

DSP Merrill Lynch Mutual Fund



Abridged Annual Report
- All Open Ended Schemes
- DSP Merrill Lynch Micro Cap Fund
2007-2008

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UNITHOLDER INFORMATION REPORT

From the Board of Directors, DSP Merrill Lynch Trustee Company Private Limited

1. SCHEME PERFORMANCE, FUTURE OUTLOOK AND OPERATIONS OF THE SCHEMES

MARKET REVIEW

Debt Market

The financial year 2007-2008 was quite volatile for the bond market. The year began with the Reserve Bank of India hiking the Cash Reserve Ratio by 50 basis points to reduce surplus liquidity in the banking system. Despite that, surplus liquidity pushed overnight rates to less than 0.50% for most part of the first quarter. Low overnight rates were also instrumental in pushing the benchmark 10Y Govt. bond yield to 7.8% Semi Annual (SA) in late July from 8.3% SA in early June. One year money market rates touched a low of 7.5% p.a. in late July 2007 from a high of 10.5% p.a. in April 2007. However, things began to change in the second quarter as surplus liquidity in the banking system compelled the RBI to hike the Cash Reserve Ratio by 0.50% twice: first in August 2007 and later in November 2007. However, a sustained surge in global commodity prices began to work their way into headline inflation, which began its gradual ascent and touched 8% in the month of March 2008. On the global front, the sub-prime crisis reminded investors of the importance of credit risk in the portfolio, as market participants witnessed a huge flight to quality. One noteworthy feature was that the Reserve Bank of India ensured that there was sufficient liquidity in the banking system through out the second-half of the year. This helped prevent year-end tightness in the banking system and therefore, any significant increase in money market rates. The year ended on a positive note with sufficient liquidity and positive sentiment among market participants due to the marginally lower government borrowing program for the new financial year.

Equity Market

For the financial year 2007-2008, BSE-30 index, the Sensex, delivered a total return of 20.8%. However, this included significant volatility, in tandem with other emerging markets, as also the unfolding of the sub-prime crisis and fears of a slowdown in the global economy.

Following healthy corporate annual results, and through a period of increased industrial output and falling inflation, the Sensex rallied in the period April-July 2007, achieving a new high along the way. After a brief period of volatility in August, the Sensex, along with other emerging markets again rose to new highs through September and October, on the back of rate cuts by the Federal Reserve.

Emerging markets experienced a sharp correction beginning in November. However, the Sensex continued its high momentum rally through the end of the calendar year, as the Federal Reserve continued to aggressively cut rates, and as market participants contemplated the possibility of decoupling with developed markets. The rally came to an abrupt halt in January and the Sensex experienced a major correction subsequently. The index lost 22.82% in the last quarter of the financial year 2007-2008.

The market rally through the first three quarters of the financial year 2007-2008 saw broad participation. In fact, small and midcap companies outperformed their larger counterparts. However, this was followed by severe underperformance during the market decline in the fourth quarter. The BSE Smallcap Index marginally outperformed the Sensex, delivering a return of 22.49% for the year. In the same period, the BSE Midcap Index gained 20.37%.

PERFORMANCE OF THE SCHEMES

EQUITY SCHEMES

DSP Merrill Lynch Equity Fund

The scheme outperformed its benchmark (the S&P CNX Nifty Index) over the last financial year and since inception. The last financial year out-performance was largely due the scheme's overweight position in the media and entertainment sector as well as superior stock selection and

overweight position in the FMCG sector. The underweight position in the auto sector also helped the scheme outperform its benchmark.

As of June 30, 2008, the net assets of the scheme were Rs.1,090.63 crore.

DSP Merrill Lynch Technology.com Fund

The scheme outperformed its benchmark (the BSE Teck Index) over the last financial year and since inception. The last financial year outperformance may be attributed to the scheme's overweight position in the media and entertainment sector. Concentrated positions in frontline IT companies also benefited performance.

As of June 30, 2008, the net assets of the scheme were Rs. 108.16 crore.

DSP Merrill Lynch Opportunities Fund

The scheme underperformed its benchmark (the S&P CNX Nifty Index) over the last financial year and outperformed since inception. The underweight position in the financial services and energy sectors contributed to the scheme's underperformance for last financial year relative to the benchmark. The scheme's overweight position in the media and entertainment, and FMCG sectors positively impacted performance.

As of June 30, 2008, the net assets of the scheme were Rs. 1021.02 crore.

DSP Merrill Lynch Top 100 Equity Fund

The scheme outperformed its benchmark (the BSE 100 Index) over the last financial year and since inception. The last financial year outperformance was largely due to its stock selection and overweight position in industrial manufacturing and media and entertainment sectors. The fund's tactical positioning in the construction sector also aided performance.

As of June 30, 2008, the net assets of the scheme were Rs. 839.60 crore.

DSP Merrill Lynch India T.I.G.E.R. Fund (the infrastructure growth and economic reforms fund)

The scheme outperformed its benchmark (the BSE 100 Index) over the last financial year and since inception. The last financial year outperformance was largely due to its tactical positioning in the construction and industrial manufacturing sectors and overweight position in the media and entertainment sector.

As of June 30, 2008, the net assets of the scheme were Rs. 3,254.66 crore.

DSP Merrill Lynch Small and Midcap Fund

The scheme underperformed its benchmark (the CNX Midcap Index) over the last financial year and since inception. The last financial year underperformance was due to its underweight position in the pharmaceuticals sector and overweight position in the construction sector.

As of June 30, 2008, the net assets of the scheme were Rs. 744.73 crore.

DSP Merrill Lynch Tax Saver Fund

The scheme outperformed its benchmark (the S&P CNX 500 Index) over the last financial year and since inception. The last financial year performance can be attributed to its overweight position in the pharmaceuticals and media and entertainment sectors and its tactical positioning in the metals and construction sectors. Superior stock selection across sectors also aided the fund's performance.

As of June 30, 2008, the net assets of the scheme were Rs. 437.01 crore.

DSP Merrill Lynch Micro Cap Fund

For the limited period since inception, the scheme underperformed its benchmark (the BSE Smallcap Index). The scheme's performance can be attributed to its underweight position in the metals sector and its underweight position in the pharmaceuticals sector towards the end of the year. Its overweight position in the FMCG sector positively impacted fund performance in the last quarter.

As of June 30, 2008, the net assets of the scheme were Rs. 268.38 crore.

FUND OF FUND SCHEME

DSP Merrill Lynch World Gold Fund

For the limited period since inception, the scheme outperformed its benchmark, (the FTSE Gold Mines (cap) Index). The outperformance of the scheme can be attributed to the superior stock selection by the underlying BGF – World Gold Fund. Performance was aided by effective fund allocation in mining companies across geographies, and tactical reallocation between the various precious metals by investment managers to BGF-WGF.

As of June 30, 2008, the net assets of the scheme were Rs. 2,062.44 crore.

HYBRID SCHEMES

DSP Merrill Lynch Balanced Fund

The scheme outperformed its benchmark (the CRISIL Balanced Fund Index) over the last financial year. The scheme's performance was aided by its overweight position in the media and entertainment sector, underweight position in the automobiles sector and the dynamic allocation between the debt and equity components of its portfolio.

As of June 30, 2008, the net assets of the scheme were Rs. 532.58 crore.

DSP Merrill Lynch Savings Plus Fund – Moderate

The scheme has been actively managing the equity component of the portfolio, in keeping with its prevailing outlook on the equity market. The debt component of the portfolio was largely invested in floating rate debt securities and shorter-tenor fixed rate corporate assets. The scheme has delivered 6.41 % return in last year as compared to 11.12 % return by the benchmark CRISIL MIP Blended Index and since inception it has outperformed its benchmark. Last year under-performance of the scheme is due to its higher exposure to floating rate assets as compared to the benchmark. Floating rate assets under-performed money market assets in the first-half of the last year.

As of June 30, 2008, the net assets of the scheme were Rs. 101.64 crore.

DSP Merrill Lynch Savings Plus Fund – Aggressive

The scheme has been actively managing the equity component of the portfolio, in keeping with its prevailing outlook on the equity market. The debt component of the portfolio was largely invested in floating rate debt securities and shorter-tenor fixed rate corporate securities. The scheme has delivered 6.87 % return in last year as compared to 11.12 % return by the benchmark CRISIL MIP Blended Index and since inception it has outperformed its benchmark. Last year under-performance of the scheme is due to its higher exposure to floating rate assets as compared to the benchmark. Floating rate assets under-performed money market assets in the first-half of last year.

As of June 30, 2008, the net assets of the scheme were Rs. 103.92 crore.

DSP Merrill Lynch Savings Plus Fund – Conservative

The scheme has been actively managing the equity component of the portfolio, in keeping with its prevailing outlook on the equity market. The debt component of the portfolio was largely invested in floating rate debt securities and shorter-tenor fixed rate corporate securities. The scheme has delivered 4.25 % return in last year as compared to 11.12% return by benchmark CRISIL MIP Blended Index and since inception it has underperformed its benchmark. Last year under-performance of the scheme is due to its higher exposure to floating rate assets as compared to the benchmark. Floating rate assets under-performed money market assets in the first-half of last year.

As of June 30, 2008, the net assets of the scheme were Rs. 5.91 crore.

INCOME SCHEMES

DSP Merrill Lynch Bond Fund

This category witnessed net outflow as investors continued to shun income schemes amid volatile interest rates and widening of corporate spreads and preferred low duration schemes such as liquidity schemes for better risk-adjusted returns. The scheme has delivered 4.93% return in last year as compared to 8.20% return by benchmark CRISIL Composite Bond Scheme

Index. The under-performance of the scheme is mainly due to higher exposure to floating rate corporate assets in the scheme as compared to the benchmark.

As of June 30, 2008, the net assets of the scheme were Rs. 36.41 crore.

DSP Merrill Lynch Liquidity Fund

Barring July and September of 2007, The scheme witnessed net outflows as investors preferred to invest in the Liquid Plus category due to its tax advantage. The scheme has delivered 7.08% return in last one year as compared to 7.50% return by the benchmark CRISIL Liquid Scheme Index. The scheme under-performed the benchmark mainly due to its higher cash component in the first two quarters of the financial year. The scheme decided to maintain higher liquidity due to significant increase in inflows / outflows.

As of June 30, 2008, the net assets of the scheme were Rs. 920.12 crore.

DSP Merrill Lynch Government Securities Fund

This category witnessed very little activity in the first three quarters of the year. However, the last quarter of the year saw some investor interest in this category.

DSP Merrill Lynch Government Securities Scheme – Plan A has delivered 7.55% return in last one year as compared to 8.86% return by benchmark LIBEX and since inception it has underperformed its benchmark. DSP Merrill Lynch Government Securities Funs – Plan B has delivered 6.12% return in last one year as compared to 8.91% return by benchmark SIBEX and since inception it has underperformed its benchmark. Last year under-performance of both plans is mainly due to lower duration profile as compared to benchmarks and relatively higher cash components in both plans.

As of June 30, 2008, the net assets of the scheme were Rs. 34.44 crore.

DSP Merrill Lynch Short Term Fund

The scheme witnessed outflows last year as investors continued to shun short-term income schemes as a category due to rising interest rates and widening corporate spreads and preferred low duration schemes such as liquidity schemes for better risk-adjusted returns. The scheme has delivered 8.76% return in last one year as compared to 7.50% return by the benchmark CRISIL Liquid Scheme Index and since inception it has outperformed its benchmark. The scheme was able to generate better performance for last year mainly due to lower exposure to medium-term corporate assets and higher exposure to money market and floating rate assets in the scheme.

As of June 30, 2008, the net assets of the scheme were Rs. 59.37 crore.

DSP Merrill Lynch Floating Rate Fund

The scheme witnessed attrition of assets to other asset classes as floating rate assets could not keep up with rising money market rates over the year. Although the scheme offered less volatility, investors preferred to remain invested in short-term money market assets over floating rate assets. The scheme has delivered 5.60% return in last one year as compared to 7.5% return by the benchmark CRISIL Liquid Scheme Index and since inception it has outperformed its benchmark. The under-performance for last year of the scheme is mainly due to its high exposure to floating rate assets which under-performed its benchmark in the first half of the year.

As of June 30, 2008, the net assets of the scheme were Rs. 132.48 crore.

DSP Merrill Lynch Liquid Plus Fund

This category became quite popular among investors due to its liquid nature and better tax treatment relating to dividends. DSP Merrill Lynch Liquid Plus Scheme witnessed good growth of assets in the second-half of the year. The scheme has delivered 7.73% return in last one year as compared to 7.5% return by the benchmark CRISIL Liquid Scheme Index and since inception it has outperformed its benchmark. Last year better performance of the scheme was mainly due to its lower duration profile and selection of higher yielding assets as compared to its benchmark.

As of June 30, 2008, the net assets of the scheme were Rs. 4,272.23 crore.

DSP Merrill Lynch Cash Plus Fund

The scheme was launched in the month of October 2007 to take advantage of high yields on short-term assets. The scheme witnessed a decent growth in its assets till January 2008. The scheme has delivered 3.77% of absolute return since its inception as compared to 2.88% absolute return by the benchmark CRISIL Liquid Scheme Index. The scheme was able to generate better performance mainly due to its exposure to short-term high yielding corporate assets as well as floating rate assets in the second-half of the year.

As of June 30, 2008, the net assets of the scheme were Rs. 362.97 crore.

DSP Merrill Lynch Strategic Bond Fund

The scheme generated a lot of investor interest in the first half of the year due to benign interest rates and good performance. However, the CRR hike by the RBI in the month of October changed investors' outlook on bond schemes. The scheme witnessed significant outflows in the last quarter of the calendar year. The scheme has delivered 6.73% absolute return since its inception as compared to 7.61% absolute return by the benchmark CRISIL Bond Scheme Index. The scheme's under-performance was mainly on account of widening of corporate spreads in the second half of the year.

As of June 30, 2008, the net assets of the scheme were Rs. 144.81 crore.

FUTURE OUTLOOK

Debt Market

The Indian economy grew at a strong pace of 8.8% Y-o-Y in the last quarter of FY 2007-08 despite slowing credit offtake and the negative impact of past increases in interest rates. However, the economy is likely to face some headwinds in the form of high inflation in the financial year 2008-09 due to higher commodity and crude oil prices as well as reduction in capital inflows due to risk aversion, after the unfolding of the sub-prime crisis and its consequent impact on global financial markets. The rising subsidy bill on account of food, fuel and fertiliser is also likely to be a key issue next year. We expect the Reserve Bank of India to remain hawkish in the first-half of the new financial year amid global inflation and turmoil in the global financial markets.

Equity Market

Interest rates are expected to peak by the second-half of 2008, until which time we expect markets to be range-bound. The fundamentals of the Indian economy and corporate earnings remain robust with GDP growth and corporate earnings for financial year 2008-2009 expected to be 7.5 – 8% and 14% – 16% respectively. Despite the near term volatility, we believe Indian equities can deliver a 15% CAGR over the longer term with reasonable probability.

2. BRIEF BACKGROUND OF SPONSORS, TRUST, TRUSTEE COMPANY AND AMC

a. DSP Merrill Lynch Mutual Fund

DSP Merrill Lynch Mutual Fund (**DSPMLMF**) was set up as a Trust by the Settlers, DSP Merrill Lynch Ltd. (**DSPML**) and Merrill Lynch Asset Management L.P., now known as Merrill Lynch Investment Managers L.P., USA (**MLIM**), on 16th December, 1996, with DSP Merrill Lynch Trustee Company Pvt. Ltd. (**the Trustee**) as a trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated 16th December, 1996 with DSP Merrill Lynch Investment Managers Ltd., now known as DSP Merrill Lynch Fund Managers Ltd. (**the AMC**) to function as the Investment Manager for all the schemes of DSPMLMF. DSPMLMF was registered with the Securities and Exchange Board of India (**SEBI**) on 30th January, 1997.

b. The Trustee

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the Unit Holders. The Trustee has been discharging its duties and carrying out the responsibilities as provided

in the SEBI (Mutual Funds) Regulations, 1996 (**'Regulations'**) and the Trust Deed. The Trustee seeks to ensure that DSPMLMF and the schemes floated thereunder are managed by the AMC in accordance with the Trust Deed, the regulations, directions and guidelines issued by SEBI, the Stock Exchanges, the Association of Mutual Funds in India (AMFI) and other regulatory agencies.

DIRECTORS OF THE TRUSTEE

- Mr. Shitin D. Desai – Mr. Desai is the Executive Vice-Chairman of DSPML.
- Mr. S. S. Thakur – Mr. Thakur is currently the Chairman of Central Depository Services (India) Ltd. and serves on the Board of Directors of various other companies.
- Ms. Tarjani Vakil – Ms. Vakil was the Chairperson and Managing Director of Export Import Bank of India and currently serves on the Board of Directors of various well-known companies.
- Dr. P. R. Joshi – Dr. Joshi is an economic consultant, with about 17 years of experience in development banking, 12 years in merchant banking and 30 years in management teaching. He retired as the Director of UTI Institute of Capital Markets in May 2001, and through his illustrious career, served as Deputy General Manager at ICICI and as a Director at DSPML.
- Mr. S. Doreswamy – Mr. Doreswamy is a financial consultant, with an experience of about 35 years in commercial banking, preceded by practice as a High court Advocate for about 3 years. Mr. Doreswamy has acted as Chairman and Managing Director of Dena Bank and Central Bank of India, is currently the Chairman of Can Fin Homes Ltd. and serves on the Board of Directors of various other companies.
- Mr. T. S. Krishnamurthy – Mr. Krishna Murthy, a former Chief Election Commissioner of India, has had a distinguished career in the Government of India, spanning over 36 years. He served the Income Tax department in various capacities and was also appointed Secretary, Department of Company Affairs, Government of India.

c. The AMC

In conformity with the Regulations, DSP Merrill Lynch Fund Managers Ltd., formerly known as DSP Merrill Lynch Investment Managers Limited (a company registered under the Companies Act, 1956) has been set-up to act as the Asset Management Company (AMC) to the Fund. In terms of the Investment Management Agreement (IMA) dated December 16, 1996, entered into between the Trustee and the AMC, the AMC has been appointed as the Investment Manager to the Fund. DSPML holds 40% of the shareholding of the AMC and the balance 60% shares are held by Mr. Hemendra Kothari along with DSP HMK Holdings Pvt. Ltd. and DSP ADIKO Holdings Pvt. Ltd. The Investment Manager was approved by SEBI to act as the AMC for the Mutual Fund vide Letter No. IIMARP/201/97 dated January 30, 1997. The AMC manages the schemes of the Fund in accordance with the provisions of the IMA, the Trust Deed, the Regulations and the objectives of each scheme. The AMC can be removed by the Trustee, subject to the Regulations.

DIRECTORS OF DSP MERRILL LYNCH FUND MANAGERS LIMITED

- Mr. Hemendra M. Kothari – Mr. Kothari is the Chairman of DSPML.
- Mr. Pradeep Dokania – Mr. Dokania is the Managing Director of DSP Merrill Lynch Capital Limited and head of the Global Private Client Group of DSPML.
- Mr. K. R. V. Subrahmanian – Mr. Subrahmanian is a management consultant and is on the board of some well-known corporates in India.
- Dr. Omkar Goswami – Dr. Goswami is the Founder and Chairman of CERG Advisory Private Limited. CERG primarily provides corporate advisory services, consulting services and research for companies and industries in India and abroad.
- Mr. Ranjan Pant – Mr. Pant is a global management consultant, advising CEOs / boards on Strategy and Change Management.
- Mr. Piyush Mankad – Mr. Mankad is a retired civil servant with a distinguished career of over 40 years in the prestigious Indian Administrative Service.

As on March 31, 2008, DSPMLMF had twenty open ended schemes (available for ongoing purchases) and one close ended scheme. In

DSPMLMF has launched various fixed maturity plans, being closed ended income schemes.

3. INVESTMENT OBJECTIVES OF THE SCHEMES

Scheme Name	Date of Launch	NFO period	Date of Reopen	Investment Objective
BF	April 07,1997	April 7, 1997 – April 15, 1997	May 2, 1997	Primarily generate attractive returns, consistent with prudent risk, from a portfolio of high quality debt securities of issuers domiciled in India.
EF	April 07,1997	April 7, 1997 – April 15, 1997	May 2, 1997	Primarily generate long-term capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India.
LF	Mar. 06, 1998	March 6, 1998 – March 9, 1998	Mar. 16, 1998	Primarily generate a reasonable return commensurate with low risk and a high degree of liquidity, from a portfolio of money market securities and high quality debt securities of issuers domiciled in India.
BaF	May 03, 1999	May 03, 1999 – May 14, 1999	May 31, 1999	Seek to generate long term capital appreciation and current income from a portfolio constituted of equity and equity related securities as well as fixed income securities (debt and money market securities).
GSFA	Sept. 20, 1999	Sept. 20, 1999 – Sept. 23, 1999	Oct. 01, 1999	Seek to generate income through investment in Central Government Securities of various maturities.
GSFB	Sept. 20, 1999	Sept. 20, 1999 – Sept. 23, 1999	Oct. 01, 1999	Seek to generate income through investment in Central Government Securities of various maturities.
TF	Mar. 11, 2000	Mar. 11, 2000 – April 18, 2000	May 18, 2000	Primarily generate long-term capital appreciation, and secondary objective is income generation and the distribution of dividend from a portfolio that is substantially constituted of equity securities and equity related securities concentrating on the investment focus of the Scheme.
OF	Mar. 11, 2000	Mar. 11, 2000 – April 18, 2000	May 18, 2000	Primarily generate long-term capital appreciation, and the secondary objective is income generation and the distribution of dividend from a portfolio that is substantially constituted of equity securities and equity related securities concentrating on the investment focus of the Scheme.
STF	Aug. 30, 2002	Aug. 30, 2002 – Sept. 04, 2002	Sep. 10, 2002	Primarily generate income commensurate with prudent risk, from a portfolio constituting of money market securities, floating rate debt securities and debt securities.
TEF	Feb. 10, 2003	Feb. 10, 2003 – Feb. 21, 2003	Mar. 11, 2003	Primarily generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of the 100 largest corporates by market capitalisation, listed in India.
SPF-M	Feb. 10, 2003	Feb. 10, 2003 – Feb. 21, 2003	Mar. 11, 2003	Generate attractive returns with prudent risk from a portfolio which is substantially constituted of quality debt securities. The Scheme will also seek to generate capital appreciation by investing a smaller portfolio of its corpus in equity and equity related securities of the 100 largest corporates, by market capitalization listed in India. The Scheme will also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time-to-time.
FRF	May 12, 2003	May 12, 2003	May 13, 2003	Generate income commensurate with prudent risk from a portfolio comprised substantially of floating rate debt securities and fixed rate debt securities swapped for floating rate returns.
SPF-C	April 27, 2004	April 27, 2004 – May 25, 2004	June 14, 2004	Generate attractive returns with prudent risk from a portfolio which is substantially constituted of quality debt securities. The Scheme will also seek to generate capital appreciation by investing a smaller portfolio of its corpus in equity and equity related securities of the 100 largest corporates, by market capitalization listed in India. The Scheme will also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time-to-time.
SPF-A	April 27, 2004	April 27, 2004 – May 25, 2004	June 14, 2004	Generate attractive returns with prudent risk from a portfolio which is substantially constituted of quality debt securities. The Scheme will also seek to generate capital appreciation by investing a smaller portfolio of its corpus in equity and equity related securities of the 100 largest corporates, by market capitalization listed in India. The Scheme will also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time-to-time.
ITF	April 27, 2004	April 27, 2004 – May 25, 2004	June 14, 2004	The Primary investment objective of the scheme is to seek to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing investments in infrastructure, both by the public and private sector. The scheme may also invest a certain portion of its corpus in debt and money market securities, in order to meet liquidity requirements from time-to-time.
LPLUS	July 24, 2006	July 24, 2006 – July 27, 2006	July 31, 2006	The primary investment objective of the Scheme is to seek to generate reasonable returns commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and high quality debt securities.
SM	Sept. 29, 2006	Sept. 29, 2006 – Oct. 18, 2006	Nov. 16, 2006	The Primary investment objective of the scheme is to seek to generate long-term capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities, which are not part of the top 100 stocks by market capitalisation. From time to time, the investment Manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. This shall be the fundamental attribute of the scheme. The Scheme may also invest a certain portion of its corpus in debt and money market securities, in order to meet liquidity requirements from time-to-time.
TSF	Nov. 27, 2006	Nov. 27, 2006 – Dec. 26, 2006	Jan. 22, 2007	The Primary investment objective of the scheme is to seek to generate medium to long term capital appreciation from a diversified portfolio that is substantially constituted of equity securities and equity related securities of corporates, and to enable investors to avail of a deduction from total income, as permitted under the Income tax Act, 1961 from time to time.

Scheme Name	Date of Launch	NFO period	Date of Reopen	Investment Objective
SBF	April 23, 2007	April 23, 2007 – May 03, 2007	May 10, 2007	DSP Merrill Lynch Strategic Bond Fund is an open ended income Scheme seeking to generate optimal returns with high liquidity through active management of the portfolio by investing in high quality debt and money market securities. However, there is no assurance that the objective of the Scheme can be realised.
WGF	July 25, 2007	July 25, 2007 – Aug. 23, 2007	Sept. 21, 2007	The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in MLIF – WGF. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/liquid schemes of DSP Merrill Lynch Mutual Fund, in order to meet liquidity requirements from time-to-time. However, there is no assurance that the investment objective of the Scheme will be realised.
CP	Oct. 25, 2007	Oct. 25, 2007 – Oct. 25, 2007	Oct. 30, 2007	The primary investment objective of DSP Merrill Lynch Cash Plus Fund is to seek to generate reasonable returns commensurate with low risk from a portfolio constituted of money market and debt securities. However, there is no assurance that the objective of the Scheme will be realised.
MCF	May 04, 2007	May 04, 2007 – May 25, 2007		The primary investment objective is to seek to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities which are not part of the top 300 companies by market capitalisation. From time-to-time, the Investment Manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. This shall be the fundamental attribute of the scheme. Equity related securities include, but are not limited to, fully convertible debentures, partly convertible debentures, optionally convertible debentures, unlisted securities, convertible preference shares, initial public offerings, private placements and warrants converting into equity securities. The Scheme may also invest a certain portion of its corpus in debt and money market securities while waiting for expected investment opportunities. After the Scheme becomes open ended, the investments in debt and money market securities will also be used to meet the liquidity requirements from time-to-time. There can be no assurance that the investment objective of the Scheme will be realised.

Investment Objective for Fixed Maturity Plan / Fixed Term Plan (FMP)

The primary investment objective of these schemes is to seek capital appreciation by investing in a portfolio of debt and money market securities. It is envisaged that the portfolio will display a maturity profile that is generally in line with the term of the scheme.

BF – Bond Fund, EF – Equity Fund, LF – Liquidity Fund, BaF – Balanced Fund, GSFA – Government Securities Fund – Plan A (Longer Duration Plan), GSFB – Government Securities Fund – Plan B (Shorter Duration Plan), TF – Technology.com Fund, OF – Opportunities Fund, STF – Short Term Fund., TEF – Top 100 Equity Fund, SPF-M – Savings Plus Fund - Moderate, FRF – Floating Rate Fund, SPF-A – Savings Plus Fund - Aggressive, SPF-C – Savings Plus Fund – Conservative, ITF – India T.I.G.E.R. Fund, LPLUS – Liquid Plus Fund, SM – Small and Midcap Fund, TSF – Tax Saver Fund, SBF – Strategic Bond Fund, MCF – Micro Cap Fund, WGF – World Gold Fund and CP – Cash Plus Fund (Collectively referred as ‘Schemes’).

Note: All the above schemes are open-ended except MCF.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Accounting

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are ‘marked to market’. The financial statements have been prepared in accordance with the regulations as amended from time-to-time.

4.2 Unit Capital

Unit Capital represents the net outstanding units as at the Balance Sheet date.

Upon issue and redemption of units, the net premium or discount to the face value of units is credited or debited respectively to the Unit Premium Reserve account, after adjusting an appropriate portion of the sale / repurchase price to the Income Equalisation account.

4.3 Income Equalisation Account

When Units are issued or redeemed, the net distributable income or loss for transacted units (excluding unrealised appreciation) from the beginning of the accounting year upto the date of issue or redemption of such units is transferred to/from the Income Equalisation account.

The purpose is to ensure that the per unit amount of the continuing unit holders’ share of the undistributed income/loss remains unaffected

by movement in Unit capital. At the year end, the balance in the Equalisation account is transferred to the Revenue account.

4.4 Investments

a) Accounting for Investment Transactions

Investments are accounted on the date of the transaction at cost after considering transaction costs as applicable excluding custodian transaction charges. The front end fee receivable, if any, is reduced from the cost of such investment. Bonus entitlements are recognised as investments on the ‘ex-bonus date’. Rights entitlements are recognised as investments on the ‘ex-rights date’.

Investments in foreign securities are accounted at the exchange rate prevailing on the date of accounting the trade. Differences in exchange rate till settlement are recognised as income or expense.

b) Valuation of Investments

During the year, the Fund has valued its investments in accordance with the regulations, as amended from time-to-time. All investments are marked to market and are stated in the balance sheet at their market / fair value. In valuing the Scheme’s investments:

I. Valuation of Traded Securities

I.I. Equity and Equity related Securities

Traded Equity and Equity related Securities are valued at the last quoted closing price on the National Stock Exchange (NSE) or other Stock Exchange (SE) (in case where security is either not listed on NSE or not traded on NSE). In case where a security is not traded on the valuation day then it is valued at last traded price on the NSE or any other SE on which it traded provided it is not more than thirty days prior to the date of valuation.

I.II. Debt Securities

Traded Debt Securities (other than Government Securities) are valued at the last quoted price on the NSE on the day of valuation.

II. Valuation of Thinly Traded Securities/ Non-traded and Unlisted Securities

II.I. Equity & Equity related Securities

Thinly Traded, Non-traded and unlisted Equity and Equity Related Securities are valued “in good faith” on the basis

of net worth per share and earnings capitalization as prescribed by the SEBI.

II.II. Debt Securities of upto 182 Days to Maturity

Non-traded / thinly traded / unlisted debt securities of upto 182 days to maturity are valued at cost or last valuation price (in case of securities having maturity period of more than 182 days at the time of purchase) plus difference between the redemption value and the cost or last valuation price spread uniformly over the remaining maturity period of the instrument.

II.III. Debt Securities of over 182 Days to Maturity

Non-traded / thinly traded / unlisted debt securities of over 182 days to maturity are valued in good faith by the investment manager on the basis of valuation principles laid down by the SEBI. The approach in valuation of a non-traded / thinly traded / unlisted debt security is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the security.

III. Valuation of Non-Traded /Thinly Traded and Unlisted Floating Rate Debt Securities (Floaters)

There are no valuation guidelines prescribed by SEBI for Valuation of Non-Traded / Thinly Traded and Unlisted Floating Rate Debt Securities. These securities are valued as determined by the investment manager based on policy as approved by the Board of Trustees.

IV. Valuation of Government Securities

Government Securities are valued at the prices provided by the agency (currently Crisil Limited) approved by the Association of Mutual Funds of India (AMFI), on a daily basis.

V. Valuation of securities with Put/Call Options

V.I. Securities with Call option

The securities with call option are valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is taken as the value of the instrument.

V.II. Securities with Put option

The securities with put option are valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is taken as the value of the instruments.

V.III. The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

VI. Valuation of Money Market Instruments

Investments in CBLO and short-term deposits with banks are valued at cost plus accrued interest.

Money market instruments are valued at the last traded yield on the date of valuation. In case the Money Market Instrument is not traded on the valuation day then it is valued on straight-line amortization over the maturity period of the instrument.

VII. Valuation of Foreign Securities

Investments in shares of Foreign Mutual Fund (Merrill Lynch International Investments Fund – World Gold Fund) are stated at the last declared Net Asset Value per share by the respective mutual fund and are translated into Indian rupees at RBI exchange rate prevalent on the date of valuation / Balance Sheet.

In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds

issued by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule to the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in the net unrealised loss, if any, between two balance sheet dates is recognised in the revenue account and the change in net unrealised gain, if any, is adjusted in an unrealised appreciation reserve. The loss on investments sold/transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the prior year, as recommended by the Guidance Note. However, this departure from the Guidance Note does not have any net impact on the Scheme's net assets.

4.5 Equity Derivatives

- Initial Margin paid against equity derivatives is accounted as current assets.
- Open position of Exchange Traded Equity Derivatives (ETED) are marked-to-market on daily basis at the closing prices provided by the respective stock exchanges.
- Realised gain / loss on closure / expiry of ETED are accounted as realised gain / loss on investments.

4.6 Revenue Recognition

- Income on investments is recognised on accrual basis except where there is uncertainty about ultimate recovery / realisation. Such income is recognised when the uncertainty is resolved.
- For quoted shares, the dividend income earned by a scheme is recognized on the date the share is quoted on an ex-dividend basis. For investments in shares which are not quoted on the stock exchanges, the dividend income is recognised on the date of declaration.
- Interest on fixed income securities is recognised as income on a daily basis over the period of holding (interest paid for the period from the last interest due date upto the date of purchase, is not treated as a cost of purchase, but debited to interest accrued but not due account. Similarly, interest received at the time of sale for the period from the last interest due date upto the date of sale is not treated as an addition to sale value but credited to interest accrued but not due account). In respect of discounted securities, the discount to redemption value is amortised and recognised as interest income equally over the period to redemption.
- Profit or loss on sale of investments is recognised on the trade date and is determined on the basis of the weighted average cost method.

4.7 Expenses

- All expenses are accounted for on accrual basis.
- **New Fund Offer (NFO) Expenses:**

NFO expenses for SBF, CP & FMPs' were borne by the AMC. In case of WGF the entry load collected during the NFO was utilised to meet the NFO expenses and the remainder of the NFO expenses was borne by the AMC.

- **Amortization of NFO Expenses in MCF:**

NFO expenses incurred upto 4.50% of amount mobilized is amortized over a period of 36 months, starting from 14th June, 2007. An early exit charge equivalent to the balance unamortized NFO expenses upto the date of redemption is adjusted against the outstanding balance.

4.8 Entry Load / Exit Load

The Entry Load / Exit Load collected is utilised for meeting the selling and distribution expenses.

5. INVESTOR SERVICES

During the year, the AMC continued to provide innovative services and facilities for investors. With increased retail interest and the consequent

increase in transaction volumes across the country, the AMC has taken suitable measures to enhance process and controls with an endeavour to provide quality services to its customers and continuously reduce customer complaints.

The AMC opened new offices in Bhubaneshwar, Guwahati, Jamshedpur, Kanpur, Ludhiana, Mangalore, Nasik, Patna and Rajkot apart from moving to new premises in Kolkatta and Pune. Registrars & Transfer Agents (CAMS) have also increased their reach to cater to investors of various cities and now have presence in 152 locations across the country.

We encourage investors to provide their valuable feedback via email on dspmlmf@ml.com or by reaching us at 1800 345 4499 (Toll free from BSNL / MTNL Lines) or 044 3048 2855 from other lines.

6. UNCLAIMED DIVIDENDS AND REDEMPTION AMOUNTS

Based on the feedback received from the bankers to the dividend/redemption account, the amount of dividends /redemption declared and remaining unclaimed (for more than six months) as on the balance sheet date is as under:

Schemes	Unclaimed Dividends		Unclaimed Redemptions	
	Amount (Rs.)	No. of Un-claimed Drafts / Warrants	Amount (Rs.)	No. of Un-claimed Drafts / Warrants
DSP Merrill Lynch Balanced Fund	2,492,815	111	131,306	9
DSP Merrill Lynch Bond Fund	1,860,145	880	301,001	22
DSP Merrill Lynch Equity Fund	2,196,893	283	859,328	43
DSP Merrill Lynch Floating Rate Fund	8,025	23	532,450	5
DSP Merrill Lynch Government Securities Fund	20,172	14	-	-
DSP Merrill Lynch India TIGER Fund	1,788,516	312	2,209,341	118
DSP Merrill Lynch Liquidity Fund	2,584	10	430,384	3
DSP Merrill Lynch Opportunities Fund	3,810,327	535	2,140,800	95
DSP Merrill Lynch Savings Plus Fund Aggressive	245,788	235	73,134	5
DSP Merrill Lynch Savings Plus Fund Conservative	14,723	69	15,661	2
DSP Merrill Lynch Savings Plus Fund Moderate	233,172	880	155,983	42
DSP Merrill Lynch Short Term Fund	5,247	5	-	-
DSP Merrill Lynch Small and Mid Cap Fund	-	-	1,185,174	67
DSP Merrill Lynch Technology.com Fund	-	-	500,557	39
DSP Merrill Lynch Top 100 Equity Fund	1,723,443	325	402,021	20
Total	14,401,850	3,682	8,937,140	470

Apart from the above, a further sum of Rs 942,047/- of 188 cases is outstanding for more than 3 years and is in the Investor Protection Fund.

Investors are requested to reconcile their bank account statements with the account statements sent by DSPMLMF and contact the AMC in case of any non-receipt of dividend / redemption proceeds.

7. EXPECTED CHANGE IN SHAREHOLDING OF THE AMC AND TRUSTEE AND SPONSOR FOR DSPMLMF

Change in Shareholding of AMC and Trustee

On account of the restructuring of Merrill Lynch's asset management business by the merger of MLIM with BlackRock Inc. ('BlackRock') globally, DSPML, one of the Sponsors of DSPMLMF, has entered into a Share Purchase Agreement dated May 06, 2008, pursuant to which BlackRock Singapore (Advisors) Pte. Ltd., a wholly owned subsidiary of BlackRock, will buy the entire stake of DSPML in the AMC, viz., 40% of the paid-up capital of the AMC.

BlackRock is currently one of the world's largest publicly traded investment management companies, with assets under management of over USD 1.3 trillion.

Parallel to the above change in shareholding of the AMC, BlackRock Singapore (Advisors) Pte. Ltd. will also buy the entire stake of DSPML in the Trustee, viz., 49% of the paid-up capital of the Trustee.

Change in Shareholding of Sponsor for DSPMLMF

The proposed change in shareholding will, in terms of the Regulations, result in DSPML, one of the sponsors to DSPMLMF, ceasing to be a sponsor, and BlackRock becoming a deemed sponsor to DSPMLMF, by virtue of acquiring 40% stake in the AMC. DSP HMK Holdings Pvt. Ltd. and DSP ADIKO Holdings Pvt. Ltd. will continue as co-sponsors to DSPMLMF.

The approval for the proposed shareholding and consequent change in sponsor is pending with SEBI.

8. STATUTORY DETAILS

- DSPMLMF was set up as a Trust by the settlors, DSPML and MLIM Sponsors: DSPML, DSP HMK Holdings Pvt. Ltd. and DSP ADIKO Holdings Pvt. Ltd. (collectively) (Liability restricted to Rs. 1 lakh). Trustee: DSP Merrill Lynch Trustee Company Pvt. Ltd. Investment Manager: DSP Merrill Lynch Fund Managers Ltd.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- Full Annual Report is available on the website www.dspmlmutualfund.com and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.
- Investors are requested to furnish the details of their bank account, if not already submitted, to DSPMLMF / the AMC, as it is mandatory to mention bank account details on redemption / dividend cheques. You will appreciate that this measure is in the interest of investors, as it is intended to prevent fraudulent encashment of cheques.

ACKNOWLEDGEMENTS

The Trustees wish to thank the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), and AMFI for their support and directions.

The Trustees would also like to thank the Auditors, Custodian, Registrar & Transfer Agent, Fund Accountant, Bankers, Distributors, Brokers and all other service providers for DSPMLMF, for their valuable support.

The Trustees also wish to thank all Unit Holders for their strong support.

For and on behalf of DSP Merrill Lynch Trustee Company Private Limited

Place : Mumbai
Date : September 9, 2008

Shitin Desai
Chairman

CONSOLIDATED AUDITORS' REPORT

To the Trustee of
 DSP MERRILL LYNCH MUTUAL FUND:

We have audited the attached balance sheets of the schemes mentioned below (collectively 'the Schemes') as at March 31, 2008, the revenue accounts and the cash flow statements, where applicable, for the period from April 1, 2007 or date of launch to March 31, 2008 ended on that date annexed thereto. These financial statements are the responsibility of the management of DSP Merrill Lynch Fund Managers Limited, the Schemes' asset manager. Our responsibility is to express an opinion on these financial statements based on our audit. Presentation of these separate balance sheets, revenue accounts and cash flow statements, where applicable, in a columnar form is not intended to indicate that they bear any relation to each other, or are interdependent or comparable in any way.

- DSP Merrill Lynch Bond Fund;
- DSP Merrill Lynch Equity Fund;
- DSP Merrill Lynch Liquidity Fund;
- DSP Merrill Lynch Balanced Fund;
- DSP Merrill Lynch Government Securities Fund – Plan A (Longer Duration Plan);
- DSP Merrill Lynch Government Securities Fund – Plan B (Shorter Duration Plan);
- DSP Merrill Lynch Technology.com Fund;
- DSP Merrill Lynch Opportunities Fund;
- DSP Merrill Lynch Short Term Fund;
- DSP Merrill Lynch Top 100 Equity Fund;
- DSP Merrill Lynch Savings Plus Fund - Moderate;
- DSP Merrill Lynch Floating Rate Fund;
- DSP Merrill Lynch Savings Plus Fund - Conservative;
- DSP Merrill Lynch Savings Plus Fund - Aggressive;
- DSP Merrill Lynch India T.I.G.E.R. Fund (The Infrastructure Growth and Economic Reforms Fund);
- DSP Merrill Lynch Liquid Plus Fund;
- DSP Merrill Lynch Tax Saver Fund;
- DSP Merrill Lynch Small and Mid Cap;
- DSP Merrill Lynch Strategic Bond Fund;
- DSP Merrill Lynch World Gold Fund;
- DSP Merrill Lynch Cash Plus Fund; and
- DSP Merrill Lynch Micro Cap Fund.

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.

We report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. The balance sheets, revenue accounts and cash flow statements, where applicable, dealt with by this report are in agreement with the books of account.
- iii. In our opinion, the balance sheet and revenue accounts dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Eighth, Ninth and Tenth Schedules to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations').
- iv. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities, where applicable, as at March 31, 2008 are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India as applicable and approved by the Board of Directors of DSP Merrill Lynch Trustee Company Private Limited, and are fair and reasonable.
- v. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheets, of the state of affairs of the Schemes as at March 31, 2008;
 - b) in the case of the revenue accounts, of the surplus/deficit, as applicable, for the year/period, as applicable, ended on that date; and
 - c) in case of the cash flow statements, where applicable, of the cash flows for the year/period, as applicable, ended on that date.

For S. R. Batliboi & Co.

Chartered Accountants

per Hemal Shah

Partner

Membership No.: 42650

Mumbai , July 22, 2008

**DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008**

Rupees in Lakhs

		BF		EF		LF		BaF	
		As at 31.03.2008	As at 31.03.2007						
	LIABILITIES								
1	Unit Capital	1,980.92	2,888.02	38,970.35	18,904.73	79,150.32	178,114.58	18,968.15	16,445.32
2	Reserves & Surplus								
2.1	Unit Premium Reserves	(49,974.70)	(48,955.41)	43,774.57	41,901.83	(11,493.35)	3,750.28	12,964.34	8,492.12
2.2	Unrealised Appreciation Reserve	23.35	2.45	9.44	3,428.61	6.62	2.14	2.24	1,823.24
2.3	Other Reserves	51,822.76	51,701.16	27,934.85	6,427.13	18,118.45	15,960.99	16,498.33	12,718.28
3	Current Liabilities & Provisions								
3.1	Other Current Liabilities & Provisions	57.99	53.87	4,723.64	2,312.42	253.15	283.10	1,752.28	925.76
	TOTAL	3,910.32	5,690.09	115,412.85	72,974.72	86,035.19	198,111.09	50,185.34	40,404.72
	ASSETS								
1	Investments								
1.1	Listed Securities								
1.1.1	Equity Shares	–	–	91,293.47	58,700.59	–	–	30,593.39	24,416.67
1.1.2	Preference Shares	–	–	119.98	–	–	–	37.75	–
1.1.3	Debentures & Bonds	1,248.99	3,588.47	–	–	5,205.94	57,113.12	13,833.84	12,194.93
1.2	Securities Awaited Listing								
1.2.1	Equity Shares	–	–	182.58	–	–	–	59.66	–
1.2.2	Debentures & Bonds	–	–	–	–	–	–	–	–
1.3	Unlisted Securities								
1.3.1	Equity Shares	–	–	14.34	25.98	–	–	6.14	11.13
1.3.2	Preference Shares	–	–	–	–	–	–	–	–
1.3.3	Debentures & Bonds	–	–	–	–	5,000.00	5,000.00	–	600.00
1.3.4	Securitized Debt Securities	112.23	123.80	–	–	3,194.15	463.63	–	–
1.4	Government Securities	2,006.00	–	–	–	–	–	–	–
1.5	Treasury Bills	–	–	–	–	–	–	–	–
1.6	Commercial Paper	–	–	–	4,980.15	10,552.37	15,365.91	–	–
1.7	Certificate of Deposits	–	1,810.28	–	4,844.56	47,210.09	118,093.22	–	1,476.04
1.8	Bill Rediscounting	–	–	–	–	–	–	–	–
1.9	Units of Domestic Mutual Fund	–	–	–	–	–	–	–	–
1.10	Foreign Securities	–	–	–	–	–	–	–	–
	Total Investments	3,367.22	5,522.55	91,610.37	68,551.28	71,162.55	196,035.88	44,530.78	38,698.77
2	Deposits	7.50	2.00	2,659.39	375.12	100.00	173.00	1,698.91	263.21
3	Other Current Assets								
3.1	Cash & Bank Balance	104.34	40.99	792.08	417.14	138.99	159.08	425.68	154.46
3.2	CBLO/ Reverse Repo Lending	374.82	69.70	13,793.50	1,513.53	14,068.37	900.25	1,334.37	672.13
3.3	Others	56.44	54.85	6,557.51	2,117.65	565.28	842.88	2,195.60	616.15
4	Deferred Revenue Expenditure (to the extent not written off)	–	–	–	–	–	–	–	–
	TOTAL	3,910.32	5,690.09	115,412.85	72,974.72	86,035.19	198,111.09	50,185.34	40,404.72

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

Mumbai
September 9, 2008

Mumbai
September 8, 2008

Extracted from Audited financial Statements for the year 2007-2008

**DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008**

Rupees in Lakhs

		GSFA		GSFB		TF	
		As at 31.03.2008	As at 31.03.2007	As at 31.03.2008	As at 31.03.2007	As at 31.03.2008	As at 31.03.2007
	LIABILITIES						
1	Unit Capital	2,335.88	1,596.88	461.64	315.46	5,260.34	2,793.29
2	Reserves & Surplus						
2.1	Unit Premium Reserves	(2,977.20)	(3,063.85)	(745.90)	(742.42)	6,736.05	1,181.90
2.2	Unrealised Appreciation Reserve	–	–	–	–	–	395.20
2.3	Other Reserves	4,698.21	4,476.65	940.26	926.12	(601.37)	2,651.46
3	Current Liabilities & Provisions						
3.1	Other Current Liabilities & Provisions	18.13	6.26	4.94	1.43	892.01	595.97
	TOTAL	4,075.02	3,015.94	660.94	500.59	12,287.03	7,617.82
	ASSETS						
1	Investments						
1.1	Listed Securities						
1.1.1	Equity Shares	–	–	–	–	9,842.59	5,848.70
1.1.2	Preference Shares	–	–	–	–	–	–
1.1.3	Debentures & Bonds	–	–	–	–	–	–
1.2	Securities Awaited Listing						
1.2.1	Equity Shares	–	–	–	–	–	–
1.2.2	Debentures & Bonds	–	–	–	–	–	–
1.3	Unlisted Securities						
1.3.1	Equity Shares	–	–	–	–	–	–
1.3.2	Preference Shares	–	–	–	–	–	–
1.3.3	Debentures & Bonds	–	–	–	–	–	–
1.3.4	Securitised Debt Securities	–	–	–	–	–	–
1.4	Government Securities	2,507.50	2,817.20	–	210.00	–	–
1.5	Treasury Bills	–	–	–	197.07	–	–
1.6	Commercial Paper	–	–	–	–	–	–
1.7	Certificate of Deposits	–	–	–	–	–	–
1.8	Bill Rediscounting	–	–	–	–	–	–
1.9	Units of Domestic Mutual Fund	–	–	–	–	–	–
1.10	Foreign Securities	–	–	–	–	–	–
	Total Investments	2,507.50	2,817.20	–	407.07	9,842.59	5,848.70
2	Deposits	7.50	3.00	7.50	1.00	259.93	–
3	Other Current Assets						
3.1	Cash & Bank Balance	124.64	15.08	13.44	13.04	199.65	236.07
3.2	CBLO/ Reverse Repo Lending	1,389.35	109.53	639.70	74.68	999.53	1,254.83
3.3	Others	46.03	71.13	0.30	4.80	985.33	278.22
4	Deferred Revenue Expenditure (to the extent not written off)	–	–	–	–	–	–
	TOTAL	4,075.02	3,015.94	660.94	500.59	12,287.03	7,617.82

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
ChairmanS. S. Thakur
DirectorHemendra Kothari
ChairmanK. R. V. Subrahmanian
DirectorNaganath Sundaresan
President & Chief Investment OfficerMumbai
September 9, 2008Mumbai
September 8, 2008

**DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008**

Rupees in Lakhs

		OF		STF		TEF	
		As at 31.03.2008	As at 31.03.2007	As at 31.03.2008	As at 31.03.2007	As at 31.03.2008	As at 31.03.2007
	LIABILITIES						
1	Unit Capital	40,372.90	44,010.12	3,282.23	5,043.92	26,365.42	13,079.51
2	Reserves & Surplus						
2.1	Unit Premium Reserves	9,384.21	30,097.68	(2,054.95)	(1,655.58)	34,161.59	14,164.62
2.2	Unrealised Appreciation Reserve	23,053.98	29,736.59	11.28	–	33.96	1,599.01
2.3	Other Reserves	52,307.17	26,779.52	2,709.57	2,514.96	19,633.19	3,905.07
3	Current Liabilities & Provisions						
3.1	Other Current Liabilities & Provisions	8,676.21	2,559.86	14.84	261.46	3,494.65	803.06
	TOTAL	133,794.47	133,183.77	3,962.97	6,164.76	83,688.81	33,551.27
	ASSETS						
1	Investments						
1.1	Listed Securities						
1.1.1	Equity Shares	115,223.68	118,693.41	–	–	55,929.28	26,554.89
1.1.2	Preference Shares	8.47	–	–	–	109.07	–
1.1.3	Debentures & Bonds	–	5,584.92	1,408.33	500.20	100.00	–
1.2	Securities Awaited Listing						
1.2.1	Equity Shares	1,227.55	–	–	–	–	–
1.2.2	Debentures & Bonds	–	–	–	–	–	–
1.3	Unlisted Securities						
1.3.1	Equity Shares	–	–	–	–	–	–
1.3.2	Preference Shares	–	–	–	–	–	–
1.3.3	Debentures & Bonds	–	–	–	–	–	–
1.3.4	Securitised Debt Securities	–	–	2,142.41	1,392.79	–	–
1.4	Government Securities	–	–	–	–	–	–
1.5	Treasury Bills	–	–	–	–	–	–
1.6	Commercial Paper	–	–	–	–	–	–
1.7	Certificate of Deposits	–	3,898.55	–	4,015.50	–	3,404.09
1.8	Bill Rediscounting	–	–	–	–	–	–
1.9	Units of Domestic Mutual Fund	–	–	–	–	–	–
1.10	Foreign Securities	–	–	–	–	–	–
	Total Investments	116,459.70	128,176.88	3,550.74	5,908.49	56,138.35	29,958.98
2	Deposits	2,276.18	1,176.00	7.50	3.00	2,163.03	868.62
3	Other Current Assets						
3.1	Cash & Bank Balance	1,001.46	582.97	54.89	18.66	1,524.17	250.16
3.2	CBLO/ Reverse Repo Lending	12,629.16	1,943.69	169.92	220.51	16,992.18	1,440.07
3.3	Others	1,427.97	1,304.23	179.92	14.10	6,871.08	1,033.44
4	Deferred Revenue Expenditure (to the extent not written off)	–	–	–	–	–	–
	TOTAL	133,794.47	133,183.77	3,962.97	6,164.76	83,688.81	33,551.27

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

 Mumbai
September 9, 2008

 Mumbai
September 8, 2008

DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008

Rupees in Lakhs

	SPF – M		FRF		SPF – A		SPF – C	
	As at 31.03.2008	As at 31.03.2007						
LIABILITIES								
1 Unit Capital	7,967.77	11,912.49	11,091.01	30,472.87	10,355.99	5,449.65	765.81	941.06
2 Reserves & Surplus								
2.1 Unit Premium Reserves	(4,965.43)	(3,442.87)	(6,804.57)	(5,465.20)	1,758.62	290.68	(114.95)	(77.19)
2.2 Unrealised Appreciation Reserve	0.64	16.88	4.66	79.49	1.29	9.92	0.07	0.54
2.3 Other Reserves	7,774.10	7,376.44	8,174.99	7,828.59	1,125.79	772.72	203.71	193.09
3 Current Liabilities & Provisions								
3.1 Other Current Liabilities & Provisions	133.15	138.08	92.94	79.66	130.76	43.01	8.33	5.35
TOTAL	10,910.23	16,001.02	12,559.03	32,995.41	13,372.45	6,565.98	862.97	1,062.85
ASSETS								
1 Investments								
1.1.1 Listed Securities								
1.1.1 Equity Shares	1,104.12	835.05	–	–	2,026.69	485.70	52.49	26.88
1.1.2 Preference Shares	–	–	–	–	–	–	–	–
1.1.3 Debentures & Bonds	4,365.52	11,076.58	8,919.82	32,149.84	5,261.07	3,440.03	305.82	–
1.2 Securities Awaited Listing								
1.2.1 Equity Shares	–	–	–	–	–	–	–	–
1.2.2 Debentures & Bonds	–	–	–	–	–	–	–	–
1.3 Unlisted Securities								
1.3.1 Equity Shares	–	–	–	–	–	–	–	–
1.3.2 Preference Shares	–	–	–	–	–	–	–	–
1.3.3 Debentures & Bonds	–	–	–	–	1,000.00	–	–	–
1.3.4 Securitised Debt Securities	–	755.95	724.55	36.79	–	178.35	–	178.35
1.4 Government Securities	–	–	–	–	–	–	–	–
1.5 Treasury Bills	–	–	–	–	–	–	–	–
1.6 Commercial Paper	–	996.03	–	–	–	–	–	–
1.7 Certificate of Deposits	4,607.32	1,487.40	2,421.24	–	2,641.79	1,490.50	–	498.91
1.8 Bill Rediscounting	–	–	–	–	–	–	–	–
1.9 Units of Domestic Mutual Fund	–	–	–	–	–	–	–	–
1.10 Foreign Securities	–	–	–	–	–	–	–	–
Total Investments	10,076.96	15,151.01	12,065.61	32,186.63	10,929.55	5,594.59	358.31	704.14
2 Deposits	452.52	327.78	7.50	7.00	1,257.28	271.61	288.31	217.67
3 Other Current Assets								
3.1 Cash & Bank Balance	24.90	122.44	54.11	42.50	55.43	41.04	30.40	10.59
3.2 CBLO/ Reverse Repo Lending	139.93	204.13	309.85	404.63	724.66	602.43	174.92	129.45
3.3 Others	215.92	195.66	121.96	354.65	405.53	56.32	11.03	1.00
4 Deferred Revenue Expenditure (to the extent not written off)	–	–	–	–	–	–	–	–
TOTAL	10,910.23	16,001.02	12,559.03	32,995.41	13,372.45	6,565.98	862.97	1,062.85

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
ChairmanS. S. Thakur
DirectorHemendra Kothari
ChairmanK. R. V. Subrahmanian
DirectorNaganath Sundaresan
President & Chief Investment OfficerMumbai
September 9, 2008Mumbai
September 8, 2008

**DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008**

Rupees in Lakhs

		ITF		LPLUS		SM	
		As at 31.03.2008	As at 31.03.2007	As at 31.03.2008	As at 31.03.2007	As at 31.03.2008	As at 31.03.2007
	LIABILITIES						
1	Unit Capital	148,045.94	67,053.72	247,906.60	172,593.18	86,313.10	146,423.36
2	Reserves & Surplus						
2.1	Unit Premium Reserves	182,508.33	52,225.56	(108.00)	7.14	(8,401.32)	63.18
2.2	Unrealised Appreciation Reserve	28.07	14,633.52	70.97	2.87	34.25	–
2.3	Other Reserves	52,511.73	9,660.00	2,741.65	1,118.69	16,671.61	(992.95)
3	Current Liabilities & Provisions						
3.1	Other Current Liabilities & Provisions	2,975.24	3,859.63	3,178.28	300.37	2,487.18	1,446.54
	TOTAL	386,069.31	147,432.43	253,789.50	174,022.26	97,104.82	146,940.13
	ASSETS						
1	Investments						
1.1.1	Listed Securities						
1.1.1	Equity Shares	327,926.67	131,675.17	–	–	82,046.17	130,178.33
1.1.2	Preference Shares	376.38	–	–	–	–	–
1.1.3	Debentures & Bonds	45.30	–	56,551.18	5,493.64	1,500.00	11,042.08
1.2	Securities Awaited Listing						
1.2.1	Equity Shares	4,098.22	–	–	–	782.45	–
1.2.2	Debentures & Bonds	–	–	–	–	–	–
1.3	Unlisted Securities						
1.3.1	Equity Shares	–	–	–	–	–	–
1.3.2	Preference Shares	–	–	–	–	–	–
1.3.3	Debentures & Bonds	–	–	42,948.37	7,500.00	–	–
1.3.4	Securitised Debt Securities	–	–	20,768.49	891.77	–	–
1.4	Government Securities	–	–	–	–	–	–
1.5	Treasury Bills	–	–	–	–	–	–
1.6	Commercial Paper	–	–	17,335.90	36,948.22	–	–
1.7	Certificate of Deposits	–	9,282.25	66,038.59	116,554.43	–	1,956.06
1.8	Bill Rediscounting	–	–	32,358.25	–	–	–
1.9	Units of Domestic Mutual Fund	–	–	–	–	–	–
1.10	Foreign Securities	–	–	–	–	–	–
	Total Investments	332,446.57	140,957.42	236,000.78	167,388.06	84,328.62	143,176.47
2	Deposits	3,222.67	1,206.92	120.00	–	865.40	1,119.10
3	Other Current Assets						
3.1	Cash & Bank Balance	3,203.21	1,416.49	4,719.05	4,261.33	167.09	281.87
3.2	CBLO/ Reverse Repo Lending	38,384.45	2,854.80	8,471.01	1,897.70	7,697.05	1,219.73
3.3	Others	8,812.41	996.80	4,478.66	475.17	4,046.66	1,142.96
4	Deferred Revenue Expenditure (to the extent not written off)	–	–	–	–	–	–
	TOTAL	386,069.31	147,432.43	253,789.50	174,022.26	97,104.82	146,940.13

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

 Mumbai
September 9, 2008

 Mumbai
September 8, 2008

DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008

Rupees in Lakhs

	TSF		SBF	WGF	CP	MCF
	As at 31.03.2008	As at 31.03.2007	As at 31.03.08	As at 31.03.08	As at 31.03.08	As at 31.03.08
LIABILITIES						
1 Unit Capital	39,323.21	12,656.50	44,103.71	113,253.86	53,118.46	30,807.14
2 Reserves & Surplus						
2.1 Unit Premium Reserves	2,767.02	17.51	(42.55)	22,288.57	74.51	(98.51)
2.2 Unrealised Appreciation Reserve	–	–	–	25,058.79	0.99	–
2.3 Other Reserves	2,052.48	(528.76)	846.66	(232.11)	365.55	1,146.21
3 Current Liabilities & Provisions						
3.1 Other Current Liabilities & Provisions	301.22	174.86	1,086.78	2,433.99	61.43	427.53
TOTAL	44,443.93	12,320.11	45,994.60	162,803.10	53,620.94	32,282.37
ASSETS						
1 Investments						
1.1.1 Listed Securities						
1.1.1 Equity Shares	34,278.02	8,569.54	–	–	–	26,706.13
1.1.2 Preference Shares	–	–	–	–	–	–
1.1.3 Debentures & Bonds	–	–	42,434.26	–	18,600.00	–
1.2 Securities Awaited Listing						
1.2.1 Equity Shares	228.37	–	–	–	–	903.13
1.2.2 Debentures & Bonds	–	–	–	–	–	–
1.3 Unlisted Securities						
1.3.1 Equity Shares	–	–	–	–	–	–
1.3.2 Preference Shares	–	–	–	–	–	–
1.3.3 Debentures & Bonds	–	–	–	–	5,999.08	–
1.3.4 Securitised Debt Securities	–	–	–	–	–	–
1.4 Government Securities	–	–	391.84	–	–	–
1.5 Treasury Bills	–	–	–	–	–	–
1.6 Commercial Paper	–	–	–	–	–	–
1.7 Certificate of Deposits	–	1,443.11	–	–	20,994.24	–
1.8 Bill Rediscounting	–	–	–	–	–	–
1.9 Units of Domestic Mutual Fund	–	–	–	2,726.20	–	–
1.10 Foreign Securities	–	–	–	156,234.16	–	–
Total Investments	34,506.39	10,012.65	42,826.10	158,960.36	45,593.32	27,609.26
2 Deposits	1,001.20	224.06	8.50	–	45.00	766.56
3 Other Current Assets						
3.1 Cash & Bank Balance	4,795.52	515.97	21.80	1,583.43	47.11	41.11
3.2 CBLO/ Reverse Repo Lending	4,098.48	1,476.65	1,649.22	2,099.31	6,971.61	2,299.19
3.3 Others	42.34	90.77	1,488.98	160.00	963.90	549.40
4 Deferred Revenue Expenditure (to the extent not written off)	–	–	–	–	–	1,016.85
TOTAL	44,443.93	12,320.11	45,994.60	162,803.10	53,620.94	32,282.37

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
ChairmanS. S. Thakur
DirectorHemendra Kothari
ChairmanK. R. V. Subrahmanian
DirectorNaganath Sundaresan
President & Chief Investment OfficerMumbai
September 9, 2008Mumbai
September 8, 2008

**DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2008**

Rupees in Lakhs

		BF		EF		LF	
		Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1.	INCOME						
1.1	Dividend	–	–	828.90	800.15	–	–
1.2	Interest	309.09	408.17	383.98	233.00	7,586.68	29,286.92
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	–	–	–	–	–	–
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	(21.26)	(4.74)	(2.54)	(0.63)	(84.54)	(35.77)
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	48.53	(27.69)	32,515.37	20,179.51	270.45	450.28
1.6	Realised Gains / (Losses) on Derivative Transactions	–	–	(600.10)	155.45	–	–
1.7	Other Income	–	–	–	1.74	–	0.19
	(A)	336.36	375.74	33,125.61	21,369.22	7,772.59	29,701.62
2.	EXPENSES						
2.1	Management fees	54.22	66.97	1,056.22	582.61	235.40	1,101.87
2.2	Service tax on Management fees	6.70	8.12	130.48	70.81	29.07	132.65
2.3	Transfer agents fees and Expenses	4.85	6.94	128.71	94.23	53.56	248.67
2.4	Custodian fees	0.49	1.04	42.23	30.70	19.14	69.78
2.5	Trusteeship fees	0.12	0.21	2.53	2.09	3.41	14.70
2.6	Commission to Agents	24.61	39.06	702.40	535.09	70.01	168.69
2.7	Marketing & Distribution Expenses	–	–	–	–	–	–
2.8	Audit fees	0.22	0.30	4.36	2.56	2.59	13.78
2.9	Other Operating Expenses	1.93	1.24	35.00	37.73	21.17	46.50
3.0	NFO Amortisation Expenses	–	–	–	–	–	–
	(B)	93.14	123.88	2,101.93	1,355.82	434.35	1,796.64
3.	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A – B = C)	243.22	251.86	31,023.68	20,013.40	7,338.24	27,904.98
4.	Change in Unrealised Depreciation in value of Investments (D)	(54.05)	47.18	(7,188.38)	(4.07)	(0.36)	17.95
5.	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C–D))	189.17	299.04	23,835.30	20,009.33	7,337.88	27,922.93
6.	Change in unrealised appreciation in the value of Investments (F)	20.90	2.45	(3,419.17)	(12,851.06)	4.48	(36.16)
7.	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	210.07	301.49	20,416.13	7,158.27	7,342.36	27,886.77
7.1	Add: Opening Balance transferred from Unrealised Appreciation Reserve	2.45	–	3,428.61	16,279.67	2.14	38.30
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	(23.35)	(2.45)	(9.44)	(3,428.61)	(6.62)	(2.14)
7.3	Add / (Less): Equalisation	(21.90)	(20.77)	11,415.85	2,646.48	(989.03)	(4,340.82)
8.	Total	167.27	278.27	35,251.15	22,655.81	6,348.85	23,582.11
9.	Dividend Appropriation						
9.1	Income Distributed during the year / period	38.38	81.60	13,743.43	12,368.35	3,266.22	16,453.70
9.2	Tax on income distributed during the year / period	7.29	15.16	–	–	925.17	3,161.09
10.	Retained Surplus / (Deficit) carried forward to Balance Sheet	121.60	181.51	21,507.72	10,287.46	2,157.46	3,967.32

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

Mumbai
September 9, 2008

Mumbai
September 8, 2008

Extracted from Audited financial Statements for the year 2007-2008

DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2008

Rupees in Lakhs

		BaF		GSFA		GSFB	
		Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1.	INCOME						
1.1	Dividend	290.98	371.88	–	–	–	–
1.2	Interest	849.16	768.72	253.53	241.13	37.82	57.46
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	–	–	–	–	–	–
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	(208.86)	5.99	(1.36)	–	–	4.12
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	13,365.91	9,621.46	(0.86)	(20.75)	(4.57)	(0.94)
1.6	Realised Gains / (Losses) on Derivative Transactions	368.26	92.56	–	–	–	–
1.7	Other Income	–	–	–	–	–	–
	(A)	14,665.45	10,860.61	251.31	220.38	33.25	60.64
2.	EXPENSES						
2.1	Management fees	502.90	350.76	19.39	16.88	2.10	2.25
2.2	Service tax on Management fees	62.12	42.62	2.40	2.05	0.26	0.27
2.3	Transfer agents fees and Expenses	49.94	47.93	2.68	3.58	0.62	1.01
2.4	Custodian fees	18.62	15.84	–	–	–	–
2.5	Trusteeship fees	1.22	1.25	0.08	0.12	0.01	0.04
2.6	Commission to Agents	314.81	265.24	14.32	15.90	0.28	0.45
2.7	Marketing & Distribution Expenses	–	–	–	1.32	–	–
2.8	Audit fees	2.00	2.01	0.16	0.29	0.06	0.29
2.9	Other Operating Expenses	9.50	7.98	0.92	1.03	0.62	0.23
3.0	NFO Amortisation Expenses	–	–	–	–	–	–
	(B)	961.11	733.63	39.95	41.17	3.95	4.54
3.	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A – B = C)	13,704.34	10,126.98	211.36	179.21	29.30	56.10
4.	Change in Unrealised Depreciation in value of Investments (D)	(2,327.06)	(43.56)	10.39	(47.45)	4.26	(4.25)
5.	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C–D))	11,377.28	10,083.42	221.75	131.76	33.56	51.85
6.	Change in unrealised appreciation in the value of Investments (F)	(1,821.01)	(6,853.79)	–	–	–	–
7.	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	9,556.27	3,229.63	221.75	131.76	33.56	51.85
7.1	Add: Opening Balance transferred from Unrealised Appreciation Reserve	1,823.24	8,677.03	–	–	–	–
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	(2.24)	(1,823.24)	–	–	–	–
7.3	Add / (Less): Equalisation	942.82	311.57	74.43	(15.69)	(9.71)	(25.00)
8.	Total	12,320.09	10,394.99	296.18	116.07	23.85	26.85
9.	Dividend Appropriation						
9.1	Income Distributed during the year / period	8,540.03	5,279.59	63.25	19.47	7.93	2.39
9.2	Tax on income distributed during the year / period	–	–	11.36	3.92	1.78	0.45
10.	Retained Surplus / (Deficit) carried forward to Balance Sheet	3,780.06	5,115.40	221.57	92.68	14.14	24.01

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
ChairmanS. S. Thakur
DirectorHemendra Kothari
ChairmanK. R. V. Subrahmanian
DirectorNaganath Sundaresan
President & Chief Investment OfficerMumbai
September 9, 2008Mumbai
September 8, 2008

DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2008

Rupees in Lakhs

		TF		OF	
		Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1.	INCOME				
1.1	Dividend	86.99	36.64	1,143.31	1,631.64
1.2	Interest	52.64	11.63	277.49	383.58
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	–	–	–	–
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	–	–	(9.80)	(0.64)
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	1,300.93	2,179.71	39,927.65	19,058.84
1.6	Realised Gains / (Losses) on Derivative Transactions	(109.65)	–	(2,690.39)	306.27
1.7	Other Income	–	–	–	–
	(A)	1,330.91	2,227.98	38,648.26	21,379.69
2.	EXPENSES				
2.1	Management fees	170.10	38.28	1,531.08	1,107.27
2.2	Service tax on Management fees	21.02	4.66	189.12	134.58
2.3	Transfer agents fees and Expenses	30.90	5.45	172.86	173.05
2.4	Custodian fees	5.01	1.59	57.10	61.41
2.5	Trusteeship fees	0.34	0.11	3.91	4.09
2.6	Commission to Agents	106.87	26.19	921.30	853.86
2.7	Marketing & Distribution Expenses	–	–	–	–
2.8	Audit fees	0.98	0.29	7.14	5.75
2.9	Other Operating Expenses	13.67	3.74	42.26	54.14
3.0	NFO Amortisation Expenses	–	–	–	–
	(B)	348.89	80.31	2,924.77	2,394.15
3.	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A – B = C)	982.02	2,147.67	35,723.49	18,985.54
4.	Change in Unrealised Depreciation in value of Investments (D)	(716.87)	–	1.01	2.22
5.	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C–D))	265.15	2,147.67	35,724.50	18,987.76
6.	Change in unrealised appreciation in the value of Investments (F)	(395.20)	(1,024.61)	(6,682.61)	(10,486.38)
7.	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	(130.05)	1,123.06	29,041.89	8,501.38
7.1	Add: Opening Balance transferred from Unrealised Appreciation Reserve	395.20	1,419.82	29,736.59	40,222.96
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	–	(395.21)	(23,053.98)	(29,736.58)
7.3	Add / (Less): Equalisation	1,092.11	1,317.32	996.11	1,963.87
8.	Total	1,357.26	3,464.99	36,720.61	20,951.63
9.	Dividend Appropriation				
9.1	Income Distributed during the year / period	4,610.08	–	11,192.97	16,098.85
9.2	Tax on income distributed during the year / period	–	–	–	–
10.	Retained Surplus / (Deficit) carried forward to Balance Sheet	(3,252.82)	3,464.99	25,527.64	4,852.78

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

Mumbai
September 9, 2008

Mumbai
September 8, 2008

DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2008

Rupees in Lakhs

		STF		TEF		SPF – M	
		Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1.	INCOME						
1.1	Dividend	–	–	418.73	362.14	23.81	30.73
1.2	Interest	501.68	652.07	337.46	108.54	775.81	1,100.59
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	–	–	–	–	–	–
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	16.06	(3.61)	(22.30)	–	(108.66)	40.82
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	96.45	40.30	12,142.10	5,897.08	691.63	1,527.52
1.6	Realised Gains / (Losses) on Derivative Transactions	–	–	(932.68)	250.55	(34.94)	39.74
1.7	Other Income	–	–	–	–	–	–
	(A)	614.19	688.76	11,943.31	6,618.31	1,347.65	2,739.40
2.	EXPENSES						
2.1	Management fees	27.05	22.14	579.44	255.01	161.55	197.92
2.2	Service tax on Management fees	3.34	2.69	71.59	31.03	19.75	24.06
2.3	Transfer agents fees and Expenses	3.79	10.04	80.38	43.95	14.06	23.87
2.4	Custodian fees	1.47	2.66	22.43	13.85	4.28	5.46
2.5	Trusteeship fees	0.16	0.39	1.31	0.81	0.38	0.71
2.6	Commission to Agents	16.52	23.46	439.18	230.07	91.95	132.87
2.7	Marketing & Distribution Expenses	11.03	16.30	–	–	–	10.92
2.8	Audit fees	0.20	0.59	2.88	1.14	0.57	1.17
2.9	Other Operating Expenses	1.72	1.84	31.28	18.09	3.39	4.61
3.0	NFO Amortisation Expenses	–	–	–	–	–	–
	(B)	65.28	80.11	1,228.49	593.95	295.93	401.59
3.	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A – B = C)	548.91	608.65	10,714.82	6,024.36	1,051.72	2,337.81
4.	Change in Unrealised Depreciation in value of Investments (D)	0.05	50.13	(2,978.54)	(3.61)	(65.07)	(9.56)
5.	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C–D))	548.96	658.78	7,736.28	6,020.75	986.65	2,328.25
6.	Change in unrealised appreciation in the value of Investments (F)	11.28	–	(1,565.05)	(1,821.56)	(16.24)	(1,067.95)
7.	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	560.24	658.78	6,171.23	4,199.19	970.41	1,260.30
7.1	Add: Opening Balance transferred from Unrealised Appreciation Reserve	–	–	1,599.01	3,420.57	16.88	1,084.83
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	(11.28)	–	(33.96)	(1,599.01)	(0.64)	(16.88)
7.3	Add / (Less): Equalisation	(121.99)	(156.86)	15,484.69	(1,508.87)	(224.77)	(364.56)
8.	Total	426.97	501.92	23,220.97	4,511.88	761.88	1,963.69
9.	Dividend Appropriation						
9.1	Income Distributed during the year / period	195.99	259.17	7,492.85	6,721.57	314.32	468.23
9.2	Tax on income distributed during the year / period	36.38	49.07	–	–	49.89	80.77
10.	Retained Surplus / (Deficit) carried forward to Balance Sheet	194.60	193.68	15,728.12	(2,209.69)	397.67	1,414.69

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
ChairmanS. S. Thakur
DirectorHemendra Kothari
ChairmanK. R. V. Subrahmanian
DirectorNaganath Sundaresan
President & Chief Investment OfficerMumbai
September 9, 2008Mumbai
September 8, 2008

**DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2008**

Rupees in Lakhs

		FRF		SPF – A		SPF – C	
		Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1. INCOME							
1.1	Dividend	–	–	21.92	13.50	1.02	1.00
1.2	Interest	1,434.95	5,205.55	490.07	290.56	49.49	57.95
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	–	–	–	–	–	–
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	(123.91)	57.32	(50.43)	(7.50)	0.81	–
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	(17.79)	(8.31)	129.73	508.15	28.75	59.68
1.6	Realised Gains / (Losses) on Derivative Transactions	–	–	(78.83)	17.64	0.01	1.59
1.7	Other Income	–	–	–	–	–	–
	(A)	1,293.25	5,254.56	512.46	822.35	80.08	120.22
2. EXPENSES							
2.1	Management fees	60.12	206.39	109.00	53.22	12.93	9.21
2.2	Service tax on Management fees	7.42	24.92	13.47	6.47	1.60	1.12
2.3	Transfer agents fees and Expenses	17.02	64.27	12.97	9.14	1.76	1.93
2.4	Custodian fees	4.35	16.57	3.49	1.68	0.21	0.26
2.5	Trusteeship fees	0.65	3.01	0.24	0.19	0.03	0.05
2.6	Commission to Agents	55.01	190.88	74.74	51.81	6.66	6.19
2.7	Marketing & Distribution Expenses	5.81	25.58	–	1.92	–	–
2.8	Audit fees	0.68	3.35	0.37	0.29	0.11	0.29
2.9	Other Operating Expenses	6.99	21.75	4.36	3.17	1.40	0.80
3.0	NFO Amortisation Expenses	–	–	–	–	–	–
	(B)	158.05	556.72	218.64	127.89	24.70	19.85
3. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A – B = C)		1,135.20	4,697.84	293.82	694.46	55.38	100.37
4.	Change in Unrealised Depreciation in value of Investments (D)	(96.46)	4.50	(33.81)	(0.01)	(2.09)	(0.01)
5. NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C–D))		1,038.74	4,702.34	260.01	694.45	53.29	100.36
6.	Change in unrealised appreciation in the value of Investments (F)	(74.82)	(212.86)	(8.63)	(221.02)	(0.47)	(20.84)
7. NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)		963.92	4,489.48	251.38	473.43	52.82	79.53
7.1	Add: Opening Balance transferred from Unrealised Appreciation Reserve	79.49	292.34	9.92	230.94	0.54	21.38
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	(4.66)	(79.48)	(1.29)	(9.92)	(0.07)	(0.54)
7.3	Add / (Less): Equalisation	(188.38)	(1,220.29)	462.02	39.24	(20.96)	(15.18)
8. Total		850.37	3,482.05	722.03	733.69	32.33	85.18
9. Dividend Appropriation							
9.1	Income Distributed during the year / period	392.73	2,206.35	320.21	221.22	18.72	28.28
9.2	Tax on income distributed during the year / period	111.24	404.73	48.75	35.29	2.99	4.48
10. Retained Surplus / (Deficit) carried forward to Balance Sheet		346.41	870.97	353.07	477.18	10.62	52.42

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

Mumbai
September 9, 2008

Mumbai
September 8, 2008

DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2008

Rupees in Lakhs

		ITF		LPLUS		SM	
		Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1.	INCOME						
1.1	Dividend	1,772.37	1,429.04	–	–	854.66	606.72
1.2	Interest	1,122.95	408.06	20,075.09	13,938.43	386.79	1,606.40
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	–	–	–	–	–	–
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	(4.11)	–	87.93	477.89	(9.63)	17.73
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	57,345.08	22,591.74	772.21	(468.44)	26,189.09	560.75
1.6	Realised Gains / (Losses) on Derivative Transactions	(2,703.62)	208.28	–	–	(118.76)	70.91
1.7	Other Income	–	0.34	–	0.10	–	–
	(A)	57,532.67	24,637.46	20,935.23	13,947.98	27,302.15	2,862.51
2.	EXPENSES						
2.1	Management fees	2,844.32	1,040.32	714.99	355.59	1,386.61	604.91
2.2	Service tax on Management fees	351.43	126.60	88.34	43.52	171.25	74.04
2.3	Transfer agents fees and Expenses	461.45	192.10	113.32	83.03	176.86	68.50
2.4	Custodian fees	93.87	55.74	48.15	37.99	43.98	24.96
2.5	Trusteeship fees	6.64	3.59	6.00	4.85	3.77	1.14
2.6	Commission to Agents	1,459.10	807.50	301.84	320.89	682.19	399.54
2.7	Marketing & Distribution Expenses	–	–	–	10.98	–	–
2.8	Audit fees	11.13	4.87	5.44	5.61	9.29	1.12
2.9	Other Operating Expenses	161.81	72.50	26.22	8.06	69.14	13.93
3.0	NFO Amortisation Expenses	–	–	–	–	–	–
	(B)	5,389.75	2,303.22	1,304.30	870.52	2,543.09	1,188.14
3.	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A – B = C)	52,142.92	22,334.24	19,630.93	13,077.46	24,759.06	1,674.37
4.	Change in Unrealised Depreciation in value of Investments (D)	(31,211.24)	–	(166.01)	(0.89)	(1,807.55)	(2,685.34)
5.	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C–D))	20,931.68	22,334.24	19,464.92	13,076.57	22,951.51	(1,010.97)
6.	Change in unrealised appreciation in the value of Investments (F)	(14,605.44)	(7,993.47)	68.10	2.87	34.25	–
7.	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	6,326.24	14,340.77	19,533.02	13,079.44	22,985.76	(1,010.97)
7.1	Add: Opening Balance transferred from Unrealised Appreciation Reserve	14,633.52	22,626.98	2.87	–	–	–
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	(28.07)	(14,633.51)	(70.97)	(2.87)	(34.25)	–
7.3	Add / (Less): Equalisation	65,846.22	6,251.18	(2,213.45)	(1,136.72)	(5,286.96)	18.03
8.	Total	86,777.91	28,585.42	17,251.47	11,939.85	17,664.55	(992.94)
9.	Dividend Appropriation						
9.1	Income Distributed during the year / period	43,926.20	21,221.96	13,185.93	9,007.42	–	–
9.2	Tax on income distributed during the year / period	–	–	2,442.58	1,813.72	–	–
10.	Retained Surplus / (Deficit) carried forward to Balance Sheet	42,851.71	7,363.46	1,622.96	1,118.71	17,664.55	(992.94)

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
ChairmanS. S. Thakur
DirectorHemendra Kothari
ChairmanK. R. V. Subrahmanian
DirectorNaganath Sundaresan
President & Chief Investment OfficerMumbai
September 9, 2008Mumbai
September 8, 2008

**DSP MERRILL LYNCH MUTUAL FUND
ABRIDGED REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2008**

Rupees in Lakhs

		TSF		SBF	WGF	CP	MCF
		Year Ended 31.03.08	Year Ended 31.03.07	Period Ended 31.03.08	Period Ended 31.03.08	Period Ended 31.03.08	Period Ended 31.03.08
1.	INCOME						
1.1	Dividend	78.67	16.24	–	–	–	229.10
1.2	Interest	105.02	71.15	7,840.26	78.46	5,340.86	127.44
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	–	–	–	(234.76)	–	–
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	(0.96)	–	(85.96)	–	(0.01)	–
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	5,093.06	22.75	(16.90)	479.70	13.45	3,299.02
1.6	Realised Gains / (Losses) on Derivative Transactions	(1,201.36)	(13.01)	–	–	–	13.75
1.7	Other Income	–	–	–	–	–	–
	(A)	4,074.43	97.13	7,737.40	323.40	5,354.30	3,669.31
2.	EXPENSES						
2.1	Management fees	250.33	30.24	507.97	–	90.80	327.24
2.2	Service tax on Management fees	30.93	3.70	62.79	–	11.22	40.45
2.3	Transfer agents fees and Expenses	67.94	4.85	49.03	83.70	20.82	17.67
2.4	Custodian fees	9.37	1.34	17.32	–	12.74	7.72
2.5	Trusteeship fees	0.52	–	1.80	1.38	1.18	0.68
2.6	Commission to Agents	118.05	15.14	91.53	440.62	30.86	234.76
2.7	Marketing & Distribution Expenses	–	–	–	–	–	25.30
2.8	Audit fees	2.51	1.12	1.99	0.62	0.75	1.64
2.9	Other operating Expenses	49.26	1.43	4.89	11.12	3.58	2.42
3.0	NFO Amortisation Expenses	–	–	–	–	–	380.23
	(B)	528.91	57.82	737.32	537.44	171.95	1,038.11
3.	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A – B = C)	3,545.52	39.31	7,000.08	(214.04)	5,182.35	2,631.20
4.	Change in Unrealised Depreciation in value of Investments (D)	(3,712.19)	(483.41)	(246.85)	–	–	(1,484.99)
5.	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C–D))	(166.67)	(444.10)	6,753.23	(214.04)	5,182.35	1,146.21
6.	Change in unrealised appreciation in the value of Investments (F)	–	–	–	25,058.79	0.99	–
7.	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	(166.67)	(444.10)	6,753.23	24,844.75	5,183.34	1,146.21
7.1	Add: Opening Balance transferred from Unrealised Appreciation Reserve	–	–	–	–	–	–
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	–	–	–	(25,058.79)	(0.99)	–
7.3	Add / (Less): Equalisation	6,813.17	(84.66)	(561.12)	(18.07)	(1,089.28)	–
8.	Total	6,646.50	(528.76)	6,192.11	(232.11)	4,093.07	1,146.21
9.	Dividend Appropriation						
9.1	Income Distributed during the year / period	4,065.26	–	4,399.05	–	2,904.75	–
9.2	Tax on income distributed during the year / period	–	–	946.41	–	822.77	–
10.	Retained Surplus / (Deficit) carried forward to Balance Sheet	2,581.24	(528.76)	846.65	(232.11)	365.55	1,146.21

The notes to accounts form an integral part of the accounts.

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin D. Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

Mumbai
September 9, 2008

Mumbai
September 8, 2008

Extracted from Audited financial Statements for the year 2007-2008

DSP MERRILL LYNCH MUTUAL FUND
SCHEDULES FORMING PART OF THE ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008 AND THE
REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED MARCH 31, 2008

NOTES TO ACCOUNTS**1 Organisation**

In conformity with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (the Regulations), DSP Merrill Lynch Fund Managers Limited has been set up to act as the Asset Management Company (AMC) to DSP Merrill Lynch Mutual Fund (Fund). In terms of the Investment Management Agreement (IMA) dated December 16, 1996, entered into between DSP Merrill Lynch Trustee Company Private Limited (Trustee) and the AMC, the AMC has been appointed as the Investment Manager to the Schemes of the Fund.

2 Investments

2.1 Investments of the Schemes are registered in the name of the Trustees for the benefits of the Schemes Unitholders.

2.2 Open Position of derivatives as of March 31, 2008:

SCHEMES	EF	BaF	OF	TEF	SPF-M	SPF-A	SPF-C	ITF	SM	MCF
Outstanding market value (Rupees in Lakhs) *	6,294.55	2,108.24	2,180.58	13,457.73	36.9	72.07	3.96	13,279.16	2,523.99	150.82
% to Net Assets	5.69%	4.35%	1.74%	16.78%	0.34%	0.54%	0.46%	3.47%	2.67%	0.49%

Open Position of derivatives as of March 31, 2007

SCHEMES	EF	BaF	OF	TEF	ITF	SM	TSF
Outstanding market value (Rupees in Lakhs) *	3,951.27	2,175.41	-	2,536.84	-	1,686.79	569.98
% to Net Assets	5.59%	5.51%	-	7.75%	-	1.16%	4.69%

*** Represents gross total of long and short positions**

BF – Bond Fund, EF – Equity Fund, LF – Liquidity Fund, BaF – Balanced Fund, GSFA – Government Securities Fund – Plan A (Longer Duration Plan), GSFB – Government Securities Fund – Plan B (Shorter Duration Plan), TF – Technology.com Fund, OF – Opportunities Fund, STF – Short Term Fund, TEF – Top 100 Equity Fund, SPF-M – Savings Plus Fund – Moderate, FRF – Floating Rate Fund, SPF-A – Savings Plus Fund – Aggressive, SPF-C – Savings Plus Fund – Conservative, ITF – India T.I.G.E.R. Fund, LPLUS – Liquid Plus Fund, SM – Small and Mid Cap Fund, TSF – Tax Saver Fund, SBF – Strategic Bond Fund, MCF – Micro Cap Fund, WGF – World Gold Fund and CP – Cash Plus Fund (Collectively referred as ‘Schemes’).

2.3 Investments in Associates and Group Companies for the year 2007-2008:

Rupees in Lakhs

Issuer	EF	BaF	TF	OF	TEF	SPF-M	SPF-A	SPF-C	ITF	SM	TSF	MCF	Total
Cairn India Ltd.	5,683.99	2,017.94	-	1,521.89	5,534.41	588.90	597.72	24.27	9,045.30	928.89	1,535.07	-	27,478.38
Crompton Greaves Ltd.	-	499.05	-	-	1,129.43	174.61	256.97	8.14	830.44	-	-	-	2,898.64
Dr. Reddy's Laboratories Ltd.	3,367.91	1,061.22	-	-	3,527.38	283.93	409.22	14.16	-	697.26	372.69	-	9,733.77
Elh Ltd.	2,496.30	639.40	-	-	-	-	-	-	-	675.92	87.30	-	3,898.92
Exide Industries Ltd.	-	-	-	-	-	-	-	-	-	889.41	-	-	889.41
Gujarat Ambuja Cement Ltd.	3,934.00	1,327.90	-	330.51	2,673.95	711.52	655.83	28.85	7,775.77	504.73	-	-	17,943.06
ICRA Ltd.	12.00	6.75	-	-	-	-	-	-	-	24.76	1.95	651.49	696.95
IDFC Ltd.	1,012.16	372.42	-	2,542.19	3,279.70	216.57	258.89	12.78	9,984.63	-	-	-	17,679.34
Infosys Technologies Ltd.	10,496.43	3,758.84	6,764.04	4,346.29	10,324.00	567.48	354.93	19.87	-	4,862.43	1,533.22	-	43,027.53
ING Vysya Bank Ltd.	1,053.81	279.53	-	-	-	-	-	-	-	-	-	-	1,333.34
Madras Cements Ltd.	-	-	-	-	-	-	-	-	692.12	-	19.49	-	711.61
Matrix Laboratories Ltd.	459.99	124.94	-	-	-	-	-	-	-	-	-	-	584.93
Max India Ltd.	-	-	-	-	-	-	-	-	59.84	-	-	-	59.84
Sesa Goa Ltd.	3,185.64	1,154.72	-	2,595.95	2,413.24	807.40	706.76	34.07	4,272.20	-	338.95	-	15,508.93
Tata Elxsi Ltd.	-	-	575.40	-	-	-	-	-	-	-	-	-	575.40
United Breweries Holdings Ltd.	-	-	-	-	-	-	-	-	-	-	312.26	-	312.26

The nature of instrument for the transactions reported above is Equity. Derivative transactions are classified as Equity for the purpose of above disclosure.

Investments in Associates and Group Companies for the year 2006-2007

Rupees in Lakh

Issuer	Nature of Instrument	EF	BaF	TF	OF	STF	TEF	SPF-M	SPF-A	SPF-C	ITF	LPLUS	SM	TSF	Grand Total
Cairn India Ltd.	Equity	-	-	-	-	-	1,054.82	-	-	-	4,494.22	-	5,457.82	-	11,006.86
Crompton Greaves Ltd.	Equity	457.32	-	-	-	-	453.22	60.56	31.44	2.01	525.58	-	-	-	1,530.14
Dr. Reddy's Laboratories Ltd.	Equity	1,972.57	718.33	-	2,141.53	-	1,108.56	259.45	120.59	7.91	-	-	-	-	6,328.94
Elh Ltd.	Equity	-	-	-	-	-	-	-	-	-	-	-	2,922.21	-	2,922.21
Gujarat Ambuja Cement Ltd.	Equity	1,071.67	929.65	-	2,690.23	-	1,210.23	574.36	263.30	19.56	3,588.73	-	-	-	10,347.73
IDFC Ltd.	Equity	-	-	-	-	-	546.38	-	-	-	4,630.89	-	-	114.92	5,292.18
Infosys Technologies Ltd.	Equity	2,712.61	1,222.06	1,570.96	4,361.82	-	2,047.92	517.46	238.12	17.81	-	-	9,752.44	431.41	22,872.62
Mahindra & Mahindra Financial Services Ltd.	NCD	-	-	-	-	1,500.00	-	-	-	-	-	2,006.49	-	-	3,506.49

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Issuer	Nature of Instrument	EF	BaF	TF	OF	STF	TEF	SPF-M	SPF-A	SPF-C	ITF	LPLUS	SM	TSF	Grand Total
Madras Cements Ltd.	Equity	-	-	-	-	-	-	-	-	-	245.59	-	2,301.98	209.42	2,756.98
Matrix Laboratories Ltd.	Equity	499.08	209.38	-	-	-	-	-	-	-	-	-	-	-	708.46
Max India Ltd.	Equity	-	-	-	-	-	-	-	-	-	872.36	-	45.64	200.62	1,118.63
Sesa Goa Ltd.	Equity	632.07	205.80	-	317.56	-	-	-	-	-	3,034.45	-	-	-	4,189.88
Tata Elxsi Ltd.	Equity	-	-	118.31	-	-	-	-	-	-	-	-	-	-	118.31
United Breweries Holdings Ltd.	Equity	-	-	-	-	-	-	-	-	-	-	-	-	296.60	296.60

Derivative transactions are classified as Equity for the purpose of above disclosure.

2.4 Aggregate Unrealised Gain / Loss and percentage to net assets :

Rupees in Lakhs

Scheme	Unrealised Gain/(loss) (Other than Derivatives) (A)	Unrealised Gain/(loss) (Derivatives) (B)	Total Unrealised Gain/loss C=A+B	% to Net Assets	Unrealised Gain/(loss) (Other than Derivatives) (A)	Unrealised Gain/(loss) (Derivatives) (B)	Total Unrealised Gain/loss C=A+B	% to Net Assets
	As of March 31, 2008				As of March 31, 2007			
BF	(30.69)	-	(30.69)	0.80%	2.45	-	2.45	0.04%
EF	(7,460.81)	(49.97)	(7,510.79)	6.79%	3,065.90	30.85	3,096.75	4.38%
LF	5.86	-	5.86	0.01%	1.74	-	1.74	0.00%
BaF	(2,499.96)	(6.76)	(2,506.72)	5.18%	1,635.43	5.92	1,641.35	4.16%
GSFA	(67.33)	-	(67.33)	1.66%	(77.72)	-	(77.72)	2.58%
GSFB	-	-	-	-	(4.26)	-	(4.26)	0.85%
TF	(716.87)	-	(716.87)	6.29%	395.20	-	395.20	5.63%
OF	23,044.61	9.36	23,053.98	18.43%	29,735.57	-	29,735.57	22.76%
STF	11.28	-	11.28	0.29%	(0.05)	-	(0.05)	0.00%
TEF	(2,716.15)	(232.03)	(2,948.19)	3.68%	1,585.59	9.81	1,595.40	4.87%
SPF-M	(74.60)	0.62	(73.98)	0.69%	7.33	-	7.33	0.05%
FRF	(93.08)	-	(93.08)	0.75%	78.20	-	78.20	0.24%
SPF-A	(33.77)	1.24	(32.53)	0.25%	9.91	-	9.91	0.15%
SPF-C	(2.09)	0.07	(2.02)	0.24%	0.54	-	0.54	0.05%
ITF	(31,081.96)	(101.20)	(31,183.16)	8.14%	14,633.52	-	14,633.52	10.19%
LPLUS	(95.93)	-	(95.93)	0.04%	1.98	-	1.98	0.00%
SM	(4,492.88)	34.25	(4,458.63)	4.71%	(2,612.15)	(73.19)	(2,685.33)	1.85%
TSF	(4,195.59)	-	(4,195.59)	9.50%	(482.42)	(0.98)	(483.40)	3.98%
SBF	(246.85)	-	(246.85)	0.55%	NA	NA	NA	NA
WGF	24,844.48	-	24,844.48	15.49%	NA	NA	NA	NA
CP	0.99	-	0.99	0.00%	NA	NA	NA	NA
MCF	(1,470.90)	(14.09)	(1,484.99)	4.82%	NA	NA	NA	NA

2.5 Aggregate Value of Purchase and Sale with Percentage to average assets.

Scheme	Purchase (Rupees in Lakhs)		Sale (Rupees in Lakhs)		Purchase as a % to average daily net assets		Sale as % to average daily net assets	
	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
BF	7,180.39	9,134.50	9,322.34	9,310.33	164.51%	152.02%	213.58%	154.94%
EF	541,431.23	151,077.18	535,980.54	140,836.22	524.77%	240.40%	519.49%	224.11%
LF	533,931.28	1,314,054.07	663,269.38	1,589,281.81	476.94%	309.69%	592.47%	374.55%
BaF	207,248.01	95,229.67	210,863.50	89,613.96	433.54%	258.50%	441.11%	243.26%
GSFA	6,377.61	18,070.34	6,695.43	18,273.56	197.38%	524.77%	207.21%	530.67%
GSFB	604.51	5,189.34	1,013.88	4,799.16	107.16%	571.00%	179.73%	528.07%
TF	80,745.10	12,339.75	76,830.39	10,551.52	553.91%	353.37%	527.06%	302.16%
OF	195,952.67	160,197.98	235,285.74	141,908.21	128.43%	131.65%	154.20%	116.62%
STF	14,340.62	33,607.18	16,745.74	33,974.62	208.78%	287.30%	243.79%	290.44%
TEF	404,000.92	97,737.99	374,268.66	83,606.43	725.85%	374.40%	672.43%	320.26%
SPF - M	64,519.12	67,716.95	69,597.29	70,524.15	473.35%	339.75%	510.61%	353.84%
FRF	6,812.91	2,285.62	26,625.23	83,456.81	32.02%	3.02%	125.12%	110.44%
SPF-C	2,957.04	1,620.97	3,331.81	1,716.50	241.37%	117.76%	271.96%	124.71%
SPF-A	76,464.65	17,891.59	71,323.50	16,237.08	761.72%	299.71%	710.51%	271.99%
ITF	663,547.87	224,595.35	464,820.91	173,696.47	226.52%	196.00%	158.68%	151.58%

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Scheme	Purchase (Rupees in Lakhs)		Sale (Rupees in Lakhs)		Purchase as a % to average daily net assets		Sale as % to average daily net assets	
	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
LPLUS	1,432,126.43	595,535.43	1,377,532.58	440,142.14	535.91%	218.82%	515.48%	161.72%
SM	179,282.75	373,819.83	260,938.15	230,496.22	131.72%	251.54%	191.71%	155.10%
TSF	102,934.41	18,516.95	78,979.45	7,491.06	455.85%	173.45%	349.76%	70.17%
CP	988,355.79	-	956,642.37	-	716.58%	-	693.58%	-
WGF	100,406.58	-	3,298.82	-	73.26%	-	2.41%	-
MCF	58,963.81	-	32,927.85	-	157.60%	-	88.01%	-
SBF	347,856.91	-	307,804.99	-	331.65%	-	293.47%	-

2.6 Non-Traded securities in the portfolio:

Rupees in Lakhs

Scheme	As of March 31, 2008						As of March 31, 2007					
	Equity	% to net assets	Debt	% to net assets	Money Market Instruments	% to net assets	Equity	% to net assets	Debt	% to net assets	Money Market Instruments	% to net assets
BF	-	-	1,361.22	35.33%	-	-	-	-	3,712.27	65.86%	1,807.41	32.07%
EF	14.34	0.01%	-	-	-	-	25.98	0.04%	-	-	9,800.67	13.87%
LF	-	-	13,400.09	15.62%	57,762.45	67.34%	-	-	62,576.76	31.63%	130,551.28	65.99%
BaF	6.15	0.01%	13,833.84	28.56%	-	-	11.13	0.03%	12,794.93	32.41%	1,467.28	3.72%
GSFA	-	-	-	-	-	-	-	-	-	-	-	-
GSFB	-	-	-	-	-	-	-	-	-	-	-	-
TF	9.52	0.08%	-	-	-	-	14.22	0.20%	-	-	-	-
OF	-	-	-	-	-	-	-	-	5,584.91	4.28%	3,895.42	2.98%
STF	-	-	3,550.75	89.93%	-	-	-	-	1,892.99	32.07%	4,011.95	67.96%
TEF	-	-	100.00	0.12%	-	-	-	-	-	-	3,401.15	10.39%
SPF - M	-	-	4,365.52	40.51%	4,607.32	42.75%	-	-	11,832.53	74.59%	2,478.58	15.62%
FRF	-	-	9,644.38	77.36%	2,421.24	19.42%	-	-	32,186.63	97.78%	-	-
SPF - A	-	-	6,261.07	47.28%	2,641.79	19.95%	-	-	3,618.39	55.47%	1,486.23	22.78%
SPF - C	-	-	305.82	35.78%	-	-	-	-	178.35	16.87%	495.22	46.83%
ITF	-	-	-	-	-	-	-	-	-	-	9,250.01	6.44%
LPLUS	-	-	120,268.04	47.99%	115,732.74	46.18%	-	-	13,885.41	7.99%	147,521.96	84.92%
SM	-	-	1,500.00	1.59%	-	-	-	-	11,042.08	7.59%	1,954.57	1.34%
TSF	-	-	-	-	-	-	-	-	-	-	1,416.76	11.67%
SBF	-	-	42,434.26	94.49%	-	-	-	-	-	-	-	-
WGF	-	-	-	-	-	-	-	-	-	-	-	-
CP	-	-	24,599.08	45.93%	20,994.24	39.20%	-	-	-	-	-	-
MCF	-	-	-	-	-	-	-	-	-	-	-	-

3 Details of Transaction with Associates under regulation 25(8).

Name of Associate: DSP Merrill Lynch Limited

Rupees in Lakhs

Scheme Name	Securities transaction in the form of investments / disinvestment in various Public issues / Private placements where the associate was the sole or one of the several lead managers		Payment of Brokerage on Secondary Market transactions		Payment of Brokerage for Distribution and Sale of Units	
	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
BF	-	-	-	-	9.48	10.79
EF	300.48	493.35	113.23	28.94	99.16	66.79
LF	16,114.62	-	-	-	13.50	36.71
BaF	107.95	290.60	38.16	16.90	203.33	107.45
GSFA	-	-	-	-	0.55	0.95
GSFB	-	-	-	-	0.23	1.03
TF	-	15.52	8.98	1.74	57.74	15.74
OF	5,186.83	4,054.77	18.59	19.69	77.08	106.27
STF	-	-	-	-	2.64	7.15
TEF	458.84	1,248.77	70.04	22.79	115.77	35.46
SPF - M	13.26	1,148.00	5.99	4.68	35.96	43.82
FRF	-	-	-	-	8.02	33.59

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Scheme Name	Securities transaction in the form of investments / disinvestment in various Public issues / Private placements where the associate was the sole or one of the several lead managers		Payment of Brokerage on Secondary Market transactions		Payment of Brokerage for Distribution and Sale of Units	
	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
SPF-C	1.38	37.63	0.29	0.17	1.45	1.57
SPF-A	10.53	488.38	8.32	2.31	19.99	12.17
ITF	7,109.55	5,447.21	77.09	32.35	183.24	59.13
LPLUS	66,586.26	-	-	-	108.76	81.46
CP	102,000.00	-	-	-	0.70	-
SM	5,458.66	15,728.12	27.46	19.97	47.37	269.39
TSF	551.78	245.25	3.23	0.74	9.60	4.98
SBF	2,436.23	-	-	-	23.43	-
MCF	388.72	-	3.18	-	110.18	-
WGF	-	-	-	-	369.32	-

Note: Brokerage on distribution and sale of units paid / payable represents the amount paid / payable for the year and does not necessarily reflect the amount charged to the Scheme's revenue account.

4 Large Holdings in the Scheme (i.e. in excess of 25% of the net assets).

As of March 31, 2008:

Scheme	No. of Investors	Percentage of Holding (%)
DSP Merrill Lynch Liquidity Fund	1 (One)	37.97
DSP Merrill Lynch Government Securities Fund – Plan B	1 (One)	25.23

As of March 31, 2007: NIL

5 Unit Capital movement during the year ended / period ended.

2007-2008

Scheme	Plan	Face Value	Opening Units	Units Sold / Switch In	Redemption / Switch out	Closing Units
BF	Regular	10	28,880,216.284	5,454,957.787	14,525,994.235	19,809,179.836
EF	Regular	10	189,047,318.320	521,938,332.496	321,282,161.759	389,703,489.057
LF	Regular	10	604,151,580.047	1,659,938,080.785	2,115,881,017.897	148,208,642.935
LF	Institutional	1,000	11,769,942.321	215,206,920.982	220,543,917.590	6,432,945.713
BaF	Regular	10	164,453,244.615	106,049,996.327	80,821,744.929	189,681,496.013
GSFA	Regular	10	15,968,755.929	17,855,568.314	10,465,497.334	23,358,826.909
GSFB	Regular	10	3,154,563.243	3,844,588.976	2,382,739.073	4,616,413.146
TF	Regular	10	27,932,893.684	82,126,065.665	57,455,551.167	52,603,408.182
OF	Regular	10	440,101,186.378	131,930,912.080	198,303,141.814	373,728,956.644
OF	Institutional	10	-	30,000,000.000	-	30,000,000.000
STF	Regular	10	50,439,149.500	152,715,388.825	170,332,196.139	32,822,342.186
TEF	Regular	10	130,795,055.170	215,327,676.346	92,468,494.442	253,654,237.074
TEF	Institutional	10	-	29,908,404.359	19,908,404.359	10,000,000.000
SPF - M	Regular	10	119,124,936.987	23,521,839.399	62,969,043.916	79,677,732.470
FRF	Regular	10	276,510,655.788	293,475,872.856	461,709,672.643	108,276,856.001
FRF	Institutional	1,000	282,180.919	470,346.620	726,194.694	26,332.845
SPF - A	Regular	10	54,496,524.691	109,031,369.719	59,967,972.247	103,559,922.163
SPF - C	Regular	10	9,410,636.711	16,252,833.647	18,005,342.032	7,658,128.326
ITF	Regular	10	670,537,216.591	1,124,541,100.425	375,293,462.766	1,419,784,854.250
ITF	Institutional	10	-	143,684,523.813	83,009,967.671	60,674,556.142
LPLUS	Regular	1,000	4,057,862.648	45,806,047.405	41,894,828.528	7,969,081.525
LPLUS	Institutional	1,000	13,201,455.501	151,072,509.176	147,452,385.809	16,821,578.868
SM	Regular	10	1,409,352,230.563	107,392,654.021	653,613,915.579	863,130,969.005
SM	Institutional	10	54,881,382.407	10,000,000.000	64,881,382.407	-
TSF	Regular	10	126,564,997.783	266,667,091.126	-	393,232,088.909
SBF	Regular	1,000	-	7,448,442.273	6,750,049.189	698,393.084
SBF	Institutional	1,000	-	37,828,688.319	34,116,709.926	3,711,978.393

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Scheme	Plan	Face Value	Opening Units	Units Sold / Switch In	Redemption / Switch out	Closing Units
WGF	Regular	10	-	1,393,160,571.820	260,622,002.595	1,132,538,569.225
CP	Regular	1,000	-	2,734,044.901	2,246,431.420	487,613.481
CP	Institutional	1,000	-	217,572,177.571	212,747,944.683	4,824,232.888
MCF	Regular	10	-	320,327,826.462	12,256,382.930	308,071,443.532

2006-2007

Scheme	Plan	Face Value	Opening Units	Units Sold / Switch In	Redemption / Switch out	Closing Units
BF	Regular	10	35,227,684.645	3,041,619.318	9,389,087.679	28,880,216.284
EF	Regular	10	141,679,064.268	172,490,036.294	125,121,782.242	189,047,318.320
LF	Institutional	1,000	39,383,345.823	345,308,777.218	372,922,180.720	11,769,942.321
	Regular	10	740,098,602.216	4,596,992,984.630	4,732,940,006.804	604,151,580.042
BaF	Regular	10	131,458,624.342	123,752,368.249	90,757,747.976	164,453,244.615
GSFA	Regular	10	20,566,933.387	3,525,189.111	8,123,366.569	15,968,755.929
GSFB	Regular	10	8,674,401.168	1,464,030.866	6,983,868.791	3,154,563.243
TF	Regular	10	16,828,126.830	15,754,518.041	4,649,751.187	27,932,893.684
OF	Regular	10	346,846,366.374	321,283,441.810	228,028,621.806	440,101,186.378
STF	Regular	10	67,021,993.580	216,124,949.234	232,707,793.314	50,439,149.500
TEF	Regular	10	55,696,935.352	131,007,111.853	55,908,992.035	130,795,055.170
SPF - M	Regular	10	148,171,155.130	82,758,595.588	111,804,813.731	119,124,936.987
FRF	Institutional	1,000	687,422.239	2,008,201.038	2,413,442.358	282,180.919
	Regular	10	1,015,918,005.032	1,211,707,787.054	1,951,115,136.298	276,510,655.788
SPF - A	Regular	10	40,207,835.590	43,580,055.249	29,291,366.148	54,496,524.691
SPF - C	Regular	10	11,713,357.022	10,182,071.228	12,484,791.539	9,410,636.711
ITF	Regular	10	381,993,829.156	610,471,019.713	321,927,632.278	670,537,216.591
LPLUS	Institutional	1,000	-	103,735,169.436	90,533,713.935	13,201,455.501
	Regular	1,000	-	25,288,104.270	21,230,241.622	4,057,862.648
SM	Institutional	10	-	74,881,382.407	20,000,000.000	54,881,382.407
	Regular	10	-	1,543,816,540.775	134,464,310.212	1,409,352,230.563
TSF	Regular	10	-	126,564,997.783	-	126,564,997.783

6 Prior Year Comparison

Prior Year/period figures have been reclassified, wherever necessary, to confirm to current years presentation. For SBF, MCF, WGF & CP as these are the first Financial Statements since the date of its launch, there are no comparatives for the prior period.

7 Contingent Liability: NIL**8 Unit-holders can obtain from the mutual fund a copy of the Annual Report of the scheme in which he /she / it has invested.**

For DSP Merrill Lynch Trustee Company Private Limited

For DSP Merrill Lynch Fund Managers Limited

Shitin Desai
Chairman

S. S. Thakur
Director

Hemendra Kothari
Chairman

K. R. V. Subrahmanian
Director

Naganath Sundaresan
President & Chief Investment Officer

Mumbai, September 9, 2008

Mumbai, September 8, 2008

Extracted from Audited financial Statements for the year 2007-2008

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	BF				EF			
	Year Ended 31.03.08		Year Ended 31.03.07		Year Ended 31.03.08		Year Ended 31.03.07	
1. NAV per Unit (Rs.):								
Open								
G	25.0225		23.8116		-		-	
DD	-		-		-		-	
WD	-		-		-		-	
MD	10.4054		10.3499		-		-	
QD/D	10.6324		11.0410		36.122		39.880	
High								
G	26.5997		25.0369		15.826		-	
DD	-		-		-		-	
WD	-		-		-		-	
MD	10.7038		10.5088		-		-	
QD/D	10.9115		11.2393		69.127		48.060	
Low								
G	25.0225		23.8116		9.799		-	
DD	-		-		-		-	
WD	-		-		-		-	
MD	10.3965		10.3435		-		-	
QD/D	10.5973		10.5947		36.122		28.780	
End								
G	26.2481		*25.0123		11.094		-	
DD	-		-		-		-	
WD	-		-		-		-	
MD	10.4001		*10.4011		-		-	
QD/D	10.5973		*10.6280		42.416		*37.378	
* Refers to computed NAV								
2. Closing Assets Under Management (Rs. in Lakhs)								
End	3,852.33		5,636.22		110,689.21		70,662.30	
Average (AAuM)	4,364.75		6,008.84		103,175.18		62,843.28	
3. Gross Income as % of AAuM	7.71%		6.25%		32.11%		34.00%	
4. Expense Ratio:								
a. Total Expense as % of AAuM (plan wise)	2.13%		2.06%		2.04%		2.16%	
b. Management Fee as % of AAuM (plan wise)	1.24%		1.12%		1.02%		0.93%	
5. Net Income as a percentage of AAuM	5.57%		4.19%		30.07%		31.85%	
6. Portfolio turnover ratio	1.65		1.52		5.19		2.24	
7. Total Dividend per Unit distributed during the year / period	IND. OTH.		IND. OTH.					
DD	-		-					
WD	-		-					
MD	0.446732 0.415758		0.403420 0.375694					
QD/D	0.481770 0.448393		0.833150 0.775891		7.00		7.00	
8. Returns:								
a. Last One Year								
Scheme	4.93%		5.12%		29.49%		13.27%	
Benchmark	8.20%		3.68%		23.74%		11.78%	
b. Since Inception								
Scheme	9.23%		9.68%		27.51%		27.31%	
Benchmark	NA		NA		14.70%		13.82%	
Benchmark Index	CRISIL Composite Bond Fund Index				S & P CNX Nifty			

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	LF			
	Year Ended 31.03.08		Year Ended 31.03.07	
	Regular	Institutional	Regular	Institutional
1. NAV per Unit (Rs.):				
Open				
G	18.3159	1,094.1011	17.1479	1,022.2168
DD	10.0100	1,000.2000	10.0100	1,000.2000
WD	12.4056	1,000.6688	12.4048	1,000.5892
MD	-	-	-	-
QD/D	-	-	-	-
High				
G	19.5614	1,171.5425	18.3118	1,093.8447
DD	10.0121	1,000.4166	10.0100	1,000.2001
WD	12.4165	1,001.5742	12.4165	1,001.5889
MD	-	-	-	-
QD/D	-	-	-	-
Low				
G	18.3159	1,094.1011	17.1479	1,022.2168
DD	10.0100	1,000.2000	10.0100	1,000.2000
WD	12.4000	1,000.2000	12.4000	1,000.2000
MD	-	-	-	-
QD/D	-	-	-	-
End				
G	19.5614	1,171.5425	*18.3118	*1093.8447
DD	10.0100	1,000.2000	*10.0100	*1000.2000
WD	12.4112	1,001.1290	*12.4028	*1000.4343
MD	-	-	-	-
QD/D	-	-	-	-
* Refers to computed NAV				
2. Closing Assets Under Management (Rs. in Lakhs)				
End	85,782.05		197,827.98	
Average (AAuM)	111,949.67		424,316.15	
3. Gross Income as % of AAuM	6.94%		7.00%	
4. Expense Ratio:				
a. Total Expense as % of AAuM (plan wise)	0.55%	0.28%	0.54%	0.38%
b. Management Fee as % of AAuM (plan wise)	0.28%	0.17%	0.36%	0.22%
5. Net Income as a percentage of AAuM	6.55%		6.58%	
6. Portfolio turnover ratio	4.77		3.10	
7. Total Dividend per Unit distributed during the year / period			IND.	OTH.
DD	0.514993	53.485691	0.578079	0.538345
WD	0.632706	52.980672	0.716132	0.667082
MD	-	-	-	-
QD/D	-	-	-	-
8. Returns:				
a. Last One Year				
Scheme	6.80%	7.08%	6.81%	7.02%
Benchmark	7.43%	7.43%	6.39%	6.39%
b. Since Inception				
Scheme	6.90%	6.96%	6.90%	6.86%
Benchmark	NA	6.69%	NA	6.08%
Benchmark Index	CRISIL Liquid Fund Index			

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	BaF		GSFA	
	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1. NAV per Unit (Rs.):				
Open				
G	36.279	34.720	22.8403	22.2297
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	10.0218	10.0567
QD/D	21.048	24.320	11.3340	11.3711
High				
G	59.752	40.091	25.3859	23.3264
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	10.5881	10.2793
QD/D	27.188	25.460	11.9352	11.7042
Low				
G	36.279	27.950	22.8313	22.1404
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	10.0077	9.9964
QD/D	20.471	19.300	11.3295	11.3256
End				
G	46.598	*37.154	24.7961	*23.0507
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	10.0077	*10.1141
QD/D	21.128	*21.555	11.3481	*11.4384
* Refers to computed NAV				
2. Closing Assets Under Management (Rs. in Lakhs)				
End	48,433.06	39,478.96	4,056.89	3,009.67
Average (AAuM)	47,803.45	36,839.29	3,231.21	3,443.48
3. Gross Income as % of AAuM	30.68%	29.48%	7.78%	6.40%
4. Expense Ratio:				
a. Total Expense as % of AAuM (plan wise)	2.01%	1.99%	1.24%	1.20%
b. Management Fee as % of AAuM (plan wise)	1.05%	0.95%	0.60%	0.49%
5. Net Income as a percentage of AAuM	28.67%	27.49%	6.54%	5.20%
6. Portfolio turnover ratio	4.34	2.43	1.97	5.25
7. Total Dividend per Unit distributed during the year / period			IND. OTH.	IND. OTH.
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	1.024855	0.953855
QD/D	6.00	4.00	0.551845	0.513615
			0.271870	0.253185
			0.306950	0.285854
8. Returns:				
a. Last One Year				
Scheme	25.27%	10.08%	7.55%	3.61%
Benchmark	19.43%	10.37%	8.86%	6.07%
b. Since Inception				
Scheme	18.99%	18.21%	11.27%	11.77%
Benchmark	NA	NA	13.26%	13.87%
Benchmark Index	CRISIL Balanced Fund Index		Long ICICI Securities Sovereign Bond Index	

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	GSFB				TF	
	Year Ended 31.03.08		Year Ended 31.03.07		Year Ended 31.03.08	Year Ended 31.03.07
1. NAV per Unit (Rs.):						
Open						
G	16.8647	16.0201	24.257	18.440		
DD	-	-	-	-		
WD	-	-	-	-		
MD	10.0771	10.0177	-	-		
QD/D	10.9262	10.9078	24.257	18.440		
High						
G	17.9584	16.9050	37.446	26.743		
DD	-	-	-	-		
WD	-	-	-	-		
MD	10.2237	10.1659	-	-		
QD/D	11.2744	11.2773	37.446	26.743		
Low						
G	16.8647	16.0201	24.257	12.550		
DD	-	-	-	-		
WD	-	-	-	-		
MD	10.0067	10.0177	-	-		
QD/D	10.9262	10.9078	17.717	12.550		
End						
G	17.9451	*16.9107	25.952	*25.138		
DD	-	-	-	-		
WD	-	-	-	-		
MD	10.0067	*10.1046	-	-		
QD/D	11.0046	*10.9560	18.947	*25.138		
* Refers to computed NAV						
2. Closing Assets Under Management (Rs. in Lakhs)						
End	656.00	499.16	11,395.01	7,021.84		
Average (AAuM)	564.10	908.82	14,577.23	3,492.06		
3. Gross income as % of AAuM	5.89%	6.67%	9.13%	63.80%		
4. Expense Ratio:						
a. Total Expense as % of AAuM (plan wise)	0.70%	0.50%	2.39%	2.30%		
b. Management Fee as % of AAuM (plan wise)	0.37%	0.25%	1.17%	1.09%		
5. Net Income as a percentage of AAuM	5.19%	6.17%	6.74%	61.50%		
6. Portfolio turnover ratio	1.07	5.28	5.27	3.02		
7. Total Dividend per Unit distributed during the year / period	IND.	OTH.	IND.	OTH.		
DD	-	-	-	-		
WD	-	-	-	-		
MD	0.613160	0.570683	0.403420	0.375695		
QD/D	0.534326	0.497310	0.482350	0.449199	10.00	-
8. Returns:						
a. Last One Year						
Scheme	6.12%	5.56%	3.23%	39.64%		
Benchmark	8.91%	5.96%	(14.23)%	29.04%		
b. Since Inception						
Scheme	7.12%	7.25%	12.87%	14.35%		
Benchmark	8.22%	8.12%	4.29%	7.32%		
Benchmark Index	Short ICICI Securities Sovereign Bond Index				BSE-Teck	

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	OF			STF			
	Year Ended 31.03.08		Year Ended 31.03.07	Year Ended 31.03.08		Year Ended 31.03.07	
	Regular	Institutional	Regular				
1. NAV per Unit (Rs.):							
Open							
G	50.034	–	49.510	12.8226		12.1824	
DD	–	–	–	–		–	
WD	–	–	–	10.0991		10.1942	
MD	–	–	–	10.3339		10.3336	
QD/D	22.658	–	27.320	10.4198		10.4580	
High							
G	93.371	11.209	58.784	13.9370		12.9246	
DD	–	–	–	–		–	
WD	–	–	–	10.2190		10.2135	
MD	–	–	–	10.5795		10.4395	
QD/D	42.286	11.209	32.428	10.7766		10.6633	
Low							
G	50.034	7.253	36.470	12.8226		12.1824	
DD	–	–	–	–		–	
WD	–	–	–	10.0991		10.0712	
MD	–	–	–	10.3339		10.3057	
QD/D	22.658	7.253	20.120	10.4198		10.4062	
End							
G	63.359	7.618	*52.167	13.9370		*12.8124	
DD	–	–	–	–		–	
WD	–	–	–	10.1916		*10.0911	
MD	–	–	–	10.5289		*10.3257	
QD/D	24.695	7.618	*23.624	10.6061		*10.4115	
* Refers to computed NAV							
2. Closing Assets Under Management (Rs. in Lakhs)							
End	125,118.24		130,623.91	3,948.13		5,903.30	
Average (AAuM)	152,579.96		121,688.91	6,868.80		11,697.45	
3. Gross income as % of AAuM	25.33%		17.57%	8.94%		5.89%	
4. Expense Ratio:							
a. Total Expense as % of AAuM (plan wise)	1.94%	1.36%	1.97%	0.95%		0.68%	
b. Management Fee as % of AAuM (plan wise)	1.00%	1.00%	0.91%	0.39%		0.19%	
5. Net Income as a percentage of AAuM	23.41%		15.60%	7.99%		5.20%	
6. Portfolio turnover ratio	1.28		1.17	2.09		2.87	
7. Total Dividend per Unit distributed during the year / period				IND.	OTH.	IND.	OTH.
DD	–	–	–	–	–	–	–
WD	–	–	–	0.663068	0.617135	0.541729	0.504497
MD	–	–	–	0.595642	0.554377	0.464810	0.432863
QD/D	4.00	–	5.00	0.621921	0.578835	0.508660	0.473702
8. Returns:							
a. Last One Year							
Scheme	21.32%	NA	8.34%	8.76%		5.30%	
Benchmark	23.74%	NA	11.78%	7.50%		6.39%	
b. Since Inception							
Scheme	26.40%	*(23.82)%	27.16%	6.15%		5.58%	
Benchmark	17.75%	*(18.05)%	16.89%	5.42%		4.97%	
Benchmark Index	S & P CNX NIFTY			CRISIL Liquid Fund Index			

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD- Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	TEF			SPF – M	
	Year Ended 31.03.08		Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
	Regular	Institutional	Regular		
1. NAV per Unit (Rs.):					
Open					
G	53.265	9.824	49.270	15.1378	14.2660
DD	–	–	–	–	–
WD	–	–	–	–	–
MD	–	–	–	10.8082	11.0959
QD/D	21.213	10.995	27.190	11.1716	11.1435
High					
G	96.391	14.337	60.449	16.7776	15.3582
DD	–	–	–	–	–
WD	–	–	–	–	–
MD	–	–	–	11.2304	11.2086
QD/D	30.635	11.017	27.610	11.7829	11.4413
Low					
G	53.265	9.227	36.760	15.1378	13.8123
DD	–	–	–	–	–
WD	–	–	–	–	–
MD	–	–	–	10.7319	10.6283
QD/D	19.542	9.227	14.640	11.1390	10.7892
End					
G	70.825	9.560	*55.211	16.1291	*15.1540
DD	–	–	–	–	–
WD	–	–	–	–	–
MD	–	–	–	10.7738	*10.8198
QD/D	22.512	9.560	*21.988	11.1825	*11.1836
* Refers to computed NAV					
2. Closing Assets Under Management (Rs. in Lakhs)					
End	80,194.16		32,748.21	10,777.08	15,862.94
Average (AAuM)	55,658.85		26,105.41	13,630.28	19,931.28
3. Gross income as % of AAuM	21.46%		25.35%	9.89%	13.74%
4. Expense Ratio:					
a. Total Expense as % of AAuM (plan wise)	2.22%	1.43%	2.28%	2.17%	2.01%
b. Management Fee as % of AAuM (plan wise)	1.04%	1.04%	0.97%	1.19%	0.99%
5. Net Income as a percentage of AAuM	19.25%		23.08%	7.72%	11.73%
6. Portfolio turnover ratio	6.72		3.20	4.73	3.40
7. Total Dividend per Unit distributed during the year / period				IND. OTH.	IND. OTH.
DD	–	–	–	–	–
WD	–	–	–	–	–
MD	–	–	–	0.643819	0.599217
QD/D	5.00	–	7.50	0.630680	0.586989
				0.824380	0.767724
				0.561280	0.522705
8. Returns:					
a. Last One Year					
Scheme	28.11%	NA	14.93%	6.41%	6.89%
Benchmark	24.83%	NA	11.70%	11.12%	5.67%
b. Since Inception					
Scheme	47.20%	*(4.40)%	52.36%	9.90%	10.78%
Benchmark	39.13%	*(12.96)%	42.92%	9.58%	9.20%
Benchmark Index		BSE 100		CRISIL MIP Blended Index	

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD- Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	FRF			
	Year Ended 31.03.08		Year Ended 31.03.07	
	Regular	Institutional	Regular	Institutional
1. NAV per Unit (Rs.):				
Open				
G	12.3130	1,093.8679	11.5932	1,025.9337
DD	10.0312	1,001.0600	10.0290	1,000.6000
WD	10.0386	-	10.0316	1,000.9215
MD	-	-	-	-
QD/D	10.2545	-	10.1412	-
High				
G	12.9586	1,155.0725	12.3107	1,093.6560
DD	10.0331	1,001.2608	10.0312	1,001.0600
WD	10.0488	-	10.0473	1,002.2509
MD	-	-	-	-
QD/D	10.4675	-	10.3822	-
Low				
G	12.2396	1,087.8354	11.5932	1,025.9337
DD	9.9130	989.2728	10.0290	1,000.6000
WD	9.9248	-	10.0287	1,000.9000
MD	-	-	-	-
QD/D	10.1933	-	10.1412	-
End				
G	12.9586	1,155.0725	*12.3107	*1093.6560
DD	10.0312	-	*10.0312	*1001.0600
WD	10.0437	-	*10.0368	-
MD	-	-	-	-
QD/D	10.3304	-	*10.2526	-
* Refers to computed NAV				
2. Closing Assets Under Management (Rs. in Lakhs)				
End	12,466.09		32,915.75	
Average (AAuM)	21,280.22		75,565.13	
3. Gross income as % of AAuM	6.08%		6.95%	
4. Expense Ratio:				
a. Total Expense as % of AAuM (plan wise)	0.76%	0.38%	0.76%	0.38%
b. Management Fee as % of AAuM (plan wise)	0.29%	0.20%	0.28%	0.13%
5. Net Income as a percentage of AAuM	5.33%		6.22%	
6. Portfolio turnover ratio	0.32		0.03	
7. Total Dividend per Unit distributed during the year / period			IND.	OTH.
DD	0.400976	27.997164	0.527864	0.491566
WD	0.395378	-	0.524296	0.488264
MD	-	-	-	-
QD/D	0.334257	-	-	-
8. Returns:				
a. Last One Year				
Scheme	5.25%	5.60%	6.20%	6.61%
Benchmark	7.43%	7.43%	6.39%	6.39%
b. Since Inception				
Scheme	5.45%	6.06%	5.50%	6.37%
Benchmark	5.43%	6.60%	4.90%	5.98%
Benchmark Index	CRISIL Liquid Fund Index			

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	SPF – A		SPF – C	
	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.08	Year Ended 31.03.07
1. NAV per Unit (Rs.):				
Open				
G	13.7971	12.7750	12.0906	11.4085
DD	–	–	–	–
WD	–	–	–	–
MD	10.3945	10.7195	10.2386	10.3033
QD/D	10.8328	10.7424	10.3863	10.3106
High				
G	15.7540	14.0138	12.8326	12.1518
DD	–	–	–	–
WD	–	–	–	–
MD	10.9332	10.9198	10.4676	10.3764
QD/D	11.6355	11.1552	10.7070	10.5777
Low				
G	13.7971	12.1462	12.0888	11.3044
DD	–	–	–	–
WD	–	–	–	–
MD	10.1684	10.0517	10.2265	10.1111
QD/D	10.6900	10.2139	10.3848	10.2166
End				
G	14.7709	*13.8184	12.6070	*12.0930
DD	–	–	–	–
WD	–	–	–	–
MD	10.2133	*10.4105	10.2772	*10.2407
QD/D	10.7373	*10.8495	10.4484	*10.3884
* Refers to computed NAV				
2. Closing Assets Under Management (Rs. in Lakhs)				
End	13,241.69	6,522.97	854.64	1,057.51
Average (AAuM)	10,038.36	5,969.65	1,225.10	1,376.45
3. Gross income as % of AAuM	5.11%	13.78%	6.54%	8.73%
4. Expense Ratio:				
a. Total Expense as % of AAuM (plan wise)	2.18%	2.14%	2.02%	1.44%
b. Management Fee as % of AAuM (plan wise)	1.09%	0.89%	1.06%	0.67%
5. Net Income as a percentage of AAuM	2.93%	11.63%	4.52%	7.29%
6. Portfolio turnover ratio	7.11	2.72	2.41	1.18
7. Total Dividend per Unit distributed during the year / period	IND. OTH.	IND. OTH.	IND. OTH.	IND. OTH.
DD	– –	– –	– –	– –
WD	– –	– –	– –	– –
MD	0.801489 0.745965	0.999780 0.931069	0.345998 0.322028	0.581013 0.541082
QD/D	0.762073 0.709278	0.657750 0.612545	0.332858 0.309799	0.464810 0.432866
8. Returns:				
a. Last One Year				
Scheme	6.87%	9.00%	4.25%	6.31%
Benchmark	11.12%	5.67%	11.12%	5.67%
b. Since Inception				
Scheme	10.79%	12.24%	6.28%	7.01%
Benchmark	8.59%	7.70%	8.59%	7.70%
Benchmark Index	CRISIL MIP Blended Index		CRISIL MIP Blended Index	

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	ITF		
	Year Ended 31.03.08		Year Ended 31.03.07
	Regular	Institutional	Regular
1. NAV per Unit (Rs.):			
Open			
G	30.297	9.993	27.960
DD	-	-	-
WD	-	-	-
MD	-	-	-
QD/D	17.145	10.059	19.810
High			
G	62.349	17.562	35.497
DD	-	-	-
WD	-	-	-
MD	-	-	-
QD/D	35.281	12.543	25.147
Low			
G	30.297	9.879	20.200
DD	-	-	-
WD	-	-	-
MD	-	-	-
QD/D	17.145	7.866	14.310
End			
G	41.308	11.646	*31.540
DD	-	-	-
WD	-	-	-
MD	-	-	-
QD/D	19.068	8.317	*17.848
* Refers to computed NAV			
2. Closing Assets Under Management (Rs. in Lakhs)			
End	383,094.08		143,572.81
Average (AAuM)	292,933.39		114,590.15
3. Gross income as % of AAuM	19.64%		21.50%
4. Expense Ratio:			
a. Total Expense as % of AAuM (plan wise)	1.85%	1.10%	2.01%
b. Management Fee as % of AAuM (plan wise)	0.97%	0.97%	0.91%
5. Net Income as a percentage of AAuM	17.80%		19.49%
6. Portfolio turnover ratio	1.59		1.52
7. Total Dividend per Unit distributed during the year / period			
DD	-	-	-
WD	-	-	-
MD	-	-	-
QD/D	5.00	-	4.50
8. Returns:			
a. Last One Year			
Scheme	30.78%	NA	16.17%
Benchmark	24.83%	NA	11.70%
b. Since Inception			
Scheme	45.17%	*16.46%	50.72%
Benchmark	35.73%	*13.67%	39.87%
Benchmark Index		BSE 100	

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G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	LPLUS							
	Year Ended 31.03.08				Year Ended 31.03.07			
	Regular		Institutional		Regular		Institutional	
1. NAV per Unit (Rs.):								
Open								
G	1,048.2384		1,050.5101		1,000.5322		1,000.5405	
DD	1,000.2000		1,000.2000		1,000.2000		1,000.2000	
WD	1,000.9969		1,001.0403		1,000.5322		1,000.5405	
MD	-		-		-		-	
QD/D	-		-		-		-	
High								
G	1,124.3693		1,131.2422		1,047.4039		1,049.6283	
DD	1,000.6000		1,000.6000		1,000.4398		1,000.4488	
WD	1,001.9671		1,002.0535		1,002.5376		1,002.5046	
MD	-		-		-		-	
QD/D	-		-		-		-	
Low								
G	1,048.2384		1,050.5101		1,000.5322		1,000.5405	
DD	1,000.2000		1,000.2000		1,000.2000		1,000.2000	
WD	1,000.2000		1,000.2000		1,000.2000		1,000.2000	
MD	-		-		-		-	
QD/D	-		-		-		-	
End								
G	1,124.3693		1,131.2422		*1047.6256		*1049.8615	
DD	1,000.6000		1,000.6000		*1000.4113		*1000.4223	
WD	1,001.5567		1,001.5989		*1000.4117		*1000.4223	
MD	-		-		-		-	
QD/D	-		-		-		-	
* Refers to computed NAV								
2. Closing Assets Under Management (Rs. in Lakhs)								
End	250,611.22				173,721.89			
Average (AAuM)	267,234.64				272,162.85			
3. Gross income as % of AAuM	7.83%				5.12%			
4. Expense Ratio:								
a. Total Expense as % of AAuM (plan wise)	0.78%		0.37%		0.74%		0.41%	
b. Management Fee as % of AAuM (plan wise)	0.27%		0.27%		0.20%		0.20%	
5. Net Income as a percentage of AAuM	7.35%				4.81%			
6. Portfolio turnover ratio	5.15				1.62			
7. Total Dividend per Unit distributed during the year / period	IND.	OTH.	IND.	OTH.	IND.	OTH.	IND.	OTH.
DD	61.757175	57.478830	65.274570	60.752554	40.479626	37.697560	42.324268	39.415424
WD	61.011900	56.785185	64.425940	59.962717	40.501505	37.717932	42.344434	39.434204
MD	-		-		-		-	
QD/D	-		-		-		-	
8. Returns:								
a. Last One Year								
Scheme		7.31%		7.73%		NA		NA
Benchmark		7.50%		7.50%		NA		NA
b. Since Inception								
Scheme		7.28%		7.67%		4.74%*		4.96%*
Benchmark		7.05%		7.05%		4.18%*		4.18%*
Benchmark Index	CRISIL Liquid Fund Index							

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DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	SM			
	Year Ended 31.03.08		Year Ended 31.03.07	
	Regular	Institutional	Regular	Institutional
1. NAV per Unit (Rs.):				
Open				
G	9.619	9.646	10.279	10.279
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	-	-
QD/D	9.619	9.646	10.279	10.279
High				
G	16.817	11.954	10.952	10.970
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	-	-
QD/D	16.817	12.293	10.952	10.970
Low				
G	9.619	9.646	9.363	9.385
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	-	-
QD/D	9.619	9.646	9.363	9.385
End				
G	10.962	-	*9.935	*9.963
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	-	-
QD/D	10.962	-	*9.935	*9.963
* Refers to computed NAV				
2. Closing Assets Under Management (Rs. in Lakhs)				
End	94,617.64		146,423.36	
Average (AAuM)	136,107.71		148,611.57	
3. Gross income as % of AAuM	20.06%		1.93%	
4. Expense Ratio:				
a. Total Expense as % of AAuM (plan wise)	1.87%	1.25%	1.81%	1.17%
b. Management Fee as % of AAuM (plan wise)	1.02%	1.02%	0.90%	0.90%
5. Net Income as a percentage of AAuM	18.19%		1.13%	
6. Portfolio turnover ratio	1.32		1.55	
7. Total Dividend per Unit distributed during the year / period				
DD	-	-	-	-
WD	-	-	-	-
MD	-	-	-	-
QD/D	-	-	-	-
8. Returns:				
a. Last One Year				
Scheme	10.33%	NA	NA	NA
Benchmark	28.67%	NA	NA	NA
b. Since Inception				
Scheme	6.89%	NA	(0.64)%*	(0.36)%*
Benchmark	17.05%	NA	(3.45)%*	(3.45)%*
Benchmark Index		CNX Midcap Index		

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G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD- Monthly Dividend, QD - Quarterly Dividend

DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	TSF		SBF			
	Year Ended 31.03.08	Year Ended 31.03.07	Period Ended 31.03.08			
			Regular		Institutional	
1. NAV per Unit (Rs.):						
Open						
G	9.325	10.374	1,001.4115		1,001.4115	
DD	-	-	-		-	
WD	-	-	-		-	
MD	-	-	1,001.4115		1,001.4115	
QD/D	9.325	10.374	1,001.4115		1,001.4115	
High						
G	19.747	10.473	1,063.2958		1,067.2526	
DD	-	-	-		-	
WD	-	-	1,004.6158		1,004.6913	
MD	-	-	1,011.3025		1,011.9740	
QD/D	19.747	10.473	1,024.7186		1,008.0947	
Low						
G	9.325	9.080	1,001.4115		1,001.4115	
DD	-	-	-		-	
WD	-	-	1,000.2328		1,000.2436	
MD	-	-	1,000.2355		1,000.2444	
QD/D	8.751	9.080	1,001.4115		1,000.8620	
End						
G	12.626	*9.596	1,063.2958		1,067.2526	
DD	-	-	-		-	
WD	-	-	1,003.7630		1,003.8129	
MD	-	-	1,008.1251		1,008.8226	
QD/D	9.401	*9.596	1,011.6844		-	
* Refers to computed NAV						
2. Closing Assets Under Management (Rs. in Lakhs)						
End	44,142.71	12,656.50	44,907.82			
Average (AAuM)	22,580.74	10,675.85	104,886.18			
3. Gross income as % of AAuM	18.04%	0.91%	7.38%			
4. Expense Ratio:						
a. Total Expense as % of AAuM (plan wise)	2.34%	2.08%	1.13%		0.72%	
b. Management Fee as % of AAuM (plan wise)	1.11%	1.07%	0.54%		0.54%	
5. Net Income as a percentage of AAuM	15.70%	0.37%	6.67%			
6. Portfolio turnover ratio	3.50	0.70	2.93			
7. Total Dividend per Unit distributed during the year / period			IND.	OTH.	IND.	OTH.
DD	-	-	-	-	-	-
WD	-	-	43.302135	40.302301	46.250892	43.109449
MD	-	-	46.956487	43.703491	49.573721	46.139409
QD/D	3.60	-	44.278989	41.211478	-	-
8. Returns:						
a. Last One Year						
Scheme	31.39%	NA			NA	NA
Benchmark	21.51%	NA			NA	NA
b. Since Inception						
Scheme	21.45%	(4.05)%*			*6.33%	*6.73%
Benchmark	9.92%	(7.90)%*			*7.61%	*7.61%
Benchmark Index		S & P CNX 500			CRISIL Composite Bond Fund Index	

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DSP MERRILL LYNCH MUTUAL FUND
Key Statistics for the year / period ended March 31, 2008

	WGF	CP		MCF
	Period Ended 31.03.08	Period Ended 31.03.08		Period Ended 31.03.08
		Regular	Institutional	
1. NAV per Unit (Rs.):				
Open				
G	11.4971	1,001.0878	1,001.0891	10.032
DD	–	–	1,000.1000	–
WD	–	1,001.0878	1,001.0891	–
MD	–	–	–	–
QD/D	11.4971	–	–	–
High				
G	16.3005	1,037.4924	1,037.7266	16.597
DD	–	–	1,000.3696	–
WD	–	1,001.8291	1,001.8379	–
MD	–	–	–	–
QD/D	16.3005	–	–	–
Low				
G	11.4971	1,001.0878	1,001.0891	9.500
DD	–	–	1,000.1000	–
WD	–	1,000.2000	1,000.2000	–
MD	–	–	–	–
QD/D	11.4971	–	–	–
End				
G	14.1601	1,037.4924	1,037.7266	*10.340
DD	–	–	1,000.1000	–
WD	–	1,001.1833	1,001.1885	–
MD	–	–	–	–
QD/D	14.1601	–	–	–
* Refers to computed NAV				
2. Closing Assets Under Management (Rs. in Lakhs)				
End	160,369.11	53,559.51		30,837.99
Average (AAuM)	137,055.34	137,927.37		37,413.53
3. Gross income as % of AAuM	0.24%	3.88%		9.81%
4. Expense Ratio:				
a. Total Expense as % of AAuM (plan wise)	0.73%	0.33%	0.29%	2.08%
b. Management Fee as % of AAuM (plan wise)	0.00%	0.15%	0.15%	1.04%
5. Net Income as a percentage of AAuM	(0.16)%	3.76%		7.03%
6. Portfolio turnover ratio	0.02	6.94		0.88
7. Total Dividend per Unit distributed during the year / period				
DD	–	–	28.792900	–
WD	–	27.790016	27.959299	–
MD	–	–	–	–
QD/D	–	–	–	–
8. Returns:				
a. Last One Year				
Scheme	NA	NA	NA	NA
Benchmark	NA	NA	NA	NA
b. Since Inception				
Scheme	*41.60%	*3.75%	*3.77%	*(0.67)%
Benchmark	*16.09%	*2.88%	*2.88%	*1.61%
Benchmark Index	FTSE Gold mines (cap) (in INR terms)	CRISIL Liquid Fund Index		BSE Small Cap Index

* Since the Scheme / Plan has not completed one year, returns are computed in absolute terms from the date of launch.

G - Growth, D - Dividend, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend

Investment Objectives

1.	DSPMLEF	An Open Ended growth Scheme, seeking to generate long term capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India.
2.	DSPMLTF	An Open Ended growth Scheme, seeking to generate long term capital appreciation, and whose secondary objective is income generation and the distribution of dividend from a portfolio constituted of equity and equity related securities concentrating on the Investment Focus of the Scheme.
3.	DSPMLLOF	An Open Ended growth Scheme, seeking to generate long term capital appreciation and whose secondary objective is income generation and the distribution of dividend from a portfolio constituted of equity and equity related securities concentrating on the Investment Focus of the Scheme.
4.	DSPMLTEF	An Open Ended growth Scheme, seeking to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of the 100 largest corporates, by market capitalisation, listed in India.
5.	DSPMLITF	An open ended diversified equity Scheme, seeking to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing investments in infrastructure, both by the public and private sector.
6.	DSPMLLF	An Open Ended income Scheme, seeking to generate a reasonable return commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and high quality debt securities.
7.	DSPMLFRF	An Open Ended income Scheme, seeking to generate income commensurate with prudent risk from a portfolio comprised substantially of floating rate debt securities and fixed rate debt securities swapped for floating rate returns. The Scheme may also invest in fixed rate debt securities.
8.	DSPMLGF	An Open Ended income Scheme, seeking to generate income through investment in Central Government Securities of various maturities.
9.	DSPMLBaF	An Open Ended balanced Scheme, seeking to generate long term capital appreciation and current income from a portfolio constituted of equity and equity related securities as well as fixed income securities (debt and money market securities).
10.	DSPMLBF	An Open Ended income Scheme, seeking to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of high quality debt securities, predominantly of issuers domiciled in India. As a secondary objective, the Scheme will seek capital appreciation.
11.	DSPMLSPF – Conservative, DSPMLSPF – Aggressive and DSPMLSPF – Moderate	An Open ended income Scheme, seeking to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of quality debt securities. The Scheme will also seek to generate capital appreciation by investing a smaller portion of its corpus in equity and equity related securities of the 100 largest corporates, by market capitalization, listed in India.
12.	DSPMLSTF	An Open Ended income Scheme, seeking to generate income commensurate with prudent risk, from a portfolio constituted of money market securities, floating rate debt securities and debt securities.
13.	DSPMLLPF (Regular Plan and Institutional Plan)	An Open Ended income Scheme, seeking to generate reasonable returns commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and high quality debt securities.
14.	DSPMLFTPs	Close ended Schemes, seeking capital appreciation by investing in a portfolio of debt and money market securities. For each of these schemes, it is envisaged that the portfolio will display the maturity profile that is generally in line with the Term of the scheme.
15.	DSPMLSMF	An open ended equity growth Scheme, seeking to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities which are not part of the top 100 stocks by market capitalization.
16.	DSPMLTSF	An open ended ELSS scheme, seeking to generate medium to long-term capital appreciation from a diversified portfolio that is substantially constituted of equity and equity related securities of corporates, and to enable investors avail of a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time.
17.	DSPMLMCF	A close ended equity growth scheme, seeking to generate long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities, which are not part of the top 300 companies by market capitalisation.
18.	DSPMLWGF	An open ended Fund of funds scheme seeking to generate capital appreciation by investing predominantly in units of BlackRock Global Funds – World Gold Fund (BGF-WGF)*. The Scheme may, at the discretion of the Investment Manager, also invest in the units of similar overseas mutual fund schemes, which may constitute a significant part of its corpus.
19.	DSPMLSBF	An open ended income scheme, seeking to generate optimal returns with high liquidity through active management of the portfolio by investing in high quality debt and money market instruments.
20.	DSPMLCPF	An open ended income scheme, seeking to generate reasonable returns commensurate with low risk from a portfolio constituted of money market and debt securities.

*With effect from April 28, 2008, International Investment Funds – World Gold Fund (MLIF – WGF) is called BlackRock Global Funds – World Gold Fund (BGF-WGF)

STATUTORY DETAILS: DSP Merrill Lynch Mutual Fund was set up as a Trust by the settlors, DSP Merrill Lynch Ltd. (DSPML) and Merrill Lynch Investment Managers LP, USA. Sponsors: DSPML, DSP HMK Holdings Pvt. Ltd. and DSP ADIKO Holdings Pvt. Ltd. (collectively) (Liability restricted to Rs. 1 lakh). Trustee: DSP Merrill Lynch Trustee Company Pvt. Ltd. Investment Manager: DSP Merrill Lynch Fund Managers Ltd.

RISK FACTORS: Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the Schemes' objectives will be achieved. As with any investment in securities, the NAV of Units issued under the Schemes can go up or down depending on the factors and forces affecting capital markets. Past performance of the sponsor/AMC/mutual fund does not indicate the future performance of the Schemes. Investors in the Schemes are not being offered a guaranteed or assured rate of return. Each Scheme/Plan is required to have (i) minimum 20 investors and (ii) no single investor holding >25% of corpus. If the aforesaid point (i) is not fulfilled within the prescribed time, the Scheme/Plan concerned will be wound up and in case of breach of the aforesaid point (ii) at the end of the prescribed period, the investor's holding in excess of 25% of the corpus will be redeemed as per SEBI guidelines. DSPMLLF, DSPMLLPF, DSPMLBF, DSPMLFRF, DSPMLSTF, DSPMLCPF, DSPMLGF, DSPMLSPF – Moderate, DSPMLSPF – Aggressive, DSPMLSPF – Conservative, DSPMLBaF, DSPMLEF, DSPMLTEF, DSPMLLOF, DSPMLITF (The Infrastructure Growth and Economic Reforms Fund), DSPMLSBF, DSPMLTSF, DSPMLWGF, DSPMLMCF, DSPMLTF, DSP Merrill Lynch FTP – Series 3A, DSP Merrill Lynch FTP – Series 1H, DSP Merrill Lynch FTP – Series 1I, DSP Merrill Lynch FTP – Series 3E, DSP Merrill Lynch FTP – Series 3C, DSP Merrill Lynch FTP – Series 1J, DSP Merrill Lynch FTP – Series 1K, DSP Merrill Lynch FTP – Series 1M, DSP Merrill Lynch FTP – Series 1N, DSP Merrill Lynch FTP – Series 3D, DSP Merrill Lynch FTP – Series 1O, DSP Merrill Lynch FTP – Series 3F, DSP Merrill Lynch FTP – Series 1P, DSP Merrill Lynch FTP – Series 3H, DSP Merrill Lynch FMP – 18M – Series 1, DSP Merrill Lynch FMP – 3M – Series 1, DSP Merrill Lynch FMP – 15M – Series 1, DSP Merrill Lynch FMP – 3M – Series 2, DSP Merrill Lynch FMP – 15M – Series 2, DSP Merrill Lynch FMP – 3M – Series 3, DSP Merrill Lynch FMP – 13M – Series 1, DSP Merrill Lynch FMP – 3M – Series 6 and DSP Merrill Lynch FMP – 12 ½ M – Series 1 are the names of the Schemes and do not in any manner indicate the quality of the Schemes, their future prospects or returns. For risk factors related to trading in derivatives and overseas investments, and other scheme specific risk factors, please refer the relevant Offer Document. For more details, please refer the Key Information Memorandum cum Application Forms, which are available at the ISC/Distributor. Please read the Offer Documents (available at www.dspmlmutualfund.com/ISCs/distributors) carefully before investing.

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