

*SUNDARAM BNP PARIBAS
TRUSTEE COMPANY LIMITED*

6

*ANNUAL REPORT
2009-2010*

Board of Directors

K V Ramanathan	Chairman
S Viji	
R Rajamani	
K V Krishnamurthy	
Francois Mouzay	
Martial Godet (Alternate Director to Francois Mouzay)	

Audit Committee

R Rajamani	Chairman
K V Krishnamurthy	
Francois Mouzay	

Secretary

T S Sritharan

Bankers

IDBI Bank Ltd

Auditors

M/s. Sundaram & Srinivasan, Chennai	Chartered Accountants
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Registered Office

No. 21, Patullos Road,
Chennai - 600 002

Corporate Office

SUNDARAM TOWERS
II Floor, 46, Whites Road, Chennai - 600 014.
Tel: 28583362, Fax: 28583156

Home Page

Website : www.sundarambnpparibas.in

SUNDARAM BNP PARIBAS TRUSTEE COMPANY LIMITED

A subsidiary of



SUNDARAM FINANCE
Enduring values. New age thinking.

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Sundaram Finance Limited
Registered Office,
21, Pattulos Road
Chennai 600 002.

Sponsors



BNP Paribas Asset Management
1, boulevard Haussmann
75009 Paris, France
www.bnpparibas-ip.com

Directors' Report

To the Members

Your Directors have pleasure in presenting the Sixth Annual Report with the audited financial statement of accounts for the year ended 31st March 2010. The summarized financial results of the Company are given hereunder:

Financial Results:

(Rs. In lakhs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Total Income	124.10	105.39
Total Expenditure	62.95	54.15
Profit Before Taxation	61.15	51.24
Provision for Taxation	19.00	14.80
Profit After Tax	42.15	36.44
Surplus Brought Forward	29.26	25.71
Amount available for appropriation	71.41	62.15
Less : Appropriations:		
Dividend Proposed (Final)	30.00	25.00
Dividend Distribution Tax	5.10	4.25
Transfer to General Reserves	4.25	3.65
Surplus carried to Balance sheet	32.06	29.26

Financial Performance

During the year under review, your Company earned a gross income of Rs.124.10 lakhs by way of trusteeship fees and other income as against Rs. 105.39 lakhs in the year 2008-09. This translates to a growth of 17.75% on a year to year basis. Your company reported a Profit after tax of Rs.42.15 lakhs for the year ended March 31, 2010 as against Rs. 36.44 lakhs in the previous year, registering a growth of 15.67%. After taking into account a sum of Rs. 29.26 lakhs brought forward as surplus from the previous year, a sum of Rs. 71.41 lakhs is available for appropriation for the financial year 2009-10. Your Directors are happy to recommend a dividend of 600% on the paid up capital of the company for the year 2009-10, which is higher than the dividend of 500% paid during last financial year 2008-09. The dividend together with dividend tax absorbs a sum of

Rs.35.10 lakhs. Your Directors also propose to transfer a sum of Rs. 4.25 lakhs to the General Reserves. The balance of Rs. 32.06 lakhs will be retained as surplus in the profit and loss account.

Snapshot of the Mutual Fund Industry

Gross mobilisation by the mutual fund industry during the year amounted to Rs. 1,00,19,023 Crores as against Rs. 54,26,353 Crores in the previous year, registering a growth of 84.64%. The industry also witnessed a gross redemption of Rs. 99,35,942 Crores representing 82.16% increase over the previous year's figure of Rs. 54,54,650 Crores. On a net basis, there was an Inflow of Rs. 83,081 Crores in 2009-10 which was a significant improvement over the previous year which witnessed an outflow of Rs.28,297 Crores.

Sundaram BNP Paribas Mutual Fund - Performance

Trend in flows: Your Directors report that, during 2009-10, Sundaram BNP Paribas Mutual Fund mobilized a sum of Rs.60,712 Crores representing an increase of 48.04% over the previous year's mobilization of Rs. 41,012 Crores.

During the year 2009-10, the gross redemption from the schemes was Rs. 62,113 Crores as against the previous year's redemption amount of Rs.39,871 Crores, recording an increase in the redemptions to the tune of 55.78%. On a net basis, the Mutual fund schemes witnessed an outflow of Rs.1,401 Crores, in 2009-10, as compared with the Inflow of Rs. 1,141 Crores recorded in the previous year 2008-09.

State of AUM: The Average Assets Under Management of Sundaram BNP Paribas Mutual Fund as at March 31, 2010 was Rs. 13,878 cr., as compared to Rs. 9,267 cr. as at March 31, 2009. This represents a growth of 49.76% over the previous year. The closing AUM as on March 31, 2010 was Rs. 12,770 Crores. This translates to a share of 2.08% of the Industry AUM which stood at Rs.6,13,979 cr. During the year, Sundaram BNP Paribas Mutual Fund launched the Sixth scheme under its Select Thematic Funds umbrella, Sundaram BNP Paribas Select Thematic Funds -PSU Opportunities, which is dedicated to track the PSU stocks. The scheme received an encouraging response with a fund size of Rs 500 Crores mobilised during the New Fund Offer Period, from 64,436 investors.

Awards and Recognition

For the Sixth year in a row, the performance of Sundaram BNP Paribas Mutual Fund products received critical acclaim from independent fund intelligence outfits. We present a snapshot of key awards/ranking:

Sundaram BNP Paribas SMILE Fund was awarded "Mutual Fund of the Year Award by "CRISIL CNBC TV 18" in the Midcap category.

SMILE also awarded ICRA Five Star funds for 3 year as well as one year track Record.

Money Life placed Sundaram BNP Paribas Mutual Fund in the second rank out of 18 mutual funds based on various metrics

Sundaram BNP Paribas Mutual Fund was also selected by CRISIL as one of the three nominees for CNBC TV 18 CRISIL award for "The Most Investor Friendly Fund House". This was the first year for this category of award.

Board of Directors

The Board of Directors of the company is vested with general power of superintendence, direction and management of the affairs of the Mutual Fund. Sundaram BNP Paribas Asset Management Company acts as the Investment Manager of the Schemes of the Mutual Fund. The Board of Directors monitor and review the work of the Asset Management Company to ensure that the fundhouse fulfills the functions assigned to it under the investment management agreement; Compliance with SEBI Regulations and other laws in force is also monitored. During the year under review, Six Board Meetings were held.

Mr. K V Ramanathan and Mr. S Viji retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Audit Committee

The Audit committee of the Board consists of Mr. R Rajamani, Mr. K V Krishnamurthy and Mr. Francois Mouzay. Mr. R. Rajamani chaired the meetings of the Committee. Besides Mr. T P Raman, Managing Director of Sundaram BNP Paribas Asset Management Company Ltd. (AMC), the Statutory Auditor, Internal Auditor, Concurrent Auditor, Compliance Officer & Secretary of the AMC and Chief Financial Officer of the AMC were invited to the meetings of the Committee. During the year under review, the Committee met four times. The Committee reviewed the financial accounts/policies and adequacy of internal control systems and interacted with the Statutory Auditor, Internal Auditor and Concurrent Auditor. Besides, the Committee reviewed audit plans, unaudited/audited financial results, the observations of the Auditors and responses and follow-up reports of the management.

Public Deposits

Your company has not accepted any deposits from the public.

Particulars of Employee Remuneration

The Company has no employee on its payroll. Accordingly, the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable.

Information under Section 217(1)(e) of the Companies Act, 1956

Your Company has no activity relating to conservation of energy or technology absorption. The Company has no foreign exchange earnings.

A sum of Rs.12,47,500/- was paid as dividend for the year 2008-09, as against Rs.7,48,500/- paid as dividend for the year 2007-08, to a Non Resident Shareholder - BNP Paribas Asset Management, France.

The Directors' responsibility statement pursuant to Section 217(2AA) of Companies Act, 1956

The Directors confirm:

1. That, in the preparation of the annual accounts, the applicable accounting standards have been followed
2. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, as would give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for that period;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That they have prepared the annual accounts on a going concern basis.

Auditors

Messers Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors of your Company hold office until the conclusion of the Sixth Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Acknowledgement

Your Directors wish to place on record their deep appreciation of the professional support and guidance received from Sundaram Finance Limited, BNP Paribas Asset Management, Paris, SEBI and Sundaram BNP Paribas Asset Management Company Ltd (AMC). Your Directors also acknowledge the support and co-operation extended by investors, bankers, Registrars, the Custodians and other service providers and look forward to their continued support. Your Directors place on record their appreciation of the dedication and commitment displayed by the employees of the AMC.

For and on behalf of the Board of Directors

Place: Chennai
Date: April 27, 2010

K V Ramanathan
Chairman

Auditors' Report

TO THE MEMBERS OF M/S. SUNDARAM BNP PARIBAS TRUSTEE COMPANY LIMITED

1. We have audited the attached Balance Sheet of M/s. Sundaram BNP Paribas Trustee Company Limited as at March 31, 2010, the Profit & Loss Account for the year ended March 31, 2010 and cash flow statements of the company for the said year annexed hereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 - (c) The Balance Sheet and Profit and loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion the Balance Sheet and Profit and Loss account dealt with by this report comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956;
 - (e) As per information furnished to us, no director is disqualified as on March 31, 2010 from being appointed as a director of the company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010.
 - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.
2. 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 also 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in the said Order.
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books;
4. Further to our comments in the Annexure referred to above we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
 - (b) In our opinion, proper books of account

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No.004207S

Place: Chennai
Dated: 27.04.2010

S Usha
Partner
Membership No. 211785

Annexure to the Auditors' Report

- i. (a) The company is maintaining proper records showing full particulars including quantitative details and the situation of fixed assets.
(b) These fixed assets were physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
(c) The company has not disposed off substantial part of fixed assets during the year.
- ii. The company does not hold any inventory. Hence clauses (a), (b), (c) of paragraph (ii) of the Order are not applicable.
- iii. The company has neither granted nor taken any loans, secured or unsecured to/and from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence the clauses (iii) (b) to (g) of the Order are not applicable.
- iv. There is adequate internal control system commensurate with the size of the company and nature of its business for purchase of Fixed Assets. There are no major weaknesses in internal control system.
- v. (a) The Transactions that are needed to be entered into the register maintained under section 301 of the Act have been so entered.
(b) Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The company has not accepted any deposits from the public.
- vii. As the company is not a listed company or the company's paid up capital and free reserves do not exceed Rs. 50 lakhs or its average annual turnover does not exceed Rs. 5 crores, the requirement of separate internal audit system is not applicable to the company.
- viii. The Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act.
- ix. (a) The company is regular in depositing Income-tax and Service Tax with the appropriate authorities. The other statutory dues are not applicable to the company.
(b) There are no disputed statutory dues by the company.
- x. The company has no accumulated losses and has not incurred cash losses during this financial year and in the immediately preceding financial year.
- xi. The company has not availed any loans from any financial institutions or bank or debenture holders and hence the clause (xi) of the Order is not applicable to the company.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a Chit Fund or Nidhi/ Mutual Benefit Fund/ Society. Therefore clause (xiii) of the Order is not applicable to the company.
- xiv. The company is not dealing or trading in Shares, Securities, Debentures and other investments.
- xv. The company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company had not availed any Term Loans during the year.
- xvii. The company had not raised any funds during the year.
- xviii. The company has not made any preferential allotment of shares during the year.
- xix. The company has not issued any debentures during the year.
- xx. The company has not raised any money by way of public issues during the year.
- xxi. No fraud on or by the company has been noticed or reported during the year.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No.004207S

Place: Chennai
Dated:27.04.2010

S Usha
Partner
Membership No. 211785

Balance Sheet

as at 31st March 2010

	Schedule	31.03.10	31.03.09
<u>SOURCES OF FUNDS</u>		Rs.	Rs.
Shareholder's funds			
Share Capital	1	5,00,000	5,00,000
Reserves and Surplus	2	44,75,683	37,70,555
Deferred Tax Liability (Depreciation)		14,296	14,375
TOTAL		49,89,979	42,84,930
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	3		
Gross Block		4,28,118	4,28,118
Less: Accumulated Depreciation		2,89,870	2,25,843
		1,38,248	2,02,275
Investments	4	71,07,059	58,52,119
Current Assets, Loans and Advances			
(a) Sundry Debtors	5	10,61,215	7,04,336
(b) Cash and Bank Balances	6	16,70,208	1,67,847
(c) Other Current Assets	7	24,317	4,362
(d) Loans and Advances	8	5,57,920	5,34,860
	(A)	33,13,660	14,11,405
Less:			
Current Liabilities and Provisions			
- Current Liabilities	9	20,59,138	2,55,994
- Provisions	10	35,09,850	29,24,875
	(B)	55,68,988	31,80,869
Net Current Assets / (Net Current Liabilities)	(A)-(B)	(22,55,328)	(17,69,464)
Miscellaneous Expenditure to the extent not written off or adjusted	11	-	-
TOTAL		49,89,979	42,84,930
Significant Accounting Policies and Notes forming part of accounts	15		

As per our report of even date attached

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No.0042075

S Usha
Partner
Membership No. 211785

Chennai
April 27, 2010

For Sundaram BNP Paribas Trustee Company Limited

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

Martial Godet
Director

T S Sriharan
Secretary

Profit and Loss Account
for the year ended 31st March 2010

Schedule	2009-10	2008-09
	Rs.	Rs.
<u>INCOME</u>		
Trusteeship Fee	1,20,19,241	1,01,11,926
[Tax Deducted at source - Rs.1397760/- (Previous year Rs.1285442/-)]		
Other Income	3,90,913	4,27,303
	1,24,10,154	1,05,39,229
<u>EXPENDITURE</u>		
Administrative and Other Expenses	27,06,671	23,33,391
Loss on Sale of investments	-	433
Depreciation	64,027	53,721
Diminution in value of investments Written off	24,557	-
Preliminary Expenses written off	-	27,952
Scheme Expenses Absorbed	35,00,000	30,00,000
	62,95,255	54,15,497
Profit before Taxation	61,14,899	51,23,732
Provision for Taxation	19,00,000	14,80,000
Deferred Tax Liability/(Asset)	(79)	(257)
	18,99,921	14,79,743
Profit after tax	42,14,978	36,43,989
Balance in Profit and Loss Account brought forward from the previous year	29,25,555	25,71,441
Amount available for appropriation	71,40,533	62,15,430
<u>APPROPRIATIONS</u>		
- Dividend (Proposed)	30,00,000	25,00,000
- Dividend Distribution tax	5,09,850	4,24,875
	35,09,850	29,24,875
- General Reserve	4,25,000	3,65,000
Balance Carried to Balance Sheet	32,05,683	29,25,555
Basic and diluted Earnings per Share (Refer Note no.2.5 on Schedule 15)	84.30	72.88
Significant Accounting Policies and Notes forming part of accounts	15	

As per our report of even date attached

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No.004207S

S Usha
Partner
Membership No. 211785

Chennai
April 27, 2010

For Sundaram BNP Paribas Trustee Company Limited

K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

Martial Godet
Director

T S Sritharan
Secretary

Schedules forming part
of the Balance Sheet as at March 31, 2010

SCHEDULE 1

Share Capital

Authorised

2,50,000 Equity Shares of Rs.10/- each

Issued, Subscribed and Paid up

50,000 Equity Shares of Rs.10/-
each fully paid up

[25050 shares (previous year 25050 shares)
are held by Sundaram Finance Ltd, the
holding company and its nominees.]

	31.03.10	31.03.09
	Rs.	Rs.
	<u>25,00,000</u>	<u>25,00,000</u>
	5,00,000	5,00,000
	<u>5,00,000</u>	<u>5,00,000</u>

SCHEDULE 2

Reserves and Surplus

1. General Reserve

As per the last Balance Sheet

Add: Addition during the year

2. Surplus

Balance in Profit and
Loss Account

	31.03.10		31.03.09	
	Rs.	Rs.	Rs.	Rs.
	8,45,000		4,80,000	
	<u>4,25,000</u>		<u>3,65,000</u>	
		12,70,000		8,45,000
		12,70,000		8,45,000
		32,05,683		29,25,555
		<u>44,75,683</u>		<u>37,70,555</u>

SCHEDULE 3

Fixed Assets

(in Rupees)

Description	Gross Block at Cost				Depreciation				Net Block		
	As at 01.04.09	Addition	Deductions	As at 31.03.10	As at 01.04.09	Addition	Deductions	As at 31.03.10	As at 31.03.10	As at 31.03.09	
Computers	3,41,400	-	-	3,41,400	2,04,998	54,561	-	2,59,559	81,841	1,36,402	
Furniture and Fixtures	13,906	-	-	13,906	6,680	1,308	-	7,988	5,918	7,226	
Office Equipments	72,812	-	-	72,812	14,165	8,158	-	22,323	50,489	58,647	
Total	4,28,118	-	-	4,28,118	2,25,843	64,027	-	2,89,870	1,38,248	2,02,275	
Previous year figures (31.03.09)	2,87,406	1,40,712	-	4,28,118	1,72,122	53,721	-	2,25,843	2,02,275		

Schedules forming part
of the Balance Sheet as at March 31, 2010

SCHEDULE 4 (Continued...)

Investments (at cost)

Current Investments

Trust Securities

Investments in Sundaram BNP Paribas Mutual Fund

Sundaram BNP Paribas Fixed Term Plan Quarterly Interval Plan D -Dividend Option at cost: Invested during the year Nil (Previous year Nil) & Redeemed during the year Rs.10,00,000/- (100000 units of Rs.10/- each) (Previous year Nil).

Sundaram BNP Paribas Fixed Term Plan Plan 367 days Series R -Dividend Option at cost: Invested during the year Rs.15,00,000/- (150000 units of Rs.10/- each (Previous year Nil).

Sundaram BNP Paribas Flexible Short Term Fund-Daily Dividend Reinvestment Option: Invested during the year Rs.5,04,254/- (49003.597 units of Rs.10/- each) (Previous year Nil) and redeemed during the year Nil (Previous year Nil).

Sundaram BNP Paribas Fixed Term Plan Plan 367 days Series S -Dividend Option at cost: Invested during the year Rs.20,00,000/- (200000 units of Rs.10/- each (Previous year Nil).

Total

Aggregate value of unquoted Investments - Current

Trust Securities - Investments in units of Sundaram BNP Paribas Mutual Fund

(Net asset value - Rs.71,60,734/-)
(Previous year Rs.59,57,802/-)

	31.03.10	31.03.09
	Rs.	Rs.
	-	10,00,000
	15,00,000	-
	5,04,254	-
	20,00,000	-
Total	71,07,059	58,52,119
Aggregate value of unquoted Investments - Current		
Trust Securities - Investments in units of Sundaram BNP Paribas Mutual Fund	71,07,059	58,52,119
(Net asset value - Rs.71,60,734/-) (Previous year Rs.59,57,802/-)	71,07,059	58,52,119

Schedules forming part
of the Balance Sheet as at March 31, 2010

SCHEDULE 5

Sundry Debtors

Sundry Debtors (unsecured, considered good and due for less than six months)

31.03.10	31.03.09
Rs.	Rs.
10,61,215	7,04,336
10,61,215	7,04,336

SCHEDULE 6

Cash and Bank Balances

Balance with Scheduled Banks

- In Current Accounts

- In Term Deposits

31.03.10	31.03.09
Rs.	Rs.
1,70,208	1,67,847
15,00,000	-
16,70,208	1,67,847

SCHEDULE 7

Current Assets

Accrued Interest on Term Deposits with Scheduled Banks

Dividend Receivable

31.03.10	31.03.09
Rs.	Rs.
771	-
23,546	4,362
24,317	4,362

SCHEDULE 8

Loan and Advances (Unsecured Considered Good)

Advance Income Tax and Tax Deducted at Source less Provision for taxation

Advances recoverable in cash or in kind or for value to be received

31.03.10	31.03.09
Rs.	Rs.
5,53,880	5,30,820
4,040	4,040
5,57,920	5,34,860

Schedules forming part
of the Balance Sheet as at March 31, 2010

SCHEDULE 9

Current Liabilities

Sundry Creditors

Sundaram BNP Paribas AMC Ltd

Others

31.03.10	31.03.09
Rs.	Rs.
20,23,560	1,34,358
35,578	1,21,636
20,59,138	2,55,994

SCHEDULE 10

Provisions

Dividend (Proposed)

Add: Dividend Distribution Tax

31.03.10	31.03.09
Rs.	Rs.
30,00,000	25,00,000
5,09,850	4,24,875
35,09,850	29,24,875

SCHEDULE 11

Miscellaneous Expenditure
(To the extent not written off or adjusted)

Preliminary Expenses

Less: Written off during the year

31.03.10	31.03.09
Rs.	Rs.
-	27,952
-	27,952
-	-

SCHEDULE 12

Other Income

Interest on Short term Deposit with a Scheduled
Bank [Tax Deducted at Source Nil]
(Previous year Rs.11,281/-)

Profit on Sale of units of Mutual Fund

Dividend from units of Mutual Fund

Miscellaneous Income

2009-2010	2008-2009
Rs.	Rs.
771	56,841
1,44,478	-
2,40,383	3,70,462
5,281	-
3,90,913	4,27,303

Schedules forming part
of the Balance Sheet as at March 31, 2010

SCHEDULE 13

Administrative and Other Expenses

	2009-2010	2008-2009
	Rs.	Rs.
Directors Remuneration	8,32,401	3,06,396
Directors Sitting Fees	3,50,000	3,60,000
Audit Fees		
- Statutory Audit	40,000	40,000
- Tax Audit fees	16,000	5,000
Travel Expenses - Directors	3,19,716	4,75,585
Rates and Taxes	-	-
Administrative expenses	9,00,000	9,00,000
Insurance	1,37,500	1,50,000
Advertisement & Publicity	-	72,306
Donations	50,000	5,000
Printing & Stationary	25,000	10,920
Professional Fees	30,000	1,500
ROC Filing charges	4,080	4,060
Other expenses	1,234	-
Bank charges	740	2,624
	27,06,671	23,33,391

SCHEDULE 14

Scheme Expenses Absorbed

	2009-2010	2008-2009
	Rs.	Rs.
Sundaram BNP Paribas Select Focus	35,00,000	30,00,000
	35,00,000	30,00,000

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010.

1. SIGNIFICANT ACCOUNTING POLICES

1.1. Accounting Policies

These accounts have been prepared in accordance with historical cost convention and in accordance with the generally accepted accounting principles.

1.2 Income Recognition

Trusteeship Fee and income from investments are accounted for on accrual basis.

1.3 Investments

Current Investments are valued at lower of cost or net asset value.

1.4 Valuation of Fixed Assets

Fixed assets are carried at historical cost less accumulated depreciation.

1.5 Depreciation Policy

Depreciation on assets is provided on the Written Down Value Method at rates prescribed in Schedule XIV to the Companies Act, 1956.

1.6 Preliminary Expenditure

Preliminary expenses incurred in connection with the incorporation of the Company are being written off over a period of five years.

1.7 Scheme Expenses Absorbed

As permitted by Regulation 52 (7) of SEBI (Mutual Funds) Regulations 1996, the expenses relating to Sundaram BNP Paribas Select Focus, a scheme of the mutual fund, amounting to Rs.35,00,000/- (Previous year Rs.30,00,000/-) representing expenses incurred by the said scheme in excess of the limits specified in the said Regulations has been borne by the Company.

2. NOTES ON ACCOUNTS

2.1 Sundry Creditors do not include any amount payable to Micro, Small and Medium Enterprises.

2.2 **Cashflow Statement in accordance with the Accounting Standard 3 issued by the Institute of Chartered Accountants of India:**

Enclosed as Annexure A

2.3 **Segment Reporting in accordance with the Accounting Standard 17 issued by the Institute Chartered Accountants of India:**

The company has identified Trusteeship Services as the only business Segment.

SUNDARAM BNP PARIBAS TRUSTEE COMPANY LIMITED

2.4 Related Party Disclosures

Related Party Disclosures, as required by Accounting Standard 18, 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India are given below

Slno.	Name	Relationship	Nature of Transaction	Amount (Rs.)
1	Sundaram Finance Ltd	Holding Company	Dividend Paid	12,52,500
2	BNP Paribas Asset Management, Paris	Associate	Dividend Paid	12,47,500
3	Sundaram BNP Paribas Asset Management Company Ltd	Fellow Subsidiary	Expenses	9,00,000
4	Sundaram BNP Paribas Mutual Fund	Associate	Investments in Units	1,33,52,639
			Sale of Units	1,20,73,141
			Income	1,24,04,102
			Scheme Expenses	35,00,000
5	Sundaram BNP Paribas Home Finance Ltd.	Fellow Subsidiary	-	Nil
6	Sundaram Finance Distribution Ltd.	Fellow Subsidiary	-	Nil
7	Sundaram Infotech Solutions Ltd	Fellow Subsidiary	-	Nil
8	LGF Services Limited	Fellow Subsidiary	-	Nil
9	Sundaram Business Services Limited	Fellow Subsidiary	-	Nil
10	Royal Sundaram Alliance Insurance Company Limited	Associate	Insurance	1,37,500
11	Infreight Logistics Solutions Limited	Fellow Subsidiary	-	Nil
12	Sundaram Securities Services Limited	Fellow Subsidiary	-	Nil
13	Professional Management Consultants P. Ltd.	Fellow Subsidiary	-	Nil
14	Sundaram BNP Paribas Funds Services Ltd.	Fellow Subsidiary	-	Nil

Outstanding Net Receivables / (Payables) as on 31st March, 2010 (9,38,799)

2.5 Earnings per Share (EPS) in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India:

	31.03.10	31.03.09
Profit as per Profit and Loss Account (Rs.)	42,14,978	36,43,989
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share (Rs.)	84.30	72.88
Nominal Value of Shares (Rs.)	10	10

2.6 Remittances during the year in foreign currency on account of dividend to non-resident shareholders were as follows:

	31.03.10	31.03.09
No. of shareholders	1	1
Number of equity shares (Shares of Rs.10/- each)	24,950	24,950
Amount Remitted (Rs.)		
For the year ended 31st March 2009	12,47,500	7,48,500

2.7 Earnings in foreign exchange - Nil (Previous year Nil)

2.8 Previous year figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

Signature to Schedules 1 to 15

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No.004207S

S Usha
Partner
Membership No. 211785

Chennai
April 27, 2010

For Sundaram BNP Paribas Trustee Company Limited
K V Ramanathan
Chairman

R Rajamani
Director

S Viji
Director

Martial Godet
Director

T S Sritharan
Secretary

Cash Flow Statement

Annexure A

Cash Flow Statement in accordance with the Accounting Standard 3 issued by the
Institute of Chartered Accountants of India

1 Cash flow from Operating activities	01.04.2009-31.03.2010	01.04.2008-31.03.2009
Net Profit as per P&L account	42,14,978	36,43,989
Add/(less):		
(Profit)/Loss on sale of Investments	(1,44,478)	433
Provision for tax during the year	19,00,000	14,80,000
Deferred Tax Liability	(79)	(257)
Depreciation	64,027	53,721
Preliminary expenses written off	-	27,952
Interest Income	(771)	(56,841)
Dividend Income	(2,40,383)	(3,70,462)
Diminution in value of investments written off	24,557	
Operating Profit/(Loss) before working Capital changes	58,17,851	47,78,535
-(increase)/Decrease in Current Assets	(3,56,879)	3,88,991
-(increase)/Decrease in Loans and Advances	(23,060)	(1,51,473)
-Increase/(Decrease) in Current Liabilities	17,80,084	(1,01,383)
Income-tax Paid	(18,76,940)	(13,28,527)
Net Cash generation from Operations (A)	53,41,056	35,86,143
2 Cash flow from Investing activities		
Purchase of investments	(1,33,52,638)	(1,24,93,823)
Sale of investments	1,20,73,141	90,41,705
Profit on sale of investments	1,44,478	-
Loss on sale of investments	-	(433)
Interest income	-	74,469
Dividend Income	2,21,199	3,66,100
Cost of fixed Assets	-	(1,40,712)
Net cash flow from investing activities (B)	(9,13,820)	(31,52,694)
3 Cash flow from Financing activities		
Issue of Share Capital	-	-
Dividend including distribution tax	(29,24,875)	(17,54,925)
Net cash flow from financing activities (C)	(29,24,875)	(17,54,925)
Net change in cash and cash equivalents (A+B+C)	15,02,361	(13,21,476)
Cash and Cash Equivalent at the beginning of the year	1,67,847	14,89,323
Cash and Cash Equivalent at the end of the year	16,70,208	1,67,847

For Sundaram BNP Paribas Trustee Company Limited

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No.004207S

K V Ramanathan
Chairman

S Viji
Director

S Usha
Partner
Membership No. 211785

R Rajamani
Director

Martial Godet
Director

Chennai
April 27, 2010

T S Sritharan
Secretary

Balance Sheet Abstract and Company's General Business Profile

Information as required under Part IV of the Sch. VI of the Companies Act, 1956

I. Registration Details

Registration No.

State Code

Balance Sheet Date

Date Month Year

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Right Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Funds	Total Liabilities	Total Assets
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>
	Paid up Capital	Reserves & Surplus
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="6"/>
	Secured Loans	Unsecured Loans / Deferred Tax Liability
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/>
Application of Funds	Net Fixed Assets	Investments
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/>
	Net Current Assets	Misc Expenditure
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input "="" type="text" value="("/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value=")"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	Accumulated Losses	
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="5"/>
+ - Profit / (Loss) Before Tax	+ - Profit / (Loss) After Tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="5"/>

(Please tick appropriate box + for profit, - for loss)

Earnings Per Share in Rs.	Dividend Rate (%)
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/>

V. Generic Names of Three Principal Products / Services of Company (As per monetary terms)

Item Code No. (ITC Code) Not Applicable

Product / Service Description

Notes:

Horizontal lines for note-taking.

