

# DSP Merrill Lynch Mutual Fund



**Annual Report  
2006-2007**

# SPONSOR



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and  
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## ASSET MANAGEMENT COMPANY



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## TRUSTEE



**DSP Merrill Lynch Trustee  
Company Pvt. Ltd.**  
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Tel: 022-6657 8000  
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## CUSTODIAN



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## REGISTRAR



**Computer Age Management  
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A & B, Lakshmi Bhavan,  
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## AUDITORS TO THE FUND

**S.R. Batliboi & Co.**  
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**UNITHOLDER INFORMATION REPORT**
**From the Board of Directors, DSP Merrill Lynch Trustee Company Private Limited**
**DSP MERRILL LYNCH MUTUAL FUND**

DSP Merrill Lynch Mutual Fund (**DSPMLMF**) was set up as a Trust by the Settlers, DSP Merrill Lynch Ltd. and Merrill Lynch Asset Management L.P., now known as Merrill Lynch Investment Managers L.P. (**MLIM**), on 16th December, 1996, with DSP Merrill Lynch Trustee Company Pvt. Ltd. (**the Trustee Company**) 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 SEBI on 30th January, 1997.

**DSP MERRILL LYNCH TRUSTEE COMPANY PRIVATE LIMITED**

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

**DIRECTORS OF DSP MERRILL LYNCH TRUSTEE COMPANY PRIVATE LIMITED**

- Mr. Shitin D. Desai – Mr. Desai is the Executive Vice-Chairman of DSP Merrill Lynch Ltd.
- Mr. S. S. Thakur – Mr. Thakur is currently the Chairman of the 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 from 1993 to 1996 and serves on the Board of Directors of various other companies.
- Mr. Andrew Holland – Mr. Holland is the Managing Director, Strategic Investment Group at DSP Merrill Lynch Ltd.
- 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 DSP Merrill Lynch Ltd.
- 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. Krishna Murthy – 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.

**DIRECTORS OF DSP MERRILL LYNCH FUND MANAGERS LIMITED**

- Mr. Hemendra M. Kothari - Mr. Kothari is the Chairman of DSP Merrill Lynch Ltd.
- Mr. Pradeep Dokania - Mr. Dokania is the Managing Director and head of Global Private Client Group of DSP Merrill Lynch Ltd.
- Mr. K. R. V. Subrahmanian - Mr. Subrahmanian is a Management Consultant and is on the Board of various well-known corporates in India.
- Dr. Omkar Goswami - Dr. Goswami is the Founder and Chairman of CERG Advisory Private Ltd. 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. David Graham - Mr. Graham is the Managing Director of BlackRock Investment Management (UK) Ltd. based in London.
- 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 date, DSPMLMF has seventeen open ended schemes (available for ongoing purchases) namely 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, DSP Merrill Lynch Technology.com Fund, DSP Merrill Lynch Opportunities Fund, DSP Merrill Lynch Short Term Fund, DSP Merrill Lynch Top100 Equity Fund, DSP Merrill Lynch Savings Plus Fund - Moderate, DSP Merrill Lynch Floating Rate Fund, DSP Merrill Lynch Savings Plus Fund – Aggressive, DSP Merrill Lynch Savings Plus Fund – Conservative and 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 Small and Mid Cap Fund and DSP Merrill Lynch Tax Saver Fund.

DSPMLMF has launched following Fixed Term Plans (FTP) being Closed Ended Schemes. The primary investment objective of the 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 the maturity profile that is generally in line with the term of the scheme. There can be no assurance that the investment objective of the Schemes will be realised.

Name of the Scheme	Date of Launch	Maturity date
FTP- Series 1B	February 28, 2006	June 01, 2006
FTP- Series 2	February 14, 2006	August 16, 2006
FTP- Series 3	December 06, 2005	December 11, 2006
FTP- Series 1C	March 21, 2006	June 29, 2006
FTP- Series 3A	March 21, 2006	April 16, 2007
FTP- Series 1D	June 29, 2006	September 28, 2006
FTP- Series 1E	November 22, 2006	February 22, 2007
FTP- Series 1F	December 19, 2006	March 20, 2007
FTP- Series 1G	December 26, 2006	March 28, 2007
FTP- Series 1H	February 09, 2007	May 15, 2007
FTP- Series 1I	February 19, 2007	May 28, 2007
FTP- Series 3E	February 27, 2007	April 02, 2008
FTP- Series 3C	March 16, 2007	April 02, 2008
FTP- Series 1J	March 23, 2007	June 27, 2007

**MARKET PREVIEW**
**DEBT MARKET**

FY 2006-07 was quite volatile for bond market. The year began on a weak note amid concerns of rising commodity prices and their consequent impact on inflation. As a result, the Reserve Bank of India hiked the benchmark Repo Rate a record five times in the year. In response to significant tightening, benchmark 10Y bond yield moved up very sharply from below 7.4% pa in April 2006 to as high as 8.33% pa in mid-July. However, the second quarter of the year was quite good for bond market participants, as easing of crude oil prices as well as demand for SLR securities from the banking system pushed bond yields down by more than 100 basis points. However, the Reserve Bank of India's swift action in terms of raising Repo Rates due to rising inflation in last two quarters resulted in an equal reversal in benchmark rates. The financial year closed with tight liquidity conditions, higher inflation, strong credit off-take and an appreciating rupee.

**EQUITY MARKET**

For the Financial Year 2006-2007, the Sensex delivered a total return of 17.79% against the backdrop of heightened volatility and the dampening effect of rising inflation rates.

In keeping with global emerging market trends, Indian equities fell sharply in May – June, with the Sensex correcting nearly 22% from the May peak as unwinding of leveraged positions led to further pressure on prices. After touching a low by mid June, the market rallied once again on the back of robust economic and corporate earnings forecasts. However, the rally was considerably narrow led by a few frontline Sensex companies. Faced with a lackluster Budget the market corrected at the end of February 2007, and the subsequent volatility was due to hardening interest rates.

In May – June 2006, though Small and Midcap companies fell sharply relative to the large caps, the post June rally has been relatively similar for all companies. Therefore for FY 2007 Small and Mid Cap companies have underperformed the large caps considerably with the BSE Small Cap Index delivering a return of only 1%.

**OBJECTIVES, INVESTMENT POLICY AND PERFORMANCE OF THE SCHEMES****EQUITY FUNDS****DSP MERRILL LYNCH EQUITY FUND**

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 of issuers domiciled in India. Equity related securities include, but are not limited to, fully convertible debentures, partly convertible debentures, convertible preference shares and warrants converting into equity securities. 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. There can be no assurance that the investment objective of the Scheme will be realized.

The Scheme outperformed its benchmark (the S&P CNX Nifty Index) over the last financial year. The outperformance was largely due to the Scheme's overweight position in the Media sector as well as superior stock selection in the Consumer non-durable sector. The underweight position in the Auto sector also helped the Scheme outperform its benchmark.

As of April 19, 2007 the net assets of the Fund were Rs. 736.86 crores.

**DSP MERRILL LYNCH TECHNOLOGY.COM FUND**

DSP Merrill Lynch Technology.com Fund focuses on investing in technology and technology dependent companies, including businesses relating to hardware, peripherals and components, software (products and services), telecom, telecommunications and media and entertainment, internet and E-commerce, and other technology enabled companies (e.g. transaction processing and call centers). The primary investment objective of the Scheme is to seek to generate long term capital appreciation and the 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. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Scheme outperformed its benchmark (the BSE Teck Index) over the last financial year. The outperformance may be attributed to the Scheme's overweight position in the Media and Telecom sectors. Concentrated positions in frontline IT companies also benefited performance.

As of April 19, 2007 the net assets of the Fund were Rs. 78.50 crores.

**DSP MERRILL LYNCH OPPORTUNITIES FUND**

DSP Merrill Lynch Opportunities Fund focuses on responding to the dynamically changing Indian economy by moving its investments amongst different sectors such as the Lifestyle sector, Pharmaceutical sector, Cyclical sector and Technology sector as prevailing trends change. This Scheme allows the Investment Manager to be highly concentrated in any of the two or more Sectors. The Investment Manager may at any given time have a zero weightage in any or more of the sectors.

The investment objective of the Scheme is to seek to generate long term capital appreciation and the 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. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Scheme underperformed its benchmark (the S&P CNX Nifty Index) over the last financial year. The underweight position in the Banks and Oil & gas sectors and the overweight position in the Consumer non-durables sector contributed to the Scheme's underperformance relative to the benchmark. The Scheme's overweight position in the Industrial and Media sectors positively impacted performance.

As of April 19, 2007 the net assets of the Fund were Rs. 1,364.40 crores.

**DSP MERRILL LYNCH TOP100 EQUITY FUND**

The primary investment objective of the Scheme is 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. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Scheme outperformed its benchmark (the BSE 100 Index) over the last financial year. The outperformance was largely due to its stock selection and overweight position in Industrial, Petroleum products and Media sectors.

As of April 19, 2007 the net assets of the Fund were Rs. 350.73 crores.

**DSP MERRILL LYNCH INDIA T.I.G.E.R. FUND (THE INFRASTRUCTURE GROWTH AND ECONOMIC REFORMS FUND)**

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. However, there can be no assurance that the investment objectives of the Scheme will be realized.

The Scheme outperformed its benchmark (the BSE 100 Index) over the last financial year. The outperformance was largely due to its stock selection and overweight position in the Engineering, Telecom and Media sectors. Tactical positioning in the Ferrous metal sector also helped performance relative to benchmark.

As of April 19, 2007 the net assets of the Fund were Rs. 1,512.75 crores.

**DSP MERRILL LYNCH SMALL AND MID CAP FUND**

The scheme was launched on September 29, 2006 and was open for subscription between September 29, 2006 and October 18, 2006. Thereafter, the scheme was reopened for subscription and redemption on November 16, 2006.

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 100 stocks by market capitalization. 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. However, there can be no assurance that the investment objective of the Scheme will be realised.

For the limited period since inception, the Scheme outperformed its benchmark (CNX Midcap Index). The outperformance was due to its overweight position in the Petroleum and Petrochemical products and Media sectors.

As of April 19, 2007 the net assets of the Fund were Rs.1,488.44 crores.

**DSP MERRILL LYNCH TAX SAVER FUND**

The scheme was launched on November 27, 2006 and was open for subscription between November 27, 2006 and December 26, 2006. Thereafter, the scheme was reopened for subscription and redemption on January 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 avail of a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time. However, there can be no assurance that the investment objectives of the Scheme will be realized.

For the limited period since inception, the Scheme outperformed its benchmark (S&P CNX 500 Index). The outperformance was due to its overweight position in the Petrochemical products, Pharmaceuticals and Media sectors.

As of April 19, 2007 the net assets of the Fund were Rs.128.55 crores.

**HYBRID FUNDS****DSP MERRILL LYNCH BALANCED FUND**

The primary investment objective of the Scheme is to 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). Equity related securities include, but are not limited to, fully convertible debentures, partly convertible debentures, convertible preference shares and warrants converting into equity securities. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Scheme marginally underperformed relative to its benchmark (the CRISIL Balanced Fund Index) in the past year. The Scheme performance was aided by its overweight position in the Media sector and the dynamic allocation between the debt and equity components of its portfolio.

As of April 19, 2007 the net assets of the Fund were Rs. 408.32 crores.

**DSP MERRILL LYNCH SAVINGS PLUS FUND - MODERATE**

The objective of the Scheme is to 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. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Scheme has been actively managing the equity component of the portfolio, in keeping with its prevailing outlook on the equity market. This enabled the Scheme to perform well relative to its benchmark (CRISIL MIP Blended Index). The debt component of the portfolio was largely invested in floating rate debt securities and shorter-tenor fixed rate corporate securities. The fund has delivered 6.89% return in last year as compared to 5.67% return by benchmark CRISIL MIP Blended Index.

As of April 19, 2007 the net assets of the Fund were Rs. 158.70 crores.

**DSP MERRILL LYNCH SAVINGS PLUS FUND - AGGRESSIVE**

The objective of the Scheme is to 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. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Scheme has been actively managing the equity component of the portfolio, in keeping with its prevailing outlook on the equity market. This enabled the Scheme to perform well relative to its benchmark (CRISIL MIP Blended Index). The debt component of the portfolio was largely invested in floating rate debt securities and shorter-tenor fixed rate corporate securities. The fund has delivered 9.00% return in last year as compared to 5.67% return by benchmark CRISIL MIP Blended Index.

As of April 19, 2007 the net assets of the Fund were Rs. 62.95 crores.

**DSP MERRILL LYNCH SAVINGS PLUS FUND - CONSERVATIVE**

The objective of the Scheme is to 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. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Scheme has been actively managing the equity component of the portfolio, in keeping with its prevailing outlook on the equity market. This enabled the Scheme to perform well relative to its benchmark (CRISIL MIP Blended Index). The debt component of the portfolio was largely invested in floating rate debt securities and shorter-tenor fixed rate corporate securities. The fund has delivered 6.31% return in last year as compared to 5.67% return by benchmark CRISIL MIP Blended Index.

As of April 19, 2007 the net assets of the Fund were Rs. 10.45 crores.

**FIXED INCOME FUNDS****DSP MERRILL LYNCH BOND FUND**

The primary investment objective of the Scheme is to seek to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of high quality debt securities of issuers domiciled in India and the secondary objective of the Scheme is to seek capital appreciation. 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. There can be no assurance that the investment objective of the Scheme will be realized.

The Scheme witnessed outflows last year as investors continued to shun income funds as a category due to volatile interest rates and widening of corporate spreads and preferred low duration funds such as liquidity funds for better risk-adjusted returns. The fund has delivered 5.12% return in last year as compared to 3.68% return by benchmark CRISIL Composite Bond Fund Index.

As of April 19, 2007 the net assets of the Fund were Rs. 55.32 crores.

**DSP MERRILL LYNCH LIQUIDITY FUND**

The primary investment objective of the Scheme is to seek 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. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Fund witnessed strong inflow in the first quarter of the FY 2006-07 due to its superior performance. The Fund benefited significantly due to its exposure to short-term money market assets, which offered better risk-adjusted returns. The fund has delivered 6.80% return in last one year as compared to 6.39% return by benchmark CRISIL Liquid Fund Index.

As of April 19, 2007 the net assets of the Fund were Rs. 1,411.82 crores.

**DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND**

The primary investment objective of the Scheme is to generate income through investments in Central Government Securities of various maturities. There are two Investment Plans offered under this Scheme viz. Plan A - Longer Duration Plan and Plan B - Shorter Duration Plan. Plan A typically invests in long-term Government Securities with a residual maturity upto 30 years or more while Plan B typically invests in Government Securities with a residual maturity of upto 5 years. However, there can be no assurance that the investment objectives of the Scheme/Plans will be realized.

The G-Sec market was quite volatile in FY 2006-07. Benchmark 10Y bond yields rose sharply from less than 7.40% pa to 8.33% pa in response to high commodity prices and consequent fear of inflation. However, the second quarter was better for government bonds as lower crude oil prices and demand from the banking system brought bond yields down from their recent peak. However, government bonds gave up most of their gains due to RBI's Repo rate hikes in response to higher headline inflation.

DSPML Government Securities Fund - Plan A has delivered 3.61% return in last one year as compared to 6.07% return by benchmark LIBEX. DSPML Government Securities Fund - Plan B has delivered 5.56% return in last one year as compared to 5.96% return by benchmark SIBEX.

As of April 19, 2007 the net assets of the Fund (including Plan A and Plan B) were Rs. 34.48 crores.

**DSP MERRILL LYNCH SHORT TERM FUND**

The primary investment objective of the Scheme is to generate income commensurate with prudent risk, from a portfolio constituting of money market securities, floating rate debt securities and debt securities. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Fund witnessed outflows last year as investors continued to shun short-term income funds as a category due to rising interest rates and widening corporate spreads and preferred low duration funds such as liquidity funds for better risk-adjusted returns. The Fund has delivered 5.30% return in last one year as compared to 6.39% return by benchmark CRISIL Liquid Fund Index.

As of April 19, 2007 the net assets of the Fund were Rs. 57.18 crores.

**DSP MERRILL LYNCH FLOATING RATE FUND**

The primary investment objective of the Scheme is to seek to generate income commensurate with prudent risk, from a portfolio substantially constituted of floating rate securities and fixed rate debt securities swapped for floating rate returns. The Scheme may also invest in fixed rate debt securities. However, there can be no assurance that the investment objective of the Scheme will be realized.

The Fund 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 Fund offered less volatility, investors preferred to remain invested in short-term money market assets over floating rate assets. The Fund has delivered 6.20% return in last one year as compared to 6.39% return by benchmark CRISIL Liquid Fund Index.

As of April 19, 2007 the net assets of the Fund were Rs. 320.92 crores.

**DSP MERRILL LYNCH LIQUID PLUS FUND**

The scheme was launched on July 24, 2006 and was open for subscription between July 24, 2006 and July 31, 2006. Thereafter, the scheme was reopened for subscription and redemption on August 03, 2006. DSP Merrill Lynch Liquid Plus Fund is an open ended income. Scheme which seeks 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. However, there can be no assurance that the objective of the Scheme can be realised.

The Fund was launched in the second quarter of FY 2006-07 and became very popular in a short-time frame due to its performance and exposure to money market assets. The Fund has created a new niche in this category. The Fund has delivered 4.74% return since its inception date as compared to 4.18% return by benchmark CRISIL Liquid Fund Index in the same period.

As of April 19, 2007 the net assets of the Fund were Rs. 1,802.13 crores.

**FUTURE OUTLOOK****DEBT MARKET**

Economic growth for FY 2007 – 08 is expected at 7.5% – 8%. The current macro-economic landscape suggests robust credit off-take and higher level of economic activity across all sectors of the economy. We believe the Reserve Bank of India's recent monetary tightening will have a lag effect on economic growth. Therefore, we may see interest rates peaking out during the course of next few months. Subsequently, we expect interest rates to decline gradually in response to signs of slower economic growth.

**EQUITY MARKET**

Interest rates are expected to peak by mid 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 FY 2007 - 08 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.

**INVESTOR SERVICES**

During the year, the AMC continued to provide innovative services and facilities for investors. With the increase retail interest and 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 Cochin, Goa and Lucknow apart from moving to new premises in New Delhi. Registrars & Transfer Agents (CAMS) have also increased their reach to cater to investors of various cities and now have Investor Service Centres (ISCs) in 27 cities and Transaction Points (TPs) in 77 locations.

The Call centre of the AMC which started in 2006 has received encouraging response. The call centre provides a host of services to investors and distributors through an advanced Interactive Voice Response (IVR) System. Investors can also subscribe to the unique T-PIN facility which enables them to transact over telephone. Investors can reach the call centre from BSNL / MTNL lines using toll free number 1800 345 4499 or alternatively from other lines on 044 3048 2855.

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

**DISTRIBUTION OF INCOME**

The Fund has declared dividends in some of the Schemes during the Financial Year 2006-2007. Details are annexed and forms part of this Annual Report.

**UNCLAIMED DIVIDENDS AND REDEMPTION AMOUNTS**

Based on the feed back 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:

Scheme	Unclaimed Dividends		Unclaimed Redemptions	
	Amount (Rs.)	No. of Unclaimed Drafts/ Warrants	Amount (Rs.)	No. of Unclaimed Drafts/ Warrants
DSPML Bond Fund	1,761,610	785	360,319	22
DSPML Equity Fund	965,768	170	315,613	26
DSPML Balanced Fund	1,103,927	102	108,207	7
DSPML Technology.Com Fund	-	-	335,297	35
DSPML Opportunities Fund	2,997,826	449	794,957	68
DSPML Short Term Fund	1,744	4	-	-
DSPML Top100 Equity Fund	470,248	81	125,273	7
DSPML Government Securities Fund – Plan A	8,440	7	-	-
DSPML Floating Rate Fund	7,867	15	412,671	2
DSPML Savings Plus Fund-Moderate	159,900	668	331,131	35

Scheme	Unclaimed Dividends		Unclaimed Redemptions	
	Amount (Rs.)	No. of Unclaimed Drafts/ Warrants	Amount (Rs.)	No. of Unclaimed Drafts/ Warrants
DSPML Savings Plus Fund-Aggressive	39,778	151	19,358	4
DSPML Savings Plus Fund-Conservative	19,734	50	10,426	1
DSPML Liquidity Fund	2,582	11	-	-
DSPML India T.I.G.E.R. Fund	764,665	128	437,382	36
<b>Grand Total</b>	<b>8,304,089</b>	<b>2,621</b>	<b>3,250,634</b>	<b>243</b>

Apart from the above, a further sum of Rs. 850,114/- of 192 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 the Fund and contact in case of any non receipt of dividend / redemption proceeds.

**LARGE HOLDING IN THE SCHEMES (I.E. IN EXCESS OF 25% OF THE NET ASSETS)**

Scheme	No. of Investors	Percentage of holding
NIL	NIL	NIL

**STATUTORY DETAILS**

DSP Merrill Lynch Mutual Fund (the Fund) was set up as a Trust by the settlors, DSP Merrill Lynch Ltd. and Merrill Lynch Investment Managers LP, USA. The Sponsors to the Fund are DSP Merrill Lynch Ltd., DSP HMK Holdings Pvt. Ltd. and DSP ADIKO Holdings Pvt. Ltd. (collectively). The Trustee and Investment Manager to the Fund are DSP Merrill Lynch Trustee Company Pvt. Ltd. and DSP Merrill Lynch Fund Managers Ltd. respectively. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 lakh for setting up the Fund, and such other accretions/additions to the same.

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.

On written request, present and prospective unit holder/investor can obtain copy of the trust deed, the 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 the Fund/AMC as SEBI has made it mandatory to mention the bank account details on the redemption / dividend cheques. You will appreciate that this measure is in the interest of the 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 the Association of Mutual Funds in India (AMFI) for their support and directions.

The Trustees would also like to thank the Fund's Auditors, Custodian, Registrar & Transfer Agent, Bankers, Distributors, Brokers and all other service providers 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**

**Shitin D Desai**  
Chairman

Place : Mumbai  
Date : 24th April, 2007

**DIVIDEND DECLARED IN 2006-2007**

**EQUITY FUNDS**

<b>DSPML EQUITY FUND *</b>	
25-Jan-07	7.00
<b>Total</b>	<b>7.00</b>

<b>DSPML OPPORTUNITIES FUND *</b>	
08-Mar-07	5.00
<b>Total</b>	<b>5.00</b>

<b>DSPML T.I.G.E.R. FUND *</b>	
21-Mar-07	4.50
<b>Total</b>	<b>4.50</b>

<b>DSPML TOP 100 EQUITY FUND *</b>	
11-Apr-06	7.50
<b>Total</b>	<b>7.50</b>

**HYBRID FUNDS**

<b>DSPML BALANCED FUND **</b>	
22-Aug-06	4.00
<b>Total</b>	<b>4.00</b>

<b>DSPML SAVINGS PLUS FUND MODERATE: Quarterly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
30-Sept-06	0.306950	0.285854
28-Dec-06	0.166630	0.155178
28-Mar-07	0.087700	0.081673
<b>Total</b>	<b>0.561280</b>	<b>0.522705</b>

<b>DSPML SAVINGS PLUS FUND MODERATE: Monthly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
28-Apr-06	0.105240	0.098007
28-Jul-06	0.035080	0.032669
28-Aug-06	0.175400	0.163345
28-Sep-06	0.131550	0.122509
27-Oct-06	0.052620	0.049004
28-Nov-06	0.105240	0.098007
28-Dec-06	0.087700	0.081673
25-Jan-07	0.087700	0.081673
28-Feb-07	0.026310	0.024502
28-Mar-07	0.017540	0.016335
<b>Total</b>	<b>0.824380</b>	<b>0.767724</b>

<b>DSPML SAVINGS PLUS FUND CONSERVATIVE Monthly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
28-Apr-06	0.087700	0.081673
28-Jul-06	0.026310	0.024502
28-Aug-06	0.087700	0.081673

	<b>Individual &amp; HUF</b>	<b>Others</b>
28-Sep-06	0.105240	0.098007
27-Oct-06	0.043850	0.040836
28-Nov-06	0.070160	0.065338
28-Dec-06	0.061390	0.057171
25-Jan-07	0.061390	0.057171
28-Feb-07	0.019733	0.018376
28-Mar-07	0.017540	0.016335
<b>Total</b>	<b>0.581013</b>	<b>0.541082</b>

<b>DSPML SAVINGS PLUS FUND CONSERVATIVE: Quarterly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
30-Sep-06	0.219250	0.204182
28-Dec-06	0.157860	0.147011
28-Mar-07	0.087700	0.081673
<b>Total</b>	<b>0.464810</b>	<b>0.432866</b>

<b>DSPML SAVINGS PLUS FUND AGGRESSIVE Monthly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
28-Apr-06	0.131550	0.122509
28-Jul-06	0.043850	0.040836
28-Aug-06	0.219250	0.204182
28-Sep-06	0.175400	0.163345
27-Oct-06	0.061390	0.057171
28-Nov-06	0.131550	0.122509
28-Dec-06	0.087700	0.081673
25-Jan-07	0.105240	0.098007
28-Feb-07	0.026310	0.024502
28-Mar-07	0.017540	0.016335
<b>Total</b>	<b>0.999780</b>	<b>0.931069</b>

<b>DSPML SAVINGS PLUS FUND AGGRESSIVE: Quarterly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
30-Sep-06	0.350800	0.326691
28-Dec-06	0.175400	0.163345
28-Mar-07	0.131550	0.122509
<b>Total</b>	<b>0.657750</b>	<b>0.612545</b>

**FIXED INCOME FUNDS**

<b>DSPML LIQUIDITY FUND: Weekly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
During F.Y. 2006-2007	0.716312	0.667082

<b>DSPML LIQUIDITY FUND: Institutional Weekly Dividend**</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
During F.Y. 2006-2007	59.587206	55.491922

DSPML LIQUIDITY FUND: Daily Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	0.578079	0.538345

DSPML LIQUIDITY FUND: Institutional Daily Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	59.587078	55.491807

DSPML GOVERNMENT SECURITIES FUND PLAN A: Dividend **		
	Individual & HUF	Others
30-Sep-06	0.263100	0.245018
28-Mar-07	0.043850	0.040836
<b>Total</b>	<b>0.306950</b>	<b>0.285854</b>

DSPML GOVERNMENT SECURITIES FUND PLAN A: Monthly Dividend **		
	Individual & HUF	Others
28-Apr-06	0.017540	0.016335
28-Aug-06	0.043850	0.040836
27-Sep-06	0.131550	0.122509
27-Oct-06	0.035080	0.032669
28-Nov-06	0.043850	0.040836
<b>Total</b>	<b>0.271870</b>	<b>0.253185</b>

DSPML GOVERNMENT SECURITIES FUND PLAN B: Dividend **		
	Individual & HUF	Others
30-Sep-06	0.306950	0.285854
28-Mar-07	0.175400	0.163345
<b>Total</b>	<b>0.482350</b>	<b>0.449199</b>

DSPML GOVERNMENT SECURITIES FUND PLAN B: Monthly Dividend **		
	Individual & HUF	Others
28-Apr-06	0.017540	0.016335
03-Jul-06	0.061390	0.057171
28-Aug-06	0.087700	0.081673
27-Sep-06	0.087700	0.081673
27-Oct-06	0.043850	0.040836
28-Nov-06	0.061390	0.057171
28-Feb-07	0.043850	0.040836
<b>Total</b>	<b>0.403420</b>	<b>0.375695</b>

DSPML SHORT TERM FUND: Weekly Dividend **		
	Individuals & HUF	Others
During F.Y.2006-2007	0.541729	0.504497

DSPML SHORT TERM FUND: Monthly Dividend **		
	Individual & HUF	Others
27-Apr-06	0.070160	0.065338
25-May-06	0.043850	0.040836
29-Jun-06	0.043850	0.040836
27-Jul-06	0.043850	0.040836
31-Aug-06	0.043850	0.040836

	Individual & HUF	Others
28-Sep-06	0.052620	0.049004
26-Oct-06	0.043850	0.040836
28-Nov-06	0.043850	0.040836
28-Dec-06	0.043850	0.040836
25-Jan-07	0.035080	0.032669
<b>Total</b>	<b>0.464810</b>	<b>0.432863</b>

DSPML SHORT TERM FUND: Dividend **		
	Individual & HUF	Others
29-Jun-06	0.157860	0.147011
30-Sep-06	0.157860	0.147011
28-Dec-06	0.157860	0.147011
28-Mar-07	0.035080	0.032669
<b>Total</b>	<b>0.508660</b>	<b>0.473702</b>

DSPML FLOATING RATE FUND: Weekly Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	0.524296	0.488264

DSPML FLOATING RATE FUND: Institutional Weekly Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	43.293618	40.318154

DSPML FLOATING RATE FUND: Daily Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	0.527864	0.491566

DSPML FLOATING RATE FUND: Institutional Daily Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	55.863627	52.024250

FLOATING RATE FUND: Dividend **		
	Individual & HUF	Others
03-Jul-06	0.087700	0.081673
30-Sep-06	0.118395	0.110258
28-Dec-06	0.118395	0.110258
28-Mar-07	0.118395	0.110258
<b>Total</b>	<b>0.442885</b>	<b>0.412447</b>

DSPML LIQUID PLUS FUND: Weekly Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	40.501505	37.717932

DSPML LIQUID PLUS FUND: Institutional Weekly Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	42.344434	39.434204

DSPML LIQUID PLUS FUND: Daily Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	40.479626	37.697560

<b>DSPML LIQUID PLUS FUND: Institutional Daily Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
During F.Y. 2006-2007	42.324268	39.415424

<b>DSPML BOND FUND: Monthly Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
28-Apr-06	0.061390	0.057171
28-Jul-06	0.043850	0.040836
27-Sep-06	0.122780	0.114342
27-Oct-06	0.043850	0.040836
28-Nov-06	0.043850	0.040836
25-Jan-07	0.052620	0.049004
28-Feb-07	0.035080	0.032669
<b>Total</b>	<b>0.403420</b>	<b>0.375694</b>

<b>DSPML BOND FUND: Dividend **</b>		
	<b>Individual &amp; HUF</b>	<b>Others</b>
03-Jul-06	0.087700	0.081673
02-Oct-06	0.570050	0.530872
28-Dec-06	0.087700	0.081673
28-Mar-07	0.087700	0.081673
<b>Total</b>	<b>0.833150</b>	<b>0.775891</b>

**FIXED TERM PLANS (CLOSED ENDED SCHEMES) \*\***

<b>Series</b>	<b>Date</b>	<b>Individual &amp; HUF</b>	<b>Others</b>
1B	31-May-06	12.488489	11.630186
2	15-Aug-06	0.245560	0.228683
3	10-Dec-06	0.416575	0.387945
1C	28-Jun-06	19.820215	18.458020
1D	27-Sep-06	14.843236	13.823097
1E	21-Feb-07	16.443762	15.313623
1F	19-Mar-07	16.926113	15.762823
1G	27-Mar-07	18.381934	17.118589
1H	28-Mar-07	Inst-8.550756	Inst-7.963084
1H	28-Mar-07	Reg-7.454506	Reg-6.942176
1I	28-Mar-07	Inst-6.445955	Inst-6.002940
1I	28-Mar-07	Reg-5.437404	Reg-5.063705

**Note:**
**1. EQUITY SCHEMES \***

Post declaration of the dividend, the NAV of the Scheme will fall to the extent of the dividend payout.

**2. DEBT SCHEMES \*\***

Post declaration of the dividend, the NAV of the Scheme will fall to the extent of the dividend payout and distribution tax, surcharge and cess.

**3. All dividends are calculated on a face value of Rs. 10 per unit. Past performance may or may not sustain in future.**

In case of Weekly Dividend and Daily Dividend Options, consolidated amount of dividend declared during the Financial Year 2006-2007 is reported.

## 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, 2007, the revenue accounts and the cash flow statements, where applicable, for the period from April 01, 2006 or date of launch to March 31, 2007 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; and
- DSP Merrill Lynch Small and Mid 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 sheets 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, 2007 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, 2007;
  - 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, April 24, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
BALANCE SHEET AS AT MARCH 31, 2007**

	Schedules	DSP MERRILL LYNCH BOND FUND (BF)		DSP MERRILL LYNCH EQUITY FUND (EF)		DSP MERRILL LYNCH LIQUIDITY FUND (LF)		DSP MERRILL LYNCH BALANCED FUND (BaF)	
		As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees
<b>LIABILITIES</b>									
Unit Capital	1	288,802,163	352,276,846	1,890,473,183	1,416,790,643	17,811,458,121	46,784,331,846	1,644,532,444	1,314,586,243
Reserves and Surplus	2	274,819,638	333,410,830	5,175,756,908	4,099,924,465	1,971,340,239	2,138,961,785	2,303,363,171	2,012,850,735
Current Liabilities and Provisions	3	5,386,865	7,321,976	231,241,863	60,599,903	28,310,211	46,934,384	92,576,370	53,339,838
		<b>569,008,666</b>	<b>693,009,652</b>	<b>7,297,471,954</b>	<b>5,577,315,011</b>	<b>19,811,108,571</b>	<b>48,970,228,015</b>	<b>4,040,471,985</b>	<b>3,380,776,816</b>
<b>ASSETS</b>									
Investments	4	551,968,135	571,734,557	6,852,724,960	5,312,094,204	19,312,803,381	36,417,820,061	3,869,000,786	3,239,290,957
Deposits	5	200,000	14,800,000	37,512,281	17,765,287	17,300,000	9,651,450,000	26,320,644	300,000
Other Current Assets	6	16,840,531	106,475,095	407,234,713	247,455,520	481,005,190	2,900,957,954	145,150,555	141,185,859
		<b>569,008,666</b>	<b>693,009,652</b>	<b>7,297,471,954</b>	<b>5,577,315,011</b>	<b>19,811,108,571</b>	<b>48,970,228,015</b>	<b>4,040,471,985</b>	<b>3,380,776,816</b>

	Schedules	DSP MERRILL LYNCH TOP100 EQUITY FUND (TEF)		DSP MERRILL LYNCH SAVINGS PLUS FUND - MODERATE (SPF-M)		DSP MERRILL LYNCH FLOATING RATE FUND (FRF)	
		As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees
<b>LIABILITIES</b>							
Unit Capital	1	1,307,950,552	556,969,353	1,191,249,369	1,481,711,551	3,047,287,476	10,846,602,288
Reserves and Surplus	2	1,966,870,651	1,017,121,952	395,044,260	416,760,531	244,287,835	611,151,025
Current Liabilities and Provisions	3	80,305,728	30,833,498	13,808,300	45,392,611	7,965,736	204,851,917
		<b>3,355,126,931</b>	<b>1,604,924,803</b>	<b>1,600,101,929</b>	<b>1,943,864,693</b>	<b>3,299,541,047</b>	<b>11,662,605,230</b>
<b>ASSETS</b>							
Investments	4	2,995,604,234	1,340,344,337	1,514,615,653	1,806,745,407	3,218,663,309	11,413,413,597
Deposits	5	86,861,801	9,142,371	32,777,740	400,000	700,000	250,000
Other Current Assets	6	272,660,896	255,438,095	52,708,536	136,719,286	80,177,738	248,941,633
		<b>3,355,126,931</b>	<b>1,604,924,803</b>	<b>1,600,101,929</b>	<b>1,943,864,693</b>	<b>3,299,541,047</b>	<b>11,662,605,230</b>

Notes to Accounts 8

The schedules referred to the above and the notes to accounts form an integral part of the accounts.

As per our attached report of even date

**For S. R. Batliboi & Co.**  
Chartered Accountants

**For DSP Merrill Lynch Trustee Company Private Limited**

**per Hemal Shah**  
Partner  
Membership No. 42650

**Shitin D Desai**  
Chairman

**S. S. Thakur**  
Director

Mumbai, April 24, 2007

Mumbai, April 24, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
BALANCE SHEET AS AT MARCH 31, 2007**

DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN A (GSFA)		DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN B (GSFB)		DSP MERRILL LYNCH TECHNOLOGY.COM FUND (TF)		DSP MERRILL LYNCH OPPORTUNITIES FUND (OF)		DSP MERRILL LYNCH SHORT TERM FUND (STF)	
As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees
159,687,560	205,669,334	31,545,633	86,744,012	279,328,937	168,281,268	4,401,011,864	3,468,463,664	504,391,495	670,219,936
141,279,864	156,217,686	18,370,431	49,311,283	422,855,301	133,105,175	8,661,379,340	7,063,658,823	85,938,453	106,531,638
626,382	2,042,791	142,995	186,018	59,597,302	2,748,411	255,985,615	168,025,860	26,146,340	2,618,352
<b>301,593,806</b>	<b>363,929,811</b>	<b>50,059,059</b>	<b>136,241,313</b>	<b>761,781,540</b>	<b>304,134,854</b>	<b>13,318,376,819</b>	<b>10,700,148,347</b>	<b>616,476,288</b>	<b>779,369,926</b>
281,720,000	306,593,656	39,916,744	-	584,870,192	290,536,946	12,817,374,986	10,100,195,649	590,493,705	746,284,738
300,000	3,100,000	100,000	700,000	-	-	117,600,460	26,911,299	300,000	1,400,000
19,573,806	54,236,155	10,042,315	135,541,313	176,911,348	13,597,908	383,401,373	573,041,399	25,682,583	31,685,188
<b>301,593,806</b>	<b>363,929,811</b>	<b>50,059,059</b>	<b>136,241,313</b>	<b>761,781,540</b>	<b>304,134,854</b>	<b>13,318,376,819</b>	<b>10,700,148,347</b>	<b>616,476,288</b>	<b>779,369,926</b>

DSP MERRILL LYNCH SAVINGS PLUS FUND-CONSERVATIVE (SPF-C)		DSP MERRILL LYNCH SAVINGS PLUS FUND-AGGRESSIVE (SPF-A)		DSP MERRILL LYNCH INDIA T.I.G.E.R. FUND (THE INFRASTRUCTURE GROWTH AND ECONOMIC REFORMS FUND) (ITF)		DSP MERRILL LYNCH LIQUID PLUS FUND (LPLUS)	DSP MERRILL LYNCH SMALL & MIDCAP FUND (SM)	DSP MERRILL LYNCH TAX SAVER FUND (TAX)
As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 31.03.2007 Rupees	As at 31.03.2007 Rupees	As at 31.03.2007 Rupees
94,106,367	117,133,570	544,965,247	402,078,356	6,705,372,166	3,819,938,292	17,259,318,149	14,642,336,130	1,265,649,978
11,644,166	11,275,736	107,332,109	55,548,367	7,651,908,626	4,190,237,863	112,870,527	(92,977,634)	(51,125,051)
534,663	762,918	4,300,663	7,814,042	385,962,624	134,842,325	30,036,906	144,654,330	17,485,704
<b>106,285,196</b>	<b>129,172,224</b>	<b>656,598,019</b>	<b>465,440,765</b>	<b>14,743,243,416</b>	<b>8,145,018,480</b>	<b>17,402,225,582</b>	<b>14,694,012,826</b>	<b>1,232,010,631</b>
70,045,317	87,343,013	559,032,240	372,956,638	14,092,517,774	7,520,549,706	16,140,737,003	14,317,497,875	998,629,140
21,766,910	-	27,160,895	-	120,691,639	27,276,789	-	111,910,100	22,406,267
14,472,969	41,829,211	70,404,884	92,484,127	530,034,003	597,191,985	1,261,488,579	264,604,851	210,975,224
<b>106,285,196</b>	<b>129,172,224</b>	<b>656,598,019</b>	<b>465,440,765</b>	<b>14,743,243,416</b>	<b>8,145,018,480</b>	<b>17,402,225,582</b>	<b>14,694,012,826</b>	<b>1,232,010,631</b>

For DSP Merrill Lynch Fund Managers Limited

Hemendra Kothari  
ChairmanK. R. V. Subrahmanian  
DirectorNaganath Sundaresan  
President & Chief Investment Officer

Mumbai, April 23, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

	Schedules	DSP MERRILL LYNCH BOND FUND (BF)		DSP MERRILL LYNCH EQUITY FUND (EF)		DSP MERRILL LYNCH LIQUIDITY FUND (LF)		DSP MERRILL LYNCH BALANCED FUND (BaF)	
		Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees
<b>INCOME &amp; GAINS</b>									
Dividend		-	-	80,014,696	29,152,416	-	-	37,187,706	27,471,903
Interest	7	40,817,413	58,443,581	23,300,283	9,345,613	2,928,692,190	1,495,563,817	76,871,929	55,298,314
Profit on sale/redemption of investments (net)		-	-	2,033,495,544	670,837,942	45,028,428	13,498,392	971,401,853	598,407,825
Profit on inter-scheme sale of Investments (net)		-	-	-	-	-	400,003	599,219	-
Miscellaneous Income		-	-	174,033	589	19,348	30,832	297	771
Write back of provision for unrealised loss in the value of investments		4,717,529	3,680,910	257,353	24,847	1,794,743	-	110,294	526,637
		<b>45,534,942</b>	<b>62,124,491</b>	<b>2,137,241,909</b>	<b>709,361,407</b>	<b>2,975,534,709</b>	<b>1,509,493,044</b>	<b>1,086,171,298</b>	<b>681,705,450</b>
<b>EXPENSES &amp; LOSSES</b>									
Management fees		7,509,535	10,964,738	65,341,467	31,244,272	123,452,707	65,527,664	39,338,139	29,250,461
Transfer agents fees and expenses		694,107	1,129,264	9,422,987	5,885,101	24,867,316	10,281,751	4,793,158	3,891,355
Custodian fees and Transaction charges		103,645	121,333	3,069,776	1,573,963	6,977,725	3,819,359	1,583,677	1,158,744
Trusteeship fees		21,400	41,800	209,100	95,800	1,469,854	689,450	124,500	105,800
Marketing expenses		3,905,676	5,368,773	53,509,097	25,373,162	16,868,758	20,703,768	26,523,773	18,924,683
Payment to Auditor's									
Audit fees		28,060	83,795	252,540	232,768	1,346,880	496,925	196,420	137,916
Other matters including reimbursement of expenses		2,258	18,527	3,669	2,501	30,658	57,344	4,413	7,668
Other operating expenses		124,196	411,459	3,772,949	1,972,949	4,649,701	1,546,256	797,975	750,088
Loss on sale/redemption of investments (net)		2,769,175	6,065,687	-	-	-	-	-	-
Loss on inter-scheme sale of Investments (net)		473,705	2,699,519	62,600	159,600	3,577,349	-	-	384,593
Change in net unrealised loss in the value of investments		-	1,909,444	-	-	-	1,834,703	4,465,881	314,419
Marked to Market Loss on Derivative trade		-	-	663,883	-	-	-	-	-
		<b>15,631,757</b>	<b>28,814,339</b>	<b>136,308,068</b>	<b>66,540,116</b>	<b>183,240,948</b>	<b>104,957,220</b>	<b>77,827,936</b>	<b>54,925,727</b>
<b>Excess of income and gains over expenses and losses / (Excess of expenses and losses over income and gains)</b>		<b>29,903,185</b>	<b>33,310,152</b>	<b>2,000,933,841</b>	<b>642,821,291</b>	<b>2,792,293,761</b>	<b>1,404,535,824</b>	<b>1,008,343,362</b>	<b>626,779,723</b>
Add/ (Less): Income Equalisation Account		(2,076,561)	(4,364,439)	264,647,993	(137,796,970)	(434,081,876)	(202,587,234)	31,156,556	(19,193,294)
<b>Income available for appropriation</b>		<b>27,826,624</b>	<b>28,945,713</b>	<b>2,265,581,834</b>	<b>505,024,321</b>	<b>2,358,211,885</b>	<b>1,201,948,590</b>	<b>1,039,499,918</b>	<b>607,586,429</b>
<b>Appropriation</b>									
Income Distributed during the year / period (refer note 3 of schedule 8)		8,160,325	3,435,464	1,236,834,644	1,094,359,012	1,645,370,469	733,966,805	527,959,257	-
Tax on income distributed during the year / period		1,515,579	606,713	-	-	316,108,736	155,414,775	-	-
<b>Retained Surplus / (Deficit) carried forward to Balance sheet</b>		<b>18,150,720</b>	<b>24,903,536</b>	<b>1,028,747,190</b>	<b>(589,334,691)</b>	<b>396,732,680</b>	<b>312,567,010</b>	<b>511,540,661</b>	<b>607,586,429</b>

Notes to Accounts 8

The schedules referred to the above and the notes to accounts form an integral part of the accounts.

As per our attached report of even date

**For S. R. Batliboi & Co.**  
Chartered Accountants

**For DSP Merrill Lynch Trustee Company Private Limited**
**per Hemal Shah**  
Partner  
Membership No. 42650

**Shitin D Desai**  
Chairman

**S. S. Thakur**  
Director

Mumbai, April 24, 2007

Mumbai, April 24, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN A (GSFA)		DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN B (GSFB)		DSP MERRILL LYNCH TECHNOLOGY.COM FUND (TF)		DSP MERRILL LYNCH OPPORTUNITIES FUND (OF)		DSP MERRILL LYNCH SHORT TERM FUND (STF)	
Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees
-	-	-	-	3,663,839	2,288,789	163,164,429	96,188,195	-	-
24,112,600	26,966,903	5,745,994	10,395,160	1,163,142	240,908	38,358,328	16,058,081	65,206,713	65,567,811
-	1,077,026	-	-	217,970,961	95,415,703	1,936,510,887	2,356,600,257	4,029,755	40,648,434
-	-	411,503	-	-	-	-	-	-	-
-	-	-	-	-	-	-	491,361	-	8
-	-	-	707,550	-	-	221,750	-	5,012,673	5,492,000
<b>24,112,600</b>	<b>28,043,929</b>	<b>6,157,497</b>	<b>11,102,710</b>	<b>222,797,942</b>	<b>97,945,400</b>	<b>2,138,255,394</b>	<b>2,469,337,894</b>	<b>74,249,141</b>	<b>111,708,253</b>
1,893,337	2,385,957	251,803	282,471	4,293,631	2,499,050	124,185,477	74,849,906	2,482,739	5,842,597
358,039	430,054	100,661	153,584	545,233	953,163	17,305,189	13,690,220	1,004,085	1,666,843
-	-	-	-	159,368	144,564	6,140,861	4,143,617	265,909	282,267
11,900	18,700	3,700	6,400	10,600	11,000	408,500	273,500	39,200	73,100
1,721,717	2,169,215	45,441	76,903	2,618,995	1,998,163	85,385,746	56,410,342	3,975,947	5,566,256
28,060	27,668	28,060	27,609	28,060	27,609	561,200	609,318	56,120	83,218
803	5,820	728	4,930	765	1,130	13,848	16,308	2,467	13,423
102,861	216,979	22,549	33,636	374,587	688,385	5,414,460	4,902,463	183,793	299,079
2,074,607	-	93,739	2,624,318	-	-	-	-	-	-
-	-	-	-	-	-	63,850	319,200	361,452	10,249,441
4,744,917	2,501,875	425,500	-	-	-	-	323,150	-	2,416,670
-	-	-	-	-	-	-	-	-	-
<b>10,936,241</b>	<b>7,756,268</b>	<b>972,181</b>	<b>3,209,851</b>	<b>8,031,239</b>	<b>6,323,064</b>	<b>239,479,131</b>	<b>155,538,024</b>	<b>8,371,712</b>	<b>26,492,894</b>
<b>13,176,359</b>	<b>20,287,661</b>	<b>5,185,316</b>	<b>7,892,859</b>	<b>214,766,703</b>	<b>91,622,336</b>	<b>1,898,776,263</b>	<b>2,313,799,870</b>	<b>65,877,429</b>	<b>85,215,359</b>
(1,569,013)	(3,315,179)	(2,500,242)	479,850	131,731,926	(11,648,368)	196,387,398	271,826,179	(15,685,548)	(20,051,869)
<b>11,607,346</b>	<b>16,972,482</b>	<b>2,685,074</b>	<b>8,372,709</b>	<b>346,498,629</b>	<b>79,973,968</b>	<b>2,095,163,661</b>	<b>2,585,626,049</b>	<b>50,191,881</b>	<b>65,163,490</b>
1,946,801	3,898,309	238,609	1,521,658	-	-	1,609,885,729	1,375,405,412	25,916,751	27,671,332
392,429	802,384	45,528	293,679	-	-	-	-	4,906,795	5,539,528
<b>9,268,116</b>	<b>12,271,789</b>	<b>2,400,937</b>	<b>6,557,372</b>	<b>346,498,629</b>	<b>79,973,968</b>	<b>485,277,932</b>	<b>1,210,220,637</b>	<b>19,368,335</b>	<b>31,952,630</b>

For DSP Merrill Lynch Fund Managers Limited

Hemendra Kothari  
ChairmanK. R. V. Subrahmanian  
DirectorNaganath Sundaresan  
President & Chief Investment Officer

Mumbai, April 23, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

	Schedules	DSP MERRILL LYNCH TOP100 EQUITY FUND (TEF)		DSP MERRILL LYNCH SAVINGS PLUS FUND - MODERATE (SPF-M)		DSP MERRILL LYNCH FLOATING RATE FUND (FRF)		DSP MERRILL LYNCH SAVINGS PLUS FUND- CONSERVATIVE (SPF-C)	
		Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees
<b>INCOME &amp; GAINS</b>									
Dividend	7	36,213,772	12,185,194	3,073,108	5,836,092	-	-	100,067	167,728
Interest		10,853,742	1,512,597	110,058,194	120,560,091	520,554,737	1,525,670,929	5,794,606	5,737,382
Profit on sale/redemption of investments (net)		614,762,550	318,379,338	156,726,507	186,103,136	-	64,291,798	6,127,671	6,744,266
Profit on inter-scheme sale of Investments (net)		-	-	4,081,518	259,926	5,731,654	2,931,782	14	-
Miscellaneous Income		579	69	382	65	-	8,166	-	4,942
Write back of provision for unrealised loss in the value of investments		-	-	-	1,549,752	449,753	2,498,500	-	257,350
		<b>661,830,643</b>	<b>332,077,198</b>	<b>273,939,709</b>	<b>314,309,062</b>	<b>526,736,144</b>	<b>1,595,401,175</b>	<b>12,022,358</b>	<b>12,911,668</b>
<b>EXPENSES &amp; LOSSES</b>									
Management fees		28,604,542	10,101,692	22,197,718	25,630,181	23,130,840	77,793,316	1,032,308	1,102,550
Transfer agents fees and expenses		4,395,341	1,397,457	2,387,001	3,275,336	6,426,686	12,414,144	193,109	224,245
Custodian fees and Transaction charges		1,384,591	493,400	546,303	643,501	1,657,480	4,897,582	26,231	30,066
Trusteeship fees		80,900	32,800	71,000	116,000	300,900	1,050,550	5,000	6,200
Marketing expenses		23,006,607	7,149,395	14,378,724	22,274,528	21,646,100	74,570,529	619,390	643,336
Payment to Auditor's									
Audit fees		112,240	55,266	112,240	165,868	308,660	937,381	28,060	27,720
Other matters including reimbursement of expenses		2,040	6,952	4,823	14,144	26,500	63,844	746	12,707
Other operating expenses		1,808,951	540,439	461,170	565,054	2,175,210	2,213,389	80,354	93,523
Loss on sale/redemption of investments (net)		-	-	-	-	830,778	-	-	-
Loss on inter-scheme sale of Investments (net)		4	-	-	-	-	-	-	-
Change in net unrealised loss in the value of investments		-	-	955,887	-	-	578,450	761	-
Marked to Market Loss on Derivative trade		360,553	-	-	-	-	-	-	-
		<b>59,755,769</b>	<b>19,777,401</b>	<b>41,114,866</b>	<b>52,684,612</b>	<b>56,503,154</b>	<b>174,519,185</b>	<b>1,985,959</b>	<b>2,140,347</b>
<b>Excess of income and gains over expenses and losses / (Excess of expenses and losses over income and gains)</b>		<b>602,074,874</b>	<b>312,299,797</b>	<b>232,824,843</b>	<b>261,624,450</b>	<b>470,232,990</b>	<b>1,420,881,990</b>	<b>10,036,399</b>	<b>10,771,321</b>
Add/ (Less): Income Equalisation Account		(150,886,583)	113,810,406	(36,455,668)	(70,271,184)	(122,028,847)	(305,731,167)	(1,518,405)	(325,561)
<b>Income available for appropriation</b>		<b>451,188,291</b>	<b>426,110,203</b>	<b>196,369,175</b>	<b>191,353,266</b>	<b>348,204,143</b>	<b>1,115,150,823</b>	<b>8,517,994</b>	<b>10,445,760</b>
<b>Appropriation</b>									
Income Distributed during the year / period (refer note 3 of schedule 8)		672,157,003	-	46,823,216	56,204,759	220,634,508	712,487,548	2,828,270	2,957,878
Tax on income distributed during the year / period		-	-	8,076,557	9,279,901	40,472,916	143,051,410	447,629	503,575
<b>Retained Surplus / (Deficit) carried forward to Balance sheet</b>		<b>(220,968,712)</b>	<b>426,110,203</b>	<b>141,469,402</b>	<b>125,868,606</b>	<b>87,096,719</b>	<b>259,611,865</b>	<b>5,242,095</b>	<b>6,984,307</b>

Notes to Accounts 8

The schedules referred to the above and the notes to accounts form an integral part of the accounts.

As per our attached report of even date

**For S. R. Batliboi & Co.**  
Chartered Accountants

**For DSP Merrill Lynch Trustee Company Private Limited**
**per Hemal Shah**  
Partner  
Membership No. 42650

**Shitin D Desai**  
Chairman

**S. S. Thakur**  
Director

Mumbai, April 24, 2007

Mumbai, April 24, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
REVENUE ACCOUNT FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH SAVINGS PLUS FUND-AGGRESSIVE (SPF-A)		DSP MERRILL LYNCH INDIA T.I.G.E.R. FUND (THE INFRASTRUCTURE GROWTH AND ECONOMIC REFORMS FUND) (ITF)		DSP MERRILL LYNCH LIQUID PLUS FUND (LPLUS)	DSP MERRILL LYNCH SMALL & MIDCAP FUND (SM)	DSP MERRILL LYNCH TAX SAVER FUND (TAX)
Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Period ended 31.03.2007 Rupees	Period ended 31.03.2007 Rupees	Period ended 31.03.2007 Rupees
1,349,654	1,116,605	142,903,833	47,483,729	-	60,672,033	1,623,880
29,056,283	13,727,769	40,806,065	13,652,109	1,393,843,062	160,639,638	7,115,419
52,578,758	29,230,448	2,280,001,639	1,151,395,527	-	63,165,842	973,619
-	-	-	-	47,789,137	1,773,396	-
-	-	34,208	769	10,425	-	-
-	257,350	-	-	-	-	-
<b>82,984,695</b>	<b>44,332,172</b>	<b>2,463,745,745</b>	<b>1,212,532,134</b>	<b>1,441,642,624</b>	<b>286,250,909</b>	<b>9,712,918</b>
5,969,486	3,496,573	116,692,355	43,405,717	39,911,489	67,895,169	3,394,176
913,410	563,166	19,209,999	8,737,704	8,303,487	6,849,986	485,178
168,108	83,669	5,574,473	2,504,341	3,799,446	2,496,436	133,790
19,400	13,500	358,700	145,100	484,880	113,800	-
5,372,552	3,053,013	80,750,376	33,277,982	33,187,003	39,954,101	1,513,965
28,060	27,720	477,020	425,840	561,200	112,240	112,240
878	12,707	9,709	19,738	-	-	-
316,929	279,947	7,249,923	3,804,475	805,667	1,393,330	143,292
-	-	-	-	46,844,496	-	-
749,967	-	-	-	-	-	-
760	-	-	-	89,338	261,214,567	48,242,147
-	-	-	-	-	7,318,767	98,132
<b>13,539,550</b>	<b>7,530,295</b>	<b>230,322,555</b>	<b>92,320,897</b>	<b>133,987,006</b>	<b>387,348,396</b>	<b>54,122,920</b>
<b>69,445,145</b>	<b>36,801,877</b>	<b>2,233,423,190</b>	<b>1,120,211,237</b>	<b>1,307,655,618</b>	<b>(101,097,487)</b>	<b>(44,410,002)</b>
3,923,930	3,880,513	625,118,324	234,828,057	(113,671,798)	1,802,729	(8,466,296)
<b>73,369,075</b>	<b>40,682,390</b>	<b>2,858,541,514</b>	<b>1,355,039,294</b>	<b>1,193,983,820</b>	<b>(99,294,758)</b>	<b>(52,876,298)</b>
22,121,797	19,749,687	2,122,195,623	1,397,129,049	900,742,428	-	-
3,528,927	3,348,112	-	-	181,372,164	-	-
<b>47,718,351</b>	<b>17,584,591</b>	<b>736,345,891</b>	<b>(42,089,755)</b>	<b>111,869,228</b>	<b>(99,294,758)</b>	<b>(52,876,298)</b>

For DSP Merrill Lynch Fund Managers Limited

Hemendra Kothari  
ChairmanK. R. V. Subrahmanian  
DirectorNaganath Sundaresan  
President & Chief Investment Officer

Mumbai, April 23, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
CASH FLOW STATEMENT FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

		DSP MERRILL LYNCH EQUITY FUND (EF)		DSP MERRILL LYNCH LIQUIDITY FUND (LF)		DSP MERRILL LYNCH BALANCED FUND (BaF)	
		Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees
<b>A. Cashflow from Operating Activity</b>							
Excess of income and gains over expenses and losses		2,000,933,841	642,821,291	2,792,293,761	1,404,535,824	1,008,343,362	626,779,723
Add / (Less): Unrealised loss provided / Written back		(257,353)	(24,847)	(1,794,743)	1,834,703	4,355,587	(212,218)
Excess dividend written back		-	-	-	-	-	-
Net Marked to Market on outstanding derivatives		3,749,199	-	-	-	591,512	-
<b>Operating Profit Before Working Capital Changes</b>		<b>2,004,425,687</b>	<b>642,796,444</b>	<b>2,790,499,018</b>	<b>1,406,370,527</b>	<b>1,013,290,461</b>	<b>626,567,505</b>
Adjustments for:							
(Increase)/Decrease in Other Current Assets		(152,776,043)	(110,318,210)	2,237,339,666	(2,323,470,205)	(35,942,619)	(59,348,390)
(Increase)/Decrease in Money Market Lending (Deposits)		(19,746,994)	(17,765,287)	(15,850,000)	-	(26,020,644)	990,752
(Increase)/Decrease in Investments		(2,828,906,502)	(2,714,345,139)	17,103,195,123	(26,918,592,760)	(1,320,035,569)	(368,759,643)
Increase/(Decrease) in Current Liabilities and Provisions		174,195,096	9,374,899	(34,564,841)	32,343,027	74,979,609	4,981,609
<b>Net Cash Generated From Operations</b>	<b>( A )</b>	<b>(822,808,756)</b>	<b>(2,190,257,293)</b>	<b>22,080,618,966</b>	<b>(27,803,349,411)</b>	<b>(293,728,762)</b>	<b>204,431,833</b>
<b>B. Cashflow from Financing Activities</b>							
Increase/(Decrease) in Unit Corpus		473,682,540	959,974,062	(28,972,873,725)	37,731,740,581	329,946,201	(104,746,651)
Increase/(Decrease) in Unit Premium		1,596,839,593	2,319,646,871	(994,819,802)	(1,454,803,780)	495,506,972	(102,466,435)
Outstanding Receivable/Payables for Unit Corpus		(3,963,217)	22,799,542	167,557,450	(152,710,453)	(20,166,873)	22,136,410
Dividend Paid during the year (including dividend tax paid)		(1,236,834,644)	(1,094,359,012)	(1,960,405,969)	(881,978,124)	(527,959,257)	-
<b>Net Cash Used in Financing Activities</b>	<b>( B )</b>	<b>829,724,272</b>	<b>2,208,061,463</b>	<b>(31,760,542,046)</b>	<b>35,242,248,224</b>	<b>277,327,043</b>	<b>(185,076,676)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(A+B)</b>	<b>6,915,516</b>	<b>17,804,170</b>	<b>(9,679,923,080)</b>	<b>7,438,898,813</b>	<b>(16,401,719)</b>	<b>19,355,157</b>
Cash and Cash Equivalents as at the beginning of the year / period		34,798,342	16,994,172	9,695,830,976	2,256,932,163	31,847,860	12,492,703
Cash and Cash Equivalents as at the close of the year / period		41,713,858	34,798,342	15,907,896	9,695,830,976	15,446,141	31,847,860
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>6,915,516</b>	<b>17,804,170</b>	<b>(9,679,923,080)</b>	<b>7,438,898,813</b>	<b>(16,401,719)</b>	<b>19,355,157</b>
<b>Components of cash and cash equivalents</b>							
With Banks - On current account		41,713,858	34,798,342	15,907,896	45,830,976	15,446,141	31,847,860
With Banks - Fixed Deposits		-	-	-	9,650,000,000	-	-
		<b>41,713,858</b>	<b>34,798,342</b>	<b>15,907,896</b>	<b>9,695,830,976</b>	<b>15,446,141</b>	<b>31,847,860</b>

As per our attached report of even date

For S. R. Batliboi & Co.  
Chartered Accountants

For DSP Merrill Lynch Trustee Company Private Limited

per Hemal Shah  
Partner  
Membership No. 42650

Shitin D Desai  
Chairman

S. S. Thakur  
Director

Mumbai, April 24, 2007

Mumbai, April 24, 2007

**DSP MERRILL LYNCH MUTUAL FUND  
CASH FLOW STATEMENT FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH OPPORTUNITIES FUND (OF)		DSP MERRILL LYNCH FLOATING RATE FUND (FRF)		DSP MERRILL LYNCH TOP100 EQUITY FUND (TEF)		DSP MERRILL LYNCH INDIA T.I.G.E.R. FUND (THE INFRASTRUCTURE GROWTH AND ECONOMIC REFORMS FUND) (ITF)		DSP MERRILL LYNCH LIQUID PLUS FUND (LPLUS)
Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Year ended 31.03.2006 Rupees	Year ended 31.03.2007 Rupees	Period ended 31.03.2006 Rupees	Period ended 31.03.2007 Rupees
1,898,776,263	2,313,799,870	470,232,990	1,420,881,990	602,074,874	312,299,797	2,233,423,190	1,120,211,237	1,307,655,618
(221,750)	323,150	(449,753)	(1,920,050)	-	-	-	-	89,338
-	-	-	-	-	-	-	-	-
-	-	-	-	981,085	-	-	-	-
<b>1,898,554,513</b>	<b>2,314,123,020</b>	<b>469,783,237</b>	<b>1,418,961,940</b>	<b>603,055,959</b>	<b>312,299,797</b>	<b>2,233,423,190</b>	<b>1,120,211,237</b>	<b>1,307,744,956</b>
174,435,130	(226,403,077)	148,948,925	394,702,946	(219,980,785)	5,071,586	65,970,993	(161,356,117)	(824,098,483)
(90,689,161)	(26,711,299)	(450,000)	-	(77,719,430)	(9,142,371)	(93,414,850)	(27,276,789)	-
(3,765,595,236)	(1,982,035,588)	8,173,914,182	9,913,770,581	(1,838,757,559)	(331,573,749)	(7,371,314,747)	(3,090,850,875)	(16,140,538,874)
27,264,501	56,199,154	(6,040,694)	(11,911,746)	33,045,365	17,672,130	176,597,443	(1,111,023)	14,771,303
<b>(1,756,030,253)</b>	<b>135,172,210</b>	<b>8,786,155,650</b>	<b>11,715,523,721</b>	<b>(1,500,356,450)</b>	<b>(5,672,607)</b>	<b>(4,988,737,971)</b>	<b>(2,160,383,567)</b>	<b>(15,642,121,098)</b>
932,548,200	329,647,862	(7,799,314,812)	(10,823,374,362)	750,981,199	26,145,289	2,885,433,874	1,808,065,308	17,259,318,149
2,357,467,632	931,086,259	(554,702,897)	(695,332,015)	1,201,986,852	219,402,853	4,149,789,875	1,804,206,888	(112,957,966)
61,233,191	14,108,347	(175,623,543)	167,407,868	26,880,975	(27,488,623)	73,882,743	12,861,297	4,008,599
(1,609,885,729)	(1,375,405,412)	(264,445,482)	(865,612,413)	(672,157,003)	-	(2,122,114,093)	(1,397,129,049)	(1,082,114,443)
<b>1,741,363,294</b>	<b>(100,562,944)</b>	<b>(8,794,086,734)</b>	<b>(12,216,910,922)</b>	<b>1,307,692,023</b>	<b>218,059,519</b>	<b>4,986,992,399</b>	<b>2,228,004,444</b>	<b>16,068,254,339</b>
<b>(14,666,959)</b>	<b>34,609,266</b>	<b>(7,931,084)</b>	<b>(501,387,201)</b>	<b>(192,664,427)</b>	<b>212,386,912</b>	<b>(1,745,572)</b>	<b>67,620,877</b>	<b>426,133,241</b>
72,964,333	38,355,067	12,181,159	513,568,360	217,680,324	5,293,412	143,394,287	75,773,410	-
58,297,374	72,964,333	4,250,075	12,181,159	25,015,897	217,680,324	141,648,715	143,394,287	426,133,241
<b>(14,666,959)</b>	<b>34,609,266</b>	<b>(7,931,084)</b>	<b>(501,387,201)</b>	<b>(192,664,427)</b>	<b>212,386,912</b>	<b>(1,745,572)</b>	<b>67,620,877</b>	<b>426,133,241</b>
58,297,374	72,964,333	4,250,075	12,181,159	25,015,897	217,680,324	141,648,715	143,394,287	426,133,241
-	-	-	-	-	-	-	-	-
<b>58,297,374</b>	<b>72,964,333</b>	<b>4,250,075</b>	<b>12,181,159</b>	<b>25,015,897</b>	<b>217,680,324</b>	<b>141,648,715</b>	<b>143,394,287</b>	<b>426,133,241</b>

For DSP Merrill Lynch Fund Managers Limited

Hemendra Kothari  
ChairmanK. R. V. Subrahmanian  
DirectorNaganath Sundaresan  
President & Chief Investment Officer

Mumbai, April 23, 2007

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

Schedules	DSP MERRILL LYNCH BOND FUND (BF)			
	As at 31.03.2007		As at 31.03.2006	
	Units	Rupees	Units	Rupees
<b>1 UNIT CAPITAL</b>				
<b>Issued and subscribed:</b>				
Units of Rs.10 each fully paid up (All Institution Plan (other than SM) & LPLUS scheme Rs. 1000 each fully paid up)				
Opening Balance	35,227,684.645	352,276,846	86,352,128.407	863,521,284
New Fund / Plan Offer	-	-	-	-
Capital issued during the year / period	3,041,619.318	30,416,193	1,813,649.120	18,136,491
	38,269,303.963	382,693,039	88,165,777.527	881,657,775
Redemptions during the year / period	9,389,087.679	93,890,876	52,938,092.882	529,380,929
<b>Unit Capital at the end of the year / period</b>	<b>28,880,216.284</b>	<b>288,802,163</b>	<b>35,227,684.645</b>	<b>352,276,846</b>
Retail: Growth Plan	17,845,765.285	178,457,653	23,287,786.182	232,877,862
Retail: Daily Dividend Plan	-	-	-	-
Retail: Weekly Dividend Plan	-	-	-	-
Retail: Monthly Dividend Plan	71,704.494	717,045	11,135.222	111,352
Retail: Quarterly / Dividend Plan	10,962,746.505	109,627,465	11,928,763.241	119,287,632
Institution: Growth Plan	-	-	-	-
Institution: Daily Dividend Plan	-	-	-	-
Institution: Weekly Dividend Plan	-	-	-	-
Institution: Quarterly / Dividend Plan	-	-	-	-
<b>Unit Capital at the end of the year / period</b>	<b>28,880,216.284</b>	<b>288,802,163</b>	<b>35,227,684.645</b>	<b>352,276,846</b>
<b>2 RESERVES AND SURPLUS</b>				
		<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>	
		<b>Rupees</b>	<b>Rupees</b>	
<b>Unit Premium Reserve</b>				
Opening balance		(4,818,553,956)	(4,563,252,751)	
Net premium on issue /redemption of units during the year / period		(79,063,450)	(259,665,644)	
Transfer from / (to) Income Equalisation Account		2,076,561	4,364,439	
<b>Closing balance</b>		<b>(4,895,540,845)</b>	<b>(4,818,553,956)</b>	
<b>Retained Surplus</b>				
Opening balance		5,151,964,786	5,127,061,250	
Add: Surplus transferred from / (to) Revenue Account		18,150,720	24,903,536	
<b>Closing balance</b>		<b>5,170,115,506</b>	<b>5,151,964,786</b>	
<b>Unrealised Appreciation on Investments</b>				
Opening balance		-	1,218,608	
Less: Reversed during the year / period		-	(1,218,608)	
Add: Unrealised appreciation as at year / period end		244,977	-	
Add: Unrealised appreciation on outstanding derivatives		-	-	
<b>Closing balance</b>		<b>244,977</b>	<b>-</b>	
		<b>274,819,638</b>	<b>333,410,830</b>	
<b>3 CURRENT LIABILITIES &amp; PROVISIONS</b>				
		<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>	
		<b>Rupees</b>	<b>Rupees</b>	
Sundry creditors		1,434,428	3,867,730	
Payable for units repurchased / switch out		27,099	760,838	
Distributed income payable		721,208	-	
Unclaimed redemptions / distributed income		2,898,824	2,646,765	
Contracts for Purchase of investments		-	-	
Marked-to-Market on equity derivatives		-	-	
Other liabilities		305,306	46,643	
		<b>5,386,865</b>	<b>7,321,976</b>	

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH EQUITY FUND (EF)				DSP MERRILL LYNCH LIQUIDITY FUND (LF)			
As at 31.03.2007		As at 31.03.2006		As at 31.03.2007		As at 31.03.2006	
Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
141,679,064.268	1,416,790,643	45,681,658.110	456,816,581	779,481,948.039	46,784,331,846	905,259,126.557	9,052,591,265
-	-	-	-	-	-	7,932,822.007	7,932,822,007
172,490,036.294	1,724,900,363	190,688,702.904	1,906,887,029	4,942,301,761.848	391,278,707,064	10,491,476,931.877	329,337,651,398
314,169,100.562	3,141,691,006	236,370,361.014	2,363,703,610	5,721,783,709.887	438,063,038,910	11,404,668,880.441	346,323,064,670
125,121,782.242	1,251,217,823	94,691,296.746	946,912,967	5,105,862,187.524	420,251,580,789	10,625,186,932.402	299,538,732,824
<b>189,047,318.320</b>	<b>1,890,473,183</b>	<b>141,679,064.268</b>	<b>1,416,790,643</b>	<b>615,921,522.363</b>	<b>17,811,458,121</b>	<b>779,481,948.039</b>	<b>46,784,331,846</b>
-	-	-	-	126,073,114.975	1,260,731,150	158,625,498.275	1,586,254,983
-	-	-	-	229,021,706.342	2,290,217,063	266,445,468.181	2,664,454,682
-	-	-	-	249,056,758.725	2,490,567,587	315,027,635.760	3,150,276,358
189,047,318.320	1,890,473,183	141,679,064.268	1,416,790,643	-	-	-	-
-	-	-	-	3,411,533.563	3,411,533,563	10,791,153.443	10,791,153,443
-	-	-	-	4,553,200.355	4,553,200,355	13,908,692.715	13,908,692,715
-	-	-	-	3,805,208.403	3,805,208,403	14,683,499.665	14,683,499,665
-	-	-	-	-	-	-	-
<b>189,047,318.320</b>	<b>1,890,473,183</b>	<b>141,679,064.268</b>	<b>1,416,790,643</b>	<b>615,921,522.363</b>	<b>17,811,458,121</b>	<b>779,481,948.039</b>	<b>46,784,331,846</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	2,857,991,787		400,547,946		935,765,356		2,187,981,902
	1,596,839,593		2,319,646,871		(994,819,802)		(1,454,803,780)
	(264,647,993)		137,796,970		434,081,876		202,587,234
	<b>4,190,183,387</b>		<b>2,857,991,787</b>		<b>375,027,430</b>		<b>935,765,356</b>
	(386,034,373)		203,300,318		1,199,365,979		886,798,969
	1,028,747,190		(589,334,691)		396,732,680		312,567,010
	<b>642,712,817</b>		<b>(386,034,373)</b>		<b>1,596,098,659</b>		<b>1,199,365,979</b>
	1,627,967,051		259,657,970		3,830,450		5,695,952
	(1,627,967,051)		(259,657,970)		(3,830,450)		(5,695,952)
	339,111,504		1,627,644,603		214,150		3,830,450
	3,749,200		322,448		-		-
	<b>342,860,704</b>		<b>1,627,967,051</b>		<b>214,150</b>		<b>3,830,450</b>
	<b>5,175,756,908</b>		<b>4,099,924,465</b>		<b>1,971,340,239</b>		<b>2,138,961,785</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	12,943,256		6,545,840		5,372,707		20,262,558
	24,698,377		28,251,513		17,483,358		2,615,926
	-		-		1,308,362		235,126
	1,299,990		732,886		2,582		580
	181,926,232		17,469,966		-		-
	663,883		-		-		-
	9,710,125		7,599,698		4,143,202		23,820,194
	<b>231,241,863</b>		<b>60,599,903</b>		<b>28,310,211</b>		<b>46,934,384</b>

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

Schedules	DSP MERRILL LYNCH BALANCED FUND (BaF)			
	As at 31.03.2007		As at 31.03.2006	
	Units	Rupees	Units	Rupees
<b>1 UNIT CAPITAL</b>				
<b>Issued and subscribed:</b>				
Units of Rs.10 each fully paid up (All Institution Plan (other than SM) & LPLUS scheme Rs. 1000 each fully paid up)				
Opening Balance	131,458,624.342	1,314,586,243	141,933,289.361	1,419,332,894
New Fund / Plan Offer	-	-	-	-
Capital issued during the year / period	123,752,368.249	1,237,523,682	105,074,058.289	1,050,740,583
	255,210,992.591	2,552,109,925	247,007,347.650	2,470,073,477
Redemptions during the year / period	90,757,747.976	907,577,481	115,548,723.308	1,155,487,234
<b>Unit Capital at the end of the year / period</b>	<b>164,453,244.615</b>	<b>1,644,532,444</b>	<b>131,458,624.342</b>	<b>1,314,586,243</b>
Retail: Growth Plan	25,841,671.682	258,416,716	18,466,433.905	184,664,339
Retail: Daily Dividend Plan	-	-	-	-
Retail: Weekly Dividend Plan	-	-	-	-
Retail: Monthly Dividend Plan	-	-	-	-
Retail: Quarterly / Dividend Plan	138,611,572.933	1,386,115,728	112,992,190.437	1,129,921,904
Institution: Growth Plan	-	-	-	-
Institution: Daily Dividend Plan	-	-	-	-
Institution: Weekly Dividend Plan	-	-	-	-
Institution: Quarterly / Dividend Plan	-	-	-	-
<b>Unit Capital at the end of the year / period</b>	<b>164,453,244.615</b>	<b>1,644,532,444</b>	<b>131,458,624.342</b>	<b>1,314,586,243</b>
<b>2 RESERVES AND SURPLUS</b>				
	<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>		
	<b>Rupees</b>	<b>Rupees</b>		
<b>Unit Premium Reserve</b>				
Opening balance	384,861,172	468,134,313		
Net premium on issue /redemption of units during the year / period	495,506,972	(102,466,435)		
Transfer from / (to) Income Equalisation Account	(31,156,556)	19,193,294		
<b>Closing balance</b>	<b>849,211,588</b>	<b>384,861,172</b>		
<b>Retained Surplus</b>				
Opening balance	760,286,650	152,700,221		
Add: Surplus transferred from / (to) Revenue Account	511,540,661	607,586,429		
<b>Closing balance</b>	<b>1,271,827,311</b>	<b>760,286,650</b>		
<b>Unrealised Appreciation on Investments</b>				
Opening balance	867,702,913	294,511,400		
Less: Reversed during the year / period	(867,702,913)	(294,511,400)		
Add: Unrealised appreciation as at year / period end	181,732,760	867,702,913		
Add: Unrealised appreciation on outstanding derivatives	591,512	-		
<b>Closing balance</b>	<b>182,324,272</b>	<b>867,702,913</b>		
	<b>2,303,363,171</b>	<b>2,012,850,735</b>		
<b>3 CURRENT LIABILITIES &amp; PROVISIONS</b>				
	<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>		
	<b>Rupees</b>	<b>Rupees</b>		
Sundry creditors	6,608,488	3,945,330		
Payable for units repurchased / switch out	6,561,007	42,304,084		
Distributed income payable	-	-		
Unclaimed redemptions / distributed income	1,266,745	399,216		
Contracts for Purchase of investments	75,984,026	4,229,718		
Marked-to-Market on equity derivatives	-	-		
Other liabilities	2,156,104	2,461,490		
	<b>92,576,370</b>	<b>53,339,838</b>		

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN A (GSFA)				DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN B (GSFB)			
As at 31.03.2007		As at 31.03.2006		As at 31.03.2007		As at 31.03.2006	
Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
20,566,933.387	205,669,334	30,485,620.954	304,856,209	8,674,401.168	86,744,012	12,220,642.971	122,206,429
-	-	-	-	-	-	-	-
3,525,189.111	35,251,891	12,430,706.606	124,307,066	1,464,030.866	14,640,309	8,137,321.313	81,373,213
24,092,122.498	240,921,225	42,916,327.560	429,163,275	10,138,432.034	101,384,321	20,357,964.284	203,579,642
8,123,366.569	81,233,665	22,349,394.173	223,493,941	6,983,868.791	69,838,688	11,683,563.116	116,835,630
<b>15,968,755.929</b>	<b>159,687,560</b>	<b>20,566,933.387</b>	<b>205,669,334</b>	<b>3,154,563.243</b>	<b>31,545,633</b>	<b>8,674,401.168</b>	<b>86,744,012</b>
10,191,439.851	101,914,399	11,769,739.898	117,697,399	2,600,839.096	26,008,391	8,110,873.869	81,108,739
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
27,295.520	272,955	22,870.372	228,704	155,725.369	1,557,254	500.000	5,000
5,750,020.558	57,500,206	8,774,323.117	87,743,231	397,998.778	3,979,988	563,027.299	5,630,273
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>15,968,755.929</b>	<b>159,687,560</b>	<b>20,566,933.387</b>	<b>205,669,334</b>	<b>3,154,563.243</b>	<b>31,545,633</b>	<b>8,674,401.168</b>	<b>86,744,012</b>
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
(282,178,738)		(249,431,011)		(40,899,896)		(48,791,805)	
(25,774,951)		(36,062,906)		(35,842,031)		8,371,759	
1,569,013		3,315,179		2,500,242		(479,850)	
<b>(306,384,676)</b>		<b>(282,178,738)</b>		<b>(74,241,685)</b>		<b>(40,899,896)</b>	
438,396,424		426,124,635		90,211,179		83,653,807	
9,268,116		12,271,789		2,400,937		6,557,372	
<b>447,664,540</b>		<b>438,396,424</b>		<b>92,612,116</b>		<b>90,211,179</b>	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
<b>141,279,864</b>		<b>156,217,686</b>		<b>18,370,431</b>		<b>49,311,283</b>	
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
327,945		242,198		45,888		43,603	
-		102,393		-		-	
232,335		1,387,531		66,693		119,559	
8,440		1,379		-		-	
-		-		-		-	
-		-		-		-	
57,662		309,290		30,414		22,856	
<b>626,382</b>		<b>2,042,791</b>		<b>142,995</b>		<b>186,018</b>	

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

Schedules	DSP MERRILL LYNCH TECHNOLOGY.COM FUND (TF)			
	As at 31.03.2007		As at 31.03.2006	
	Units	Rupees	Units	Rupees
<b>1 UNIT CAPITAL</b>				
<b>Issued and subscribed:</b>				
Units of Rs.10 each fully paid up (All Institution Plan (other than SM) & LPLUS scheme Rs. 1000 each fully paid up)				
Opening Balance	16,828,126.830	168,281,268	23,713,536.804	237,135,368
New Fund / Plan Offer	-	-	-	-
Capital issued during the year / period	15,754,518.041	157,545,180	4,620,923.286	46,209,233
	32,582,644.871	325,826,448	28,334,460.090	283,344,601
Redemptions during the year / period	4,649,751.187	46,497,511	11,506,333.260	115,063,333
<b>Unit Capital at the end of the year / period</b>	<b>27,932,893.684</b>	<b>279,328,937</b>	<b>16,828,126.830</b>	<b>168,281,268</b>
Retail: Growth Plan	9,896,452.381	98,964,524	5,435,684.887	54,356,849
Retail: Daily Dividend Plan	-	-	-	-
Retail: Weekly Dividend Plan	-	-	-	-
Retail: Monthly Dividend Plan	-	-	-	-
Retail: Quarterly / Dividend Plan	18,036,441.303	180,364,413	11,392,441.943	113,924,419
Institution: Growth Plan	-	-	-	-
Institution: Daily Dividend Plan	-	-	-	-
Institution: Weekly Dividend Plan	-	-	-	-
Institution: Quarterly / Dividend Plan	-	-	-	-
<b>Unit Capital at the end of the year / period</b>	<b>27,932,893.684</b>	<b>279,328,937</b>	<b>16,828,126.830</b>	<b>168,281,268</b>
		<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>	
<b>2 RESERVES AND SURPLUS</b>		<b>Rupees</b>	<b>Rupees</b>	
<b>Unit Premium Reserve</b>				
Opening balance		72,476,794	83,640,602	
Net premium on issue /redemption of units during the year / period		177,444,519	(22,812,176)	
Transfer from / (to) Income Equalisation Account		(131,731,926)	11,648,368	
<b>Closing balance</b>		<b>118,189,387</b>	<b>72,476,794</b>	
<b>Retained Surplus</b>				
Opening balance		(81,353,127)	(161,327,095)	
Add: Surplus transferred from / (to) Revenue Account		346,498,629	79,973,968	
<b>Closing balance</b>		<b>265,145,502</b>	<b>(81,353,127)</b>	
<b>Unrealised Appreciation on Investments</b>				
Opening balance		141,981,508	98,646,099	
Less: Reversed during the year / period		(141,981,508)	(98,646,099)	
Add: Unrealised appreciation as at year / period end		39,520,412	141,981,508	
Add: Unrealised appreciation on outstanding derivatives		-	-	
<b>Closing balance</b>		<b>39,520,412</b>	<b>141,981,508</b>	
		<b>422,855,301</b>	<b>133,105,175</b>	
		<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>	
<b>3 CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>Rupees</b>	<b>Rupees</b>	
Sundry creditors		1,109,532	351,144	
Payable for units repurchased / switch out		623,435	1,963,372	
Distributed income payable		-	-	
Unclaimed redemptions / distributed income		335,297	265,944	
Contracts for Purchase of investments		53,723,814	-	
Marked-to-Market on equity derivatives		-	-	
Other liabilities		3,805,224	167,951	
		<b>59,597,302</b>	<b>2,748,411</b>	

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH OPPORTUNITIES FUND (OF)				DSP MERRILL LYNCH SHORT TERM FUND (STF)			
As at 31.03.2007		As at 31.03.2006		As at 31.03.2007		As at 31.03.2006	
Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
346,846,366.374	3,468,463,664	313,881,580.150	3,138,815,802	67,021,993.580	670,219,936	101,467,769.092	1,014,677,691
-	-	-	-	-	-	-	-
321,283,441.810	3,212,834,418	275,290,190.263	2,752,901,903	216,124,949.234	2,161,249,492	456,285,751.375	4,562,857,514
668,129,808.184	6,681,298,082	589,171,770.413	5,891,717,705	283,146,942.814	2,831,469,428	557,753,520.467	5,577,535,205
228,028,621.806	2,280,286,218	242,325,404.039	2,423,254,041	232,707,793.314	2,327,077,933	490,731,526.887	4,907,315,269
<b>440,101,186.378</b>	<b>4,401,011,864</b>	<b>346,846,366.374</b>	<b>3,468,463,664</b>	<b>50,439,149.500</b>	<b>504,391,495</b>	<b>67,021,993.580</b>	<b>670,219,936</b>
93,380,588.015	933,805,880	59,561,954.876	595,619,549	27,930,232.552	279,302,326	45,426,517.876	454,265,179
-	-	-	-	-	-	-	-
-	-	-	-	3,169,373.924	31,693,739	1,823,987.176	18,239,872
-	-	-	-	10,021,617.427	100,216,174	8,767,942.881	87,679,429
346,720,598.363	3,467,205,984	287,284,411.498	2,872,844,115	9,317,925.597	93,179,256	11,003,545.647	110,035,456
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>440,101,186.378</b>	<b>4,401,011,864</b>	<b>346,846,366.374</b>	<b>3,468,463,664</b>	<b>50,439,149.500</b>	<b>504,391,495</b>	<b>67,021,993.580</b>	<b>670,219,936</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	848,687,965		189,427,885		(125,596,122)		(130,592,658)
	2,357,467,632		931,086,259		(55,647,068)		(15,055,333)
	(196,387,398)		(271,826,179)		15,685,548		20,051,869
	<b>3,009,768,199</b>		<b>848,687,965</b>		<b>(165,557,642)</b>		<b>(125,596,122)</b>
	2,192,674,610		982,453,973		232,127,760		200,175,130
	485,277,932		1,210,220,637		19,368,335		31,952,630
	<b>2,677,952,542</b>		<b>2,192,674,610</b>		<b>251,496,095</b>		<b>232,127,760</b>
	4,022,296,248		1,654,711,756		-		2,665,262
	(4,022,296,248)		(1,654,711,756)		-		(2,665,262)
	2,973,658,599		4,022,296,248		-		-
	-		-		-		-
	<b>2,973,658,599</b>		<b>4,022,296,248</b>		-		-
	<b>8,661,379,340</b>		<b>7,063,658,823</b>		<b>85,938,453</b>		<b>106,531,638</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	27,124,613		18,351,448		613,591		540,067
	83,538,002		22,842,748		25,442,560		1,603,834
	-		-		24,392		158,267
	3,792,783		4,281,058		1,744		1,255
	119,340,386		108,487,541		-		-
	-		-		-		-
	22,189,831		14,063,065		64,053		314,929
	<b>255,985,615</b>		<b>168,025,860</b>		<b>26,146,340</b>		<b>2,618,352</b>

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

Schedules	DSP MERRILL LYNCH TOP100 EQUITY FUND (TEF)			
	As at 31.03.2007		As at 31.03.2006	
	Units	Rupees	Units	Rupees
<b>1 UNIT CAPITAL</b>				
<b>Issued and subscribed:</b>				
Units of Rs.10 each fully paid up (All Institution Plan (other than SM) & LPLUS scheme Rs. 1000 each fully paid up)				
Opening Balance	55,696,935.352	556,969,353	53,082,406.405	530,824,064
New Fund / Plan Offer	-	-	-	-
Capital issued during the year / period	131,007,111.853	1,310,071,119	35,366,398.819	353,663,988
	186,704,047.205	1,867,040,472	88,448,805.224	884,488,052
Redemptions during the year / period	55,908,992.035	559,089,920	32,751,869.872	327,518,699
<b>Unit Capital at the end of the year / period</b>	<b>130,795,055.170</b>	<b>1,307,950,552</b>	<b>55,696,935.352</b>	<b>556,969,353</b>
Retail: Growth Plan	12,007,621.884	120,076,219	4,509,470.429	45,094,704
Retail: Daily Dividend Plan	-	-	-	-
Retail: Weekly Dividend Plan	-	-	-	-
Retail: Monthly Dividend Plan	-	-	-	-
Retail: Quarterly / Dividend Plan	118,787,433.286	1,187,874,333	51,187,464.923	511,874,649
Institution: Growth Plan	-	-	-	-
Institution: Daily Dividend Plan	-	-	-	-
Institution: Weekly Dividend Plan	-	-	-	-
Institution: Quarterly / Dividend Plan	-	-	-	-
<b>Unit Capital at the end of the year / period</b>	<b>130,795,055.170</b>	<b>1,307,950,552</b>	<b>55,696,935.352</b>	<b>556,969,353</b>
		<b>As at</b>	<b>As at</b>	
<b>2 RESERVES AND SURPLUS</b>		<b>31.03.2007</b>	<b>31.03.2006</b>	
		<b>Rupees</b>	<b>Rupees</b>	
<b>Unit Premium Reserve</b>				
Opening balance		63,588,938	(42,003,509)	
Net premium on issue / redemption of units during the year / period		1,201,986,852	219,402,853	
Transfer from / (to) Income Equalisation Account		150,886,583	(113,810,406)	
<b>Closing balance</b>		<b>1,416,462,373</b>	<b>63,588,938</b>	
<b>Retained Surplus</b>				
Opening balance		611,476,203	185,366,000	
Add: Surplus transferred from / (to) Revenue Account		(220,968,712)	426,110,203	
<b>Closing balance</b>		<b>390,507,491</b>	<b>611,476,203</b>	
<b>Unrealised Appreciation on Investments</b>				
Opening balance		342,056,811	160,579,936	
Less: Reversed during the year / period		(342,056,811)	(160,579,936)	
Add: Unrealised appreciation as at year / period end		158,559,149	342,056,811	
Add: Unrealised appreciation on outstanding derivatives		1,341,638	-	
<b>Closing balance</b>		<b>159,900,787</b>	<b>342,056,811</b>	
		<b>1,966,870,651</b>	<b>1,017,121,952</b>	
		<b>As at</b>	<b>As at</b>	
<b>3 CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>31.03.2007</b>	<b>31.03.2006</b>	
		<b>Rupees</b>	<b>Rupees</b>	
Sundry creditors		12,245,752	3,572,962	
Payable for units repurchased / switch out		16,783,113	356,248	
Distributed income payable		-	-	
Unclaimed redemptions / distributed income		595,521	140,026	
Contracts for Purchase of investments		43,740,159	15,354,676	
Marked-to-Market on equity derivatives		360,553	-	
Other liabilities		6,580,630	11,409,586	
		<b>80,305,728</b>	<b>30,833,498</b>	

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH SAVINGS PLUS FUND - MODERATE (SPF-M)				DSP MERRILL LYNCH FLOATING RATE FUND (FRF)			
As at 31.03.2007		As at 31.03.2006		As at 31.03.2007		As at 31.03.2006	
Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
148,171,155.130	1,481,711,551	272,376,946.755	2,723,769,467	1,016,605,427.271	10,846,602,288	2,166,997,665.008	21,669,976,650
-	-	-	-	-	-	9,238,020.282	9,238,020,282
82,758,595.588	827,585,956	59,549,280.462	595,492,805	1,213,715,988.092	14,125,278,909	8,289,130,733.679	97,042,392,366
230,929,750.718	2,309,297,507	331,926,227.217	3,319,262,272	2,230,321,415.363	24,971,881,197	10,465,366,418.969	127,950,389,298
111,804,813.731	1,118,048,138	183,755,072.087	1,837,550,721	1,953,528,578.657	21,924,593,721	9,448,760,991.698	117,103,787,010
<b>119,124,936.987</b>	<b>1,191,249,369</b>	<b>148,171,155.130</b>	<b>1,481,711,551</b>	<b>276,792,836.706</b>	<b>3,047,287,476</b>	<b>1,016,605,427.271</b>	<b>10,846,602,288</b>
65,831,351.916	658,313,519	82,460,655.130	824,606,551	93,581,278.983	935,812,790	351,975,144.039	3,519,751,440
-	-	-	-	43,776,433.205	437,764,332	165,858,190.828	1,658,581,908
-	-	-	-	73,118,097.908	731,180,979	283,261,822.334	2,832,618,223
20,141,083.828	201,410,838	29,183,013.480	291,830,135	-	-	-	-
33,152,501.243	331,525,012	36,527,486.520	365,274,865	66,034,845.692	660,348,457	214,822,847.831	2,148,228,478
-	-	-	-	75,710.771	75,710,771	289,064.991	289,064,991
-	-	-	-	206,470.147	206,470,147	301,077.629	301,077,629
-	-	-	-	-	-	97,279.619	97,279,619
-	-	-	-	-	-	-	-
<b>119,124,936.987</b>	<b>1,191,249,369</b>	<b>148,171,155.130</b>	<b>1,481,711,551</b>	<b>276,792,836.706</b>	<b>3,047,287,476</b>	<b>1,016,605,427.271</b>	<b>10,846,602,288</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	(287,895,955)		(24,384,177)		(113,845,890)		275,754,958
	(92,846,628)		(333,782,962)		(554,702,897)		(695,332,015)
	36,455,668		70,271,184		122,028,847		305,731,167
	<b>(344,286,915)</b>		<b>(287,895,955)</b>		<b>(546,519,940)</b>		<b>(113,845,890)</b>
	596,173,375		470,304,769		695,762,459		436,150,594
	141,469,402		125,868,606		87,096,719		259,611,865
	<b>737,642,777</b>		<b>596,173,375</b>		<b>782,859,178</b>		<b>695,762,459</b>
	108,483,111		68,788,160		29,234,456		52,201,913
	(108,483,111)		(68,788,160)		(29,234,456)		(52,201,913)
	1,688,398		108,483,111		7,948,597		29,234,456
	-		-		-		-
	<b>1,688,398</b>		<b>108,483,111</b>		<b>7,948,597</b>		<b>29,234,456</b>
	<b>395,044,260</b>		<b>416,760,531</b>		<b>244,287,835</b>		<b>611,151,025</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	8,490,962		8,485,696		2,280,389		6,857,303
	1,715,419		13,127,444		55,262		187,562,691
	2,365,470		8,621,321		2,629,760		5,967,818
	491,031		479,345		420,538		2,832
	-		-		-		-
	-		-		-		-
	745,418		14,678,805		2,579,787		4,461,273
	<b>13,808,300</b>		<b>45,392,611</b>		<b>7,965,736</b>		<b>204,851,917</b>

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

<b>DSP MERRILL LYNCH SAVINGS PLUS FUND-CONSERVATIVE (SPF-C)</b>				
<b>Schedules</b>	<b>As at 31.03.2007</b>		<b>As at 31.03.2006</b>	
	<b>Units</b>	<b>Rupees</b>	<b>Units</b>	<b>Rupees</b>
<b>1 UNIT CAPITAL</b>				
<b>Issued and subscribed:</b>				
Units of Rs.10 each fully paid up (All Institution Plan (other than SM) & LPLUS scheme Rs. 1000 each fully paid up)				
Opening Balance	11,713,357.022	117,133,570	21,698,357.814	216,983,578
New Fund / Plan Offer	-	-	-	-
Capital issued during the year / period	10,182,071.228	101,820,712	9,102,621.122	91,026,211
	21,895,428.250	218,954,282	30,800,978.936	308,009,789
Redemptions during the year / period	12,484,791.539	124,847,915	19,087,621.914	190,876,219
<b>Unit Capital at the end of the year / period</b>	<b>9,410,636.711</b>	<b>94,106,367</b>	<b>11,713,357.022</b>	<b>117,133,570</b>
Retail: Growth Plan	4,802,221.210	48,022,212	7,273,377.306	72,733,773
Retail: Daily Dividend Plan	-	-	-	-
Retail: Weekly Dividend Plan	-	-	-	-
Retail: Monthly Dividend Plan	1,331,295.858	13,312,959	1,164,993.881	11,649,939
Retail: Quarterly / Dividend Plan	3,277,119.643	32,771,196	3,274,985.835	32,749,858
Institution: Growth Plan	-	-	-	-
Institution: Daily Dividend Plan	-	-	-	-
Institution: Weekly Dividend Plan	-	-	-	-
Institution: Quarterly / Dividend Plan	-	-	-	-
<b>Unit Capital at the end of the year / period</b>	<b>9,410,636.711</b>	<b>94,106,367</b>	<b>11,713,357.022</b>	<b>117,133,570</b>
<b>2 RESERVES AND SURPLUS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
<b>Unit Premium Reserve</b>				
Opening balance		(4,928,922)	(1,754,821)	
Net premium on issue / redemption of units during the year / period		(4,308,335)	(3,499,662)	
Transfer from / (to) Income Equalisation Account		1,518,405	325,561	
<b>Closing balance</b>		<b>(7,718,852)</b>	<b>(4,928,922)</b>	
<b>Retained Surplus</b>				
Opening balance		14,066,471	7,082,164	
Add: Surplus transferred from / (to) Revenue Account		5,242,095	6,984,307	
<b>Closing balance</b>		<b>19,308,566</b>	<b>14,066,471</b>	
<b>Unrealised Appreciation on Investments</b>				
Opening balance		2,138,187	1,847,941	
Less: Reversed during the year / period		(2,138,187)	(1,847,941)	
Add: Unrealised appreciation as at year / period end		54,452	2,138,187	
Add: Unrealised appreciation on outstanding derivatives		-	-	
<b>Closing balance</b>		<b>54,452</b>	<b>2,138,187</b>	
		<b>11,644,166</b>	<b>11,275,736</b>	
<b>3 CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
Sundry creditors		149,300	125,607	
Payable for units repurchased / switch out		15,430	51,416	
Distributed income payable		256,190	447,338	
Unclaimed redemptions / distributed income		30,160	29,708	
Contracts for Purchase of investments		-	-	
Marked-to-Market on equity derivatives		-	-	
Other liabilities		83,583	108,849	
		<b>534,663</b>	<b>762,918</b>	

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH SAVINGS PLUS FUND-AGGRESSIVE (SPF-A)				DSP MERRILL LYNCH INDIA T.I.G.E.R. FUND (THE INFRASTRUCTURE GROWTH AND ECONOMIC REFORMS FUND) (ITF)			
As at 31.03.2007		As at 31.03.2006		As at 31.03.2007		As at 31.03.2006	
Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
40,207,835.590	402,078,356	33,317,044.540	333,170,445	381,993,829.156	3,819,938,292	201,187,298.385	2,011,872,984
-	-	-	-	-	-	-	-
43,580,055.249	435,800,552	32,520,877.930	325,208,779	610,471,019.713	6,104,710,197	431,966,994.953	4,319,669,950
83,787,890.839	837,878,908	65,837,922.470	658,379,224	992,464,848.869	9,924,648,489	633,154,293.338	6,331,542,934
29,291,366.148	292,913,661	25,630,086.880	256,300,868	321,927,632.278	3,219,276,323	251,160,464.182	2,511,604,642
<b>54,496,524.691</b>	<b>544,965,247</b>	<b>40,207,835.590</b>	<b>402,078,356</b>	<b>670,537,216.591</b>	<b>6,705,372,166</b>	<b>381,993,829.156</b>	<b>3,819,938,292</b>
22,490,996.406	224,909,964	14,130,919.615	141,309,196	174,513,785.711	1,745,137,857	76,005,646.478	760,056,465
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,066,643.986	130,666,440	6,637,209.611	66,372,096	-	-	-	-
18,938,884.299	189,388,843	19,439,706.364	194,397,064	496,023,430.880	4,960,234,309	305,988,182.678	3,059,881,827
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>54,496,524.691</b>	<b>544,965,247</b>	<b>40,207,835.590</b>	<b>402,078,356</b>	<b>670,537,216.591</b>	<b>6,705,372,166</b>	<b>381,993,829.156</b>	<b>3,819,938,292</b>
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
	2,901,053		(1,474,117)		1,697,884,388		128,505,557
	30,090,877		8,255,683		4,149,789,875		1,804,206,888
	(3,923,930)		(3,880,513)		(625,118,324)		(234,828,057)
	<b>29,068,000</b>		<b>2,901,053</b>		<b>5,222,555,939</b>		<b>1,697,884,388</b>
	29,553,751		11,969,160		229,655,263		271,745,018
	47,718,351		17,584,591		736,345,891		(42,089,755)
	<b>77,272,102</b>		<b>29,553,751</b>		<b>966,001,154</b>		<b>229,655,263</b>
	23,093,563		6,502,978		2,262,698,212		361,532,863
	(23,093,563)		(6,502,978)		(2,262,698,212)		(361,532,863)
	992,007		23,093,563		1,463,351,533		2,262,698,212
	-		-		-		-
	<b>992,007</b>		<b>23,093,563</b>		<b>1,463,351,533</b>		<b>2,262,698,212</b>
	<b>107,332,109</b>		<b>55,548,367</b>		<b>7,651,908,626</b>		<b>4,190,237,863</b>
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
	1,180,582		483,560		21,139,926		8,743,314
	598,647		107,541		85,420,643		10,979,317
	1,942,176		5,715,077		81,530		-
	59,136		126,406		1,202,047		303,259
	-		-		243,696,309		87,692,648
	-		-		-		-
	520,122		1,381,458		34,422,169		27,123,787
	<b>4,300,663</b>		<b>7,814,042</b>		<b>385,962,624</b>		<b>134,842,325</b>

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

Schedules		DSP MERRILL LYNCH LIQUID PLUS FUND (LPLUS)	
		As at	
		31.03.2007	
		Units	Rupees
<b>1</b>	<b>UNIT CAPITAL</b>		
	<b>Issued and subscribed:</b>		
	Units of Rs.10 each fully paid up (All Institution Plan (other than SM) & LPLUS scheme Rs. 1000 each fully paid up)		
	Opening Balance	-	
	New Fund / Plan Offer	129,023,273.706	129,023,273,706
	Capital issued during the year / period		-
		129,023,273.706	129,023,273,706
	Redemptions during the year / period	111,763,955.557	111,763,955,557
	<b>Unit Capital at the end of the year / period</b>	<b>17,259,318.149</b>	<b>17,259,318,149</b>
	Retail: Growth Plan	801,438.723	801,438,723
	Retail: Daily Dividend Plan	1,151,130.278	1,151,130,278
	Retail: Weekly Dividend Plan	2,105,293.647	2,105,293,647
	Retail: Monthly Dividend Plan	-	-
	Retail: Quarterly / Dividend Plan	-	-
	Institution: Growth Plan	1,371,115.223	1,371,115,223
	Institution: Daily Dividend Plan	6,588,602.706	6,588,602,706
	Institution: Weekly Dividend Plan	5,241,737.572	5,241,737,572
	Institution: Quarterly / Dividend Plan	-	-
	<b>Unit Capital at the end of the year / period</b>	<b>17,259,318.149</b>	<b>17,259,318,149</b>
<b>2</b>	<b>RESERVES AND SURPLUS</b>		<b>As at</b>
			<b>31.03.2007</b>
			<b>Rupees</b>
	<b>Unit Premium Reserve</b>		
	Opening balance		-
	Net premium on issue / redemption of units during the year / period		(112,957,966)
	Transfer from / (to) Income Equalisation Account		113,671,798
	<b>Closing balance</b>		<b>713,832</b>
	<b>Retained Surplus</b>		
	Opening balance		-
	Add: Surplus transferred from / (to) Revenue Account		111,869,228
	<b>Closing balance</b>		<b>111,869,228</b>
	<b>Unrealised Appreciation on Investments</b>		
	Opening balance		-
	Less: Reversed during the year / period		-
	Add: Unrealised appreciation as at year / period end		287,467
	Add: Unrealised appreciation on outstanding derivatives		-
	<b>Closing balance</b>		<b>287,467</b>
			<b>112,870,527</b>
<b>3</b>	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		<b>As at</b>
			<b>31.03.2007</b>
			<b>Rupees</b>
	Sundry creditors		10,369,183
	Payable for units repurchased / switch out		15,265,454
	Distributed income payable		149
	Unclaimed redemptions / distributed income		-
	Contracts for Purchase of investments		-
	Marked-to-Market on equity derivatives		-
	Other liabilities		4,402,120
			<b>30,036,906</b>

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH SMALL & MIDCAP FUND (SM)		DSP MERRILL LYNCH TAX SAVER FUND (TAX)	
As at 31.03.2007		As at 31.03.2007	
Units	Rupees	Units	Rupees
-	-	-	-
1,618,697,923.182	16,186,979,232	126,564,997.783	1,265,649,978
-	-	-	-
1,618,697,923.182	16,186,979,232	126,564,997.783	1,265,649,978
154,464,310.212	1,544,643,102	-	-
<b>1,464,233,612.970</b>	<b>14,642,336,130</b>	<b>126,564,997.783</b>	<b>1,265,649,978</b>
515,401,806.599	5,154,018,066	71,394,031.941	713,940,319
-	-	-	-
-	-	-	-
893,950,423.964	8,939,504,240	55,170,965.842	551,709,659
34,881,382.407	348,813,824	-	-
-	-	-	-
-	-	-	-
20,000,000.00	200,000,000	-	-
<b>1,464,233,612.970</b>	<b>14,642,336,130</b>	<b>126,564,997.783</b>	<b>1,265,649,978</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2007 Rupees</b>
	-		-
	8,119,853		(6,715,049)
	(1,802,729)		8,466,296
	<b>6,317,124</b>		<b>1,751,247</b>
	-		-
	(99,294,758)		(52,876,298)
	<b>(99,294,758)</b>		<b>(52,876,298)</b>
	-		-
	-		-
	-		-
	-		-
	<b>(92,977,634)</b>		<b>(51,125,051)</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2007 Rupees</b>
	36,899,943		2,241,361
	29,559,783		-
	-		-
	-		-
	64,295,005		11,821,342
	7,318,767		98,132
	6,580,832		3,324,869
	<b>144,654,330</b>		<b>17,485,704</b>

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

<b>DSP MERRILL LYNCH BOND FUND (BF)</b>				
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
	<b>Cost</b>	<b>Market/Fair value</b>	<b>Cost</b>	<b>Market/Fair value</b>
	<b>4 INVESTMENTS</b>			
<b>Equity Shares</b>				
Listed or awaiting listing	-	-	-	-
Unlisted	-	-	-	-
<b>Preference Shares</b>				
Listed or awaiting listing	-	-	-	-
<b>Government Securities</b>	-	-	54,857,500	54,480,000
<b>Bonds &amp; Debentures</b>				
Listed or awaiting listing	370,981,948	371,226,925	370,741,792	368,311,207
Private placement / unlisted	-	-	150,852,794	148,943,350
<b>Commercial Papers (CP)</b>	-	-	-	-
<b>Certificate of Deposits (CD)</b>	180,741,210	180,741,210	-	-
<b>Treasury Bills (T bills)</b>	-	-	-	-
<b>Bills Rediscounting (BRDS)</b>	-	-	-	-
	<b>551,723,158</b>	<b>551,968,135</b>	<b>576,452,086</b>	<b>571,734,557</b>
<b>5 DEPOSITS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
Fixed Deposits with Scheduled Banks		-	-	
Margin money with The Clearing Corporation of India Ltd. (CCIL)		200,000	14,800,000	
Initial margin money for equity derivatives		-	-	
		<b>200,000</b>	<b>14,800,000</b>	
<b>6 OTHER CURRENT ASSETS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
Balances with banks in current account		4,098,683	4,075,233	
Receivable for units switch in		84,765	-	
Contracts for sale of investments		-	-	
Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralised Borrowing and Lending Obligations (CBLO)		6,970,207	92,957,895	
Initial margin money utilised for equity derivatives		-	-	
Marked-to-market for equity derivatives		-	-	
Share application money		-	-	
Outstanding and accrued income		4,594,485	8,348,894	
Tax deducted at source		1,092,391	1,092,391	
Dividend receivable		-	-	
Other receivable		-	682	
		<b>16,840,531</b>	<b>106,475,095</b>	
<b>7 INTEREST</b>		<b>Year ended 31.03.2007 Rupees</b>	<b>Year ended 31.03.2006 Rupees</b>	
Call and term deposits		-	32,022	
Reverse Repo / CBLO		5,563,615	10,449,228	
Securities and fixed deposits		35,253,798	47,962,331	
		<b>40,817,413</b>	<b>58,443,581</b>	

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH EQUITY FUND (EF)				DSP MERRILL LYNCH LIQUIDITY FUND (LF)			
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
5,530,947,596	5,870,059,100	3,682,108,915	5,309,753,518	-	-	-	-
35,119,490	2,598,039	35,119,490	2,340,686	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,711,098,010	5,711,312,160	8,504,375,150	8,508,205,600
-	-	-	-	546,403,442	546,363,482	3,256,741,401	3,254,906,698
496,898,045	496,898,045	-	-	1,488,422,130	1,488,422,130	5,199,691,728	5,199,691,728
483,169,776	483,169,776	-	-	11,566,705,609	11,566,705,609	16,348,698,579	16,348,698,579
-	-	-	-	-	-	167,936,634	167,936,634
-	-	-	-	-	-	2,938,380,822	2,938,380,822
<b>6,546,134,907</b>	<b>6,852,724,960</b>	<b>3,717,228,405</b>	<b>5,312,094,204</b>	<b>19,312,629,191</b>	<b>19,312,803,381</b>	<b>36,415,824,314</b>	<b>36,417,820,061</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	-		-		-		9,650,000,000
	400,000		-		17,300,000		1,450,000
	37,112,281		17,765,287		-		-
	<b>37,512,281</b>		<b>17,765,287</b>		<b>17,300,000</b>		<b>9,651,450,000</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	41,713,858		34,798,342		15,907,896		45,830,976
	1,298,286		888,205		-		152,690,018
	132,734,456		87,624,253		-		-
	151,353,120		118,456,189		90,025,124		2,176,947,489
	55,878,509		4,444,727		-		-
	3,749,200		322,447		-		-
	8,683,620		-		-		-
	11,792,529		824,268		375,072,170		525,489,471
	31,135		31,135		-		-
	-		65,954		-		-
	<b>407,234,713</b>		<b>247,455,520</b>		<b>481,005,190</b>		<b>2,900,957,954</b>
	<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>		<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>
	-		2,233		-		1,166,189
	20,354,359		8,633,353		274,418,586		176,920,167
	2,945,924		710,027		2,654,273,604		1,317,477,461
	<b>23,300,283</b>		<b>9,345,613</b>		<b>2,928,692,190</b>		<b>1,495,563,817</b>

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

<b>DSP MERRILL LYNCH BALANCED FUND (BaF)</b>				
<b>4 INVESTMENTS</b>	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
	<b>Cost</b>	<b>Market/Fair value</b>	<b>Cost</b>	<b>Market/Fair value</b>
	<b>Equity Shares</b>			
Listed or awaiting listing	2,259,934,647	2,441,667,407	1,409,346,843	2,277,049,756
Unlisted	14,522,501	1,113,445	14,522,501	1,003,151
<b>Preference Shares</b>				
Listed or awaiting listing	-	-	-	-
<b>Government Securities</b>	-	-	-	-
<b>Bonds &amp; Debentures</b>				
Listed or awaiting listing	1,224,273,200	1,219,492,900	961,552,469	961,238,050
Private placement / unlisted	60,000,000	60,000,000	-	-
<b>Commercial Papers (CP)</b>	-	-	-	-
<b>Certificate of Deposits (CD)</b>	146,727,034	146,727,034	-	-
<b>Treasury Bills (T bills)</b>	-	-	-	-
<b>Bills Rediscounting (BRDS)</b>				
	<b>3,705,457,382</b>	<b>3,869,000,786</b>	<b>2,385,421,813</b>	<b>3,239,290,957</b>
<b>5 DEPOSITS</b>	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
Fixed Deposits with Scheduled Banks	-	-	-	-
Margin money with The Clearing Corporation of India Ltd. (CCIL)	100,000	100,000	300,000	-
Initial margin money for equity derivatives	26,220,644	26,220,644	-	-
	<b>26,320,644</b>	<b>26,320,644</b>	<b>300,000</b>	-
<b>6 OTHER CURRENT ASSETS</b>	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
Balances with banks in current account	15,446,141	15,446,141	31,847,860	-
Receivable for units switch in	27,794	27,794	15,603,998	-
Contracts for sale of investments	3,333,808	3,333,808	44,991,731	-
Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralised Borrowing and Lending Obligations (CBLO)	67,212,736	67,212,736	28,489,464	-
Initial margin money utilised for equity derivatives	27,920,105	27,920,105	-	-
Marked-to-market for equity derivatives	591,512	591,512	-	-
Share application money	4,884,000	4,884,000	7,740,625	-
Outstanding and accrued income	25,681,811	25,681,811	12,454,118	-
Tax deducted at source	52,648	52,648	58,063	-
Dividend receivable	-	-	-	-
Other receivable	-	-	-	-
	<b>145,150,555</b>	<b>145,150,555</b>	<b>141,185,859</b>	-
<b>7 INTEREST</b>	<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>	
Call and term deposits	-	-	1,592	-
Reverse Repo / CBLO	7,719,443	7,719,443	7,911,970	-
Securities and fixed deposits	69,152,486	69,152,486	47,384,752	-
	<b>76,871,929</b>	<b>76,871,929</b>	<b>55,298,314</b>	-

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN A (GSFA)				DSP MERRILL LYNCH GOVERNMENT SECURITIES FUND - PLAN B (GSFB)			
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
289,492,417	281,720,000	210,827,500	207,800,000	21,425,500	21,000,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	98,793,656	98,793,656	18,916,744	18,916,744	-	-
-	-	-	-	-	-	-	-
<b>289,492,417</b>	<b>281,720,000</b>	<b>309,621,156</b>	<b>306,593,656</b>	<b>40,342,244</b>	<b>39,916,744</b>	-	-
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	-		-		-		-
	300,000		3,100,000		100,000		700,000
	-		-		-		-
	<b>300,000</b>		<b>3,100,000</b>		<b>100,000</b>		<b>700,000</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	1,508,419		7,497,925		1,304,184		60,064,096
	-		-		-		-
	-		-		-		-
	10,953,188		42,480,763		7,468,081		75,465,819
	-		-		-		-
	-		-		-		-
	7,112,199		4,257,467		1,270,050		11,398
	-		-		-		-
	-		-		-		-
	<b>19,573,806</b>		<b>54,236,155</b>		<b>10,042,315</b>		<b>135,541,313</b>
	<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>		<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>
	-		160,822		-		21,876
	7,855,008		8,872,722		2,121,971		1,310,562
	16,257,592		17,933,359		3,624,023		9,062,722
	<b>24,112,600</b>		<b>26,966,903</b>		<b>5,745,994</b>		<b>10,395,160</b>

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

<b>DSP MERRILL LYNCH TECHNOLOGY.COM FUND (TF)</b>				
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
	<b>Cost</b>	<b>Market/Fair value</b>	<b>Cost</b>	<b>Market/Fair value</b>
	<b>4 INVESTMENTS</b>			
<b>Equity Shares</b>				
Listed or awaiting listing	545,349,780	584,870,192	148,555,438	290,536,946
Unlisted	-	-	-	-
<b>Preference Shares</b>				
Listed or awaiting listing	-	-	-	-
<b>Government Securities</b>	-	-	-	-
<b>Bonds &amp; Debentures</b>				
Listed or awaiting listing	-	-	-	-
Private placement / unlisted	-	-	-	-
<b>Commercial Papers (CP)</b>	-	-	-	-
<b>Certificate of Deposits (CD)</b>	-	-	-	-
<b>Treasury Bills (T bills)</b>	-	-	-	-
<b>Bills Rediscounting (BRDS)</b>	-	-	-	-
	<b>545,349,780</b>	<b>584,870,192</b>	<b>148,555,438</b>	<b>290,536,946</b>
<b>5 DEPOSITS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
Fixed Deposits with Scheduled Banks		-	-	
Margin money with The Clearing Corporation of India Ltd. (CCIL)		-	-	
Initial margin money for equity derivatives		-	-	
		-	-	
<b>6 OTHER CURRENT ASSETS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
Balances with banks in current account		23,607,303	1,589,694	
Receivable for units switch in		694,626	11,172	
Contracts for sale of investments		26,649,329	-	
Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralised Borrowing and Lending Obligations (CBLO)		125,482,500	11,995,563	
Initial margin money utilised for equity derivatives		-	-	
Marked-to-market for equity derivatives		-	-	
Share application money		-	-	
Outstanding and accrued income		477,590	1,479	
Tax deducted at source		-	-	
Dividend receivable		-	-	
Other receivable		-	-	
		<b>176,911,348</b>	<b>13,597,908</b>	
<b>7 INTEREST</b>		<b>Year ended 31.03.2007 Rupees</b>	<b>Year ended 31.03.2006 Rupees</b>	
Call and term deposits		-	110	
Reverse Repo / CBLO		1,163,142	240,798	
Securities and fixed deposits		-	-	
		<b>1,163,142</b>	<b>240,908</b>	

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH OPPORTUNITIES FUND (OF)				DSP MERRILL LYNCH SHORT TERM FUND (STF)			
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
8,895,682,878	11,869,341,477	6,028,794,401	10,051,090,649	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
558,593,000	558,491,600	49,428,150	49,105,000	50,022,000	50,019,900	200,014,200	197,413,200
-	-	-	-	139,281,737	139,278,840	356,254,958	353,838,288
-	-	-	-	-	-	147,098,400	147,098,400
389,541,909	389,541,909	-	-	401,194,965	401,194,965	47,934,850	47,934,850
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>9,843,817,787</b>	<b>12,817,374,986</b>	<b>6,078,222,551</b>	<b>10,100,195,649</b>	<b>590,498,702</b>	<b>590,493,705</b>	<b>751,302,408</b>	<b>746,284,738</b>
	<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>			<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
	-	-			-	-	
	700,000	200,000			300,000	1,400,000	
	116,900,460	26,711,299			-	-	
	<b>117,600,460</b>	<b>26,911,299</b>			<b>300,000</b>	<b>1,400,000</b>	
	<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>			<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
	58,297,374	72,964,333			1,866,435	2,454,234	
	5,291,344	5,829,281			-	-	
	110,710,177	101,054,054			-	-	
	194,369,464	386,357,090			22,051,332	21,490,257	
	-	-			-	-	
	-	-			-	-	
	-	-			-	-	
	14,733,014	4,584,657			1,764,816	7,740,697	
	-	-			-	-	
	-	2,251,984			-	-	
	<b>383,401,373</b>	<b>573,041,399</b>			<b>25,682,583</b>	<b>31,685,188</b>	
	<b>Year ended 31.03.2007 Rupees</b>	<b>Year ended 31.03.2006 Rupees</b>			<b>Year ended 31.03.2007 Rupees</b>	<b>Year ended 31.03.2006 Rupees</b>	
	-	4,241			-	164	
	32,583,794	14,120,087			6,272,428	14,589,802	
	5,774,534	1,933,753			58,934,285	50,977,845	
	<b>38,358,328</b>	<b>16,058,081</b>			<b>65,206,713</b>	<b>65,567,811</b>	

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

<b>DSP MERRILL LYNCH TOP100 EQUITY FUND (TEF)</b>				
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
	<b>Cost</b>	<b>Market/Fair value</b>	<b>Cost</b>	<b>Market/Fair value</b>
	<b>4 INVESTMENTS</b>			
<b>Equity Shares</b>				
Listed or awaiting listing	2,496,930,194	2,655,489,343	998,287,526	1,340,344,337
Unlisted	-	-	-	-
<b>Preference Shares</b>				
Listed or awaiting listing	-	-	-	-
<b>Government Securities</b>	-	-	-	-
<b>Bonds &amp; Debentures</b>				
Listed or awaiting listing	-	-	-	-
Private placement / unlisted	-	-	-	-
<b>Commercial Papers (CP)</b>	-	-	-	-
<b>Certificate of Deposits (CD)</b>	340,114,891	340,114,891	-	-
<b>Treasury Bills (T bills)</b>	-	-	-	-
<b>Bills Rediscounting (BRDS)</b>	-	-	-	-
	<b>2,837,045,085</b>	<b>2,995,604,234</b>	<b>998,287,526</b>	<b>1,340,344,337</b>
<b>5 DEPOSITS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
Fixed Deposits with Scheduled Banks		-	-	
Margin money with The Clearing Corporation of India Ltd. (CCIL)		300,000	-	
Initial margin money for equity derivatives		86,561,801	9,142,371	
		<b>86,861,801</b>	<b>9,142,371</b>	
<b>6 OTHER CURRENT ASSETS</b>		<b>As at 31.03.2007 Rupees</b>	<b>As at 31.03.2006 Rupees</b>	
Balances with banks in current account		25,015,897	217,680,324	
Receivable for units switch in		3,897,691	14,351,801	
Contracts for sale of investments		60,553,973	-	
Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralised Borrowing and Lending Obligations (CBLO)		144,007,499	22,991,495	
Initial margin money utilised for equity derivatives		34,912,274	-	
Marked-to-market for equity derivatives		360,553	-	
Share application money		-	-	
Outstanding and accrued income		3,913,009	402,714	
Tax deducted at source		-	10,555	
Dividend receivable		-	-	
Other receivable		-	1,206	
		<b>272,660,896</b>	<b>255,438,095</b>	
<b>7 INTEREST</b>		<b>Year ended 31.03.2007 Rupees</b>	<b>Year ended 31.03.2006 Rupees</b>	
Call and term deposits		-	2,770	
Reverse Repo / CBLO		10,183,649	1,440,316	
Securities and fixed deposits		670,093	69,511	
		<b>10,853,742</b>	<b>1,512,597</b>	

**DSP MERRILL LYNCH MUTUAL FUND**  
**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH SAVINGS PLUS FUND - MODERATE (SPF-M)				DSP MERRILL LYNCH FLOATING RATE FUND (FRF)			
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
81,816,298	83,504,696	193,125,705	289,681,857	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,184,209,035	1,183,253,148	1,352,783,300	1,364,688,800	3,207,035,213	3,214,983,810	9,808,870,394	9,838,104,850
-	-	152,353,291	152,374,750	3,808,196	3,679,499	916,227,301	915,648,851
99,205,900	99,205,900	-	-	-	-	-	-
148,651,909	148,651,909	-	-	-	-	659,659,896	659,659,896
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>1,513,883,142</b>	<b>1,514,615,653</b>	<b>1,698,262,296</b>	<b>1,806,745,407</b>	<b>3,210,843,409</b>	<b>3,218,663,309</b>	<b>11,384,757,591</b>	<b>11,413,413,597</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	-		-		-		-
	600,000		400,000		700,000		250,000
	32,177,740		-		-		-
	<b>32,777,740</b>		<b>400,000</b>		<b>700,000</b>		<b>250,000</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	12,244,054		10,890,819		4,250,075		12,181,159
	-		1,386,791		134,301		12,018,187
	-		-		-		-
	20,412,749		109,959,323		40,463,123		65,470,337
	-		-		-		-
	-		-		-		-
	-		-		-		-
	20,051,733		14,475,387		35,330,239		159,271,950
	-		6,966		-		-
	-		-		-		-
	-		-		-		-
	<b>52,708,536</b>		<b>136,719,286</b>		<b>80,177,738</b>		<b>248,941,633</b>
	<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>		<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>
	-		384		-		1,020,123
	10,426,427		8,368,990		9,618,928		76,834,679
	99,631,767		112,190,717		510,935,809		1,447,816,127
	<b>110,058,194</b>		<b>120,560,091</b>		<b>520,554,737</b>		<b>1,525,670,929</b>

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

<b>DSP MERRILL LYNCH SAVINGS PLUS FUND-CONSERVATIVE (SPF-C)</b>				
<b>4 INVESTMENTS</b>	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
	<b>Cost</b>	<b>Market/Fair value</b>	<b>Cost</b>	<b>Market/Fair value</b>
	<b>Equity Shares</b>			
Listed or awaiting listing	2,633,106	2,687,558	7,367,521	9,500,393
Unlisted	-	-	-	-
<b>Preference Shares</b>				
Listed or awaiting listing	-	-	-	-
<b>Government Securities</b>	-	-	-	-
<b>Bonds &amp; Debentures</b>				
Listed or awaiting listing	-	-	50,000,000	50,000,000
Private placement / unlisted	17,836,251	17,835,490	27,837,305	27,842,620
<b>Commercial Papers (CP)</b>	-	-	-	-
<b>Certificate of Deposits (CD)</b>	49,522,269	49,522,269	-	-
<b>Treasury Bills (T bills)</b>	-	-	-	-
<b>Bills Rediscounting (BRDS)</b>	-	-	-	-
	<b>69,991,626</b>	<b>70,045,317</b>	<b>85,204,826</b>	<b>87,343,013</b>
<b>5 DEPOSITS</b>	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
Fixed Deposits with Scheduled Banks		-	-	
Margin money with The Clearing Corporation of India Ltd. (CCIL)		100,000	-	
Initial margin money for equity derivatives		21,666,910	-	
		<b>21,766,910</b>	-	
<b>6 OTHER CURRENT ASSETS</b>	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>	
Balances with banks in current account		1,058,878	880,191	
Receivable for units switch in		-	-	
Contracts for sale of investments		-	-	
Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralised Borrowing and Lending Obligations (CBLO)		12,944,675	39,985,213	
Initial margin money utilised for equity derivatives		-	-	
Marked-to-market for equity derivatives		-	-	
Share application money		-	-	
Outstanding and accrued income		469,416	963,807	
Tax deducted at source		-	-	
Dividend receivable		-	-	
Other receivable		-	-	
		<b>14,472,969</b>	<b>41,829,211</b>	
<b>7 INTEREST</b>	<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>	
Call and term deposits		-	110	
Reverse Repo / CBLO		2,805,026	1,340,994	
Securities and fixed deposits		2,989,580	4,396,278	
		<b>5,794,606</b>	<b>5,737,382</b>	

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

DSP MERRILL LYNCH SAVINGS PLUS FUND-AGGRESSIVE (SPF-A)				DSP MERRILL LYNCH INDIA T.I.G.E.R. FUND (THE INFRASTRUCTURE GROWTH AND ECONOMIC REFORMS FUND) (ITF)			
As at 31.03.2007 Rupees		As at 31.03.2006 Rupees		As at 31.03.2007 Rupees		As at 31.03.2006 Rupees	
Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
47,585,732	48,569,749	73,233,045	95,802,341	11,704,165,326	13,167,516,859	5,257,851,494	7,520,549,706
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
343,995,470	344,003,460	150,000,000	150,482,650	-	-	-	-
17,836,250	17,835,490	77,333,653	77,375,270	-	-	-	-
-	-	49,296,377	49,296,377	-	-	-	-
148,623,541	148,623,541	-	-	925,000,915	925,000,915	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>558,040,993</b>	<b>559,032,240</b>	<b>349,863,075</b>	<b>372,956,638</b>	<b>12,629,166,241</b>	<b>14,092,517,774</b>	<b>5,257,851,494</b>	<b>7,520,549,706</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	-		-		-		-
	300,000		-		1,000,000		-
	26,860,895		-		119,691,639		27,276,789
	<b>27,160,895</b>		-		<b>120,691,639</b>		<b>27,276,789</b>
	<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>		<b>As at 31.03.2007 Rupees</b>		<b>As at 31.03.2006 Rupees</b>
	4,103,870		5,089,598		141,648,715		143,394,287
	115,252		-		6,608,094		6,049,511
	-		-		82,355,272		146,402,584
	60,242,534		69,474,313		285,480,020		297,390,027
	-		-		-		-
	-		-		-		-
	-		-		-		-
	5,943,228		5,554,516		13,941,902		3,386,145
	-		-		-		-
	-		-		-		-
	-		12,365,700		-		569,431
	<b>70,404,884</b>		<b>92,484,127</b>		<b>530,034,003</b>		<b>597,191,985</b>
	<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>		<b>Year ended 31.03.2007 Rupees</b>		<b>Year ended 31.03.2006 Rupees</b>
	-		110		-		9,130
	7,617,913		4,325,734		35,434,687		12,976,296
	21,438,370		9,401,925		5,371,378		666,683
	<b>29,056,283</b>		<b>13,727,769</b>		<b>40,806,065</b>		<b>13,652,109</b>

**DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR/PERIOD ENDED MARCH 31, 2007**

4 INVESTMENTS	DSP MERRILL LYNCH LIQUID PLUS FUND (LPLUS)		DSP MERRILL LYNCH SMALL & MIDCAP FUND (SM)		DSP MERRILL LYNCH TAX SAVER FUND (TAX)	
	As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees	
	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
<b>Equity Shares</b>						
Listed or awaiting listing	-	-	13,278,316,420	13,017,832,853	905,195,717	856,953,570
Unlisted	-	-	-	-	-	-
<b>Preference Shares</b>						
Listed or awaiting listing	-	-	-	-	-	-
<b>Government Securities</b>	-	-	-	-	-	-
<b>Bonds &amp; Debentures</b>						
Listed or awaiting listing	549,076,483	549,363,950	1,104,938,750	1,104,207,750	-	-
Private placement / unlisted	839,266,788	839,177,450	-	-	-	-
<b>Commercial Papers (CP)</b>	3,600,423,813	3,600,423,813	-	-	-	-
<b>Certificate of Deposits (CD)</b>	11,151,771,790	11,151,771,790	195,457,272	195,457,272	141,675,570	141,675,570
<b>Treasury Bills (T bills)</b>	-	-	-	-	-	-
<b>Bills Rediscounting (BRDS)</b>	-	-	-	-	-	-
	<b>16,140,538,874</b>	<b>16,140,737,003</b>	<b>14,578,712,442</b>	<b>14,317,497,875</b>	<b>1,046,871,287</b>	<b>998,629,140</b>
<b>5 DEPOSITS</b>						
Fixed Deposits with Scheduled Banks	-	-	-	-	-	-
Margin money with The Clearing Corporation of India Ltd. (CCIL)	-	-	-	200,000	-	-
Initial margin money for equity derivatives	-	-	-	111,710,100	-	22,406,267
	-	-	-	<b>111,910,100</b>	-	<b>22,406,267</b>
<b>6 OTHER CURRENT ASSETS</b>						
Balances with banks in current account		426,133,241		28,186,993		51,597,486
Receivable for units switch in		11,256,855		86,416		420,276
Contracts for sale of investments		-		35,374,564		-
Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralised Borrowing and Lending Obligations (CBLO)		189,769,931		121,972,500		147,664,541
Initial margin money utilised for equity derivatives		-		37,584,900		6,450,683
Marked-to-market for equity derivatives		-		-		-
Share application money		-		17,926,260		1,408,440
Outstanding and accrued income		634,328,552		23,473,218		3,433,798
Tax deducted at source		-		-		-
Dividend receivable		-		-		-
Other receivable		-		-		-
		<b>1,261,488,579</b>		<b>264,604,851</b>		<b>210,975,224</b>
<b>7 INTEREST</b>						
Call and term deposits		-		-		-
Reverse Repo / CBLO		64,188,603		63,145,495		4,075,571
Securities and fixed deposits		1,329,654,459		97,494,143		3,039,848
		<b>1,393,843,062</b>		<b>160,639,638</b>		<b>7,115,419</b>

**DSP MERRILL LYNCH MUTUAL FUND  
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND THE  
REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED MARCH 31, 2007**

**Schedule 8: 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.

The Schemes have been sponsored by DSP Merrill Lynch Limited (DSPML), DSP HMK Holdings Pvt. Ltd. (Formerly HMK Investment Private Limited) and DSP ADIKO Holdings Pvt. Ltd. (Formerly ADIKO Investment Private Limited).

Scheme Name	Date of Launch	NFO period	Date of Reopen	Investment Objective
BF	April 07, 1997	April 07, 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 07, 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 06, 1998 - March 09, 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.

Scheme Name	Date of Launch	NFO period	Date of Reopen	Investment Objective
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.
TAX	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.

BF-Bond Fund, EF - Equity Fund, LF - Liquidity Fund, BaF - Balanced Fund, GSFA - Government Securities Fund - Plan A (Longer Duration Plan), GSF B - 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, TAX - Tax Saver Fund, (Collectively referred as 'Schemes') .

**Note:** All the above schemes are open ended.

## 2 Significant Accounting Policies

### 2.1 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.

### 2.2 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.

### 2.3 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.

### 2.4 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'.

#### 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.

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.

### 2.5 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.

### 2.6 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.

Interest on fixed income securities is recognised as income on a daily basis over the period of holding. 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.

### 2.7 Expenses

All expenses are accounted for on accrual basis.

### 2.8 Contingent Deferred Sales Charge (CDSC) / Entry Load

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

### 2.9 New Fund Offer (NFO) Expenses

NFO expense for LPLUS was borne by the AMC. For SM & TAX 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.

### 3 Dividend Distribution

Income distribution during the previous financial year was made from the distributable surplus of previous year's earnings and accumulated reserves of earlier years.

### 4 Open position of ETED as at March 31, 2007 is as under:

Year	Scheme	Series	No of Contracts	No of Units - Long / (Short)
2006-07	EF	ICICI Bank Ltd. - April 2007	230	(80,500)
	EF	NIFTY - April 2007	1719	85,950
	BaF	NIFTY - April 2007	1145	57,250
	TEF	ICICI Bank Ltd. - April 2007	106	(37,100)
	TEF	NIFTY - April 2007	1169	58,450
	SM	Balrampur Chini Mills Ltd. - April 2007	606	(1,454,400)
	SM	Balrampur Chini Mills Ltd. - May 2007	42	(100,800)
2005-06	SM	Renuka Sugars Ltd. - April 2007	280	(140,000)
	TAX	NIFTY - April 2007	300	15,000
	EF	Sun Pharma - April 2006	68	30,600

### 5 Securities contributed towards Settlement Guarantee Fund – Business Segment (BS) & collateral for Collateralised Borrowing and Lending Obligations (CBLO)

Following Central Government Securities were pledged towards BS & collateral for CBLO with the Clearing Corporation of India Limited as of March 31, 2007.

Segment	Scheme	Security	Face Value (Rupees)
CBLO	GSFA	09.39% GSE 2011	60,000,000
CBLO	GSFB	09.39% GSE 2011	20,000,000
CBLO	GSFB	364 DAY TBILL 2007	20,000,000
CBLO	GSFA	08.07% GSE 2017	20,000,000
BS	GSFA	07.59% GSE 2016	100,000,000
BS	GSFA	08.07% GSE 2017	80,000,000

### 6 Investments

- Investments of the Schemes are registered in the name of the Trustees for the benefits of the Schemes Unitholders.
- Investments made in companies which have invested more than five percent of the net asset value of the Schemes of DSP Merrill Lynch Mutual Fund in terms of Regulation 25 (11)
  - Investment in Companies includes investment in subsidiaries.
  - Purchases represents purchases (including derivatives transactions and inter scheme transactions) made during the period prescribed under regulation 25(11).
  - Value represents closing market value of investments as of March 31, 2007.

Company Name	Scheme invested in	Investing Scheme ( Rupees in crores)																
			BaF	BF	EF	FRF	ITF	LF	LPLUS	OF	SM	SPF - A	SPF - C	SPF - M	STF	TAX	TEF	TF
Bank of Baroda	LF	Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Value	-	-	-	-	16.06	-	-	-	-	-	-	-	-	-	-	-
Birla Corporation Ltd.	FTP3C	Purchases	3.12	-	9.62	-	-	-	-	12.37	-	-	-	-	-	-	-	-
		Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Technologies Ltd.	SPF-C	Purchases	-	-	-	-	-	-	-	6.84	-	0.48	0.03	0.99	-	2.53	5.84	2.25
		Value	-	-	-	-	-	-	-	6.53	-	-	-	-	-	2.41	1.60	1.01
HCL Technologies Ltd.	STF	Purchases	7.34	-	13.99	-	-	-	-	21.26	-	0.29	0.03	0.96	-	-	23.53	8.22
		Value	-	-	-	-	-	-	-	12.75	-	-	-	-	-	-	-	-
HDFC Ltd.	LF	Purchases	-	-	-	-	4.57	360.03	149.45	20.01	-	-	-	-	-	-	-	-
		Value	4.99	5.00	-	168.17	-	104.80	34.91	-	40.00	8.99	-	19.95	-	-	-	-
Hero Honda Motors Ltd.	LF, STF	Purchases	-	-	2.92	-	-	-	-	-	-	-	-	-	-	-	2.47	-
		Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Company Name	Scheme invested in	Investing Scheme ( Rupees in crores)																
			BaF	BF	EF	FRF	ITF	LF	LPLUS	OF	SM	SPF - A	SPF - C	SPF - M	STF	TAX	TEF	TF
Hindalco Industries Ltd.	FRF	Purchases	2.35	-	8.32	-	10.49	-	-	11.81	-	0.23	0.01	0.50	-	-	3.14	-
		Value	-	-	-	-	-	-	-	9.77	-	-	-	-	-	-	-	-
Hindustan Lever Ltd.	LF	Purchases	2.41	-	2.90	-	-	-	-	5.73	-	1.53	0.11	3.62	-	-	12.19	-
		Value	-	-	-	-	-	-	-	23.41	-	-	-	-	-	-	-	7.67
Hindustan Zinc Ltd.	STF	Purchases	4.10	-	10.62	-	-	-	-	-	-	-	-	-	-	-	-	-
		Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICICI Bank Ltd.	LF	Purchases	75.42	21.54	31.58	12.56	202.04	1,443.44	393.81	100.30	312.75	15.81	9.04	166.05	78.86	6.35	65.66	-
		Value	9.92	4.42	-	-	17.07	315.77	48.07	36.05	-	4.95	4.95	-	-	3.85	-	-
IDFC Ltd.	STF	Purchases	-	-	-	-	46.31	-	-	-	-	-	-	-	1.15	5.46	-	-
		Value	-	-	-	-	25.88	-	-	-	-	-	-	-	0.90	-	-	-
Infosys Technologies Ltd.	LF	Purchases	3.78	-	5.16	-	-	-	-	30.24	-	-	-	-	-	-	4.17	1.62
		Value	3.22	-	9.53	-	-	-	-	43.83	20.24	-	-	-	-	2.94	7.08	9.59
IPCL Ltd.	LF	Purchases	-	-	-	-	-	-	-	22.18	-	-	-	-	-	-	-	-
		Value	-	-	-	-	-	-	-	6.76	-	-	-	-	-	-	-	-
ITC Ltd.	FRF, LF, STF	Purchases	18.68	-	20.01	-	-	-	-	13.47	-	1.53	0.07	2.10	-	2.01	17.62	-
		Value	7.92	-	11.45	-	-	-	-	18.77	-	-	-	-	-	0.71	9.18	-
Jet Airways Ltd.	LF	Purchases	-	-	-	-	3.51	-	-	-	-	-	-	-	-	-	2.23	-
		Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Larsen & Toubro Ltd.	TEF	Purchases	9.18	-	16.10	-	37.03	25.00	-	22.62	15.04	1.32	0.09	3.69	-	3.06	11.89	-
		Value	10.03	-	18.32	-	61.23	25.00	-	44.52	15.37	-	-	-	-	3.39	12.20	-
Maruti Udyog Ltd.	LF	Purchases	2.59	-	-	-	5.70	-	-	29.61	-	0.21	0.01	0.36	-	-	12.40	-
		Value	-	-	-	-	-	-	-	6.31	-	-	-	-	-	-	-	-
Punjab National Bank	STF	Purchases	0.73	-	-	-	-	629.51	-	-	-	-	-	-	-	-	5.50	-
		Value	7.66	-	17.09	-	-	-	-	-	-	-	-	-	-	-	9.01	-
Reliance Industries Ltd.	LF	Purchases	25.10	5.03	38.00	-	66.63	-	-	38.57	54.43	10.17	0.42	11.53	-	7.29	38.67	-
		Value	12.44	-	37.46	-	75.80	-	-	79.29	43.15	-	-	-	-	7.57	24.93	-
Reliance Petroleum Ltd.	LF	Purchases	0.80	-	4.75	-	2.05	-	-	2.61	-	0.12	0.03	0.45	-	0.56	0.50	-
		Value	-	-	3.60	-	-	-	-	-	-	-	-	-	-	0.57	-	-
State Bank of India	ITF	Purchases	2.46	-	4.22	-	5.19	530.93	-	1.47	-	-	-	-	28.98	-	2.49	-
		Value	9.84	-	47.98	-	68.60	153.90	123.45	74.20	19.55	9.91	-	14.87	14.77	-	27.14	-
Tata Iron and Steel Co. Ltd.	LF	Purchases	3.30	-	10.34	-	16.18	-	-	9.43	-	0.92	0.11	1.99	-	-	8.24	-
		Value	6.42	-	16.98	-	27.77	-	-	7.33	-	-	-	-	-	-	7.46	-
Tech Mahindra Ltd.	STF	Purchases	0.37	-	0.62	-	-	-	-	8.14	-	0.61	0.05	1.39	-	1.03	1.79	0.68
		Value	-	-	-	-	-	-	-	8.38	-	-	-	-	-	-	2.85	2.69
Television Eighteen India Ltd.	LPLUS	Purchases	2.80	-	-	-	48.07	-	-	17.40	36.82	-	-	-	-	1.13	-	1.23
		Value	-	-	-	-	36.50	-	-	20.77	38.58	-	-	-	-	1.19	-	-
The Bombay Dyeing & Mfg Co. Ltd.	GSFA	Purchases	-	-	-	-	19.65	-	-	14.07	-	-	-	-	-	-	-	-
		Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UCO Bank	STF	Purchases	-	-	-	-	-	381.89	-	-	-	-	-	-	18.55	-	-	-
		Value	-	-	-	-	-	427.95	-	-	-	-	-	-	-	-	-	-
Ultratech Cement Ltd.	STF	Purchases	5.41	-	-	-	-	-	-	-	-	-	-	-	-	-	0.36	-
		Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wipro Ltd.	STF	Purchases	4.79	-	9.38	-	-	-	-	3.43	-	0.69	0.06	1.68	-	-	13.90	8.69
		Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.68	3.25

**FTP: Fixed Term Plans**

The Investment Manager is of the opinion that the investments are made by the schemes in such companies since they are perceived as fundamentally strong and possess a high potential for growth. Further, investments in fixed income instruments issued by the aforesaid companies would yield attractive returns commensurate with the risks associated with the issuer.

**7 Investment Management and Trusteeship Fees**

Investment management fees (including service tax and education cess) have been charged by the Schemes pursuant to an agreement with DSP Merrill Lynch Fund Managers Limited (AMC), as under:

SCHEMES (Average rate in percentage per annum on daily average net assets)																			
BF	EF	LF *	LF **	BaF	GSFA	GSFB	TF	OF	STF	TEF	SPF - M	FRF *	FRF **	SPF-C	SPF-A	ITF	LPLUS	SM	TAX
1.25%	1.04%	0.40%	0.25%	1.07%	0.55%	0.28%	1.23%	1.02%	0.21%	1.10%	1.11%	0.32%	0.14%	0.75%	1.00%	1.02%	0.21%	1.02%	1.22%

\* Retail Plan, \*\* Institutional Plan.

The Fund has accrued trusteeship fees aggregating Rs. 4,040,640 (previous year Rs. 2,755,000) for the year ended March 31, 2007 in accordance with the original Trust Deed dated December 16, 1996 as amended by supplementary Trust Deed dated December 23, 1999. The trusteeship fees have been allocated between the schemes in proportion to the net assets of the schemes. The Trusteeship fees are subject to a maximum of 0.02% of the average net assets per annum.

**8 Details of Transactions with Associates in terms of Regulation 25(8):**

Name of Associate: DSP Merrill Lynch Limited

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 (Rupees)		Payment of Brokerage on Secondary Market transactions (Rupees)		Payment of Brokerage for Distribution and Sale of Units (Rupees)	
	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006
BF	-	50,000,000	-	-	1,078,630	1,653,049
EF	49,335,200	95,079,874	2,893,560	1,020,918	6,679,431	7,197,481
LF	-	2,650,000,000	-	-	3,671,094	5,371,740
BaF	29,059,680	90,842,708	1,689,529	526,983	10,744,886	6,392,644
GSFA	-	-	-	-	94,781	107,652
GSFB	-	-	-	-	103,269	186,254
TF	1,552,400	-	173,775	20,082	1,573,860	622,780
OF	405,477,097	182,424,217	1,969,150	1,662,354	10,626,820	9,053,755
STF	-	200,000,000	-	-	715,171	1,041,684
TEF	124,876,955	32,602,132	2,279,025	246,768	3,546,464	1,612,391
SPF - M	114,799,850	29,063,648	467,558	196,251	4,381,660	4,373,106
FRF	-	1,400,000,000	-	-	3,359,197	10,698,985
SPF-C	3,762,765	953,747	16,984	2,007	156,903	151,784
SPF-A	48,837,870	5,011,676	230,550	17,900	1,216,701	551,183
ITF	544,721,160	173,111,111	3,235,435	1,672,755	5,913,448	4,990,299
LPLUS	-	-	-	-	8,145,741	-
SM	1,572,811,791	-	1,996,760	-	26,939,256	-
TAX	24,524,696	-	73,651	-	497,750	-

**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.

**9 The aggregate value of investments purchased and sold (including redeemed) during the year and these amounts as a percentage of average daily net assets are as follows:**

Scheme	Purchase (Rupees)		Sale (Rupees)		Purchase as a % to average daily net assets		Sale as % to average daily net assets	
	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006
BF	913,449,585	4,690,412,900	931,032,921	5,109,575,587	152.02%	532.43%	154.94%	580.01%
EF	15,107,717,947	5,853,602,821	14,083,621,547	3,754,528,084	240.40%	203.64%	224.11%	130.61%
LF	131,405,407,432	135,860,778,490	158,928,180,530	101,567,777,847	309.69%	572.49%	374.55%	427.99%
BaF	9,522,967,367	3,513,546,109	8,961,395,813	3,740,343,177	258.50%	131.34%	243.26%	139.82%
GSFA	1,807,033,814	5,035,053,050	1,827,356,210	5,005,795,540	524.77%	1160.53%	530.67%	1153.78%
GSFB	518,933,630	728,751,750	479,915,844	872,060,550	571.00%	473.81%	528.07%	566.99%
TF	1,233,975,043	114,177,443	1,055,151,663	214,408,252	353.37%	42.86%	302.16%	80.48%
OF	16,019,797,681	8,874,785,440	14,190,820,793	9,226,465,007	131.65%	122.66%	116.62%	127.52%
STF	3,360,717,852	6,451,701,668	3,397,462,012	6,339,264,949	287.30%	386.48%	290.44%	379.75%
TEF	9,773,799,370	2,017,491,314	8,360,642,907	1,993,009,679	374.40%	249.22%	320.26%	246.19%
SPF - M	6,771,694,576	3,430,076,418	7,052,415,069	4,475,574,915	339.75%	133.83%	353.84%	174.62%

Scheme	Purchase (Rupees)		Sale (Rupees)		Purchase as a % to average daily net assets		Sale as % to average daily net assets	
	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006
FRF	228,562,410	42,644,050,806	8,345,681,198	50,786,202,382	3.02%	165.95%	110.44%	197.64%
SPF-C	162,096,847	20,346,914	171,650,236	94,129,918	117.76%	13.84%	124.71%	64.03%
SPF-A	1,789,158,993	566,995,432	1,623,708,248	525,997,477	299.71%	162.15%	271.99%	150.43%
ITF	22,459,535,171	9,605,529,819	17,369,646,868	7,616,837,685	196.00%	234.81%	151.58%	186.20%
LPLUS	59,553,542,997	-	44,014,213,846	-	218.82%	-	161.72%	-
SM	37,381,983,187	-	23,049,622,061	-	251.54%	-	155.10%	-
TAX	1,851,694,620	-	749,106,101	-	173.45%	-	70.17%	-

**10 Distributable Surplus:**
**Rupees**

Scheme Name	FINANCIAL YEAR 2006-2007				FINANCIAL YEAR 2005-2006			
	Net Income as per Revenue Account	Add: Balance of undistributed income as at the beginning of the year	Less: Distributed to unitholders & distribution Tax	Balance Distributable income	Net Income as per Revenue Account	Add: Balance of undistributed income as at the beginning of the year	Less: Distributed to unitholders & distribution Tax	Balance Distributable income
BF	27,826,624	5,151,964,786	9,675,904	5,170,115,506	28,945,713	5,127,061,250	4,042,177	5,151,964,786
EF	2,265,581,834	(386,034,373)	1,236,834,644	642,712,817	505,024,321	203,300,318	1,094,359,012	(386,034,373)
LF	2,358,211,885	1,199,365,979	1,961,479,205	1,596,098,659	1,201,948,590	886,798,969	889,381,580	1,199,365,979
BaF	1,039,499,918	760,286,650	527,959,257	1,271,827,311	607,586,429	152,700,221	-	760,286,650
GSFA	11,607,346	438,396,424	2,339,230	447,664,540	16,972,482	426,124,635	4,700,693	438,396,424
GSFB	2,685,074	90,211,179	284,137	92,612,116	8,372,709	83,653,807	1,815,337	90,211,179
TF	346,498,629	(81,353,127)	-	265,145,502	79,973,968	(161,327,095)	-	(81,353,127)
OF	2,095,163,661	2,192,674,610	1,609,885,729	2,677,952,542	2,585,626,049	982,453,973	1,375,405,412	2,192,674,610
STF	50,191,881	232,127,760	30,823,546	251,496,095	65,163,490	200,175,130	33,210,860	232,127,760
TEF	451,188,291	611,476,203	672,157,003	390,507,491	426,110,203	185,366,000	-	611,476,203
SPF - M	196,369,175	596,173,375	54,899,773	737,642,777	191,353,266	470,304,769	65,484,660	596,173,375
FRF	348,204,143	695,762,459	261,107,424	782,859,178	1,115,150,823	436,150,594	855,538,958	695,762,459
SPF-C	8,517,994	14,066,471	3,275,899	19,308,566	10,445,760	7,082,164	3,461,453	14,066,471
SPF-A	73,369,075	29,553,751	25,650,724	77,272,102	40,682,390	11,969,160	23,097,799	29,553,751
ITF	2,858,541,514	229,655,263	2,122,195,623	966,001,154	1,355,039,294	271,745,018	1,397,129,049	229,655,263
LPLUS	1,193,983,820	-	1,082,114,592	111,869,228	-	-	-	-
SM	(99,294,758)	-	-	(99,294,758)	-	-	-	-
TAX	(52,876,298)	-	-	(52,876,298)	-	-	-	-

**11 Segment Information**

The Schemes operate only in one segment viz., to primarily generate returns, based on schemes investment objective.

**12 Accounting Standard - 3 (Cash Flow Statement) and Accounting Standard - 18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India (ICAI) are applicable to the Top100 Equity Fund (TEF) for the first time from the financial year commencing on April 01, 2006. Accordingly, as permitted by these Accounting Standards, the corresponding previous year figures have not been disclosed.**

**13 Related Party Disclosure pursuant to Accounting Standard 18 issued by The Institute of Chartered Accountants of India is applicable for following schemes and disclosures are made as under:**

- DSP Merrill Lynch Equity Fund
- DSP Merrill Lynch Balanced Fund
- DSP Merrill Lynch Floating Rate Fund
- DSP Merrill Lynch Top 100 Equity Fund
- DSP Merrill Lynch Liquidity Fund
- DSP Merrill Lynch Opportunities Fund
- DSP Merrill Lynch Liquid Plus Fund
- DSP Merrill Lynch India T.I.G.E.R (The Infrastructure Growth and Economic Reforms Fund)

**The following are the related parties by control:**

**a. DSP Merrill Lynch Fund Managers Limited (AMC)**

**b. DSP Merrill Lynch Trustee Company Private Limited (Trustee Company)**

**c. Key Management Personnel :**

- Mr. Naganath Sundaresan - President & Chief Investment Officer
- Mr. Dhawal Dalal - Fund Manager & Head of Fixed Income (LF, FRF, LPLUS)
- Mr. Sujoy Kr. Das - Fund Manager (LF, LPLUS)
- Mr. Anup Maheshwari - Fund Manager & Head of Equities (EF, BaF, OF, TEF, ITF): upto 16.12.2005 and w. e. f. 01.09.2006
- Mr. Soumendranath Lahiri - Fund Manager (OF, ITF): w. e. f. 03.04.2006 & Joint Head of Equities (EF, BaF, OF, TEF, ITF): w. e. f. 01.01.2007
- Mr. Apoorva Shah - Fund Manager (EF, BaF, TEF): w. e. f. 03.04.2006
- Mr. Rajesh Kothari - Fund Manager (EF, BaF): w. e. f. 03.04.2006 upto 16.06.2006
- Mr. Pankaj Sharma – Risk Manager

**d. Relatives of key Management Personnel :**

- Mrs. Priyamvada Naganath (wife of Mr. Naganath Sundaresan)

**e. Associates**

- DSP Merrill Lynch Ltd. (DSPML)
- DSP Merrill Lynch Capital Ltd. (DSPMLCL)
- DSP HMK Holdings Pvt. Ltd. (Formerly HMK Investment Pvt. Ltd.): w. e. f. 23.03.2006
- DSP ADIKO Holdings Pvt. Ltd. (Formerly ADIKO Investment Pvt. Ltd.): w. e. f. 23.03.2006

**f. Schemes of DSP Merrill Lynch Mutual Fund managed by DSP Merrill Lynch Fund Managers Limited**

**Transactions Type: Management Fee, Trustee Fee, Brokerage on unit distribution, Brokerage on secondary market trades and Marketing & Advertisement expenses:**

Rupees

2006-2007	BaF	EF	FRF	LF	LPLUS	OF	ITF	TEF
Management Fee	39,338,139	65,341,467	23,130,840	123,452,707	39,911,489	124,185,477	116,692,355	28,604,542
Trustee Fee	124,500	209,100	300,900	1,469,854	484,880	408,500	358,700	80,900
Brokerage on Unit Distribution	10,744,886	6,679,430	3,359,197	3,671,094	8,145,741	10,626,820	5,913,448	3,546,463
Brokerage on Secondary market	1,689,529	2,893,560	-	-	-	1,969,150	3,235,435	2,279,025
Marketing & advertisement expenses	-	42,750	-	-	-	57,750	12,750	12,750
Year-end other payable:								
- AMC	3,327,714	5,743,212	856,841	3,115,558	3,820,212	10,467,643	11,562,407	2,690,757
- Trustee Company	28,800	51,060	38,990	186,420	207,140	103,540	94,860	21,620
- Associate: DSPML	820,217	829,078	125,025	250,256	666,437	974,427	1,224,147	352,373

Rupees

2005-2006	BaF	EF	FRF	LF	OF	ITF
Management Fee	29,250,461	31,244,272	77,793,316	65,527,664	74,849,906	43,405,717
Trustee Fee	105,800	95,800	1,050,550	689,450	273,500	145,100
Brokerage on Unit Distribution	6,392,644	7,197,481	10,698,985	5,371,740	9,053,755	4,990,299
Marketing & advertisement expenses	15,500	68,000	2,000	2,000	30,500	68,000
Brokerage on Secondary market	526,983	1,020,918	-	-	1,662,354	1,672,755
Year-end other payable:						
- AMC	2,816,150	4,427,633	4,041,428	13,560,477	8,157,578	5,833,022
- Associate: DSPML	828,548	439,511	541,096	624,292	1,023,120	551,123

**Note:**

- Management Fees is paid to DSP Merrill Lynch Fund Managers Limited (AMC)
- Brokerage on unit distribution / secondary market equity trades and Marketing & advertisement expenses are paid to associate, DSPML.
- Payment of Brokerage on unit distribution is made by the AMC and the year end balance is reflected in the books of the AMC
- Trustee fee is paid to Trustee Company.

**Transactions Type: Subscription / Redemption of Units**

Related Party	Transaction	SCHEMES (Amount in Rupees)							
		BaF	EF	FRF	ITF	LF	LPLUS	OF	TEF
Anup Maheshwari	Dividend Reinvest	-	21,183	-	92,615	-	-	24,560	-
	Purchase	-	52,500	-	52,500	-	-	52,500	52,500
	Year end outstanding	-	146,502	-	459,880	-	-	226,462	495,276

Related Party	Transaction	SCHEMES (Amount in Rupees)							
		BaF	EF	FRF	ITF	LF	LPLUS	OF	TEF
Apoorva Shah	Dividend Reinvest	-	24,378	-	-	-	-	-	-
	Purchase	-	96,000	-	-	-	-	-	-
	Redemption	-	-	-	-	-	-	1,298,637	-
	Year end outstanding	-	167,329	-	-	-	-	-	-
Dhawal Dalal	Dividend Reinvest	-	-	-	-	23,757	15,293	-	-
	Purchase	-	-	-	-	700,000	698,204	-	-
	Redemption	-	-	-	-	1,001,000	713,497	-	-
	Year end outstanding	-	-	-	-	25,817	-	-	-
DSP Adiko Holdings Pvt. Ltd.	Dividend Paid	-	5,681,818	-	-	-	-	6,009,615	-
	Dividend Reinvest	-	-	839	20,567,367	15,159,796	20,977,186	-	-
	Purchase	-	30,000,000	-	90,000,000	375,000,000	744,600,000	30,000,000	30,000,000
	Redemption	-	-	147,267	-	851,229,226	50,000,000	-	-
	Year end outstanding	-	30,339,286	-	102,127,146	9,691,817	715,205,931	28,395,433	43,794,446
DSP HMK Holdings Pvt. Ltd.	Dividend Paid	-	6,628,788	-	-	1,570	-	7,011,218	-
	Dividend Reinvest	-	-	839	17,768,437	14,458,017	20,978,668	-	-
	Purchase	-	35,000,000	-	80,000,000	375,000,000	745,800,000	35,000,000	30,000,000
	Redemption	-	-	147,266	-	847,578,443	50,000,000	-	-
	Year end outstanding	-	35,395,833	-	88,229,074	2,596,349	716,407,413	33,128,005	43,794,446
DSP Merrill Lynch Capital Ltd.	Purchase	-	-	250,000,000	-	26,876,000,000	-	-	-
	Redemption	-	-	250,044,222	-	27,066,276,160	-	-	-
	Year end outstanding	-	-	-	-	-	-	-	-
DSP Merrill Lynch Fund Managers Ltd.	Dividend Reinvest	-	-	-	-	2,932,147	7,150,646	-	-
	Purchase	-	-	-	-	289,000,000	590,198,782	-	-
	Redemption	-	-	-	-	266,927,498	530,500,000	-	-
	Year end outstanding	-	-	-	-	25,004,921	66,985,445	-	-
Naganath Sundaresan	Dividend Reinvest	-	66,427	-	-	-	-	-	-
	Purchase	-	216,000	-	208,000	-	-	200,000	192,000
	Redemption	-	422,295	-	417,530	-	-	384,023	381,471
	Year end outstanding	-	-	-	-	-	-	-	-
Pankaj Sharma	Dividend Reinvest	-	10,462	-	-	43,867	18,448	-	-
	Purchase	-	42,000	-	33,000	1,484,305	3,628,653	24,000	-
	Redemption	-	-	-	-	3,112,957	-	2,129,940	-
	Year end outstanding	-	71,967	-	367,383	-	3,644,104	39,674	-
Priyamvada Naganath	Year end outstanding	-	-	-	-	-	-	-	-
Rajesh Kothari	Purchase	-	8,100	-	-	-	-	-	-
Soumendra Nath Lahiri	Dividend Reinvest	-	9,414	-	-	-	-	-	-
	Purchase	-	-	-	-	-	-	102,000	-
	Year end outstanding	-	58,921	-	-	-	-	111,787	-
Sujoy Kumar Das	Dividend Reinvest	-	-	-	-	201	3,846	-	-
	Purchase	-	-	-	-	-	304,487	-	-
	Redemption	-	-	-	-	104,313	308,335	-	-
	Year end outstanding	-	-	-	-	-	-	-	-

**2005-2006 (Amount in Rupees)**

Related Party	Transactions	BaF	EF	FRF	ITF	LF	OF
Anup Maheshwari	Dividend Reinvest	-	-	-	14,706	-	-
	Purchase	-	15,000	-	15,000	-	15,000
	Year end outstanding	-	146,502	-	459,880	-	226,462

2005-2006 (Amount in Rupees)

Related Party	Transactions	BaF	EF	FRF	ITF	LF	OF
Dhawal Dalal	Dividend Reinvest	-	-	-	-	3,060	-
	Purchase	-	-	-	-	300,000	-
	Year end outstanding	-	-	-	-	303,060	-
DSP Adiko Holdings Pvt. Ltd.	Dividend Reinvest	-	-	239	-	443,990	-
	Purchase	-	-	-	-	470,000,000	-
	Year end outstanding	-	-	146,268	4,075,468	470,493,912	-
DSP HMK Holdings Pvt. Ltd.	Dividend Reinvest	-	-	239	-	434,681	-
	Purchase	-	-	-	-	460,000,000	-
	Year end outstanding	-	-	146,268	2,693,215	460,454,364	-
DSP Merrill Lynch Capital Ltd.	Purchase	-	-	-	-	1,681,503,768	-
	Redemption	-	-	-	-	1,517,222,628	-
	Year end outstanding	-	-	-	-	166,601,360	-
DSP Merrill Lynch Fund Managers Ltd.	Dividend Reinvest	-	-	2,519,768	-	2,175,914	-
	Purchase	-	-	111,695,867	-	327,700,975	-
	Redemption	-	-	203,574,406	-	354,156,149	-
	Year end outstanding	-	-	-	-	-	-
Naganath Sundaresan	Dividend Reinvest	-	8,778	-	-	-	-
	Purchase	-	135,000	-	130,000	-	125,000
	Year end outstanding	-	155,529	-	151,501	-	143,499
Pankaj Sharma	Dividend Reinvest	-	1,773	-	-	-	-
	Purchase	-	21,000	-	16,500	2,000,000	12,000
	Redemption	-	-	-	-	500,000	2,004,008
	Year end outstanding	-	25,119	-	288,419	1,550,119	1,986,773
Priyamvada Naganath	Dividend Paid	-	-	-	176,471	-	-
	Redemption	762,022	-	-	1,752,941	-	-
	Year end outstanding	-	-	-	-	-	-
Sujoy Kumar Das	Dividend Reinvest	-	-	-	-	4,112	-
	Purchase	-	-	-	-	500,000	-
	Redemption	-	-	-	-	400,000	-
	Year end outstanding	-	-	-	-	104,112	-

- Value of units purchase / redemption are at transacted NAV.
- Year end outstanding units value are at last declared NAV.

**Transaction Type: Inter-scheme Trade  
2006 – 2007**

Purchaser	Seller	Rupees	Purchaser	Seller	Rupees	Seller	Purchaser	Rupees	
BaF	FRF	754,542,650	LF	BaF	585,564,350	BaF	SM	400,000,000	
	FTP Series1E	689,450,692		BF	34,098,435		SPF-M	200,045,600	
	LF	1,081,520,772		FRF	2,415,656,992		STF	50,022,000	
	LPLUS	96,722,500		FTP Series1C	49,917,400		FRF	BF	100,264,000
	SM	103,137,500		FTP Series3	48,622,150			FTP Series1G	18,283,014
	TAX	47,574,534		FTP Series3A	14,613,615			FTP Series1I	29,227,230
		LPLUS	16,486,961,325	FTP Series3E	79,737,280				
EF	FTP Series1G	240,890,000	LPLUS	OF	50,000,000	LF	SM	1,100,251,050	
	FTP Series3A	699,733,405		SM	1,285,243,440		SPF-A	242,846,670	
	LF	496,898,045		SPF-A	97,424,100		SPF-M	850,225,450	
	LPLUS	454,269,376		SPF-C	38,969,640		LPLUS	FTP Series1D	19,466,760
FRF	BaF	102,998,200		SPF-M	1,285,129,700			FTP Series1F	1,480,938,875
	FTP Series1E	29,407,410		STF	372,870,480			FTP Series1G	699,382,120
ITF	FTP Series1F	500,047,500		BaF	343,653,100			FTP Series1I	1,383,861,000
	FTP Series1G	240,890,000		EF	211,927,000		FTP Series3	29,200,140	
	FTP Series3A	998,780,928		FRF	1,027,974,950		FTP Series3A	2,382,638,418	
	LF	249,686,000		FTP Series1D	1,218,849,476		FTP Series3C	72,510,848	
	LPLUS	684,110,915		LF	11,900,529,903		SM	2,342,165,402	
	SM	500,000,000		OF	429,898,400		SPF-A	98,498,466	
	SPF-M	99,918,720		SM	499,229,620		SPF-M	2,325,424,083	
	TEF	49,959,360		SPF-M	583,204,925		STF	491,016,364	
OF	FRF	1,012,338,100	STF	193,815,843	LPLUS	BF	234,310,775		
	FTP Series1G	240,890,000	TEF	FTP Series1G		144,534,000	FTP Series1E	534,716,063	
	FTP Series3A	299,885,745		FTP Series3A		399,512,371	FTP Series1G	943,316,000	
	LPLUS	578,637,509		LPLUS		195,580,891	FTP Series1J	242,708,168	
	SM	249,299,250				SM	3,657,594,028		
SPF-M	150,000,000			SPF-A		198,068,807			
				SPF-M		343,810,709			
				STF		792,389,045			
				TAX		188,900,760			
				OF		STF	49,451,500		

**2005-2006**

Purchaser	Seller	Rupees	Purchaser	Seller	Rupees	Seller	Purchaser	Rupees	
BaF	BF	49,586,341	ITF	FTP Series1	197,808,418	FRF	EF	104,458,400	
	FRF	306,776,250		LF	BaF		480,539,111	FTP Series1	250,000,000
	FTP Series1	148,356,314			BF		99,502,706	FTP Series1A	600,515,400
	LF	250,000,000			FRF		7,689,958,258	GSF-A	98,742,600
	STF	199,435,400			FTP Series1		348,859,517	GSF-B	49,371,300
FRF	BF	250,189,890	FTP Series1A		1,749,464,690	OF	208,916,800		
	EF	104,298,800	ITF	197,851,904	SPF-A	98,742,600			
	OF	208,597,600	SPF-M	619,889,640	SPF-M	946,634,274			
	SPF-A	37,441,692	STF	586,128,181	STF	890,534,697			
	SPF-C	13,566,686	OF	STF	49,428,150	LF	FRF	2,546,129,011	
	SPF-M	50,311,000	<b>Seller</b>	<b>Purchaser</b>	<b>Rupees</b>		FTP Series1	831,177,378	
	STF	648,882,859	FRF	BF	204,528,100		FTP Series1A	2,117,651,828	
							STF	496,744,302	

**14 Prior Year Comparatives**

Prior Year figures have been reclassified, wherever necessary, to conform to current year's presentation. For LPLUS, SM, & TAX as these are the first Financial Statements since the date of its launch, there are no comparatives for the prior period.

**15 Contingent Liability:**

Uncalled liability on Hindalco Limited rights shares in following schemes:

**2006-2007**

Scheme	No. of Shares	Amount in Rupees
OF	405,526	19,465,248

**2005-2006**

Scheme	No. of Shares	Amount in Rupees
OF	226,791	16,328,952
TEF	35,856	2,581,632

**16 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 S.R. Batliboi & Co.**  
Chartered Accountants

per Hemal Shah  
Partner  
Membership No. 42650

Mumbai, April 24, 2007

**For DSP Merrill Lynch Trustee Company Private Limited**

Shitin D Desai  
Chairman

S. S. Thakur  
Director

Mumbai, April 24, 2007

**For DSP Merrill Lynch Fund Managers Limited**

Hemendra Kothari  
Chairman

K. R. V. Subrahmanian  
Director

**Naganath Sundaresan**  
President & Chief Investment Officer

Mumbai, April 23, 2007

**PERSPECTIVE HISTORICAL PER UNIT STATISTICS**

	BF			EF			LF					
	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07		As at 31-Mar-06		As at 31-Mar-05	
							Retail	Institu- tional	Retail	Institu- tional		
a. Net assets value, at the end of the period	G DD WD MD QD / D	*25.0123 - - *10.4011 *10.6280	23.7890 - - 10.3401 11.0305	22.9778 - - 10.2522 10.8986	- - - - *37.378	- - - - 38.94	- - - - 28.90	*18.3118 *10.0100 *12.4028 - -	*1093.8447 *1000.2000 *1000.4343 - -	17.1446 10.0100 12.4024 - -	1,022.0172 1,000.2000 1,000.3939 - -	16.2093 10.0100 12.4108 - -
* Refers to computed NAV												
b. Gross Income												
(i) Income other than profit on sale of investments		1.4133	1.6590	2.8556	0.547	0.27	0.41	1.6443		0.3197	0.9898	
(ii) Income from profit / (loss) on inter - scheme sales / transfer of investment		(0.0164)	(0.0766)	0.0043	-	-	-	(0.0020)		0.0001	0.0031	
(iii) Income from profit / (loss) on sale of investment to third party		(0.0959)	(0.1722)	(1.4582)	10.757	4.73	2.89	0.0253		0.0029	(0.0043)	
(iv) Transfer to revenue account from past years' reserve		0.1633	0.1045	-	0.001	-	0.04	0.0010		-	0.0039	
c. Aggregate of expenses, write - off, amortisation and charges (excluding change in unrealised depreciation in investments)		0.4290	0.5149	0.6859	0.717	0.47	0.42	0.1009		0.0220	0.0995	
d. Net Income (excluding change in unrealised depreciation in investments)		1.0353	0.9998	0.7158	10.588	4.53	2.92	1.5677		0.3007	0.8930	
e. Unrealised appreciation / (depreciation) in value of investments		0.0085	(0.1339)	(0.0610)	1.618	11.26	4.97	0.0001		0.0004	0.0063	
f. <b>Redemption Price:</b>												
<b>Highest Price</b>												
G		24.8867	23.6894	22.8656	-	-	-	18.3077	1,093.5885	17.1446	1022.0172	16.2093
DD		-	-	-	-	-	-	10.0100	1,000.2000	10.0100	1000.2000	10.0261
WD		-	-	-	-	-	-	12.4165	1,001.5889	12.4148	1001.3914	12.4308
MD		10.4457	10.3280	10.1907	-	-	-	-	-	-	-	-
QD / D		11.1719	11.0360	10.8448	48.055	38.94	30.68	-	-	-	-	-
<b>Lowest Price</b>												
G		23.6687	22.8177	21.8712	-	-	-	17.1479	1,022.2168	16.2116	1000.1628	15.4676
DD		-	-	-	-	-	-	10.0100	1,000.2000	10.0100	1000.0750	10.0100
WD		-	-	-	-	-	-	12.4000	1,000.2000	12.4000	1000.1628	12.4000
MD		10.2814	10.1817	9.7590	-	-	-	-	-	-	-	-
QD / D		10.5311	10.8226	10.3736	28.780	26.19	17.09	-	-	-	-	-
<b>Purchase Price</b>												
<b>Highest Price</b>												
G		25.0369	23.8324	23.0036	-	-	-	18.3077	1,093.5885	17.1446	1022.0172	16.2093
DD		-	-	-	-	-	-	10.0100	1,000.2000	10.0100	1,000.2000	10.0261
WD		-	-	-	-	-	-	12.4165	1,001.5889	12.4148	1001.3914	12.4308
MD		10.5088	10.3903	10.2522	-	-	-	-	-	-	-	-
QD / D		11.2393	11.1026	10.9103	49.136	39.82	31.37	-	-	-	-	-
<b>Lowest Price</b>												
G		23.8116	22.9554	22.0032	-	-	-	17.1479	1022.2168	16.2116	1000.1628	15.4676
DD		-	-	-	-	-	-	10.0100	1000.2000	10.0100	1000.0750	10.0100
WD		-	-	-	-	-	-	12.4000	1000.2000	12.4000	1000.1628	12.4000
MD		10.3435	10.2432	9.8179	-	-	-	-	-	-	-	-
QD / D		10.5947	10.8879	10.4362	29.430	26.78	17.43	-	-	-	-	-
g. Ratio of expenses to average daily net assets by percentage		2.06%	2.06%	1.81%	2.16%	2.31%	2.37%	0.54%	0.38%	0.46%	0.40%	0.51%
h. Ratio of gross income to average daily net assets by percentage (excluding transfer to revenue account from past years' reserve but including unrealised appreciation / depreciation on investments).		6.29%	5.10%	3.12%	38.88%	80.15%	46.20%	7.00%		6.37%		5.12%

PERSPECTIVE HISTORICAL PER UNIT STATISTICS

BaF			GSFA			GSFB			TF			OF		
As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05
*37.154	34.08	22.19	*23.0507	22.2448	21.2689	*16.9107	16.0168	15.2128	*25.138	17.91	10.88	*52.167	48.30	26.29
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	*10.1141	10.0635	10.0596	*10.1046	10.0157	-	-	-	-	-	-	-
*21.555	23.88	15.54	*11.4384	11.3788	11.3130	*10.9560	10.9055	10.8379	*25.138	17.91	10.88	*23.624	26.65	17.69
0.694	0.63	0.40	1.5100	1.3112	1.3362	1.8215	1.1984	0.6506	0.173	0.15	0.17	0.458	0.33	0.48
0.004	-	-	-	-	-	0.1304	-	-	-	-	-	-	-	-
5.907	4.55	1.26	(0.1299)	0.0524	(1.1729)	(0.0297)	(0.3025)	(0.3090)	7.803	5.67	2.92	4.400	6.79	2.62
0.001	-	0.01	-	-	-	-	0.0816	0.0408	-	-	-	0.001	-	-
0.446	0.41	0.23	0.2578	0.2555	0.2947	0.1436	0.0675	0.0699	0.288	0.38	0.28	0.544	0.45	0.42
6.160	4.77	1.44	1.1223	1.1081	(0.1314)	1.7786	0.9100	0.3125	7.688	5.44	2.81	4.315	6.67	2.68
0.994	6.50	1.98	(0.4867)	(0.1472)	(0.0172)	(0.1349)	-	(0.0579)	1.402	8.44	4.16	6.757	11.60	5.27
39.590	33.65	22.72	23.1864	22.2337	21.3922	16.9050	16.0168	15.2128	26.743	18.00	11.08	58.784	48.30	28.02
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	10.2176	10.1732	10.1861	10.1659	10.1123	-	-	-	-	-	-	-
25.140	23.58	17.29	11.6340	11.5897	11.3791	11.2773	11.1521	11.0661	-	18.00	11.08	32.428	27.60	21.56
27.600	21.30	16.35	22.0076	21.0441	20.2834	16.0201	15.2212	14.7214	12.550	9.93	6.66	36.470	25.08	16.88
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	9.9364	9.9082	9.5938	10.0177	10.0016	-	-	-	-	-	-	-
19.060	14.92	13.36	11.2576	11.1934	10.7890	10.9078	10.8439	10.7585	-	9.93	6.66	20.120	16.88	12.98
40.092	34.08	23.01	23.3264	22.3679	21.5213	16.9050	16.0168	15.2128	27.345	18.41	11.33	60.107	49.39	28.65
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	10.2793	10.2346	10.2476	10.1659	10.1123	-	-	-	-	-	-	-
25.460	23.88	17.51	11.7042	11.6597	11.4478	11.2773	11.1521	11.0661	-	18.41	11.33	33.158	28.22	22.05
27.950	21.57	16.56	22.1404	21.1711	20.4058	16.0201	15.2212	14.7214	12.830	10.15	6.79	37.290	25.64	17.22
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	9.9964	9.9680	9.6517	10.0177	10.0016	-	-	-	-	-	-	-
19.490	15.11	13.53	11.3256	11.2610	10.8541	10.9078	10.8439	10.7585	-	10.15	6.79	20.570	17.26	13.24
1.99%	2.03%	1.97%	1.20%	1.21%	1.22%	0.50%	0.38%	0.68%	2.30%	2.37%	2.49%	1.97%	2.14%	2.07%
33.92%	57.37%	30.98%	4.14%	5.77%	0.60%	6.20%	5.05%	2.74%	75.12%	90.05%	65.43%	42.00%	89.71%	42.44%

**PERSPECTIVE HISTORICAL PER UNIT STATISTICS**

	STF			TEF			SPF - M			
	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	
a. Net assets value, at the end of the period	G DD WD MD QD / D	*12.8124 - *10.0911 *10.3257 *10.4115	12.1679 - 10.1820 10.3213 10.4455	11.5625 - 10.1627 10.1902 10.3078	*55.211 - - - *21.988	48.05 - - - 26.52	26.68 - - - 14.72	*15.1540 - - *10.8198 *11.1836	14.2004 - - 11.0449 11.0922	12.5556 - - 10.6352 10.6672
* Refers to computed NAV										
b. Gross Income										
(i) Income other than profit on sale of investments		1.2928	0.9783	1.5325	0.360	0.25	0.45	0.9497	0.8530	0.9963
(ii) Income from profit / (loss) on inter - scheme sales / transfer of investment		(0.0072)	(0.1529)	(0.1277)	-	-	-	0.0343	0.0018	0.0082
(iii) Income from profit / (loss) on sale of investment to third party		0.0799	0.6065	(0.0593)	4.700	5.72	3.51	1.3156	1.2560	0.2760
(iv) Transfer to revenue account from past years' reserve		0.0994	0.0819	0.0246	-	-	-	-	0.0105	0.0026
c. Aggregate of expenses, write - off, amortisation and charges (excluding change in unrealised depreciation in investments)		0.1588	0.2063	0.2293	0.454	0.36	0.48	0.3371	0.3556	0.3745
d. Net Income (excluding change in unrealised depreciation in investments)		1.3061	1.3075	1.1408	4.606	5.61	3.48	1.9625	1.7657	0.9086
e. Unrealised appreciation / (depreciation) in value of investments		(0.0001)	(0.0749)	(0.0535)	1.212	6.14	3.03	0.0061	0.7321	0.2469
f. <b>Redemption Price:</b>										
<b>Highest Price</b>										
G		12.9246	12.1679	11.5625	60.449	48.05	28.40	15.2661	14.1256	12.5733
DD		-	-	-	-	-	-	-	-	-
WD		10.2135	10.2000	10.1709	-	-	-	-	-	-
MD		10.4395	10.3733	10.2441	-	-	-	11.1413	11.0934	10.7220
QD / D		10.6633	10.5392	10.5049	27.610	26.52	15.98	11.3727	11.2893	10.8730
<b>Lowest Price</b>										
G		12.1824	11.5672	11.1018	36.760	25.28	18.07	13.7294	12.4278	11.4927
DD		-	-	-	-	-	-	-	-	-
WD		10.0712	10.1550	10.1150	-	-	-	-	-	-
MD		10.3057	10.1942	10.0239	-	-	-	10.5645	10.5022	10.1006
QD / D		10.4062	10.3119	10.1800	14.640	13.95	11.59	10.7245	10.5587	10.2015
<b>Purchase Price</b>										
<b>Highest Price</b>										
G		12.9246	12.1679	11.5625	61.809	49.13	29.04	15.3582	14.2109	12.6492
DD		-	-	-	-	-	-	-	-	-
WD		10.2135	10.2000	10.1709	-	-	-	-	-	-
MD		10.4395	10.3733	10.2441	-	-	-	11.2086	11.1604	10.7867
QD / D		10.6633	10.5392	10.5049	28.230	27.12	16.34	11.4413	11.3574	10.9386
<b>Lowest Price</b>										
G		12.1824	11.5672	11.1018	37.590	25.85	18.43	13.8123	12.5028	11.5621
DD		-	-	-	-	-	-	-	-	-
WD		10.0712	10.1550	10.1150	-	-	-	-	-	-
MD		10.3057	10.1942	10.0239	-	-	-	10.6283	10.5656	10.1616
QD / D		10.4062	10.3119	10.1800	14.970	14.26	11.82	10.7892	10.6224	10.2631
g. Ratio of expenses to average daily net assets by percentage		0.68%	0.83%	0.72%	2.28%	2.44%	2.37%	2.01%	2.06%	1.89%
h. Ratio of gross income to average daily net assets by percentage (excluding transfer to revenue account from past years' reserve but including unrealised appreciation / depreciation on investments).		5.89%	5.45%	4.06%	31.43%	83.27%	34.80%	13.78%	16.43%	7.72%

PERSPECTIVE HISTORICAL PER UNIT STATISTICS

FRF				SPF - C			SPF - A			ITF			
As at 31-Mar-07		As at 31-Mar-06		As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05
Retail	Institutional	Retail	Institutional										
*12.3107	*1093.6560	11.5914	1,025.7663	10.9783	*12.0930	11.3784	10.4979	*13.8184	12.6953	10.9256	*31.540	27.36	13.79
*10.0312	*1001.0600	10.0290	1000.6000	10.0229	-	-	-	-	-	-	-	-	-
*10.0368	-	10.0301	1,000.7583	10.0354	-	-	-	-	-	-	-	-	-
-	-	-	-	-	*10.2407	10.2761	10.1037	*10.4105	10.6526	10.2263	-	-	-
*10.2526	-	10.1396	-	10.0389	*10.3884	10.2834	10.1060	*10.8495	10.6754	10.2335	*17.848	19.38	13.79
1.7083		1.4066		0.4497	0.6264	0.5046	0.6142	0.5579	0.3692	0.3909	0.274	0.16	0.16
0.0188		0.0027		0.0035	-	-	0.0152	(0.0138)	-	-	-	-	-
(0.0027)		0.0593		-	0.6511	0.5758	0.4538	0.9648	0.7270	0.6286	3.400	3.01	1.01
0.0015		0.0023		-	-	0.0220	-	-	0.0064	-	-	-	-
0.1827		0.1604		0.0557	0.2110	0.1827	0.2973	0.2347	0.1873	0.1858	0.343	0.24	0.17
1.5432		1.3105		0.3975	1.0665	0.9197	0.7859	1.2742	0.9153	0.8337	3.331	2.9300	1.00
0.0257		0.0264		0.0229	0.0057	0.1825	0.0733	0.0182	0.5744	0.1875	2.182	5.92	1.80
12.3085	1,093.4457	11.5914	1,025.7663	10.9783	12.0789	11.3183	10.4681	13.9297	12.6414	10.9798	35.497	27.36	14.63
10.0312	1,001.0600	10.0290	1,000.6000	10.0255	-	-	-	-	-	-	-	-	-
10.0473	1,002.2509	10.0395	1,001.3512	10.0401	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10.3141	10.2598	10.1416	10.8543	10.7485	10.4169	-	-	-
10.3822	-	10.2349	1,011.2749	10.1703	10.5142	10.3763	10.2434	11.0883	10.9596	10.6035	25.147	21.99	14.63
11.5932	1,025.9337	10.9805	1,000.1542	10.4419	11.2366	10.4223	9.9487	12.0733	10.7742	9.9035	20.200	13.64	9.87
10.0290	1,000.6000	10.0220	999.9558	10.0000	-	-	-	-	-	-	-	-	-
10.0287	1,000.9000	10.0275	1,000.1500	10.0100	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10.0504	10.0160	9.9487	9.9914	10.0499	9.9035	-	-	-
10.1412	-	10.0410	1,000.1515	10.0060	10.1553	10.0332	9.9487	10.1526	10.0918	9.9035	14.310	12.17	9.87
12.3085	1,093.4457	11.5914	1,025.7663	10.9783	12.1518	11.3866	10.5313	14.0138	12.7177	11.0461	36.296	27.98	14.96
10.0312	1,001.0600	10.2900	1,000.6000	10.0255	-	-	-	-	-	-	-	-	-
10.0473	1,002.2509	10.0395	1,001.3512	10.0401	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10.3764	10.3217	10.2028	10.9198	10.8134	10.4798	-	-	-
10.3822	-	10.2349	1,011.2749	10.1703	10.5777	10.4389	10.3052	11.1552	11.0258	10.6675	25.713	22.48	14.96
11.5932	1,025.9337	10.9805	1,000.1542	10.4419	11.3044	10.4852	10.0088	12.1462	10.8392	9.9633	20.650	13.95	10.07
10.0290	1,000.6000	10.0220	999.9558	10.0000	-	-	-	-	-	-	-	-	-
10.0287	1,000.9000	10.0275	1,000.1500	10.0100	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10.1111	10.0765	10.0088	10.0517	10.1106	9.9633	-	-	-
10.1412	-	10.0410	1,000.1515	10.0060	10.2166	10.0938	10.0088	10.2139	10.1527	9.9633	14.630	12.44	10.07
0.76%	0.38%	0.70%	0.48%	0.68%	1.44%	1.46%	2.22%	2.14%	2.15%	2.05%	2.01%	2.26%	2.30%
7.06%		6.31%		5.85%	8.77%	10.06%	6.88%	13.94%	19.21%	10.59%	34.27%	84.95%	32.47%

**PERSPECTIVE HISTORICAL PER UNIT STATISTICS**

	LPLUS		SM		TAX
	As at 31-Mar-07		As at 31-Mar-07		As at 31-Mar-07
	Retail	Institutional	Retail	Institutional	
a. Net assets value, at the end of the period	G *1047.6256 DD *1000.4113 WD *1000.4117 MD - QD / D -	*1049.8615 *1000.4223 *1000.4223 - -	*9.935 - - - *9.935	*9.963 - - - *9.963	*9.596 - - - *9.596
* Refers to computed NAV					
b. Gross Income					
(i) Income other than profit on sale of investments	80.7595		0.151		0.069
(ii) Income from profit / (loss) on inter - scheme sales / transfer of investment	2.7689		0.001		-
(iii) Income from profit / (loss) on sale of investment to third party	(2.7142)		0.043		0.008
(iv) Transfer to revenue account from past years' reserve	-		-		-
c. Aggregate of expenses, write - off, amortisation and charges (excluding change in unrealised depreciation in investments)	5.0438		0.081		0.046
d. Net Income (excluding change in unrealised depreciation in investments)	75.7704		0.114		0.031
e. Unrealised appreciation / (depreciation) in value of investments	0.0115		(0.183)		(0.382)
f. <b>Redemption Price:</b>					
<b>Highest Price</b>					
G	1,047.4039	1,049.6283	10.952	10.970	-
DD	1,000.4398	1,000.4488	-	-	-
WD	1,002.5376	1,002.5046	-	-	-
MD	-	-	-	-	-
QD / D	-	-	10.952	10.971	10.473
<b>Lowest Price</b>					
G	1,000.5322	1,000.5405	9.363	9.385	-
DD	1,000.2000	1,000.2000	-	-	-
WD	1,000.1996	1,000.2000	-	-	-
MD	-	-	-	-	-
QD / D	-	-	9.363	9.385	9.080
<b>Purchase Price</b>					
<b>Highest Price</b>					
G	1,047.4039	1,049.6283	11.198	10.970	-
DD	1,000.4398	1,000.4488	-	-	-
WD	1,002.5376	1,002.5046	-	-	-
MD	-	-	-	-	-
QD / D	-	-	11.198	10.971	10.709
<b>Lowest Price</b>					
G	1,000.5322	1,000.5405	9.574	9.385	-
DD	1,000.2000	1,000.2000	-	-	-
WD	1,000.1996	1,000.2000	-	-	-
MD	-	-	-	-	-
QD / D	-	-	9.574	9.385	9.280
g. Ratio of expenses to average daily net assets by percentage	0.74%	0.41%	1.81%	1.17%	2.08%
h. Ratio of gross income to average daily net assets by percentage (excluding transfer to revenue account from past years' reserve but including unrealised appreciation / depreciation on investments).	5.13%		0.17%		-3.61%

**Notes :**

- G - Growth, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend, D - Dividend.
- EF, TF, OF, TEF, ITF: The highest and lowest resale price of the units of the Scheme has been determined after adding to the highest and lowest declared NAV, the maximum sales load applicable (excluding load charged to Investors under Super Systematic Investment Plan (SIP)). Repurchase price for SIP investors may differ to the extent of applicable CDSC depending on duration for which units are held prior to redemption.
- Bf, BaF, GSFA, GSFB, SPF-M, SPF-A, SPF-C: The highest and lowest repurchase price of the units of the Scheme has been determined after reducing from the highest and lowest declared NAV, the maximum CDSC applicable.
- The per unit calculations are based on the number of units outstanding at the end of the financial year. In case of LF (Institution Plans), FRF (Institution Plans) units are converted in denomination of Rs. 10 for better presentation.
- P/E ratio is not applicable since the units are not listed on any stock exchange.
- In case of EF, BaF, TF, OF, TEF & ITF NAV computation effective November 15, 2006 is in three decimals, instead of two decimals.



## 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.	DSPMLOF	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.	DSPMLBaIF	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	Open ended income Schemes, 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	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.

**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. DSP Merrill Lynch Liquidity Fund, DSP Merrill Lynch Liquid Plus Fund, DSP Merrill Lynch Bond Fund, DSP Merrill Lynch Floating Rate Fund, DSP Merrill Lynch Short Term Fund, DSP Merrill Lynch Government Securities Fund, DSP Merrill Lynch Savings Plus Fund – Moderate, DSP Merrill Lynch Savings Plus Fund – Aggressive, DSP Merrill Lynch Savings Plus Fund – Conservative, DSP Merrill Lynch Balanced Fund, DSP Merrill Lynch Equity Fund, DSP Merrill Lynch Top 100 Equity Fund, DSP Merrill Lynch Opportunities Fund, DSP Merrill Lynch India T.I.G.E.R. Fund (The Infrastructure Growth and Economic Reforms Fund), DSP Merrill Lynch Technology.com Fund, DSP Merrill Lynch Small and Mid Cap Fund, DSP Merrill Lynch Tax Saver Fund, DSP Merrill Lynch Fixed Term Plan – Series 1B, DSP Merrill Lynch Fixed Term Plan – Series 1C, DSP Merrill Lynch Fixed Term Plan – Series 1D, DSP Merrill Lynch Fixed Term Plan – Series 2, DSP Merrill Lynch Fixed Term Plan – Series 1E, DSP Merrill Lynch Fixed Term Plan – Series 1F, DSP Merrill Lynch Fixed Term Plan – Series 1G, DSP Merrill Lynch Fixed Term Plan – Series 1H, DSP Merrill Lynch Fixed Term Plan – Series 1I, DSP Merrill Lynch Fixed Term Plan – Series 1J, DSP Merrill Lynch Fixed Term Plan – Series 3, DSP Merrill Lynch Fixed Term Plan – Series 3A, DSP Merrill Lynch Fixed Term Plan – Series 3E and DSP Merrill Lynch Fixed Term Plan – Series 3C 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](http://www.dspmlmutualfund.com/ISCs/distributors)) carefully before investing.