

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 - FINANCIAL 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 - FINANCIAL 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 - FINANCIAL SERVICES OPPORTUNITIES** 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.

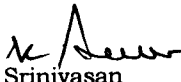
	SCHEDULE NO.	31-Mar-10	31-Mar-09
LIABILITIES			
Unit Capital	1	1,186,728,626	1,394,972,549
Reserves & Surplus	2	575,486,815	(334,718,027)
Current Liabilities & Provisions	3	35,299,515	5,235,226
		1,797,514,956	1,065,489,748
ASSETS			
Investments	4	1,791,384,279	1,048,649,679
Other Current Assets	5	6,130,677	16,840,069
		1,797,514,956	1,065,489,748

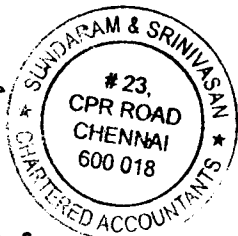
Notes on Accounts 8

As per our Report of even date


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

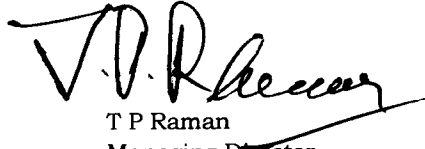
For
Sundaram BNP Paribas Asset Management Company Ltd


K Srinivasan
Partner
(M.NO : 5809)





J. Venkatesan
Fund Manager


T.S. Sritharan
Chief Financial Officer

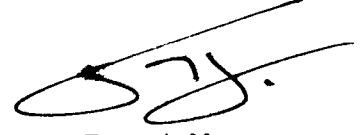

T P Raman
Managing Director

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

		Amount, Rs			
		Schedule No.	01/04/2009-31/03/2010	10/6/2008-31/3/2009	
REVENUE					
Dividend			26,972,350	3095000	
Interest		6	1,588,926	51,521,069	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)			463,148,392	-	
Net profit on inter scheme transfer / sale of investments			36,092,833	-	
Net diminution on sale of investments written back			268,041,771	-	
TOTAL (A)			795,844,272	54,616,069	54,616,069
EXPENSES					
Net diminution in value of investment		7		268,041,771	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)			-	101,036,729	
Management fee			18,584,669	12,461,752	
Trusteeship fee			160,850	104,515	
Commission to Agents			7,335,070	8,153,248	
Publicity expenses					
Audit fee			89,649	33,694	
Other operating expenses Including Marketing Expenses Rs. 8,579,565 (Previous Year Rs.991,987/-)			11,496,516	2,906,770	
Custodian charges			531,400	263,869	
Registrar expenses			2,423,711	1,237,054	
SEBI Fees			23,470		
			40,645,335	394,239,402	
Less : Amount transferred from load on account of Marketing Expenses			2,007,814		
TOTAL (B)			38,637,521		394,239,402
SURPLUS / (DEFICIT) (A-B)			757,206,751		(339,623,333)
Add/(Less) : Balance in Equalisation Account			(35,877,209)		4,905,306
			721,329,542		(334,718,027)
Less: Income Distributed			173,057,533		
Distribution Tax			-		
			173,057,533		
Surplus /(Deficit) transferred to Balance Sheet			548,272,009		(334,718,027)

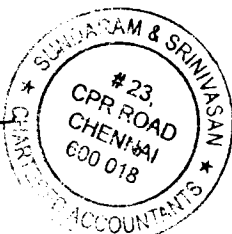
Notes on Accounts
As per our Report of even date

8

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

For Sundaram BNP Paribas Asset Management Company Ltd

K Srinivasan
Partner
(M.NO : 5809)



J Venkatesan
Fund Manager

T.S.Sritharan
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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

	2009-10		2008-09	
	UNITS	AMOUNT	UNITS	AMOUNT
Initial capital	144,979,747.90	1,449,797,479	144,979,747.90	1,449,797,479
Unit Capital				
Opening Capital	139,497,254.90	1,394,972,549	144,979,747.89	1,449,797,479
Add: Units sold during the year	60,507,695.77	605,076,958	10,899,420.27	108,994,203
Less : Units repurchased during the year	200,004,950.67	2,000,049,507	155,879,168.16	1,558,791,682
	81,332,088.12	813,320,881	16,381,913.25	163,819,133
Units at the end of the Year	118,672,862.55	1,186,728,626	139,497,254.91	1,394,972,549
		<u>1,186,728,626</u>		<u>1,394,972,549</u>

SCHEDULE : 2

Reserves & Surplus

	31/03/2010		31/03/2009	
	Rs.	Rs.	Rs.	Rs.
Unit Premium Reserve				
Amount Received on Sale/Repurchase of Units	(13,960,051)	(13,960,051)	-	-
General Reserve				
Opening Balance	(334,718,027)		-	
Add / (Less): Transfer from Revenue Account	548,272,009	213,553,982	(334,718,027)	(334,718,027)
Unrealised appreciation reserve				
Opening Balance			-	
Add/(Less) Net unrealized appreciation for the year	375,892,884	375,892,884		
Unrealised Appreciation Reserve (Schedule 8)		375,892,884		
		<u>575,486,815</u>		<u>(334,718,027)</u>

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2010	31/03/2009
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	34,837,263	5,137,124
Others	462,252	98,102
	35,299,515	5,235,226

SCHEDULE : 4

Investments

	31/03/2010	31/03/2009
	Rs.	Rs.
Equity Shares	1,748,912,206	868,690,601
Investment in Reverse Repo / CBLO	42,472,073	179,959,078
	1,791,384,279	1,048,649,679

SCHEDULE : 5

Other Current Assets

	31/03/2010	31/03/2009
	Rs.	
Balance with banks in Current Accounts	5,290,011	2,189,482
Contract for Sale of Investments	-	14,515,338
Dividend - Cancellation / Reissue Control A/c	978	-
Outstanding and accrued Income	5,585	20,464
Others	834,103	114,785
	6,130,677	16,840,069

SCHEDULE : 6

Interest

	01/04/2009- 31/03/2010	10/6/2008- 31/3/2009
	Rs.	Rs.
Interest from banks and others	1,551,965	29,879,882
Discounting Charges	36,961	21,641,187
	1,588,926	51,521,069

SCHEDULE :7

Net Appreciation / (Diminution) value of Investments

	01/04/2009- 31/03/2010	10/6/2008- 31/3/2009
	Rs.	Rs.
Equity Shares	375,892,884	
Appreciation in Value of Investments		
Appreciation in value of investments	375,892,884	-
Diminution in value of investments		
Equity Shares		268,041,772
Net Diminution value of Investments transferred to Revenue Account	-	268,041,772
Net Appreciation / (Diminution) value of Investments	375,892,884	(268,041,772)

SUNDARAM BNP PARIBAS MUTUAL FUND
SUNDARAM BNP PARIBAS SELECT THEMATIC FUNDS - FINANCIAL SERVICES
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	10.06.08 to 31.03.09
Average daily net asset value	16,084.67	12,920.53
Management fee @ 1.16% of average daily net asset value.(Previous year 1.19%)	185.85	124.62

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	10.06.08 to 31.03.09
PURCHASE VALUE(AMOUNT)	22,551.44	77,135.88
%	140.20%	597.00%
SALES VALUE (AMOUNT)	20,188.57	65,768.55
%	125.51%	509.02%

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	10.06.08 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	10.06.08 to 31.03.09
INCOME	49.48%	5.23%
EXPENDITURE	2.40%	2.41%

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	10.06.08 to 31.03.09
Sundaram Finance Ltd (Sponsor)	7.29	24.37
Sundaram Finance Distribution Ltd (Subsidiary of Sponsor)	0.00	0.02
Indus Ind Bank Ltd (Associate)	0.13	1.13

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	10.06.08 to 31.03.09
Opening Balance	18.21	-
Add.: Amount received on Sale / Repurchase of units (net)	58.27	18.21
Less: Amount Adjusted towards Brokerage & Marketing Exp	20.08	-
Less: Transferred to Income	-	-
Closing Balance	56.40	18.21

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.139.6 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

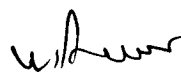
Full portfolio of the scheme is given in Annexure - III

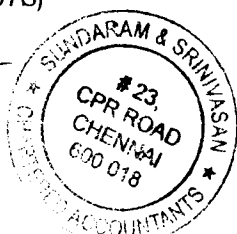
13. MOVEMENT IN UNIT CAPITAL

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)**



K Srinivasan
Partner
(M.No : 5809)




For Sundaram BNP Paribas Asset Management Company Ltd


J Venkatesan
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	0.2407				0.3915			
	(ii) income from profit on inter scheme sales/transfer of investments	0.3041				0.0000			
	(iii) income from profit on sale of investment to third parties	3.9027				-0.7243			
	(iv) transfer to revenue account from past year's reserves	0.0000				0.0000			
(B)	Aggregate of expenses, write off, amortisation and charges	0.3256				0.1804			
(C)	Net income	4.1219				-0.5131			
(D)	Net unrealised appreciation/(diminution) in value of investments	3.1675				-1.9215			
		Dividend Option	Growth Option	Institutional Dividend	Institutional Growth	Dividend Option	Growth Option	Institutional Dividend	Institutional Growth
(E)	Net Assets Value	13.0822	16.4633			7.5987	7.5987	0.0000	7.6527
(F)	Highest repurchase price*	15.1009	16.4994		13.1039	10.1817	10.1817	10.1406	0
	Lowest repurchase price*	8.0071	7.5607		13.1039	6.3615	6.3613	10.1406	0.0000
	Highest ongoing sale price *	15.3910	16.7017			10.5159	10.5159	10.0000	10.0000
	Lowest ongoing sale price *	7.7296	7.5987			6.3935	6.3933	10.0000	10.0000
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.40%				2.41%			
(H)	Ratio of gross income to average daily net assets by percentage	49.48%				5.23%			

* includes load as applicable

15. Computation of Distributable Income

	01/04/2009- 31/03/2010	10/6/2008- 31/3/2009
Net Income as per revenue account	721,329,542	(334,718,027)
Add : Balance of Undistributed income as at 1st April brought forward	(334,718,027)	-
	386,611,515	(334,718,027)
Less : Income Distributed during the year	173,057,533	-
	213,553,982	(334,718,026)
Add Unit Premium Reserve	(13,960,051)	
Distributable Income	199,593,931	(334,718,027)

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

SUNDARAM BNP PARIBAS FINANCIAL OPPORTUNITIES FUND

Annexure - II

Equity	2009-10	2008-09
Financial Services	97.78%	98.47%

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	ICICI Bank Ltd.	FINANCIAL SERVICES	190000	1,809.75
2	State Bank of India	FINANCIAL SERVICES	82700	1,718.67
3	Bank of Baroda	FINANCIAL SERVICES	211500	1,351.59
4	Axis Bank Ltd	FINANCIAL SERVICES	115000	1,343.49
5	Punjab National Bank Ltd.	FINANCIAL SERVICES	122226	1,237.84
6	HDFC Bank Ltd.	FINANCIAL SERVICES	59999	1,160.08
7	Oriental Bank of Commerce	FINANCIAL SERVICES	289369	928.73
8	Union Bank of India Ltd.	FINANCIAL SERVICES	300000	876.90
9	LIC Housing Finance Ltd.	FINANCIAL SERVICES	78208	681.62
10	Bank of India	FINANCIAL SERVICES	200000	680.50
11	Canara Bank Ltd.	FINANCIAL SERVICES	150000	615.30
12	Kotak Mahindra Bank Ltd.	FINANCIAL SERVICES	80000	598.52
13	Infrastructure Development Finance Company Ltd.	FINANCIAL SERVICES	350000	563.33
14	IndusInd Bank Ltd.	FINANCIAL SERVICES	325000	552.83
15	Housing Development Finance Corporation Ltd.	FINANCIAL SERVICES	20000	543.44
16	Central Bank Of India	FINANCIAL SERVICES	300000	439.65
17	India Infoline Ltd	FINANCIAL SERVICES	350000	399.53
18	IDBI Bank Ltd.	FINANCIAL SERVICES	300000	345.00
19	HDFC Warrants	FINANCIAL SERVICES	73130	290.33
20	Reliance Capital Ltd	FINANCIAL SERVICES	35000	264.62
21	Aditya Birla Nuvo Limited	TEXTILES	28900	261.92
22	Yes Bank Ltd	FINANCIAL SERVICES	100000	256.20
23	Corporation Bank	FINANCIAL SERVICES	50000	240.28
24	Dena Bank	FINANCIAL SERVICES	300000	234.89
25	Bajaj Finserv Ltd	FINANCIAL SERVICES	28000	94.11
	EQUITY TOTAL			17,489.12
B)	Money Market Instruments Reverse Repo / CBLO			424.72
	TOTAL			17,913.84