

DSP Merrill Lynch Fund Managers Limited
Balance Sheet as at 31st December, 2004

	Schedule No.	As at 31.12.2004 Rs. '000	As at 31.12.2003 Rs. '000
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	1	200,000	200,000
(b) Reserves & Surplus	2	11,239	23,216
2. Loan Funds			
Secured Loans	3	6,676	3,203
		217,915	226,419
II. APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	4	65,380	48,063
Less : Depreciation		40,315	31,333
Net Block		25,065	16,730
2. Investments	5	191,844	189,799
3. Deferred Tax Asset (net)		4,759	4,550
4. Current Assets, Loans & Advances			
I. Current Assets			
(a) Sundry Debtors	6	68,541	58,887
(b) Cash & Bank Balances	7	9,867	6,984
II. Loans & Advances	8	72,260	63,558
	(A)	150,668	129,429
Less : Current Liabilities & Provisions			
(a) Current Liabilities	9	136,474	93,739
(b) Provisions	10	18,048	20,531
	(B)	154,522	114,270
Net Current Assets	(A - B)	(3,854)	15,159
5. Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses	11	101	181
		217,915	226,419
Significant Accounting Policies & Notes on Accounts	16		

Schedules 1 to 16 annexed hereto form part of these accounts

As per our attached report of even date
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

N.P. Sarda
Partner
Membership no. 9544

H. M. Kothari
Chairman

K.R.V. Subrahmanian
Director

Manisha Thakur
Manager & Company
Secretary

Mumbai
February 22, 2005

Mumbai
February 22, 2005

Profit and Loss Account for the year ended 31st December, 2004

	Schedule No.	Current Year Rs. '000	Previous Year Rs. '000
INCOME			
Investment/ Portfolio management fees		338,534	261,890
Dividend on Units (Current Investments)		7,309	6,589
Profit on Sale of Current Investments (net)		-	10,536
Profit on fixed assets sold/ discarded (net)		39	-
Write Back of provision for Diminution in Value of Investments		1,648	-
Interest Income	12	1,540	1,322
		349,070	280,337
EXPENDITURE			
Scheme Expenses (net)	13	125,602	100,257
Employee Costs	14	125,973	85,655
Administrative and Other Expenses	15	95,490	70,474
Depreciation		9,847	6,252
Interest Expenses on Fixed Loans		497	133
Preliminary expenditure written off		80	80
		357,489	262,851
(LOSS) / PROFIT BEFORE TAXATION		(8,419)	17,486
Provision for Taxation			
- Current Tax		3,518	4,864
- Deferred Tax credit (net)		(210)	(2,978)
		3,308	1,886
(LOSS) / PROFIT AFTER TAX EXPENSE OF CURRENT YEAR		(11,727)	15,600
- Provision / (Reversal of Provision) for tax of earlier years		250	(9)
NET (LOSS) / PROFIT		(11,977)	15,609
BALANCE BROUGHT FORWARD		20,816	6,807
BALANCE AVAILABLE FOR APPROPRIATION		8,839	22,416
General Reserve		-	1,600
BALANCE CARRIED TO BALANCE SHEET		8,839	20,816
Weighted average number of equity shares outstanding during the year		20,000,000	20,000,000
Basic and Diluted Earnings per share of Rs. 10 each (in Rs.)		(0.60)	0.78
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