

SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS
23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.

AUDITORS REPORT

The Board of Trustees
Sundaram BNP Paribas Mutual Fund
Chennai

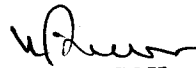
We have audited the attached Balance Sheet of Sundaram BNP Paribas Mutual Fund - **SUNDARAM BNP PARIBAS SELECT THEMATIC FUNDS - ENTERTAINMENT SERVICES OPPORTUNITIES** as at March 31, 2010 and the Revenue Account for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and Revenue Account are in agreement with the books of accounts of Sundaram BNP Paribas Mutual Fund.
3. a) The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
b) In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes forming part of Accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of Balance Sheet, of the state of affairs of the aforesaid Schemes of Sundaram BNP Paribas Mutual Fund, **SUNDARAM BNP PARIBAS SELECT THEMATIC FUNDS - ENTERTAINMENT SERVICES OPPORTUNITIES** 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 SELECT THEMATIC FUNDS - ENTERTAINMENT SERVICES OPPORTUNITIES** for the year ended on March 31, 2010.

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


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	587,805,864	821,674,751
Reserves & Surplus	2	214,933,168	(103,326,296)
Current Liabilities & Provisions	3	5,072,732	4,491,657
		807,811,764	722,840,112
ASSETS			
Investments	4	803,401,949	719,288,159
Other Current Assets	5	4,409,815	3,551,953
		807,811,764	722,840,112

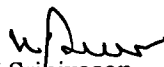
Notes on Accounts

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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)





Satish Ramanathan
Fund Manager


T.S. Sriharan
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 - 31/03/2010	16/06/2008 - 31/03/2009
REVENUE			
Dividend		6199097	276538
Interest	6	1740264	34,792,475
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		253944020	
Net profit on inter scheme transfer / sale of investments		47548168	
Net diminution on sale of investments written back		62097790	
TOTAL (A)		371,529,339	35,069,013
EXPENSES			
Net diminution in value of investment	7		62,097,790
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		0	62,623,416
Management fee		10132992	7,958,439
Trusteeship fee		81068	63,683
Commission to Agents		3417229	4,380,688
Publicity expenses		0	-
Audit fee		59019	20,233
Other operating expenses including Marketing Expenses Rs 5,695,565/- (Previous Year Rs.654,984/-)		7252923	2,201,295
Custodian charges		267721	144,626
Registrar expenses		1119287	749,476
SEBI Fees		13877	
		22344116	140,239,646
Less : Amount transferred from load on account of Marketing Expenses		2171488	
TOTAL (B)		20,172,628	140,239,646
SURPLUS / (DEFICIT) (A-B)		351,356,711	(105,170,633)
Add/(Less) : Balance in Equalisation Account		(59,522,844)	1,844,337
		291,833,867	(103,326,296)
Less: Income Distributed		79996975	
Distribution Tax		0	
		79,996,975	
Surplus /(Deficit) transferred to Balance Sheet		211,836,892	(103,326,296)

Notes on Accounts

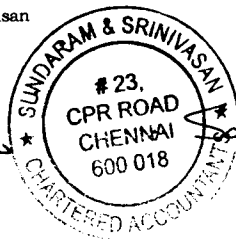
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As per our Report of even date

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

For Sundaram BNP Paribas Asset Management Company Ltd

K Srinivasan
Partner
(M.NO : 5809)



Satish Ramanathan
Fund Manager

T.S.Sritharan
Chief Financial Officer

P Ramani
Managing Director

For and on Behalf of
Sundaram BNP Paribas Trustee Company Ltd

K V Ramanathan
Chairman

S Viji
Director

R. Rajamani
Director

Francois Muzay
Director

Place : Chennai
Date : 25th June 2010

SCHEDULE : 1

Unit Capital

	31/03/2010		31/03/2009	
	UNITS	AMOUNT	UNITS	AMOUNT
Initial capital	84,733,557.08	847,335,579	84,733,557.08	847,335,579
Unit Capital				
Opening Capital	82,167,475.09	821,674,751	84,733,557.08	847,335,579
Add: Units sold during the year	9,202,332.53	92,023,325	3,316,731.72	33,167,317
	91,369,807.62	913,698,076	88,050,288.80	880,502,896
Less : Units repurchased during the year	32,589,221.25	325,892,212	5,882,813.71	58,828,145
Units at the end of the Year	58,780,586.37	587,805,864	82,167,475.09	821,674,751
		587,805,864		821,674,751

SCHEDULE : 2

Reserves & Surplus

	31/03/2010		31/03/2009	
	Rs.		Rs.	
Unit Premium Reserve				
Amount Received on Sale /Repurchase of Units	(839519.00)	(839,519)		
General Reserve				
Opening Balance	(103,326,296)			
Add /(Less): Transfer from Revenue Account	211,836,892	108,510,596	(103,326,296)	(103,326,296)
Unrealised appreciation reserve				
Opening Balance				
Add/(Less) Net unrealized appreciation for the year	107,262,091			
Unrealised Appreciation Reserve (Schedule 7)		107,262,091		
		214,933,168		(103,326,296)

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	4,832,682	2,918,424
Contract for Purchase of Investments	-	1,492,345
Income Distribution Payable	84,950	-
Others	155,100	80,888
	5,072,732	4,491,657

SCHEDULE : 4

Investments

	31/03/2010	31/03/2009
	Rs.	Rs.
Equity Shares	733,048,209	399,860,796
Others - Reverse Repo	70,353,740	319,427,363
	803,401,949	719,288,159

SCHEDULE : 5

Other Current Assets

	31/03/2010	31/03/2009
	Rs.	
Balance with banks in Current Accounts	4,208,428	1,401,314
Outstanding and accrued Income	9,251	36,326
Others	192,136	2,114,313
	4,409,815	3,551,953

SCHEDULE : 6

Interest

	01/04/2009-31/03/2010	16/06/2008-31/03/2009
	Rs.	Rs.
Interest from banks and others	1,740,264	25,649,195
Interest on Debentures and Bonds	-	310,516
Discounting Charges	-	8,832,764
	1,740,264	34,792,475

SCHEDULE :7

Net Appreciation / (Diminution) value of Investments

	01/04/2009-31/03/2010	16/06/2008-31/03/2009
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares	107,262,091	0.00
Appreciation in value of investments	107,262,091	-
Diminution in value of investments		
Equity Shares		62,097,790
Net Diminution value of Investments transferred to Revenue Account	-	62,097,790
Net Appreciation / (Diminution) value of Investments	107,262,091	(62,097,790)

SUNDARAM BNP PARIBAS MUTUAL FUND
SUNDARAM BNP PARIBAS SELECT THEMATIC FUNDS - ENTERTAINMENT OPPORTUNITIES
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

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.

Bonus/Rights entitlements are recognised on ex-bonus / ex- rights dates.

1.2. INCOME RECOGNITION

- (i) Dividend is accounted on accrual basis and recognized on ex-dividend dates.
- (ii) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (iii) Income on investments is accounted on accrual basis.
- (iv) 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	16.06.08 to 31.03.09
Average daily net asset value	8,106.73	8,038.38
Management fee @ 1.25% of average daily net asset value.(Previous year 1.25%)	101.33	79.58

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	16.06.08 to 31.03.09
PURCHASE VALUE(AMOUNT)	10,030.08	38,934.83
%	123.73%	484.36%
SALES VALUE (AMOUNT)	8,391.80	34,315.24
%	103.52%	426.89%

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	16.06.08 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 (excluding deferred revenue expenditure un-amortised) as a percentage of the daily average net assets, during the Year are given below.

DESCRIPTION	01.04.09 to 31.03.10	16.06.08 to 31.03.09
INCOME	45.83%	5.51%
EXPENDITURE	2.49%	2.44%

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2010 is Rs.52.25 lakhs, towards uncalled liability on partly paid shares.
Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	01.04.09 to 31.03.10	16.06.08 to 31.03.09
Sundaram Finance Ltd (Sponsor)	6.23	11.92
Sundaram Finance Distribution Ltd (Subsidiary of Sponsor)	0.004	0.01
Indus Ind Bank Ltd (Associate)	0.15	0.92

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 – ✓

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. LOAD COLLECTED AND UTILISED

Description	01.04.09 to 31.03.10	16.06.08 to 31.03.09
Opening Balance	17.33	-
Add.: Amount received on Sale / Repurchase of units (net)	9.89	17.33
Less: Amount Adjusted towards Brokerage & Marketing Exp	21.72	-
Less: Transferred to Income	-	-
Closing Balance	5.50	17.33

In terms of SEBI guidelines dated 30th June 2009, from 1st Aug 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 marketing & selling expenses of the scheme and any balance is credited to the scheme, as against the previous practice of crediting the entire amount to load upto 31st July 2009 under other liabilities (other than the amount utilised for meeting commission to distributor and marketing and selling expenses which was included under unit premium reserve)

As a result, the other income is higher by Rs.Nil with consequential impact on the surplus, Reserves and Surplus, Current Liabilities and Provisions, Net Asset Value and Distributable income.

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.8.4 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.

12. PORTFOLIO DISCLOSURE

Full portfolio of the scheme is given in Annexure - III

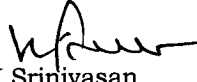
13. MOVEMENT IN UNIT CAPITAL

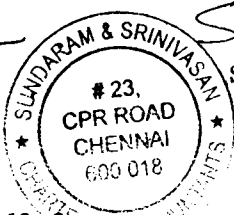
As Per Schedule-I


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)


For Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.No : 5809)





Satish Ramanathan
Fund Manager


T S Sritharan
Chief Financial Officer

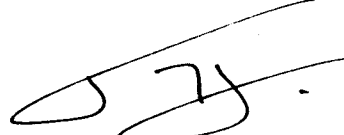

T P Raman
Managing Director

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 Rs.				2008-09 Rs.			
(A)	Gross income								
	(i) income other than profit on sale of investment	0.1351				0.4268			
	(ii) income from profit on inter scheme sales/transfer of investments	0.8089				0.0000			
	(iii) income from profit on sale of investment to third parties	4.3202				-0.7621			
	(iv) transfer to revenue account from past year's reserves	0.0000				0.0000			
(B)	Aggregate of expenses, write off, amortisation and charges	0.3432				0.1889			
(C)	Net income	4.9210				-0.5242			
(D)	Net unrealised appreciation/(diminution) in value of investments	1.8248				-0.7557			
		Dividend Option	Institutional Dividend	Growth Option	Institutional Growth Option	Dividend Option	Institutional Dividend	Growth Option	Institutional Growth Option
(E)	Net Assets Value	11.8751		15.0415		8.7390	0.0000	8.7392	8.7948
(F)	Highest repurchase price*	14.7152		15.9119	13.0459	10.4873	0	10.4879	0
	Lowest repurchase price*	8.7304		8.6955	13.0459	7.7573	0	7.7574	0.0000
	Highest ongoing sale price *	15.0463		16.2699		10.5588	0	10.7778	10.0000
	Lowest ongoing sale price *	8.9717		8.7745		7.7963	0	7.8185	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.49%				2.44%			
(H)	Ratio of gross income to average daily net assets by percentage	45.83%				5.51%			

* includes load as applicable

15. Computation of Distributable Income

	01/04/2009- 31/03/2010	16/06/2008- 31/03/2009
Net Income as per revenue account	291,833,867	(103,326,296)
Add : Balance of Undistributed income as at 1st April brought forward	(103,326,296)	-
Less : Income Distributed during the year	188,507,571 79,996,975	(103,326,296) -
	108,510,596	
Add Unit Premium Reserve	(839,519)	
Distributable Income	107,671,077	(103,326,296)

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

SUNDARAM BNP PARIBAS ENTERTAINMENT OPPORTUNITIES FUND

Annexure - II

Equity	2009-10	2008-09
Consumer Goods	5.75%	9.41%
Energy	6.59%	14.85%
Media	50.30%	60.69%
Services	20.79%	7.78%

Annexure - III

Portfolio Statement for the Month of March 31, 2010

SI No	Investment	Industry / Ratings	Quantity	Market Value Rs.in Lakhs
A)	Equity & Equity Linked Instruments			
a)	Listed / awaiting listing on Stock Exchanges			
1	Cox & King India Ltd	SERVICES	151500	729.25
2	Mahindra Holidays & Reorts India Ltd	SERVICES	131300	715.19
3	PVR Lintied	MEDIA & ENTERTAINMENT	363444	640.57
4	Television Eighteen India Ltd.	MEDIA & ENTERTAINMENT	823167	624.78
5	OnMobile Global Ltd	ENERGY	134618	528.85
6	Zee News Ltd	MEDIA & ENTERTAINMENT	636008	433.12
7	Sun TV Network Limited	MEDIA & ENTERTAINMENT	100000	428.00
8	HT Media Ltd.	MEDIA & ENTERTAINMENT	277319	386.58
9	Network 18 Fincap Ltd.	FINANCIAL SERVICES	308000	347.12
10	UTV Software Communications Ltd.	MEDIA & ENTERTAINMENT	70191	325.23
11	Dish TV India Ltd.	MEDIA & ENTERTAINMENT	809047	296.52
12	TV BROADCASTING & SOFTWARE PRODUCTION	CONSUMER	278713	258.09
13	Entertainment Network (India) Ltd	Media & Entertainment	125144	253.10
14	Zee Entertainment Enterprises Ltd	MEDIA & ENTERTAINMENT	92114	247.10
15	Indian Hotels Co. Ltd.	SERVICES	219271	224.20
16	TV Today Network Ltd.	MEDIA & ENTERTAINMENT	200000	223.40
17	Max India Ltd.	INDUSTRIAL MANUFACTURING	88029	182.40
18	NDTV Ltd.	MEDIA & ENTERTAINMENT	146003	179.29
19	FLIM PRODUCTION, DISTRIBUTION & EXHIBITION	CONSUMER	74000	177.53
20	Info Edge (India) Ltd.	IT	11931	104.25
21	TV BROADCASTING & SOFTWARE PRODUCTION	CONSUMER	83613	25.91
EQUITY TOTAL				7,330.48
B)	Money Market Instruments			
	Reverse Repo / CBLO			703.54
TOTAL				8,034.02