

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

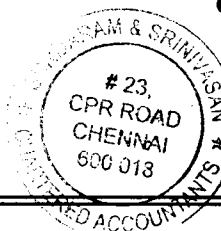
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **Sundaram BNP Paribas Ultra Short Term Fund(Formerly Sundaram BNP Paribas Liquid Plus)** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of 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 Ultra Short Term Fund(Formerly Sundaram BNP Paribas Liquid Plus)** 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 Ultra Short Term Fund(Formerly Sundaram BNP Paribas Liquid Plus)** for the year ended on March 31, 2010.

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



K. Srinivasan
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	7,264,420,654	6,285,140,077
Reserves & Surplus	2	642,142,613	501,474,998
Current Liabilities & Provisions	3	901,410,605	50,314,306
		8,807,973,872	6,836,929,381
ASSETS			
Investments	4	8,432,386,710	6,668,966,156
Other Current Assets	5	375,587,162	167,963,225
		8,807,973,872	6,836,929,381

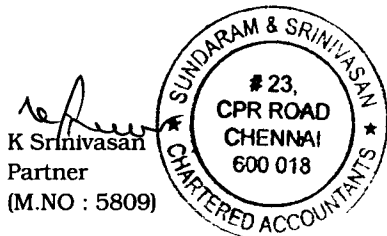
Notes on Accounts

8


As per our Report of even date


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

For
Sundaram BNP Paribas Asset Management Company Ltd



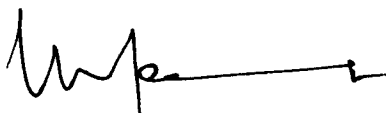
K Srinivasan
Partner
(M.NO : 5809)


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 MARCH 31, 2010

		Amount, Rs				
		Schedule No.	2009 - 2010		2008 - 2009	
REVENUE						
Interest		6	906,656,809		1,008,402,345	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)			26,364,656		19,216,031	
Net profit on inter scheme transfer / sale of investments			22,597,783		25,324,413	
TOTAL (A)			955,619,248	955,619,248	1,052,942,789	1,052,942,789
EXPENSES						
Management fee			25,050,235		17,974,694	
Trusteeship fee			1,906,622		1,193,092	
Commission to Agents			16,381,859		12,125,471	
Publicity expenses			96,933		-	
Audit fee			252,975		160,795	
Other operating expenses (Including Marketing Expenses Rs.9644395, Previous Year Rs.3485397)			13,624,320		6,402,490	
Custodian charges			2,887,855		2,187,282	
Registrar expenses			9,696,627		6,289,578	
SEBI Fees			61,029		-	
Less : Amount transferred from Load on account of Marketing Expenses			69,958,454		46,333,402	
TOTAL (B)			69,958,454		46,333,402	
SURPLUS / (DEFICIT) (A-B)			885,660,794		1,006,609,387	
Add/(Less) : Balance in Equalisation Account			(430,004,359)		(165,283,231)	
			455,656,435		841,326,156	
Less: Income Distributed			257,297,455		472,180,039	
Distribution Tax			53,386,860		96,070,200	
			310,684,315		568,250,239	
Surplus /(Deficit) transferred to Balance Sheet			144,972,120		273,075,917	

Notes on Accounts

8

As per our Report of even date

For


Sundaram & Srinivasan

Chartered Accountants

(FRN.: 004207S)


For

Sundaram BNP Paribas Asset Management Company Ltd

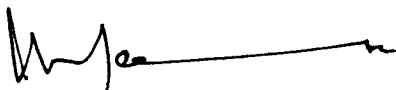


K Srinivasan
Partner
For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd



K. Ramkumar
Fund Manager

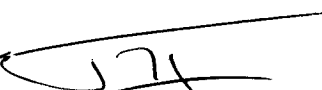

T.S. Sritharan
Chief Financial Officer


T.P. Raman
Managing Director


K.V. Ramanathan
Chairman


S. Vijji
Director


R. Rajamani
Director


Francois Mouzay
Director

Place : Chennai

Date : 25th June 2010

SCHEDULE : 1**Unit Capital**

	31/03/2010		31/03/2009	
	UNITS	AMOUNT	UNITS	AMOUNT
Initial capital	174,493,553.00	1,744,935,530	174,493,553.00	1,744,935,530
Unit Capital				
Opening Capital	628,514,007.70	6,285,140,077	852,635,517.16	8,526,355,172
Add: Units sold during the year	18,880,062,884.52	188,800,628,845	10,354,880,082.29	103,548,800,823
	19,508,576,892.22	195,085,768,922	11,207,515,599.45	112,075,155,995
Less : Units repurchased during the year	18,782,134,827.22	187,821,348,268	10,579,001,591.75	105,790,015,918
Units at the end of the Year	726,442,065.00	7,264,420,654	628,514,007.70	6,285,140,077
		7,264,420,654		6,285,140,077

SCHEDULE : 2**Reserves & Surplus**

	31/03/2010		31/03/2009	
	Rs.	Rs.	Rs.	Rs.
Unit Premium Reserve				
Amount Received on Sale / Repurchase of Units (net)	(281,669)	(281,669)	-	-
General Reserve				
Opening Balance	496,994,352	641,966,472	223,918,435	496,994,352
Add /(Less): Transfer from Revenue Account	144,972,120		273,075,917	
Unrealised appreciation reserve				
Opening Balance	4,480,646	457,810	867,277	4,480,646
Add/(Less) Net unrealized appreciation for the year	(4,022,836)		3,613,369	
Unrealised Appreciation Reserve (Schedule 7)				
		642,142,613		501,474,999

SCHEDULE : 3**Current Liabilities & Provisions**

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	79,952,724	9,849,075
Distributed Income Payable	1,268,859	66
Others	820,189,022	40,465,165
	901,410,605	50,314,306

SCHEDULE : 4**Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
Listed		
Non convertible debentures	522,524,997	802,575,361
Privately Placed		
Securitised debts	-	920,450,110
Non convertible debentures	481,035,000	587,000,402
Certificate of Deposits	5,793,425,971	3,208,452,339
Commercial Papers	1,631,703,275	1,054,214,109
Others-Reverse Repo/CBLO	3,697,467	96,273,835
	8,432,386,710	6,668,966,156

SCHEDULE : 5**Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	18,959,919	23,434,102
Outstanding and accrued Income	94,626,687	136,408,859
Others	262,000,556	8,120,264
	375,587,162	167,963,225

SCHEDULE : 6**Interest**

	31/03/2010	31/03/2009
	Rs.	Rs.
Interest from banks and others	36,718,313	26,341,431
Interest on Debentures and Bonds	286,989,758	225,482,739
Discounting Charges	582,948,738	732,796,781
Deep Discounting charges	-	23,781,393
	906,656,809	1,008,402,345

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

	31/03/2010	31/03/2009
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	-	-
Central Government Securities	-	-
Privately placed Debentures / Bonds	-	-
Debentures / Bonds listed / awaiting listing in the recognised stock exchange	457,810	4,480,646
Appreciation in value of investments	457,810	4,480,646
Diminution in value of investments\		
Equity Shares	-	-
Central Government Securities	-	-
Privately placed debentures / Bonds	-	-
Debentures & Bonds listed / awaiting listing in the Recognised stock exchange	-	-
	-	-
Net -Unrealised appreciation reserve (schedule 2)	457,810	4,480,646

SUNDARAM BNP PARIBAS MUTUAL FUND

Sundaram BNP Paribas Ultra Short Term 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 8 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	190,661.94	119,309.23
Management fee @ 0.13% of average daily net asset value. (Previous year 0.15%)	250.50	179.75

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)	2,129,217.01	969,784.57
%	1116.75%	812.83%
SALES VALUE (AMOUNT)	2,113,116.80	990,396.29
%	1108.31%	830.11%

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	10,035.60	3,609.96
% to the asset under management	13.00%	5.32%

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	5.01%	8.99%
EXPENDITURE	0.37%	0.39%

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)	6.85	1.55
Sundaram Finance Distribution Ltd (Subsidiary of Sponsor)	(0.06)	0.17
Indus Ind Bank Ltd (Associate)	0.02	0.02

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 – 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 – 1 ✓

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 surplus transferred to Balance Sheet is higher by Rs.2.82 lakhs with consequential impact on Unit Premium Reserve. However this does not have any impact on total Reserve and Surplus, Distributable Income and Net Asset Value.

11. PORTFOLIO DISCLOSURE

Full portfolio of the scheme is given in Annexure - III


12. MOVEMENT IN UNIT CAPITAL

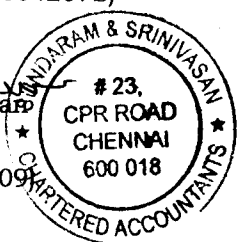
As Per Schedule-I

Signatures to the schedules 1 to 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)



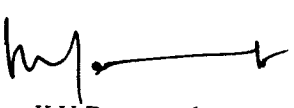
For Sundaram BNP Paribas Asset Management Company Ltd

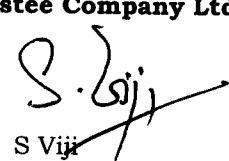

K Ramkumar
Fund Manager



T S Sriharan
Chief Financial Officer



P P Raman
Managing Director

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


K V Ramanathan
Chairman


S Vij
Director


R Rajamani
Director


Francois Mouzay
Director

Place : Chennai

Date : 25th June, 2010

Annexure - II

SUNDARAM BNP PARIBAS ULTRA SHORT TERM FUND		
	% of total investments within the classification	
	2009-2010	2008-2009
A) Debt Instruments		
a) Listed / awaiting listing on Stock Exchange		
FINANCE	100.00%	100.00%
b) Privately Placed		
DIVERSIFIED	22.87%	-
FINANCE	47.81%	100.00%
REAL ESTATE	29.32%	-

Annexure - III

SUNDARAM BNP PARIBAS ULTRA SHORT TERM FUND				
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				
LIC HOUSING FINANCE LTD **	AAA	150	1500.00	1.78%
UNION BANK OF INDIA **	AA+	90	900.00	1.07%
SHRIRAM TRANSPORT FINANCE CO LTD **	AA(ind)	30	300.25	0.36%
ICICI HOME FINANCE LTD **	LAAA	15	150.13	0.18%
RELIANCE CAPITAL LTD	AAA	28	280.34	0.33%
MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD **	AA-	42	420.69	0.50%
NABARD **	AAA	30	302.62	0.36%
INFRASTRUCTURE DEVELOPMENT FINANCE CORPORATION **	AA+	37	371.23	0.44%
POWER FINANCE CORPORATION **	AAA	100	1000.00	1.19%
Sub Total			5225.25	6.20%
b) Privately Placed				
MAGMA FINCORP LIMITED **	PR1+	12	1200.00	1.42%
KESORAM INDUSTRIES **	PR1+	11	1100.00	1.30%
SREI EQUIPMENT FINANCE PRIVATE LIMITED **	PR1+	1100	1100.00	1.30%
UNITECH LTD **	F4(ind)	2105	1410.35	1.67%
Sub Total			4810.35	5.70%
c) Securitized Debt Instruments	NIL			0.00%
B) Money Market Instruments				
FEDERAL BANK	P1+	200	198.56	0.24%
CENTRAL BANK OF INDIA	PR1+	420	417.20	0.49%
STATE BANK OF BIKANER & JAIPUR	P1+	500	493.70	0.59%
STANDARD CHARTERED BANK	P1+	1000	985.70	1.17%
UNITED BANK OF INDIA	A1+	2500	2462.85	2.92%
IDBI BANK	A1+	1500	1470.16	1.74%
YES BANK	A1+	1000	977.01	1.16%
ICICI BANK	A1+	4000	3929.82	4.66%
KOTAK MAHINDRA BANK	P1+	2500	2430.79	2.88%
ANDHRA BANK	PR1+	2500	2444.35	2.90%
PUNJAB & SIND BANK	A1+	2500	2443.40	2.90%
BANK OF MAHARASHTRA	A1+	5000	4866.32	5.77%
CANARA BANK	A1+	3000	2911.27	3.45%
united Bank of India	A1+	2500	2437.84	2.89%
DHANLAKSHMI BANK	PR1+	950	919.40	1.09%
STATE BANK OF TRAVANCORE	P1+	950	918.81	1.09%
BANK OF MAHARASHTRA	A1+	5000	4857.40	5.76%
ICICI BANK	A1+	2500	2410.76	2.86%
BANK OF BARODA	P1+	2500	2414.01	2.86%
IDBI BANK	A1+	2500	2411.29	2.86%
KOTAK MAHINDRA BANK	P1+	2500	2400.56	2.85%
STATE BANK OF BIKANER & JAIPUR	P1+	2500	2424.27	2.87%
AXIS BANK	P1+	2500	2418.18	2.87%
ORIENTAL BANK OF COMMERCE	P1+	2500	2394.72	2.84%
STATE BANK OF PATIALA	A1+	2500	2382.89	2.83%
HDFC BANK	PR1+	2500	2374.48	2.82%
STATE BANK OF BIKANER & JAIPUR	P1+	1000	950.97	1.13%
YES BANK	A1+	200	187.58	0.22%
ICICI SECURITIES PD	P1+	90	446.64	0.53%
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	PR1+	105	521.61	0.62%
HINDUSTAN PETROLEUM CORPORATION LIMITED	P1+	200	982.77	1.17%
BHARAT FORGE LIMITED	A1+	500	2434.70	2.89%
ALEMBIC LIMITED	P1+	200	983.96	1.17%
L& T FINANCE LIMITED	PR1+	300	1470.34	1.74%
EXIM BANK	P1+	500	2442.04	2.90%
ALEMBIC LIMITED	P1+	200	974.76	1.16%
EXIM BANK	P1+	500	2391.14	2.84%
IL&FS FINANCIAL SERVICES LTD	A1+	580	2738.22	3.25%
RELIANCE CAPITAL LIMITED	A1+	200	930.84	1.10%
Sub Total			74251.29	88.05%
C) Others				
REVERSE REPO / CBLO			36.97	0.04%
GRAND TOTAL			84,323.86	100.00%