76	10,701,288
Units at the end of the Year	56,559.10	565,591	190,209.83	1,902,098
		<b>565,591</b>		<b>1,902,098</b>

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

	31/03/2010		31/03/2009	
	Rs.		Rs.	
<b>General Reserve</b>				
Opening Balance	774,301		4,399,249	
Add /(Less): Transfer from Revenue Account	(593,856)		(3,624,948)	
		<b>180,445</b>		<b>774,301</b>
		<b>180,445</b>		<b>774,301</b>

**SCHEDULE : 3****Current Liabilities & Provisions**

	31/03/2010	31/03/2009
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	224,956	228,920
Distributed Income Payable ( No of warrant 1 )	982	982
Others	571	678
	<b>226,509</b>	<b>230,580</b>

**SCHEDULE : 4**

**Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
Investment in Reverse Repo / CBLO	699,521	2,544,520
	<b>699,521</b>	<b>2,544,520</b>

**SCHEDULE : 5**

**Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	272,912	362,145
Outstanding and accrued Income	112	314
	<b>273,024</b>	<b>362,459</b>

**SCHEDULE : 6**

**Interest**

	<b>31-03-2010</b>	<b>31-03-2009</b>
	Rs.	Rs.
Interest from banks and others	25,738	339,707
Discounting Charges	-	240,218
	<b>25,738</b>	<b>579,925</b>

**SUNDARAM BNP PARIBAS MUTUAL FUND**  
**SUNDARAM BNP PARIBAS SELECT DEBT SHORT TERM**

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	11.78	83.64
Management fee @ 0.17% of average daily net asset value. (Previous year 0.20%)	0.02	0.16

**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>NIL</b>
%	0.00%	
<b>SALES VALUE (AMOUNT)</b>	-	<b>96.07</b>
%	0.00%	114.86%

**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	<b>NIL</b>	<b>NIL</b>
% to the asset under management	<b>NIL</b>	<b>NIL</b>

**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>	2.18%	6.93%
<b>EXPENDITURE</b>	0.64%	0.63%

**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)	<b>NIL</b>	<b>NIL</b>
Indus Ind Bank Ltd (Associate)	<b>NIL</b>	<b>NIL</b>

**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



**q.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.

**q.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. PORTFOLIO DISCLOSURE**

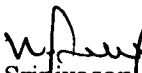
Full portfolio of the scheme is given in Annexure - II

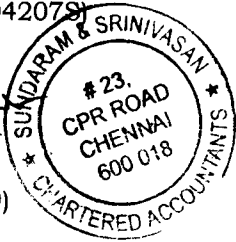
**11. MOVEMENT IN UNIT CAPITAL**

As Per Schedule-I

Signatures to the schedules 1 to 7 are forming part of the Balance Sheet and the Revenue Account.

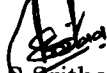
**For Sundaram & Srinivasan  
Chartered Accountants**  
(FRN No.: 0042079)

  
K Srinivasan  
Partner  
(M.No : 5809)



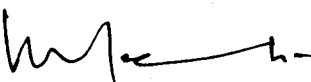
**For Sundaram BNP Paribas Asset Management Company  
Ltd**

  
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**

12. HISTORICAL PER UNIT STATISTICS

	2009-10 Rs.							2008-09 Rs.						
(A) Gross income														
(i) income other than profit on sale of investment							0.4551						3.0489	
(ii) income from profit on inter scheme sales/transfer of investments							0.0000						0.0000	
(iii) income from profit on sale of investment to third parties							0.0000						0.0000	
(iv) transfer to revenue account from past year's reserves							0.0000						0.0000	
(B) Aggregate of expenses, write off, amortisation and charges							0.1327						0.2793	
(C) Net income							0.3224						2.7696	
(D) Net unrealised appreciation/(diminution) in value of investments							0.0000						0.0000	
(E) Net Assets Value	Growth Option	Weekly Div	Fortnightly Dividend	Monthly Dividend	Quarterly Dividend	Half Yearly Dividend	Annual Dividend	Growth Option	Weekly Div	Fortnightly Dividend	Monthly Dividend	Quarterly Dividend	Half Yearly Dividend	Annual Dividend
	15.1981	11.3082	11.1264	10.8586	11.4186	11.0671	11.0765	14.9569	11.1672	10.9496	10.7382	11.2371	10.8910	10.9030
(F) Highest repurchase price	15.1912	11.1875		10.7790	11.3258			14.8584	11.1883	10.8528	10.7692	11.1790	10.5994	10.7469
Lowest repurchase price	14.9721	11.1447		10.7160	11.2581			14.1379	11.1613	10.8528	10.7036	10.7125	10.5994	10.6120
Highest ongoing sale price								0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Lowest ongoing sale price								0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage														0.63%
(H) Ratio of gross income to average daily net assets by percentage														6.93%

13. Computation of Distributable Income

	31/03/2010	31/03/2009
Net Income as per revenue account	-592477	(3,582,411)
Add : Balance of Undistributed income as at 1st April brought forward	774,301	4,399,249
	181,824	816,838
Less : Income Distributed during the year	1,379	42,537
Distributable Income	180,445	774,301

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

Annexure - II

SUNDARAM SELECT DEBT - SHORT TERM ASSET PLAN				
Portfolio Statement for the period ended 31st March, 2010				
Particulars	Ratings	Quantity	Rs. Lacs	in %
A) Debt Instruments	Nil			
B) Money Market Instruments	NIL		-	
C) Others				
REVERSE REPO / CBLO			7.00	100.00%
<b>GRAND TOTAL</b>			<b>7.00</b>	<b>100.00%</b>