

# 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 THEMATIC PSU OPPORTUNITIES FUND** as at March 31, 2010 and the Revenue Account for the period 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.

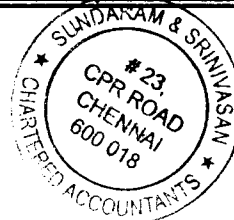
On the basis of the audit as indicated above, we report as follows:-

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.
4. b) In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.
5. 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 THEMATIC PSU OPPORTUNITIES FUND** 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 THEMATIC PSU OPPORTUNITIES FUND** for the period ended on March 31, 2010.

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

Place: Chennai  
Date: 25<sup>th</sup> June, 2010

  
**K. SRINIVASAN**  
PARTNER (M.No : 5809)



**BALANCE SHEET AS AT 31st MARCH, 2010**

Amount in Rs.

	SCHEDULE NO.	31-Mar-10
<b>LIABILITIES</b>		
Unit Capital	1	5,369,788,486
Reserves & Surplus	2	(33,980,146)
Current Liabilities & Provisions	3	53,045,794
		<b>5,388,854,134</b>
<b>ASSETS</b>		
Investments	4	5,326,223,327
Other Current Assets	5	62,630,807
		<b>5,388,854,134</b>


Notes on Accounts

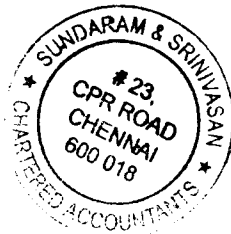
8

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 PERIOD FROM 11 JAN 2010 TO 31st MARCH, 2010**

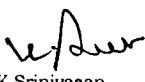
REVENUE	Schedule No.	Amount, Rs	
		11-01-10 To	31-03-10
Dividend	6	10,320,777	
Interest		13,490,315	
<b>TOTAL (A)</b>		<b>23,811,092</b>	<b>23,811,092</b>
<b>EXPENSES</b>			
Net diminution in value of investment			
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)			
Management fee		26,004,881	
Trusteeship fee		11,817,712	
Commission to Agents		112,713	
Publicity expenses		3,485,119	
Audit fee		4,353,922	
Other operating expenses (Including Marketing Expenses Rs.2,129,212/-)		55,150	
Custodian charges		3,625,079	
Registrar expenses		389,264	
		1,434,439	
		<b>51,278,279</b>	
Less : Amount transferred from load on account of Marketing Expenses		-	
<b>TOTAL (B)</b>			<b>51,278,279</b>
<b>SURPLUS / (DEFICIT) (A-B)</b>			<b>(27,467,185)</b>
Add/(Less) : Balance in Equalisation Account			(8,995,593)
			<b>(36,462,778)</b>
Less: Income Distributed			-
Distribution Tax			-
<b>Surplus /(Deficit) transferred to Balance Sheet</b>			<b>(36,462,778)</b>

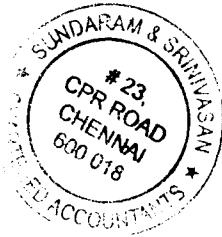
Notes on Accounts  
As per our Report of even date

8

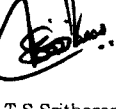
For Sundaram & Srinivasan  
Chartered Accountants  
(FRN.: 004207S)

For Sundaram BNP Paribas Asset Management Company Ltd

  
K Srinivasan  
Partner  
(M.NO : 5809)




  
M. J Venkatesan  
Fund Manager

  
T.S. Sritharan  
Chief Financial Officer

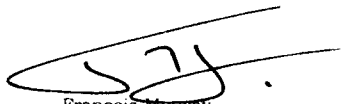
  
T P Raman  
Managing Director

For and on Behalf of  
Sundaram BNP Paribas Trustee Company Ltd

  
K V Ramanathan  
Chairman

  
S Viji  
Director

  
R. Rajamani  
Director

  
Francois Moutzay  
Director

Place : Chennai  
Date : 25th June 2010

**SCHEDULE : 1**

**Unit Capital**

	31/03/2010	
	UNITS	AMOUNT
<b>Initial capital</b>	<b>498,810,155.77</b>	<b>4,988,101,558</b>
<b>Unit Capital</b>		
Opening Capital	498,810,155.77	4,988,101,558
Add: Units sold during the year	57,494,627.10	574,946,271
	556,304,782.87	5,563,047,829
Less : Units repurchased during the year	19,325,934.27	193,259,343
Units at the end of the Year	536,978,848.60	5,369,788,486
		<b>5,369,788,486</b>

**SCHEDULE : 2**

**Reserves & Surplus**

	31/03/2010	
	Rs.	
<b>Unit Premium Reserve</b>		
Amount Received on Repurchase of Units	-	
<b>General Reserve</b>		
Opening Balance	-	
Add /(Less): Transfer from Revenue Account	(36,462,778)	(36,462,778)
<b>Unrealised appreciation reserve</b>		
Opening Balance	-	
Add/(Less) Net unrealized appreciation for the year	2,482,632	
Unrealised Appreciation Reserve (Schedule 7)		2,482,632
		<b>(33,980,146)</b>

**SCHEDULE : 3**

**Current Liabilities & Provisions**

	<b>31/03/2010</b>
	<b>Rs.</b>
<b>Current Liabilities</b>	
Sundry Creditors	19,880,193
Contract for Purchase of Investments	32,591,994
Others	573,607
	<b>53,045,794</b>

**SCHEDULE : 4**

**Investments**

	<b>31/03/2010</b>
	<b>Rs.</b>
Equity Shares	4,233,254,984
Certificate of Deposits	446,291,899
Commercial Papers	396,640,851
Others - Reverse Repo	250,035,593
	<b>5,326,223,327</b>

**SCHEDULE : 5**

**Other Current Assets**

	<b>31/03/2010</b>
	<b>Rs.</b>
Balance with banks in Current Accounts	29,911,862
Contract for Sale of Investments	29,941,766
Outstanding and accrued Income	470,757
Others	2,306,422
	<b>62,630,807</b>

**SCHEDULE : 6**

**Interest**

	<b>11-01-10 To 31-03-10</b>
	Rs.
Interest from banks and others	11,290,482
Discounting Charges	2,199,833
	<b>13,490,315</b>

**SCHEDULE :7**

**Net Appreciation value of Investments**

	<b>11-01-10 To 31-03-10</b>
	Rs.
Equity Shares	2,482,632
<b>Appreciation in Value of Investments</b>	
Appreciation in value of investments (Schedule 2)	<b>2,482,632</b>
	<b>2,482,632</b>

## SUNDARAM BNP PARIBAS MUTUAL FUND

### SUNDARAM BNP PARIBAS SELECT THEMATIC FUNDS - PSU OPPORTUNITIES FUND

Schedules forming part of the Balance Sheet as at 31-Mar-2010  
and the Revenue Account for the Period from 11-Jan-2010 to 31-Mar-2010

#### SCHEDULE 9 NOTES ON ACCOUNTS

*All amounts mentioned rupees in lakhs*

#### 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.

##### c) Equity Derivative Instruments

• Open positions of traded equity Index / stock futures are valued at the last quoted closing price on the stock exchange.

• Equity derivative instruments 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) 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.

When the future contracts of equity derivative instruments are squared off on or before the expiry of contract, the difference between the settlement price and contractual price is recognized in Revenue Account.

##### 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 Period

##### 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	11.01.10 to 31.03.10
Average daily net asset value	51,425.43
Management fee @ 1.05% of average daily net asset value.	118.18

## 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 PERIOD

The aggregate value of investments purchased and sold (including matured) during the Period as a percentage of average daily net asset value is as under :

Description	11.01.10 to 31.03.10
<b>PURCHASE VALUE(AMOUNT)</b>	<b>74,324.56</b>
%	144.53%
<b>SALES VALUE (AMOUNT)</b>	<b>23,587.50</b>
%	45.87%

## 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 Period :

Description	11.01.10 to 31.03.10
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 Period	NIL
% to the asset under management	NIL

## 6. INCOME / EXPENDITURE

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

DESCRIPTION	11.01.10 to 31.03.10
<b>INCOME</b>	<b>2.11%</b>
<b>EXPENDITURE</b>	<b>2.24%</b>

## 7. CONTINGENT LIABILITY

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

## 8. AMOUNT PAID TO SPONSORS / ASSOCIATES

	11.01.10 to 31.03.10
Sundaram Finance Ltd (Sponsor)	32.79
Indus Ind Bank Ltd (Associate)	1.50

## 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 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 in Annexure V

**10. LOAD COLLECTED AND UTILISED**

Description	11.01.10 to 31.03.10
Opening Balance	-
Add.: Amount received on Sale / Repurchase of units (net)	<b>17.33</b>
Less: Amount Adjusted towards Brokerage & Marketing Exp	-
Less: Transferred to Income	-
Closing Balance	<b>17.33</b>

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 deficit, 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 deficit 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**

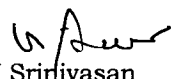
Full portfolio of the scheme is given in Annexure - III

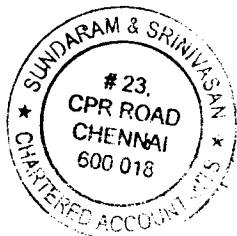
**13. MOVEMENT IN UNIT CAPITAL**

As Per Schedule-I

Signatures to the schedules 1 to 9 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)



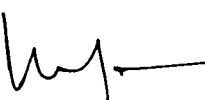
**For Sundaram BNP Paribas Asset Management Company Ltd**

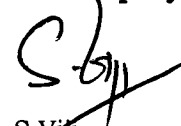
  
Venkatesan  
Fund Manager

  
T S Sritharan  
Chief Financial Officer

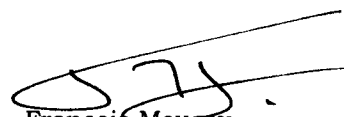
  
T P Raman  
Managing Director

**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.	
(A)	Gross income		
	(i) income other than profit on sale of investment	0.0443	
	(ii) income from profit on inter scheme sales/transfer of investments	0.0000	
	(iii) income from profit on sale of investment to third parties	-0.0484	
	(iv) transfer to revenue account from past year's reserves	0.0000	
(B)	Aggregate of expenses, write off, amortisation and charges	0.0471	
(C)	Net income	-0.0512	
(D)	Net unrealised appreciation/(diminution) in value of investments	0.0000	
		Dividend Option	Growth Option
(E)	Net Assets Value	9.9362	9.9352
(F)	Highest repurchase price*	9.899	9.9131
	Lowest repurchase price*	9.4298	9.4296
	Highest ongoing sale price *	10.0132	10.0132
	Lowest ongoing sale price *	9.5251	9.5248
(G)	Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.24%	
(H)	Ratio of gross income to average daily net assets by percentage	2.11%	

\* includes load as applicable

**15. Computation of Distributable Income**

	2009-10
Net Income as per revenue account	-36462778.44
Add : Balance of Undistributed income as at 1st April brought forward	-
	(36,462,778)
Less : Income Distributed during the year	-
Distributable Income	(36,462,778)

16. Since the scheme was launched during the year 2009-10, previous year figures are not provided.

**SUNDARAM BNP PARIBAS SELECT THEMATIC PSU FUND**

**Annexure - II**

Equity	2009-10
Energy	29.41%
Financial Services	24.65%
Industrial Manufacturing	11.93%
Metals	6.39%

**Annexure - III**

**Portfolio Statement for the Month of March 31, 2010**

SI No	Investment	Industry / Ratings	Quantity	Market Value Rs.in Lakhs
A)	<b>Equity &amp; Equity Linked Instruments</b>			
a)	<b>Listed / awaiting listing on Stock Exchanges</b>			
1	State Bank of India	FINANCIAL SERVICES	170000	3,532.94
2	Steel Authority of India Ltd.	METALS	1200000	3,030.60
3	Punjab National Bank Ltd.	FINANCIAL SERVICES	284428	2,880.54
4	Bharat Heavy Electricals Ltd.	INDUSTRIAL MANUFACTURING	120000	2,868.78
5	NTPC Ltd.	ENERGY	1128740	2,339.31
6	Oil & Natural Gas Corpn. Ltd.,	ENERGY	205000	2,252.34
7	PTC India Ltd.	ENERGY	2000000	2,241.00
8	Bank of Baroda	FINANCIAL SERVICES	350000	2,236.68
9	Bharat Electronics Ltd.	INDUSTRIAL MANUFACTURING	90519	1,993.64
10	GAIL (India) Ltd.	ENERGY	445000	1,827.17
11	Rural Electrification Corporation Ltd	ENERGY	649208	1,627.24
12	Oriental Bank of Commerce	FINANCIAL SERVICES	462644	1,484.86
13	Hindustan Petroleum Corporation Ltd.	ENERGY	448756	1,429.51
14	Power Finance Corporation Ltd.	FINANCIAL SERVICES	500000	1,291.75
15	Gujarat State Petronet Ltd	ENERGY	1400000	1,228.50
16	NHPC Ltd	INDUSTRIAL MANUFACTURING	3700000	1,126.65
17	Petronet LNG Ltd	ENERGY	1281770	974.79
18	Indian Oil Corporation Ltd.	ENERGY	325000	961.19
19	Gujarat State Fertilizers & Chemicals Ltd.	FERTILISERS & PESTICIDES	426085	942.93
20	Canara Bank Ltd.	FINANCIAL SERVICES	220000	902.44
21	IDBI Bank Ltd.	FINANCIAL SERVICES	716352	823.80
22	Container Corporation of India Ltd.	SERVICES	60473	797.06
23	Bharat Petroleum Corporation Ltd.	ENERGY	135293	700.89
24	NMDC LTD	COMMODITIES	220000	647.68
25	Gujarat Alkalies & Chemicals Ltd.	CHEMICALS	500000	628.75
26	Mahanagar Telephone Nigam Ltd.	TELECOM	592854	433.97
27	Bharat Earth Movers Ltd.	INDUSTRIAL MANUFACTURING	35864	376.43
28	Gujarat Mineral Development Corporation Ltd.	METALS	265000	376.04
29	Shipping Corporation of India Ltd.	SERVICES	171182	266.62
30	Indraprastha Gas Ltd.	ENERGY	50000	108.48
	<b>EQUITY TOTAL</b>			<b>42,332.58</b>
B)	<b>Money Market Instruments</b>			
	HINDUSTAN PETROLEUM CORP LTD - CP - 24/05 P1+		800	3,966.41
	STATE BANK OF HYDERABAD - CD - 14/05/2010 A1+		2500	2,484.17
	UNITED BANK OF INDIA - CD - 21/06/2010 A1+		200	1,978.75
	<b>Sub Total</b>		<b>3500</b>	<b>8,429.33</b>
	<b>Reverse Repo / CBLO</b>			<b>2,500.36</b>
	<b>TOTAL</b>			<b>53,262.27</b>