

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 FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A** 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.

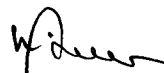
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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.

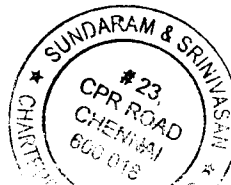
On the basis of the audit as indicated above, we report as follows:-

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 FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A** 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 FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A** 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	22,357,506	36,811,565
Reserves & Surplus	2	505,497	1,869,858
Current Liabilities & Provisions	3	492,762	224,675
		23,355,765	38,906,098
ASSETS			
Investments	4	22,184,805	38,210,635
Other Current Assets	5	1,170,960	695,463
		23,355,765	38,906,098


Notes on Accounts

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As per our Report of even date


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

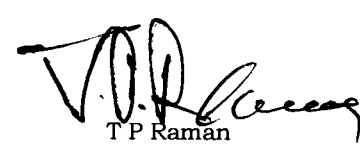
For
Sundaram BNP Paribas Asset Management Company Ltd


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

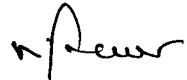
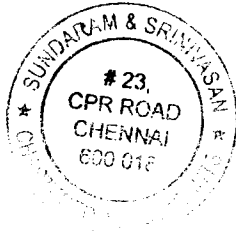

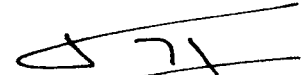
Place : Chennai

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		-	
Interest			
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)	6	930,675	104,723,407
Net profit on inter scheme transfer / sale of investments		-	681,735
Net diminution on sale of investments written back		-	12,080,060
Other Income			-
			890,000
TOTAL (A)		930,675	118,375,202
		930,675	
EXPENSES			
Management fee		11,900	459,556
Trusteeship fee		2,945	114,915
Commission to Agents		24,798	763,134
Publicity expenses		37,202	1,377,123
Audit fee		5,726	20,247
Other Operating Expenses (including marketing expenses Rs.NIL/- (Previous period Rs (2007635)/-))		2,273	151,519
Custodian charges		4,201	284,265
Registrar expenses		8,658	269,601
		97,703	3,440,360
Less : Amount transferred from load on account of Marketing Expenses		62,000	2,043,332
TOTAL (B)			
		35,703	
SURPLUS / (DEFICIT) (A-B)		894,972	1,397,028
Add/(Less) : Balance in Equalisation Account		(1,475,289)	(9,559,719)
		(580,317)	107,418,455
Less: Income Distributed			
Distribution Tax		685,994	93,510,133
		98,050	20,056,620
		784,044	113,566,753
Surplus /(Deficit) transferred to Balance Sheet		(1,364,361)	(6,148,298)

As per our Report of even date

For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 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
M.P. Raman
Managing DirectorFor and on Behalf of
Sundaram BNP Paribas Trustee Company LtdK V Ramanathan
Chairman
S. Viji
Director
R. Rajamani
Director
Francois Mouzay
DirectorPlace : Chennai
Date : 25th June 2010

SCHEDULE : 1

Unit Capital

	31/03/2010		31/03/2009	
	Rs.		Rs.	
	UNITS	AMOUNT	UNITS	AMOUNT
Initial capital	67,356,357.61	673,563,576	67,356,357.61	673,563,576
Unit Capital				
Opening Capital	3,681,156.55	36,811,565	121,231,127.81	1,212,311,278
Add: Units sold during the year	984,733.09	9,847,331	221,807,590.06	2,218,075,901
	4,665,889.64	46,658,896	343,038,717.87	3,430,387,179
Less : Units repurchased during the year	2,430,139.01	24,301,390	339,357,561.32	3,393,575,614
Units at the end of the Year	2,235,750.63	22,357,506	3,681,156.55	36,811,565
		22,357,506		36,811,565

SCHEDULE : 2

Reserves & Surplus

	31/03/2010		31/03/2009	
	Rs.		Rs.	
General Reserve				
Opening Balance	1,869,858		8,018,156	
Add /(Less): Transfer from Revenue Account	(1,364,361)		(6,148,298)	
		505,497		1,869,858
		505,497		1,869,858

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	492,076	217,206
Others	686	7,469
	492,762	224,675

SCHEDULE : 4

Investments

	31/03/2010	31/03/2009
	Rs.	Rs.
Certificate of Deposits	-	29,728,902
Investment in Reverse Repo / CBLO	22,184,805	8,481,733
	22,184,805	38,210,635

SCHEDULE : 5

Other Current Assets

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	1,167,921	638,850
Sundry Debtors		
Outstanding and accrued Income	3,039	56,613
Others	-	-
	1,170,960	695,463

SCHEDULE : 6		
Interest		
	01-04-2009 to 31-03-2010	01-04-2008 to 31-03-2009
	Rs.	Rs.
Interest from banks and others	558,056	2,091,834
Interest on Debentures and Bonds	-	35,245,873
Discounting Charges	372,619	67,385,700
	930,675	104,723,407

SUNDARAM BNP PARIBAS MUTUAL FUND

SUNDARAM BNP PARIBAS FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN A

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

All amounts mentioned rupees in lakhs

NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1. INVESTMENTS

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies.

Investments are marked to market. In valuing the Scheme's investments:

a) Government Securities

· Government Securities are valued at the prices obtained from CRISIL in accordance with the guidelines for valuation of securities for mutual funds issued by SEBI.

· Instruments bought on 'repo' basis have been valued at the resale price after deduction of applicable interest up to date of resale.

b) Other Securities

· Traded Securities are valued at the last quoted closing price on the stock exchange. Non-traded / thinly traded securities are valued in good faith on the basis of guidelines issued by SEBI in this regard.

In accordance with the guidance note on accounting for investments in the financial statement of mutual funds issued by The Institute of Chartered Accountants of India, the investments are valued separately category-wise and the net unrealised appreciation is directly transferred to unrealised appreciation reserve and the net diminution is debited to revenue account.

1.2. INCOME RECOGNITION

(i) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.

(ii) Income on investments is accounted on accrual basis.

(iii) Other income is accounted on cash basis.

1.3. EXPENSES

Expenses are accounted for on accrual basis.

1.4. LOAD

In terms of SEBI circular dated 30th June 2009, out of the exit load charged to the investor, a maximum of 1% of the redemption proceeds is maintained in a separate account which can be used by the AMC to pay commission to the distributor and for marketing and selling expenses of the scheme. Any balance in excess of 1% is credited to the scheme immediately and unutilised portion in the load account shall be credited to the scheme whenever felt appropriate by the AMC.

1.5. EQUALISATION ACCOUNT

In terms of SEBI circular dated 15th March 2010, on Unit Premium Reserve, the equalisation account has been credited/debited with an appropriate portion (excluding the Unit Premium Reserve and Unrealised Appreciation) of the sale proceeds/repurchase price in respect of units sold / repurchased on or after 15th March 2010. The net balance in this account is transferred to revenue account for the Year

1.6. UNIT PREMIUM RESERVE

In terms of SEBI Circular dated 15th March 2010, on Unit Premium Reserve, when units are sold / repurchased on or after 15th March 2010 a part of the sale price / re-purchase price representing unrealized gains is credited/debited to Unit Premium Reserve. The balance in Unit Premium Reserve will not be utilised for determination of distributable surplus.

2. INVESTMENT MANAGER FEES

Management fee is computed on daily average net assets as under:

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Average daily net asset value	294.57	11,491.51
Management fee @ 0.04% of average daily net asset value.(Previous year 0.04%)	0.12	4.59

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)	383.40	55,405.23
%	130.16%	482.14%
SALES VALUE (AMOUNT)	680.68	67,172.14
%	231.08%	584.54%

5. AGGREGATE FAIR VALUE OF NON-TRADED / THINLY TRADED INVESTMENTS-

Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Year :

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the Year	NIL	NIL
% to the asset under management	NIL	NIL

6. INCOME / EXPENDITURE

The total income and expenditure as a percentage of the daily average net assets, during the Year are given below.

DESCRIPTION	01.04.09 to 31.03.10	01.04.08 to 31.03.09
INCOME	3.16%	10.30%
EXPENDITURE	0.12%	0.12%

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)	NIL	0.05
Indus Ind Bank Ltd (Associate)	NIL	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)

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 – V

10. LOAD COLLECTED AND UTILISED

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Opening Balance	0.73	7.35
Add.: Amount received on Sale / Repurchase of units (net)	0.12	22.91
Less: Amount Adjusted towards Brokerage & Marketing Exp	0.62	20.63
Less: Transferred to Income	-	8.90
Closing Balance	0.23	0.73

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 higher by Rs.Nil with consequential impact on Unit Premium Reserve and Distributable Income. However this does not have any impact on total Reserve and Surplus and Net Asset Value.

12. PORTFOLIO DISCLOSURE

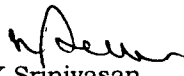
Full portfolio of the scheme is given in Annexure - II

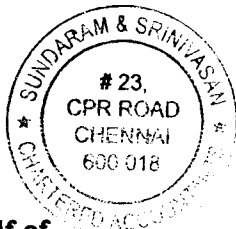
13. MOVEMENT IN UNIT CAPITAL

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.: 004207S)



K Srinivasan
Partner
(M.No : 5809)




For Sundaram BNP Paribas Asset Management Company Ltd


K Ramkumar
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K V Ramanathan
Chairman


S Viji
Director


R Rajamani
Director


Francois Mouzay
Director

Place : Chennai
Date : 25th June, 2010

14. HISTORICAL PER UNIT STATISTICS

		2009-10 Rs.		2008-09 Rs.		2007-2008 Rs.	
(A)	Gross income						
	(i) income other than profit on sale of investment	0.4163		28.6903		0.4693	
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000		3.2816		0.0308	
	(iii) income from profit on sale of investment to third parties	0.0000		0.1852		0.0000	
	(iv) transfer to revenue account from past year's reserves	0.0000		0.0000		0.0000	
(B)	Aggregate of expenses, write off, amortisation and charges	0.0160		0.3795		0.0065	
(C)	Net income	0.4003		31.7776		0.4936	
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0000		0.0000		0.0000	
		Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option
(E)	Net Assets Value	10.0192	11.8105	10.0450	11.4724	10.0571	10.4983
(F)	Highest repurchase price	10.0310	11.7879	10.0433	11.2621	10.0000	10.4375
	Lowest repurchase price	9.9256	11.3981	10.0000	11.2621	9.9732	10.1464
	Highest ongoing sale price *	10.0000		10.0019	10.9476	10.0022	10.4395
	Lowest ongoing sale price *	10.0000		10.0000	10.7074	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.12%		0.12%		0.12%	
(H)	Ratio of gross income to average daily net assets by percentage	3.16%		10.30%		9.77%	

* includes entry load as applicable

15. Computation of Distributable Income

	31.03.10	31.03.09
Net Income as per revenue account	-580317	107418455
Add : Balance of Undistributed income as at 1st April brought forward	1869858	8,018,156
	1289541	115,436,611
Less : Income Distributed during the year	784044	113566753
Distributable Income	505497	1,869,858

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

Annexure - II

Sundaram BNP Paribas Fixed Income Interval Fund - Quarterly Series - Plan A				
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				
Sub Total			-	
b) Securitized Debt Instruments				
	NIL			
c) Privately Placed				
	NIL			
B) Money Market Instruments				
	NIL			
C) Others				
Reverse Repo / CBLO			221.85	100.00%
GRAND TOTAL			221.85	100.00%