

# 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

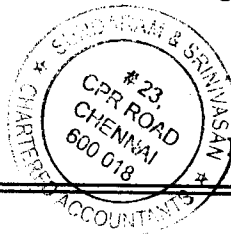
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN C** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of the management. 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 C** 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 C** 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
<b>LIABILITIES</b>			
Unit Capital	1	2,514,724	27,034,907
Reserves & Surplus	2	281,238	5,051,099
Current Liabilities & Provisions	3	481,879	421,702
		<b>3,277,841</b>	<b>32,507,708</b>
<b>ASSETS</b>			
Investments	4	2,698,152	27,693,073
Other Current Assets	5	579,689	4,814,635
		<b>3,277,841</b>	<b>32,507,708</b>

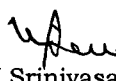
Notes on Accounts


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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)

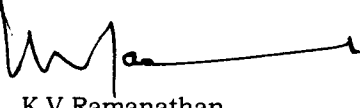


  
K. Ramkumar  
Fund Manager

  
T.S. Sritharan  
Chief Financial Officer

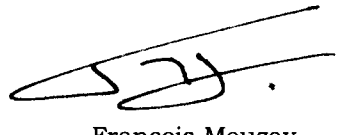
  
T P Raman  
Managing Director

**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

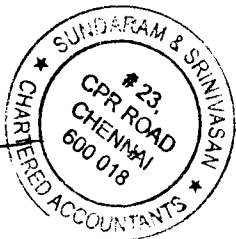
**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010**

	Schedule No.	Amount, Rs	
		2009 - 2010	2008 - 2009
<b>REVENUE</b>			
Interest	6	281,168	146,249,306
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-	56,595
Net profit on inter scheme transfer / sale of investments		-	27,444,531
Other Income			1,200,000
<b>TOTAL (A)</b>		<b>281,168</b>	<b>174,950,432</b>
<b>EXPENSES</b>			
Management fee		2,802	798,601
Trusteeship fee		698	178,002
Commission to Agents		-	684,990
Audit fee		3,562	17,551
Other operating expenses (Including Marketing Expenses Rs.Nil/- (Previous year Rs. 63874/- )		289	256,831
Custodian charges		901	428,792
Registrar expenses		160	397,422
<b>TOTAL (B)</b>		<b>8,412</b>	<b>2,762,189</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			
		<b>272,756</b>	<b>172,188,243</b>
Add/(Less) : Balance in Equalisation Account		(596,475)	(11,274,447)
Less: Prior Period adjustments		(4,214,328)	-
		<b>(4,538,047)</b>	<b>160,913,796</b>
<b>Less: Income Distributed</b>			
Distribution Tax		202,464	155,307,861
		<b>29,350</b>	<b>33,240,950</b>
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			
		<b>(4,769,861)</b>	<b>(27,635,015)</b>

Notes on Accounts  
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

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

	31/03/2010		31/03/2009	
	Rs.		Rs.	
	UNITS	AMOUNT	UNITS	AMOUNT
<b>Initial capital</b>	<b>304,498,328.51</b>	<b>3,044,983,285</b>	<b>304,498,328.51</b>	<b>3,044,983,285</b>
<b>Unit Capital</b>				
Opening Capital	2,703,490.75	27,034,907	242,663,650.77	2,426,636,508
Add: Units sold during the year	5,702.44	57,024	229,704,794.23	2,297,047,942
	2,709,193.19	27,091,931	472,368,445.00	4,723,684,450
Less : Units repurchased during the year	2,457,720.74	24,577,207	469,664,954.25	4,696,649,543
Units at the end of the Year	251,472.45	2,514,724	2,703,490.75	27,034,907
		<b>2,514,724</b>		<b>27,034,907</b>

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

	31/03/2010		31/03/2009	
	Rs.		Rs.	
<b>General Reserve</b>				
Opening Balance	5,051,099		32,686,114	
Add /(Less): Transfer from Revenue Account	4,769,861		(27,635,015)	
		<b>281,238</b>		<b>5,051,099</b>
		<b>281,238</b>		<b>5,051,099</b>

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

	31/03/2010	31/03/2009
	Rs.	Rs.
<b>Current Liabilities</b>		
Sundry Creditors	205,968	293,337
Distributed Income Payable	275,336	127,570
Others	575	795
	<b>481,879</b>	<b>421,702</b>

**SCHEDULE : 4****Investments**

	31/03/2010	31/03/2009
	Rs.	Rs.
Certificate of Deposits	-	14,864,451
Others - Reverse Repo / CBLO	2,698,152	12,828,622
	<b>2,698,152</b>	<b>27,693,073</b>

**SCHEDULE : 5****Other Current Assets**

	31/03/2010	31/03/2009
	Rs.	Rs.
Balance with banks in Current Accounts	579,324	570,944
Outstanding and accrued Income	365	4,243,691
	<b>579,689</b>	<b>4,814,635</b>

**SCHEDULE : 6**

**Interest**

	<b>01-04-2009 to 31-03-2010</b>	<b>01-04-2008 to 31-03-2009</b>
	Rs.	Rs.
Interest from banks and others	111,884	7,005,059
Interest on Debentures and Bonds	-	36,035,821
Discounting Charges	169,284	98,994,098
Deep Discounting charges	-	4,214,328
	<b>281,168</b>	<b>146,249,306</b>

## SUNDARAM BNP PARIBAS MUTUAL FUND

### SUNDARAM BNP PARIBAS FIXED INCOME INTERVAL FUND - QUARTERLY SERIES - PLAN C

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	69.74	17,800.24
Management fee @ 0.04% of average daily net asset value.(Previous year 0.04%)	0.03	7.98

**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>99.38</b>	<b>95,313.76</b>
<b>%</b>	<b>142.50%</b>	<b>535.46%</b>
<b>SALES VALUE (AMOUNT)</b>	<b>248.03</b>	<b>119,468.43</b>
<b>%</b>	<b>355.65%</b>	<b>671.16%</b>

**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
<b>INCOME</b>	<b>4.03%</b>	<b>9.83%</b>
<b>EXPENDITURE</b>	<b>0.12%</b>	<b>0.16%</b>

**7. CONTINGENT LIABILITY**

Contingent liability as at 31st March 2010 is Rs. Nil. Previous Year Rs. Nil

**8. AMOUNT PAID TO SPONSORS / ASSOCIATES**

	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Sundaram Finance Ltd (Sponsor)	0.01	NIL
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



**9.a. Accounting Standard 17 on Segment Reporting**

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

**9.b. Accounting Standard 18 on Related Party Disclosures**

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

**10. LOAD COLLECTED AND UTILISED**

Description	01.04.09 to 31.03.10	01.04.08 to 31.03.09
Opening Balance	0.72	0.13
Add.: Amount received on Sale / Repurchase of units (net)	0.09	12.59
Less: Amount Adjusted towards Brokerage & Marketing Exp	-	-
Less: Transferred to Income	-	12.00
Closing Balance	0.81	0.72

**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

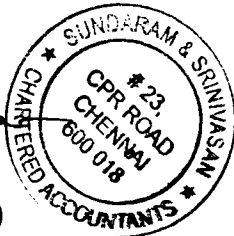
**13. MOVEMENT IN UNIT CAPITAL**

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  
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**

**14. HISTORICAL PER UNIT STATISTICS**

	2009-10		2008-09		2007-2008	
	Rs.		Rs.		Rs.	
(A) Gross income						
(i) income other than profit on sale of investment	1.1181		54.5403		0.39	
(ii) income from profit on inter scheme sales/transfer of investments	0.0000		10.1515		0.00	
(iii) income from profit on sale of investment to third parties	0.0000		0.0209		0.00	
(iv) transfer to revenue account from past year's reserves	0.0000		0.0000		0.00	
(B) Aggregate of expenses, write off, amortisation and charges	0.0334		1.0217		0.01	
(C) Net income	1.0847		63.6910		0.38	
(D) Net unrealised appreciation/(diminution) in value of investments	0.0000		1.8684		0.00	
	Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option	Growth Option
(E) Net Assets Value						
Retail	10.0397	11.5696	10.0585	11.3044	10.1283	10.3391
Institutional			-	-	10.1283	103391
(F) Highest repurchase price						
Retail	10	11.5243	10.1721	11.2385	10.0196	10.2449
Institutional			10.1731	10.9620	10	0
Lowest repurchase price						
Retail	9.9298	11.1771	9.9269	10.318	9.9351	10.2027
Institutional			10	10.4479	10	0
Highest ongoing sale price *						
Retail			10.002	11.2385	10.0025	10.2085
Institutional			10.002	10.6755	10.0025	10.2085
Lowest ongoing sale price *						
Retail			10	10.45	10	10
Institutional			10	10.6755	10	10.2085
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	0.12%		0.16%		0.10%	
(H) Ratio of gross income to average daily net assets by percentage	4.03%		9.83%		6.56%	

\* includes entry load as applicable

**15. Computation of Distributable Income**

	31.03.10	31.03.09
Net Income as per revenue account	- 4,538,047.00	160,913,796.00
Add : Balance of Undistributed income as at 1st April brought forward	5,051,099	32,686,114
	513,052	193,599,910
Less : Income Distributed during the year	231,814	188,548,811
Distributable Income	281,238	5,051,099

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 C				
Portfolio Statement for the period ended 31st March, 2010				
Particulars	Rating	Quantity	Mkt Value Rs. in Lacs	% of Net Asset
<b>A) Debt Instruments</b>				
<b>a) Listed / awaiting listing on Stock Exchange</b>				
b) Privately Placed	NIL			
c) Securitised Debt Instruments	NIL			
<b>B) Money Market Instruments</b>				
	NIL			
<b>C) Others</b>				
Reverse Repo / CBLO			26.98	100.00%
<b>GRAND TOTAL</b>			<b>26.98</b>	<b>100.00%</b>

\*\* Thinly Traded / Non Traded Securities