

## UNAUDITED HALF YEARLY FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2003

| Sr. No. | Particulars  | Equity Fund (EF), Bond Fund (BF), Liquidity Fund (LF), Balanced Fund (BAF), Government Securities Fund - Plan A - Longer Duration (GSFA), Government Securities Fund - Plan B - Shorter Duration (GSBF), Technology.com Fund (TF), Opportunities Fund (OF), Short Term Fund (STF), Top 100 Equity Fund (TEF), Savings Plus Fund (SPF), Floating Rate Fund (FRF) |                                    |                                    |   |  |   |                                      |                              |                                |  |                                |  |  |  |
|---------|--|---|------------------------------------|------------------------------------|---|--|---|--------------------------------------|------------------------------|--------------------------------|--|--------------------------------|--|--|--|
|         |  | EF  | BF                                 | LF                                 | BAF   | GSFA   | GSBF  | TF                                   | OF                           | STF                            | TEF  | SPF                            | FRF  |  |  |
| 1.1     | Unit Capital at the beginning of the half-year period  | [Rs. in Crores] 16.47   | 664.20                             | 93.53                              | 187.16  | 54.71  | 69.58   | 21.99                                | 38.79                        | 107.03                         | 232.50   | 22.67                          | 23.73  | **   |  |
| 1.2     | Unit Capital at the end of the period  | [Rs. in Crores] 13.01   | 691.25                             | 300.19                             | 450.74  | 50.28  | 114.52  | 12.31                                | 33.33                        | 247.72                         | 992.59   | 48.62                          | 129.91   | 25.78  |  |
| 2       | Reserves & Surplus   | [Rs. in Crores] 15.14   | 598.06                             | 20.83                              | 156.52  | 15.75  | 91.67   | 4.98                                 | (13.44)                      | 105.50                         | 41.24  | 24.38                          | 8.51   | 0.18   |  |
| 3.1     | Total Net Assets at the beginning of the half-year period  | [Rs. in Crores] 21.37   | 1,300.34                           | 94.64                              | 269.83  | 50.14  | 122.13  | 30.08                                | 16.09                        | 87.41                          | 242.03   | 21.64                          | 23.72  | **   |  |
| 3.2     | Total Net Assets at the end of the Period  | [Rs. in Crores] 28.15   | 1,289.31                           | 321.02                             | 607.26  | 66.03  | 206.19  | 17.29                                | 19.89                        | 353.22                         | 1,033.83   | 72.98                          | 138.42   | 25.96  |  |
| 4.1     | NAV at the beginning of the half-year period   | [Rs.] Dividend 12.98  | Growth 21.0507<br>Dividend 11.6447 | Growth 10.1092<br>Dividend 10.1092 | Growth 14.7182<br>Dividend(W) 12.4059                             | Growth 10.06<br>Dividend 9.01                | Growth 19.2149<br>Dividend 12.5411            | Growth 13.8229<br>Dividend 10.8082   | Growth 4.15<br>Dividend 4.15 | Growth 8.17<br>Dividend 8.17   | Growth 10.4100<br>Dividend 10.4100                                   | Growth 9.55<br>Dividend 9.55   | Growth 9.9977<br>Dividend (Mth.) 9.9977<br>Dividend (Qtr.) 9.9977    | **   |  |
| 4.2     | NAV at the end of the period (* refers to computed NAV, since not a business day)                                | [Rs.] Dividend 21.64  | Growth 22.4800<br>Dividend 11.2987 | Growth 10.8459<br>Dividend 10.4951 | *Growth 15.1149<br>*Dividend (W) 12.4070<br>*Dividend (D) 10.0075 | Growth 14.40<br>Dividend 12.88               | *Growth 21.0257<br>*Dividend 12.3912          | *Growth 14.4178<br>*Dividend 10.9017 | Growth 5.97<br>Dividend 5.97 | Growth 14.26<br>Dividend 14.26 | *Growth 10.8248<br>*Dividend (Mth.) 10.1753<br>*Dividend (W) 10.0765 | Growth 15.66<br>Dividend 14.63 | Growth 10.9795<br>Dividend (Mth.) 10.3388<br>Dividend (Qtr.) 10.3457 | *Growth 10.1960<br>*Dividend 10.0146<br>*Dividend(W) 10.0131 |  |
| 4.3     | Dividend paid per unit during the half-year \$   | [Rs.] 0.80  | 0.96                               | 0.30                               | Weekly 0.291837<br>Daily 0.184939                                 | Nil  | 1.10  | 0.32                                 | Nil                          | Nil                            | Dividend 0.563700<br>Weekly 0.195119                                 | 0.80                           | Monthly 0.55<br>Quarterly 0.55                                       | Dividend 0.160000<br>Weekly 0.160613                         |  |
| 5       | <b>INCOME</b>  |   |                                    |                                    |   |  |   |                                      |                              |                                |  |                                |  |  |  |
| 5.1     | Dividend   | [Rs. in Crores] 0.49  | -                                  | -                                  | -   | 0.95   | -   | -                                    | 0.17                         | 4.01                           | -  | 1.22                           | 0.15   | -  |  |
| 5.2     | Interest   | [Rs. in Crores] 0.02  | 54.67                              | -                                  | 19.15   | 0.67   | 5.24  | 1.39                                 | 0.01                         | 0.22                           | 22.72  | 0.08                           | 1.49   | 0.65   |  |
| 5.3     | Profit/(Loss) on sale/redemption of investments (other than inter-scheme transfer/sale)                          | [Rs. in Crores] 4.66  | 28.22                              | (0.99)                             | 10.52   | (0.84)                                       | (0.71)  | 0.35                                 | 39.71                        | 2.72                           | 9.38   | 2.38                           | -  | -  |  |
| 5.4     | Profit/(Loss) on inter-scheme transfer/sale of investment  | [Rs. in Crores] -   | 1.83                               | -                                  | -   | -  | -   | -                                    | -                            | 0.19                           | -  | -                              | -  | -  |  |
| 5.5     | Other Income (indicating nature)   | [Rs. in Crores] (0.01)  | -                                  | -                                  | (0.89)  | -  | -   | -                                    | -                            | -                              | -  | -                              | -  | (0.01)   |  |
| 5.6     | <b>Total Income (5.1 to 5.5)</b>   | [Rs. in Crores] 5.16  | 84.72                              | 17.27                              | 12.51   | 13.48  | 1.34  | 1.84                                 | 43.94                        | 26.45                          | 11.22  | 4.11                           | 0.64   |  |  |
| 6.1     | Management Fees (Incl Admnl Mgmt Fees, if any)   | [Rs. in Crores] 0.14  | 6.78                               | 0.45                               | 1.17  | 0.42   | 0.57  | 0.05                                 | 0.10                         | 0.97                           | 2.13   | 0.26                           | 0.31   | 0.06   |  |
| 6.2     | Trustees Fees  | [Rs. in Crores] 0.05  | 2.54                               | 0.52                               | 0.59  | 0.11   | 0.27  | 0.07                                 | 0.04                         | 0.19                           | 0.53   | 0.05                           | 0.05   | 0.05   |  |
| 6.3     | <b>Total Recurring Expenses (including 6.1 and 6.2)</b>  | [Rs. in Crores] 0.27  | 11.12                              | 0.96                               | 1.45  | 0.57   | 0.96  | 0.12                                 | 0.20                         | 1.96                           | 2.51   | 0.53                           | 0.53   | 0.78   |  |
| 6.4     | Percentage of Management Fees (incl Admnl Mgmt fees) to daily/weekly average net assets for the financial year % | 1.25%   | 1.02%                              | 0.50%                              | 0.39%   | 1.50%  | 0.70%   | 0.35%                                | 1.21%                        | 1.11%                          | 0.59%  | 1.20%                          | 1.19%  | 0.57%  |  |
| 6.5     | Total Recurring expenses as a percentage of daily/weekly average net assets for the financial year %             | 2.35%   | 1.67%                              | 0.94%                              | 0.48%   | 2.00%  | 1.17%   | 0.82%                                | 2.38%                        | 2.24%                          | 0.70%  | 2.44%                          | 2.02%  | 0.71%  |  |
| 7.1     | <b>Absolute Returns during the half-year [(+) (-)] **</b>  | 74.95%  | 6.79%                              | 7.29%                              | 2.74%   | 43.14%                                       | 9.84%   | 4.60%                                | 43.86%                       | 74.54%                         | 4.10%  | 63.98%                         | 9.82%  | N/A  |  |
| 7.2     | <b>Compounded Annualised yield in case of schemes in existence for more than 1 Year**</b>                        | 44.87%  | 6.74%                              | 6.74%                              | 2.36%   | 28.49%                                       | 11.66%  | 5.25%                                | 33.98%                       | 44.87%                         | 2.35%  | 54.23%                         | 11.89%   | N/A  |  |
| 7.3     | Launch date  | 29/4/1997   | 29/4/1997                          | 10/03/2003                         | 11/03/1998  | 27/05/1999                                   | 30/09/1999                                    | 30/09/1999                           | 16/05/2000                   | 16/05/2000                     | 09/09/2002   | 10/03/2003                     | 10/03/2003   | 12/05/2003   |  |
| 7.4     | Benchmark Index  | S&P CNX Nifty   | Crisil Composite Bond Fund Index   | Crisil Liquid Fund Index           | Crisil Balanced Fund Index  | Long ICICI Securities Sovereign Bond (Libex) | Short ICICI Securities Sovereign Bond (Sibex) | BSE-Teck                             | S&P CNX Nifty                | Crisil Liquid Fund Index       | BSE 100  | Crisil MIP Blended Index       | Crisil Liquid Fund Index   |  |  |
| 8       | Provision for Doubtful Income/Debts  | [Rs. in Crores] Nil   | Nil                                | Nil                                | Nil   | Nil  | Nil   | Nil                                  | Nil                          | Nil                            | Nil  | Nil                            | Nil  | Nil  |  |
| 9       | Payments to associate/group companies (if applicable)  | [Rs. in Crores] 0.05  | 1.49                               | 0.25                               | 0.24  | 0.10   | 0.02  | 0.03                                 | 0.53                         | 0.42                           | 0.26   | 0.15                           | 0.01   |  |  |
| 10      | Investments made in associate/group companies (if applicable)  | [Rs. in Crores] Nil   | Nil                                | Nil                                | Nil   | Nil  | Nil   | Nil                                  | Nil                          | Nil                            | Nil  | Nil                            | Nil  | Nil  |  |

\*\* This scheme was launched during the current half yearly period and hence there are no unit balances, Net Assets and NAV per unit at the beginning of the period.  
 \* Since the scheme has not completed one year, returns are computed in absolute terms from the date of launch.  
 @ Returns are calculated for growth options, except in L- where returns are calculated for Dividend option assuming dividend reinvested at NAV on the ex-dividend date. The "returns" shown above do not take into account the entry load.  
 Hence the actual "Returns" would be lower than those shown above.  
 @ As prescribed by SEBI, the "since launch" returns are calculated on Rs 10.00 invested at inception as per the procedure prescribed in the Standard Offer document. The launch date is deemed to be the date of allotment.  
 \* Performance has not been compared for periods where historical data for the adopted benchmark is not available.  
 \$ Excludes the following dividends per unit where the record dates were on or before September 30, 2003 with Ex-date on October 01, 2003 : BF (Retail Plan) - Rs. 0.16, BF (Institutional Plan) - Rs. 0.16, GSFA - Rs. 0.75, GSBF - Rs. 0.13

### Notes to Accounts

**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 Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time. **There were no changes in accounting policies.**

**2. Details of Transactions with Associates (DSP Merrill Lynch Ltd.) in terms of Regulation 25(8):**

| Particulars of Transactions   | BF     | EF   | LF     | BAF   | GSFA  | GSBF | TF   | OF    | STF   | TEF   | SPF   | FRF  |
|---|--------|------|--------|-------|-------|------|------|-------|-------|-------|-------|------|
| Payment of Brokerage for Distribution and Sale of Units<br>- Rs Lakhs   | 148.67 | 4.00 | 25.40  | 19.82 | 10.04 | 2.34 | 2.00 | 22.44 | 41.74 | 17.30 | 12.60 | 1.18 |
| Payment of Brokerage on Secondary Market transactions<br>- Rs Lakhs   | -      | 0.88 | -      | 4.52  | -     | -    | 1.28 | 30.08 | -     | 8.31  | 1.91  | -    |
| Interest on Call & Repo Placements* - Rs Lakhs  | 0.39   | -    | 0.04   | -     | -     | -    | -    | -     | 0.45  | -     | -     | -    |
| Call and Reverse Repo placements* - Rs Crores   | 15.95  | -    | 1.00   | -     | 0.05  | -    | -    | -     | 18.50 | -     | -     | -    |
| Securities transaction in the form of investments in various Public issues / Private placements where the associate was the sole or one of the several lead managers. - Rs Crores | 5.00   | -    | 142.00 | -     | -     | -    | -    | -     | 74.98 | -     | 10.00 | 3.00 |

\* These were placed at prevailing market rates.

**3. Large holdings in any of the Schemes (over 25% of the NAV of the Scheme)**

| Scheme  | No of Investors | % holding |
|---|-----------------|-----------|
| DSP Merrill Lynch Government Securities Fund - Plan B | 01              | 60.41 %   |
| DSP Merrill Lynch Floating Rate Fund                  | 01              | 39.12 %   |

**4. 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).**

| Company Name (@)                  | Scheme invested in by the company | Schemes which invested in securities of the company (%) | Asset type | Aggregate cost of acquisition during the period under Regulation 25(11) | Outstanding as at Sep 30, 2003 at market/fair value |
|-----------------------------------|-----------------------------------|---|------------|---|---|
| Andhra Bank                       | LF                                | TEF   | Equity     | 0.84  | -   |
| Bank Of Baroda                    | LF, STF                           | OF  | Equity     | 13.01   | -   |
| Export Import Bank of India       | LF, STF                           | BF  | NCD        | 5.05  | 41.51   |
| Finolex Cables Ltd.               | FRF                               | LF  | NCD        | 15.00   | -   |
| Gujarat Ambuja Cements Ltd.       | LF                                | TEF   | Equity     | 2.5   | 1.71  |
| Grasim Industries Ltd.            | LF, STF                           | BF  | NCD        | 10.00   | -   |
| Hathway Cable & Datacom Pvt. Ltd. | STF                               | LF  | CP         | 9.87  | 4.97  |
| HCL Technologies Ltd.             | LF, STF                           | TF  | Equity     | 1.38  | 0.92  |
| HDFC Bank Ltd.                    | LF, STF                           | LF  | FD         | 125.00  | -   |
| HDFC Ltd.                         | LF, STF, BAF                      | BF  | NCD        | -   | 25.24   |
| Hero Honda Ltd.                   | BF                                | TEF   | Equity     | 4.61  | 2.31  |
| Hindalco Ltd.                     | LF                                | BF  | NCD        | -   | 5.55  |
| Hindustan Lever Ltd.              | GSFA, STF                         | EF  | Equity     | 0.45  | 0.55  |

| Company Name (@)  | Scheme invested in by the company | Schemes which invested in securities of the company (%) | Asset type | Aggregate cost of acquisition during the period under Regulation 25(11) | Outstanding as at Sep 30, 2003 at market/fair value |
|---|-----------------------------------|---|------------|---|---|
| ICICI Bank Ltd.   | LF, STF                           | BF  | NCD        | -   | 11.17   |
| IDBI  | LF, STF, GSFA, FRF                | BF  | NCD        | 112.12  | 87.87   |
| IITC Ltd.   | LF, STF                           | EF  | Equity     | -   | 0.88  |
| Indian Rayon and Industries Ltd.                          | FRF                               | OF  | Equity     | 1.76  | -   |
| Kotak Mahindra Bank Ltd. (earlier Kotak Mahindra Finance) | LF                                | LF  | NCD        | 90.11   | 35.04   |
| LIC Housing Finance Ltd.                                  | LF                                | BF  | NCD        | -   | 45.00   |
| Maruti Udyog  | STF                               | TEF   | Equity     | 5.05  | 3.07  |
| Oriental Bank of Commerce                                 | SPF, TEF                          | EF  | Equity     | 0.54  | 0.75  |
| Punjab National Bank                                      | STF, TEF, LF                      | OF  | Equity     | 8.61  | -   |
| Tata Chemicals Ltd.                                       | LF, GSFA, STF                     | TEF   | Equity     | 1.30  | -   |
| UTI Bank Ltd.   | SPF, FRF, LF                      | LF  | CD         | 77.19   | 69.03   |
| Union Bank Of India                                       | SPF                               | BAF   | Equity     | 1.07  | -   |
| Vysya Bank  | STF                               | EF  | Equity     | 0.20  | 0.42  |
| Vijaya Bank   | BAF, TEF                          | BAF   | Equity     | 0.38  | 0.39  |
| VSNL  | STF                               | TEF   | Equity     | 1.61  | -   |
| Wipro   | STF                               | BAF   | Equity     | 5.27  | 3.16  |
| IDFC  | LF, FRF                           | BF  | NCD        | -   | 21.87   |

% - Includes Inter Scheme investments, @ includes investment in subsidiaries  
 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 bonds issued by the aforesaid companies would yield attractive returns commensurate with the risks associated with the issuer.  
 5. The unaudited financial results have been approved by the Directors of the Board of DSP Merrill Lynch Trustee Co. Pvt. Ltd.

**For DSP Merrill Lynch Trustee Co. Pvt. Ltd.**  
 Shitin Desai Director  
 S. S. Thakur Director  
 Mumbai, October 23, 2003

**INVESTMENT OBJECTIVES:** DSPML Bond Fund is 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 of issuers predominantly domiciled in India. DSPML Short Term Fund is an open ended income Scheme seeking to generate income commensurate with prudent risk, from a portfolio constituting of money market securities, floating rate debt securities, and debt securities. DSPML Liquidity Fund is 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. DSPML G-Sec Fund is an open-ended scheme seeking to generate returns through investment in Central Government Securities. There are two investment plans - Plan A - Longer Duration Plan and Plan B - Shorter Duration Plan. DSPML Floating Rate Fund is an open ended income scheme seeking to generate income commensurate with prudent risk from a portfolio substantially constituted 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 and money market securities. DSPML Opportunities Fund is an open-ended growth scheme and its focus is to respond to the dynamic changing Indian economy by moving its investments amongst different sectors, such as the Lifestyle sector, Pharmaceuticals sector, Cyclical sector and Technology sector, as prevailing trends change. The Scheme's primary objective is to generate long-term capital appreciation. DSPML Equity Fund is an open-ended growth scheme seeking to generate long-term capital appreciation, from a portfolio which is substantially constituted of equity and equity related securities of issuers domiciled in India. 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. DSPML Top 100 Equity Fund is an open ended growth scheme seeking to generate capital appreciation, from a portfolio that is substantially constituted of Equity and Equity related securities of the 100 largest corporates by market capitalisation, listed in India. 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. DSPML Technology.com Fund is an open-ended growth scheme and will focus on investing in technology and technology dependent companies. The Scheme's primary objective is to generate long-term capital appreciation, and the secondary objective is income generation and distribution of dividend, from a portfolio constituted of equity and equity-related securities, concentrating on the investment focus of the Scheme. DSPML Balanced Fund is 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). **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 Sponsor, Trustee and Investment Manager to the Fund are DSP Merrill Lynch Ltd., DSP Merrill Lynch Trustee Company Pvt. Ltd. and DSP Merrill Lynch Fund Managers Ltd. respectively. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh towards setting up the Fund and such other accretions/additions to same. **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. The NAV of the Schemes' Units may be affected by changes in the general level of interest rates. The past performance of the mutual funds managed by the Sponsors and their affiliates/associates is not necessarily indicative of the future performance of the Schemes. Investors in the Schemes are not being offered a guaranteed or assured rate of return. The liquidity of the Schemes' investments may be restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests or of a restructuring of either of the Scheme's portfolios, the time taken by the Fund for redemption of Units may become significant. Please see 'Risk Factors and Special Considerations' and 'Right to Limit Redemptions' in the Offer Documents. The liquidity & valuation of the Schemes' investments due to its holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. While Government Securities carry minimal credit risk since they are issued by the Government of India, they do carry price risk depending upon the general level of interest rates prevailing from time to time. In the event that investible funds of more than 50% of the total proceeds of the equity schemes are not invested in equity shares of domestic companies, the tax concessions on income distribution will not be available to the Unit Holders. To the extent the DSPML Short Term Fund and the DSPML Floating Rate Funds investment are in floating rate debt instruments swapped for floating rate return it will be affected by interest rate movement, Spread Movement, Settlement risk. Since DSP Merrill Lynch Opportunities Funds' investment focus is on select sectors of the market the portfolio will be concentrated in select companies across these sectors. This may make the portfolios vulnerable to factors that may affect these sectors in general thereby leading to increased volatility in the movement of each Schemes' NAVs. The DSPML Technology.com Fund will predominantly focus in equities of select companies in technology intensive sectors. Consequently, the NAV of the Scheme is linked to the equity performance of such companies and may be more volatile than a more diversified portfolio of equities. The NAV of the DSPML Top 100 Equity Fund is linked to the share price performance of the top 100 listed companies which may outperform or underperform the benchmark index (the BSE 100) and/or its constituents. The DSPML Floating Rate Fund, DSPML Liquidity Fund, DSPML Short Term Fund, DSPML Bond Fund, DSPML Government Securities Fund, DSPML Balanced Fund, DSPML Equity Fund, DSPML Opportunities Fund, DSPML Technology.com Fund, DSPML Top 100 Equity Fund and the DSPML Savings Plus Fund are the names of the Schemes and do not in any manner indicate the quality of the Schemes, their future prospects or returns. **Please refer to the respective Standard Offer Documents cum application forms, which is available at the ISC/Distributor before investing.**