

**DSP Merrill Lynch Investment Managers Limited**
**Profit and Loss Account for the year ended 31st December, 2002**

	Schedule No.	Current Year Rs. '000	Previous Year Rs. '000
<b>INCOME</b>			
Investment management fees		200,261	151,789
Income from Trading in Securities (net)	12	-	325
Profit on Sale of Current Investments (net)		13,273	18,213
Interest Income	13	5,447	581
		<b>218,981</b>	<b>170,908</b>
<b>EXPENDITURE</b>			
Scheme Expenses (net)	14	53,292	36,660
Employee Costs	15	66,059	53,313
Administrative and Other Expenses	16	61,675	45,413
Depreciation		4,958	8,007
Interest Expenses		41	267
Preliminary expenditure written off		80	80
		<b>186,105</b>	<b>143,740</b>
<b>PROFIT BEFORE TAXATION</b>		<b>32,876</b>	<b>27,168</b>
Provision for Taxation			
- Current Tax		9,763	2,078
- Deferred Tax credit		(1,571)	-
		<b>8,192</b>	<b>2,078</b>
<b>PROFIT AFTER TAXATION</b>		<b>24,684</b>	<b>25,090</b>
<b>BALANCE BROUGHT FORWARD</b>		<b>(17,077)</b>	<b>(42,167)</b>
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>		<b>7,607</b>	<b>(17,077)</b>
General Reserve		800	-
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>6,807</b>	<b>(17,077)</b>
<b>Weighted average number of equity shares outstanding during the year</b>		<b>20,000,000</b>	<b>20,000,000</b>
<b>Basic and Diluted Earnings per share (in Rs.)</b>		<b>1.23</b>	<b>1.25</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>		<b>17</b>	

Schedules 1 to 17 annexed hereto form part of these accounts

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

For and on behalf of Board of Directors

**N.P. Sarda**  
Partner

**H. M. Kothari**  
Chairman

**K.R.V. Subrahmanian**  
Director

**Alok Vajpeyi**  
President

Mumbai  
10th March, 2003

Mumbai  
10th March, 2003