

DSP Merrill Lynch Mutual Fund Closed Ended Schemes



Annual Report
2006-2007

SPONSOR



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AUDITORS TO THE FUND

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CONTENTS

UNITHOLDER INFORMATION REPORT	2
CONSOLIDATED AUDITORS' REPORT	9
BALANCE SHEET	10
REVENUE ACCOUNT	12
SCHEDULES FORMING PART OF THE ACCOUNT	14
NOTES TO ACCOUNT	22
PERSPECTIVE HISTORICAL PER UNIT STATISTICS	27
PORTFOLIO CLOSED ENDED SCHEME	29

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 thirty five years in commercial banking, preceded by practice as a High Court Advocate for about three 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.
- 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 Limited.
- 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 Limited. CERG primarily provides corporate advisory services, consulting services and research for companies and industries in India and abroad.
- Mr. Ranjan Pant - Mr. Pant is a Global Management Consultant advising CEOs/Boards on Strategy and Change Management.
- Mr. David Graham - Mr. Graham is the Managing Director of BlackRock Investment Management Ltd based in London.
- Mr. Piyush Mankad - Mr. Mankad is a retired civil servant with a distinguished career of over forty 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 6, 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 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, Pharmaceuticals Sectors, Cyclical sector and Technology sector as prevailing trends change. This Scheme allows the Investment Manager to be highly concentrated in any of 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 14, 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 18, 2007.

The primary investment Objective of the Scheme is to seek to generate medium to long term capital appreciation, from a 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 (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 seek 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 7.4% 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 I-Sec LIBEX. DSPML Government Securities Funds - Plan B has delivered 5.56% return in last one year as compared to 5.96% return by benchmark I-Sec Short Maturity Sovereign Bond Index.

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 witness 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 27, 2006. Thereafter, the scheme was reopened for subscription and redemption on July 31, 2006. DSP Merrill Lynch Liquid Plus Fund is an open ended income. Scheme 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 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 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 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 this 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 ShortTerm Fund	1,744	4	-	-
DSPML Top100Equity 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
Grand Total	8,304,089	2,621	3,250,634	243

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

DSPML EQUITY FUND *	
25-Jan-07	7.00
Total	7.00

DSPML OPPORTUNITIES FUND *	
08-Mar-07	5.00
Total	5.00

DSPML T.I.G.E.R FUND *	
21-Mar-07	4.50
Total	4.50

DSPML TOP 100 FUND *	
11-Apr-06	7.50
Total	7.50

HYBRID FUNDS

DSPML BALANCED FUND **	
22-Aug-06	4.00
Total	4.00

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

DSPML SAVINGS PLUS MODERATE: Monthly Dividend **		
	Individual & HUF	Others
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
Total	0.824380	0.767724

DSPML SAVINGS PLUS CONSERVATIVE Monthly Dividend **		
	Individual & HUF	Others
28-Apr-06	0.087700	0.081673
28-Jul-06	0.026310	0.024502
28-Aug-06	0.087700	0.081673
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
Total	0.581013	0.541082

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

DSPML SAVINGS PLUS AGGRESSIVE Monthly Dividend **		
	Individual & HUF	Others
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
Total	0.999780	0.931069

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

FIXED INCOME FUNDS

DSPML LIQUIDITY FUND: Weekly Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	0.716312	0.667082

DSPML LIQUIDITY FUND: Institutional Weekly Dividend**		
	Individual & HUF	Others
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
Total	0.306950	0.285854

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
Total	0.271870	0.253185

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

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
Total	0.403420	0.375695

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
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
Total	0.464810	0.432863

DSPML SHORT TERM FUND: Dividend **		
	Individual &HUF	Others
29-Jun-06	0.157860	0.147011
30-Sep-06	0.157860	0.147011
28-Dec-05	0.157860	0.147011
28-Mar-07	0.035080	0.326690
Total	0.508660	0.473702

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
Total	0.442885	0.412447

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

DSPML LIQUID PLUS FUND: Institutional Daily Dividend **		
	Individual & HUF	Others
During F.Y. 2006-2007	42.324268	39.415424

DSPML BOND FUND: Monthly Dividend **		
	Individual & HUF	Others
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-06	0.035080	0.032669
Total	0.403420	0.375694

DSPML BOND FUND: Dividend **		
	Individual & HUF	Others
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
Total	0.833150	0.775891

FIXED TERM PLANS (CLOSED ENDED SCHEMES) **

Series	Date	Individual & HUF	Others
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 dates mentioned below and the revenue accounts, where applicable, for the period from April 1, 2006 or date of launch of the respective schemes to the dates mentioned below ('the period') 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 Mutual Fund – Fixed Term Plan – Series 1B	June 1, 2006
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 2	August 16, 2006
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 3	December 11, 2006
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1C	June 29, 2006
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 3A	March 31, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1D	September 28, 2006
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1E	February 22, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1F	March 20, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1G	March 28, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1H	March 31, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1I	March 31, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 3C	March 31, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 1J	March 31, 2007
DSP Merrill Lynch Mutual Fund – Fixed Term Plan – Series 3E	March 31, 2007

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. The balance sheets, revenue accounts and cash flow statements, where applicable, dealt with by this report are in agreement with the books of account.
- iii. In our opinion, the balance sheet, revenue accounts and cash flow 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 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 Services Company Private Limited, 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;

For S. R. Batliboi & Co.
Chartered Accountants

per Hemal Shah
Partner
Membership No.: 42650
Mumbai, 24th April, 2007

**DSP MERRILL LYNCH MUTUAL FUND
FIXED TERM PLANS (FTP) :**

	Schedule	DSP Merrill Lynch FTP- Series 1B		DSP Merrill Lynch FTP- Series 2		DSP Merrill Lynch FTP- Series 3		DSP Merrill Lynch FTP- Series 1C	
		As at 01.06.2006 Rupees	As at 31.03.2006 Rupees	As at 16.08.2006 Rupees	As at 31.03.2006 Rupees	As at 11.12.2006 Rupees	As at 31.03.2006 Rupees	As at 29.06.2006 Rupees	As at 31.03.2006 Rupees
LIABILITIES									
Unit Capital	1	3,917,298,925	3,890,931,919	2,237,257,524	2,218,194,139	1,499,068,286	1,539,066,171	3,572,743,459	3,639,767,217
Reserves & Surplus	2	9,556,319	7,638,632	11,712,792	3,661,969	99,469,015	28,956,203	10,101,942	6,472,388
Current Liabilities and Provisions	3	9,262,233	3,785,339	34,120,502	11,273,221	1,644,148	588,706	13,025,370	2,506,124
		3,936,117,477	3,902,355,890	2,283,090,818	2,233,129,329	1,600,181,449	1,568,611,080	3,595,870,771	3,648,745,729
ASSETS									
Investments	4	-	3,205,563,750	962,302,000	2,165,093,561	-	1,506,913,200	-	2,936,175,000
Deposits	5	-	650,000,000	-	-	100,000	-	-	650,000,000
Other Current Assets	6	3,936,117,477	46,792,140	1,320,788,818	68,035,768	1,600,081,449	61,697,880	3,595,870,771	62,570,729
		3,936,117,477	3,902,355,890	2,283,090,818	2,233,129,329	1,600,181,449	1,568,611,080	3,595,870,771	3,648,745,729

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

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

BALANCE SHEET AS AT MARCH 31, 2007
CLOSED ENDED SCHEMES

DSP Merrill Lynch FTP- Series 3A		DSP Merrill Lynch FTP- Series 1D	DSP Merrill Lynch FTP- Series 1E	DSP Merrill Lynch FTP- Series 1F	DSP Merrill Lynch FTP- Series 1G	DSP Merrill Lynch FTP- Series 1H	DSP Merrill Lynch FTP- Series 1I	DSP Merrill Lynch FTP- Series 3E	DSP Merrill Lynch FTP- Series 3C	DSP Merrill Lynch FTP- Series 1J
As at 31.03.2007 Rupees	As at 31.03.2006 Rupees	As at 28.09.2006 Rupees	As at 22.02.2007 Rupees	As at 20.03.2007 Rupees	As at 28.03.2007 Rupees	As at 31.03.2007 Rupees	As at 31.03.2007 Rupees	As at 31.03.2007 Rupees	As at 31.03.2007 Rupees	As at 31.03.2007 Rupees
2,517,022,830	2,526,830,726	1,467,658,384	2,397,993,324	4,185,178,149	1,677,975,644	1,770,228,692	4,938,457,830	5,880,532,744	866,919,592	1,932,447,714
215,494,114	4,365,803	2,945,400	15,477,412	2,242,745	2,741,280	5,478,800	6,919,733	25,499,406	1,851,975	1,293,208
703,753	3,328	4,195,054	5,834,652	15,351,219	5,954,135	2,712,512	7,125,896	630,070	14,554	7,581
2,733,220,697	2,531,199,857	1,474,798,838	2,419,305,388	4,202,772,113	1,686,671,059	1,778,420,004	4,952,503,459	5,906,662,220	868,786,121	1,933,748,503
2,675,332,318	2,409,648,700	245,711,750	490,582,000	-	-	1,502,909,252	2,702,809,726	3,869,781,420	614,022,248	1,312,959,968
-	-	-	-	-	-	250,000,000	2,200,000,000	2,000,000,000	250,000,000	560,000,000
57,888,379	121,551,157	1,229,087,088	1,928,723,388	4,202,772,113	1,686,671,059	25,510,752	49,693,733	36,880,800	4,763,873	60,788,535
2,733,220,697	2,531,199,857	1,474,798,838	2,419,305,388	4,202,772,113	1,686,671,059	1,778,420,004	4,952,503,459	5,906,662,220	868,786,121	1,933,748,503

**DSP MERRILL LYNCH MUTUAL FUND REVENUE ACCOUNT
FIXED TERM PLANS (FTP) :**

	Schedule	DSP Merrill Lynch FTP- Series 1B		DSP Merrill Lynch FTP- Series 2		DSP Merrill Lynch FTP- Series 3		DSP Merrill Lynch FTP- Series 1C	
		Period ended 01.06.2006 Rupees	Period ended 31.03.2006 Rupees	Period ended 16.08.2006 Rupees	Period ended 31.03.2006 Rupees	Period ended 11.12.2006 Rupees	Period ended 31.03.2006 Rupees	Period ended 29.06.2006 Rupees	Period ended 31.03.2006 Rupees
INCOME & GAINS									
Interest	7	52,360,856	25,358,076	64,808,974	21,353,023	73,470,077	33,111,110	76,326,372	6,478,598
Profit on sale/redemption of investments (net)		1,541,164	-	1,144,785	-	-	-	-	-
Profit on inter-scheme sale of Investments (net)		-	-	-	-	-	-	-	-
Miscellaneous Income		-	-	700,000	-	-	-	871,170	-
Write back of provision for unrealised loss in the value of investments						2,600,800			
		53,902,020	25,358,076	66,653,759	21,353,023	76,070,877	33,111,110	77,197,542	6,478,598
EXPENSES & LOSSES									
Management fees		2,824,430	466,563	4,157,749	705,820	2,607,310	929,420	673,828	-
Transfer agents fees and expenses		185,628	64,770	238,953	66,547	309,652	128,028	254,043	-
Custodian fees and Transaction charges		82,480	40,303	182,673	60,621	233,091	102,561	162,973	3,306
Trusteeship fees		23,506	-	30,700	-	43,100	12,200	33,200	-
Marketing expenses		154,014	117,549	47,000	-	510,219	232,356	214,636	-
Payment to Auditor									
Audit fees		50,683	5,438	74,013	10,167	136,553	31,807	56,120	-
Other matters including reimbursement of expenses		101	-	382	-	1,194	-	-	-
Other operating expenses		31,172	1,445	18,359	1,903	14,362	3,293	37,531	2,966
Loss on sale/redemption of investments (net)		-	-	-	654,429	14,000	3,103	-	-
Loss on inter-scheme sale of Investments (net)		-	-	-	-	22	-	7	-
Change in net unrealised loss in the value of investments		-	-	-	-	-	2,600,800	-	-
		3,352,014	696,068	4,749,829	1,499,487	3,869,503	4,043,568	1,432,338	6,272
Excess of income and gains over expenses and losses		50,550,006	24,662,008	61,903,930	19,853,536	72,201,374	29,067,542	75,765,204	6,472,326
Income available for appropriation		50,550,006	24,662,008	61,903,930	19,853,536	72,201,374	29,067,542	75,765,204	6,472,326
Appropriation									
Income Distributed during the year/period		39,889,019	13,962,933	44,876,643	13,448,897	146,228	55,400	57,424,669	-
Tax on income distributed during the year/period		8,609,619	3,013,905	8,958,902	2,699,395	31,934	12,099	12,710,886	-
Retained Surplus carried forward to Balance sheet		2,051,368	7,685,170	8,068,385	3,705,244	72,023,212	29,000,043	5,629,649	6,472,326

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

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

**FOR THE YEAR/PERIOD ENDED MARCH 31, 2007
CLOSED ENDED SCHEMES**

DSP Merrill Lynch FTP- Series 3A		DSP Merrill Lynch FTP- Series 1D	DSP Merrill Lynch FTP- Series 1E	DSP Merrill Lynch FTP- Series 1F	DSP Merrill Lynch FTP- Series 1G	DSP Merrill Lynch FTP- Series 1H	DSP Merrill Lynch FTP- Series 1I	DSP Merrill Lynch FTP- Series 3E	DSP Merrill Lynch FTP- Series 3C	DSP Merrill Lynch FTP- Series 1J
Year ended 31.03.2007 Rupees	Period ended 31.03.2006 Rupees	Period ended 28.09.2006 Rupees	Period ended 22.02.2007 Rupees	Period ended 20.03.2007 Rupees	Period ended 28.03.2007 Rupees	Period ended 31.03.2007 Rupees	Period ended 31.03.2007 Rupees	Period ended 31.03.2007 Rupees	Period ended 31.03.2007 Rupees	Period ended 31.03.2007 Rupees
209,751,616	4,428,414	25,168,347	46,520,539	83,150,864	35,348,742	20,882,672	39,882,600	26,052,792	1,866,524	1,300,756
11,261,897	-	-	-	1,257,985	121,137	-	587	-	-	-
1,329	-	-	-	-	-	-	7	-	-	-
-	-	-	-	-	-	-	-	-	-	-
221,014,842	4,428,414	25,168,347	46,520,539	84,408,849	35,469,879	20,882,672	39,883,194	26,052,792	1,866,524	1,300,756
5,270,765	-	214,926	1,051,608	2,744,311	218,087	204,767	800,257	387,811	8,419	-
740,211	-	96,707	168,577	285,456	115,860	62,150	127,839	54,410	1,335	-
576,693	2,480	84,751	137,527	223,505	91,664	41,854	60,167	36,329	2,860	6,790
90,600	-	25,000	17,900	30,900	12,400	-	-	-	-	-
760,578	-	-	-	475,000	-	122,452	244,985	141,142	-	-
110,200	-	28,060	28,060	56,180	28,060	22,131	22,131	-	-	-
-	-	-	-	-	-	-	-	-	-	-
20,997	1,106	1,286	5,760	4,272	4,691	386	5,567	378	1,940	792
-	-	8,638	-	-	-	2,103,994	-	-	-	-
-	-	1	301	634,356	288	-	-	-	-	-
1,875,700	59,000	-	-	-	-	-	-	-	-	-
9,445,744	62,586	459,369	1,409,733	4,453,980	471,050	2,557,734	1,260,946	620,070	14,554	7,582
211,569,098	4,365,828	24,708,978	45,110,806	79,954,869	34,998,829	18,324,938	38,622,248	25,432,722	1,851,970	1,293,174
211,569,098	4,365,828	24,708,978	45,110,806	79,954,869	34,998,829	18,324,938	38,622,248	25,432,722	1,851,970	1,293,174
-	-	17,862,590	24,147,488	64,422,740	26,560,767	11,045,772	26,916,063	-	-	-
-	-	3,903,035	5,359,133	13,294,630	5,700,690	2,347,767	5,704,647	-	-	-
211,569,098	4,365,828	2,943,353	15,604,185	2,237,499	2,737,372	4,931,399	6,001,538	25,432,722	1,851,970	1,293,174

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

Schedules	DSP Merrill Lynch FTP- Series 1B				DSP Merrill Lynch FTP- Series 2				
	As at 01.06.2006 Units	Rupees	As at 31.03.2006 Units	Rupees	As at 16.08.2006 Units	Rupees	As at 31.03.2006 Units	Rupees	
1	UNIT CAPITAL								
	Issued and subscribed:								
	Units of Rs. 1000 each fully paid up (in case Series 2, Series 3: Rs. 10 each fully paid up)								
	Opening Balance	3,890,931.919	3,890,931,919	-	-	221,819,413.871	2,218,194,139	-	-
	New Fund Offer	-	-	3,896,998.032	3,896,998,032	-	-	231,227,002.962	2,312,270,030
	Dividend reinvested during the Year /period	39,884.434	39,884,434	13,950.290	13,950,290	2,082,625.684	20,826,257	657,718.867	6,577,189
		3,930,816.353	3,930,816,353	3,910,948.322	3,910,948,322	223,902,039.555	2,239,020,396	231,884,721.829	2,318,847,219
	Redemptions during the Year /period	13,517.428	13,517,428	20,016.403	20,016,403	176,287.152	1,762,872	10,065,307.958	100,653,080
	Unit Capital at the end of the Year /period	3,917,298.925	3,917,298,925	3,890,931.919	3,890,931,919	223,725,752.403	2,237,257,524	221,819,413.871	2,218,194,139
	Growth Plan	471,611.186	471,611,186	481,614.334	481,614,334	29,373,020.292	293,730,203	29,373,020.292	293,730,203
	Dividend Plan	3,445,687.739	3,445,687,739	3,409,317.585	3,409,317,585	194,352,732.111	1,943,527,321	192,446,393.579	1,924,463,936
	Institution: Growth Plan	-	-	-	-	-	-	-	-
	Institution: Daily Dividend Plan	-	-	-	-	-	-	-	-
	Unit Capital at the end of the Year /period	3,917,298.925	3,917,298,925	3,890,931.919	3,890,931,919	223,725,752.403	2,237,257,524	221,819,413.871	2,218,194,139
2	RESERVES AND SURPLUS								
	Unit Premium Reserve								
	Opening balance		(46,538)		-		(43,275)		-
	Net premium on issue /redemption of units during the Year /period		(133,681)		(46,538)		(17,562)		(43,275)
	Closing Balance		(180,219)		(46,538)		(60,837)		(43,275)
	Retained Surplus								
	Opening balance		7,685,170		-		3,705,244		-
	Add: Surplus transferred from Revenue Account		2,051,368		7,685,170		8,068,385		3,705,244
	Closing balance		9,736,538		7,685,170		11,773,629		3,705,244
	Unrealised Appreciation on Investments								
	Opening balance		-		-		-		-
	Less: Reversed during the year / period		-		-		-		-
	Add: Unrealised appreciation as at Year /period		-		-		-		-
	Closing balance		-		-		-		-
			9,556,319		7,638,632		11,712,792		3,661,969
3	CURRENT LIABILITIES & PROVISIONS								
	Sundry creditors		527,147		665,754		821,177		668,524
	Distributed income payable		-		-		24,040,390		6,868,683
	Other liabilities		8,735,086		3,119,585		9,258,935		3,736,014
			9,262,233		3,785,339		34,120,502		11,273,221

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

DSP Merrill Lynch FTP- Series 3				DSP Merrill Lynch FTP- Series 1C			
As at 11.12.2006 Units	Rupees	As at 31.03.2006 Units	Rupees	As at 29.06.2006 Units	Rupees	As at 31.03.2006 Units	Rupees
153,906,617.106	1,539,066,171	-	-	3,639,767.217	3,639,767,217	-	-
-	-	154,226,538.214	1,542,265,382	-	-	3,639,767.217	3,639,767,217
211.538	2,115	78.892	789	57,411.958	57,411,958	-	-
153,906,828.644	1,539,068,286	154,226,617.106	1,542,266,171	3,697,179.175	3,697,179,175	3,639,767.217	3,639,767,217
4,000,000.000	40,000,000	320,000.000	3,200,000	124,435.716	124,435,716	-	-
149,906,828.644	1,499,068,286	153,906,617.106	1,539,066,171	3,572,743.459	3,572,743,459	3,639,767.217	3,639,767,217
149,531,538.214	1,495,315,382	153,531,538.214	1,535,315,382	411,988.305	411,988,305	420,988.305	420,988,305
375,290.430	3,752,904	375,078.892	3,750,789	3,160,755.154	3,160,755,154	3,218,778.912	3,218,778,912
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
149,906,828.644	1,499,068,286	153,906,617.106	1,539,066,171	3,572,743.459	3,572,743,459	3,639,767.217	3,639,767,217
	As at 11.12.2006 Rupees	As at 31.03.2006 Rupees		As at 29.06.2006 Rupees	As at 31.03.2006 Rupees		
	(43,840)	-		62	-		
	(1,510,400)	(43,840)		(2,000,095)	62		
	(1,554,240)	(43,840)		(2,000,033)	62		
	29,000,043	-		6,472,326	-		
	72,023,212	29,000,043		5,629,649	6,472,326		
	101,023,255	29,000,043		12,101,975	6,472,326		
	-	-		-	-		
	-	-		-	-		
	-	-		-	-		
	-	-		-	-		
	99,469,015	28,956,203		10,101,942	6,472,388		
	As at 11.12.2006 Rupees	As at 31.03.2006 Rupees		As at 29.06.2006 Rupees	As at 31.03.2006 Rupees		
	681,949	439,439		314,485	6,121		
	144,113	54,611		-	-		
	818,086	94,656		12,710,885	2,500,003		
	1,644,148	588,706		13,025,370	2,506,124		

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

Schedules	DSP Merrill Lynch FTP- Series 3A				DSP Merrill Lynch FTP- Series 1D		DSP Merrill Lynch FTP- Series 1E		DSP Merrill Lynch FTP- Series 1F		
	As at 31.03.2007 Units	Rupees	As at 31.03.2006 Units	Rupees	As at 28.09.2006 Units	Rupees	As at 22.02.2007 Units	Rupees	As at 20.03.2007 Units	Rupees	
1 UNIT CAPITAL Issued and subscribed: Units of Rs. 1000 each fully paid up (in case Series 2, Series 3: Rs. 10 each fully paid up) Opening Balance New Fund Offer Dividend reinvested during the Year /period 2,526,830.726 2,526,830,726 - - - - - - 2,526,830.726 2,526,830,726 1,449,797.824 1,449,797,824 2,381,450.605 2,381,450,605 4,120,961.024 4,120,961,024 - - - - 17,860.560 17,860,560 24,142.719 24,142,719 64,416.125 64,416,125 2,526,830.726 2,526,830,726 2,526,830.726 2,526,830,726 1,467,658.384 1,467,658,384 2,405,593.324 2,405,593,324 4,185,377.149 4,185,377,149 9,807.896 9,807,896 - - - - 7,600.000 7,600,000 199.000 199,000 Unit Capital at the end of the Year /period 2,517,022.830 2,517,022,830 2,526,830.726 2,526,830,726 1,467,658.384 1,467,658,384 2,397,993.324 2,397,993,324 4,185,178.149 4,185,178,149 Growth Plan Dividend Plan Institution: Growth Plan Institution: Daily Dividend Plan Unit Capital at the end of the Year /period 2,517,022.830 2,517,022,830 2,526,830.726 2,526,830,726 1,467,658.384 1,467,658,384 2,397,993.324 2,397,993,324 4,185,178.149 4,185,178,149											
	2 RESERVES AND SURPLUS Unit Premium Reserve Opening balance Net premium on issue /redemption of units during the Year /period (440,812) (25) 2,047 (126,773) 5,246 (440,812) (25) 2,047 (126,773) 5,246 Retained Surplus Opening balance Add: Surplus transferred from Revenue Account Closing balance 215,934,926 4,365,828 4,365,828 2,943,353 15,604,185 2,237,499 215,934,926 4,365,828 2,943,353 15,604,185 2,237,499 Unrealised Appreciation on Investments Opening balance Less: Reversed during the year / period Add: Unrealised appreciation as at Year /period Closing balance 215,494,114 4,365,803 2,945,400 15,477,412 2,242,745										
3 CURRENT LIABILITIES & PROVISIONS Sundry creditors Distributed income payable Other liabilities 703,753 3,319 - 9 3,903,035 5,433,970 1,981,959 - 13,369,260 703,753 3,328 4,195,054 5,834,652 15,351,219											

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

DSP Merrill Lynch FTP- Series 1G		DSP Merrill Lynch FTP- Series 1H		DSP Merrill Lynch FTP- Series 1I		DSP Merrill Lynch FTP- Series 3E		DSP Merrill Lynch FTP- Series 3C		DSP Merrill Lynch FTP- Series 1J	
As at 28.03.2007 Units	Rupees	As at 31.03.2007 Units	Rupees	As at 31.03.2007 Units	Rupees	As at 31.03.2007 Units	Rupees	As at 31.03.2007 Units	Rupees	As at 31.03.2007 Units	Rupees
-	-	-	-	-	-	-	-	-	-	-	-
1,651,536.030	1,651,536,030	1,759,214.041	1,759,214,041	4,934,091.918	4,934,091,918	5,880,532.744	5,880,532,744	866,919.592	866,919,592	1,932,447.714	1,932,447,714
26,554.614	26,554,614	11,039.651	11,039,651	26,904.548	26,904,548	-	-	-	-	-	-
1,678,090.644	1,678,090,644	1,770,253.692	1,770,253,692	4,960,996.466	4,960,996,466	5,880,532.744	5,880,532,744	866,919.592	866,919,592	1,932,447.714	1,932,447,714
115.000	115,000	25.000	25,000	22,538.636	22,538,636	-	-	-	-	-	-
1,677,975.644	1,677,975,644	1,770,228.692	1,770,228,692	4,938,457.830	4,938,457,830	5,880,532.744	5,880,532,744	866,919.592	866,919,592	1,932,447.714	1,932,447,714
112,229.414	112,229,414	13,151.083	13,151,083	48,831.929	48,831,929	1,312,457.950	1,312,457,950	864,564.592	864,564,592	100,964.207	100,964,207
1,565,746.230	1,565,746,230	142,317.835	142,317,835	788,508.899	788,508,899	27,062.990	27,062,990	2,355.000	2,355,000	320,503.004	320,503,004
-	-	354,224.553	354,224,553	301,789.560	301,789,560	4,541,011.804	4,541,011,804	-	-	173,895.530	173,895,530
-	-	1,260,535.221	1,260,535,221	3,799,327.442	3,799,327,442	-	-	-	-	1,337,084.973	1,337,084,973
1,677,975.644	1,677,975,644	1,770,228.692	1,770,228,692	4,938,457.830	4,938,457,830	5,880,532.744	5,880,532,744	866,919.592	866,919,592	1,932,447.714	1,932,447,714
	As at 28.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees
	-		-		-		-		-		-
	3,908		5,901		(119,805)		44		5		34
	3,908		5,901		(119,805)		44		5		34
	-		-		-		-		-		-
	2,737,372		4,931,399		6,001,538		25,432,722		1,851,970		1,293,174
	2,737,372		4,931,399		6,001,538		25,432,722		1,851,970		1,293,174
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		541,500		1,038,000		66,640		-		-
	-		541,500		1,038,000		66,640		-		-
	2,741,280		5,478,800		6,919,733		25,499,406		1,851,975		1,293,208
	As at 28.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees
	247,946		352,446		1,197,804		605,260		13,994		7,571
	-		-		-		-		-		-
	5,706,189		2,360,066		5,928,092		24,810		560		10
	5,954,135		2,712,512		7,125,896		630,070		14,554		7,581

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

Schedules		DSP Merrill Lynch FTP- Series 1B				DSP Merrill Lynch FTP- Series 2			
		As at 01.06.2006 Rupees		As at 31.03.2006 Rupees		As at 16.08.2006 Rupees		As at 31.03.2006 Rupees	
		Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
4	INVESTMENTS								
	Bonds & Debentures								
	Listed or awaiting listing	-	-	-	-	-	-	-	-
	Private placement / Unlisted	-	-	-	-	-	-	-	-
	Commercial Papers (CP)	-	-	19,754,976	19,754,976	-	-	962,803,000	962,803,000
	Certificate of Deposits (CD)	-	-	2,206,348,500	2,206,348,500	962,302,000	962,302,000	1,202,290,561	1,202,290,561
	Bills Rediscounting (BRDS)	-	-	979,460,274	979,460,274	-	-	-	-
		-	-	3,205,563,750	3,205,563,750	962,302,000	962,302,000	2,165,093,561	2,165,093,561
5	DEPOSITS								
	Fixed Deposits with Scheduled Banks	-	-	650,000,000	-	-	-	-	-
	Margin money with The Clearing Corporation of India Ltd. (CCIL)	-	-	-	-	-	-	-	-
		-	-	650,000,000	-	-	-	-	-
6	OTHER CURRENT ASSETS								
	Balances with banks in current account	14,144,577	-	365,701	-	590,818	-	162,663	-
	Receivable for units purchase	-	-	-	-	-	-	-	-
	Contracts for sale of investments	-	-	-	-	-	-	-	-
	Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralized Borrowing and Lending Obligations (CBLO)	3,921,473,556	-	21,490,267	-	1,282,288,159	-	47,978,271	-
	Outstanding and accrued income	499,344	-	24,936,172	-	37,909,841	-	19,894,834	-
	Other receivable	-	-	-	-	-	-	-	-
		3,936,117,477	-	46,792,140	-	1,320,788,818	-	68,035,768	-
7	INTEREST								
	Reverse Repo / CBLO	1,032,876	-	425,148	-	885,020	-	574,492	-
	Securities and fixed deposits	51,327,980	-	24,932,928	-	63,923,954	-	20,778,531	-
		52,360,856	-	25,358,076	-	64,808,974	-	21,353,023	-

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

DSP Merrill Lynch FTP- Series 3				DSP Merrill Lynch FTP- Series 1C				DSP Merrill Lynch FTP- Series 3A			
As at 11.12.2006 Rupees		As at 31.03.2006 Rupees		As at 29.06.2006 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	Cost	Market/Fair value	Cost	Market/Fair value
-	-	200,014,000	197,413,200	-	-	-	-	202,102,700	200,168,000	202,102,700	202,043,700
-	-	-	-	-	-	-	-	-	-	-	-
-	-	468,198,500	468,198,500	-	-	-	-	496,649,890	496,649,890	-	-
-	-	841,301,500	841,301,500	-	-	2,936,175,000	2,936,175,000	1,978,514,428	1,978,514,428	2,207,605,000	2,207,605,000
-	-	-	-	-	-	-	-	-	-	-	-
-	-	1,509,514,000	1,506,913,200	-	-	2,936,175,000	2,936,175,000	2,677,267,018	2,675,332,318	2,409,707,700	2,409,648,700
	As at 11.12.2006 Rupees	As at 31.03.2006 Rupees		As at 29.06.2006 Rupees	As at 31.03.2006 Rupees			As at 31.03.2007 Rupees	As at 31.03.2006 Rupees		
	-	-		-	650,000,000			-	-		
	100,000	-		-	-			-	-		
	100,000	-		-	650,000,000			-	-		
	As at 11.12.2006 Rupees	As at 31.03.2006 Rupees		As at 29.06.2006 Rupees	As at 31.03.2006 Rupees			As at 31.03.2007 Rupees	As at 31.03.2006 Rupees		
	298,104	354,728		693,904	229,613			492,899	791,637		
	-	-		-	-			-	-		
	-	-		-	-			-	-		
	1,599,498,504	28,986,873		3,594,615,516	56,974,199			32,023,270	102,956,237		
	284,841	32,356,279		561,351	5,366,917			25,372,210	15,303,283		
	-	-		-	-			-	2,500,000		
	1,600,081,449	61,697,880		3,595,870,771	62,570,729			57,888,379	121,551,157		
	Period ended 11.12.2006 Rupees	Period ended 31.03.2006 Rupees		Period ended 29.06.2006 Rupees	Period ended 31.03.2006 Rupees			Year ended 31.03.2007 Rupees	Period ended 31.03.2006 Rupees		
	1,505,429	763,676		3,136,478	1,120,234			1,058,574	706,275		
	71,964,648	32,347,434		73,189,894	5,358,364			208,693,042	3,722,139		
	73,470,077	33,111,110		76,326,372	6,478,598			209,751,616	4,428,414		

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

Schedules		DSP Merrill Lynch FTP- Series 1D		DSP Merrill Lynch FTP- Series 1E		DSP Merrill Lynch FTP- Series 1F		DSP Merrill Lynch FTP- Series 1G	
		As at 28.09.2006 Rupees		As at 22.02.2007 Rupees		As at 20.03.2007 Rupees		As at 28.03.2007 Rupees	
		Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value	Cost	Market/Fair value
4	INVESTMENTS								
	Bonds & Debentures								
	Listed or awaiting listing	-	-	-	-	-	-	-	-
	Private placement / Unlisted	-	-	-	-	-	-	-	-
	Commercial Papers (CP)	245,711,750	245,711,750	490,582,000	490,582,000	-	-	-	-
	Certificate of Deposits (CD)	-	-	-	-	-	-	-	-
	Bills Rediscounting (BRDS)	-	-	-	-	-	-	-	-
		245,711,750	245,711,750	490,582,000	490,582,000	-	-	-	-
5	DEPOSITS								
	Fixed Deposits with Scheduled Banks								
	Margin money with The Clearing Corporation of India Ltd. (CCIL)								
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
6	OTHER CURRENT ASSETS								
	Balances with banks in current account		459,711		681,161		1,247,282		277,256
	Receivable for units purchase								
	Contracts for sale of investments		1,218,849,476		643,624,226		595,153,775		-
	Collateralised lending (reverse repurchase transactions) (Reverse Repo) / Collateralized Borrowing and Lending Obligations (CBLO)		5,488,695		1,274,788,917		3,605,050,758		1,685,966,539
	Outstanding and accrued income		4,289,206		9,629,084		1,320,298		427,264
	Other receivable		-		-		-		-
			1,229,087,088		1,928,723,388		4,202,772,113		1,686,671,059
7	INTEREST								
	Reverse Repo / CBLO		405,197		1,144,544		1,613,316		1,632,509
	Securities and fixed deposits		24,763,150		45,375,995		81,537,548		33,716,233
			25,168,347		46,520,539		83,150,864		35,348,742

DSP MERRILL LYNCH MUTUAL FUND SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2007 FIXED TERM PLANS (FTP) : CLOSED ENDED SCHEMES

DSP Merrill Lynch FTP- Series 1H		DSP Merrill Lynch FTP- Series 1I		DSP Merrill Lynch FTP- Series 3E		DSP Merrill Lynch FTP- Series 3C		DSP Merrill Lynch FTP- Series 1J	
As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		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	Cost	Market/Fair value	Cost	Market/Fair value
248,845,750	249,387,250	246,980,000	248,018,000	79,737,280	79,803,920	-	-	-	-
-	-	-	-	-	-	-	-	390,000,000	390,000,000
-	-	146,231,100	146,231,100	-	-	-	-	242,737,750	242,737,750
1,253,522,002	1,253,522,002	2,308,560,626	2,308,560,626	3,789,977,500	3,789,977,500	614,022,248	614,022,248	680,222,218	680,222,218
-	-	-	-	-	-	-	-	-	-
1,502,367,752	1,502,909,252	2,701,771,726	2,702,809,726	3,869,714,780	3,869,781,420	614,022,248	614,022,248	1,312,959,968	1,312,959,968
As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees	
	250,000,000		2,200,000,000				2,000,000,000		250,000,000
	-		-				-		-
	250,000,000		2,200,000,000				2,000,000,000		250,000,000
As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees		As at 31.03.2007 Rupees	
	309,382		313,430		625,594		510,897		53,238,386
	-		-		120		671,546		1,343,553
	-		7,493,173		8,456,581		2,462,043		5,031,131
	25,201,370		41,887,130		27,798,505		1,119,387		1,175,465
	-		-		-		-		-
	25,510,752		49,693,733		36,880,800		4,763,873		60,788,535
Period ended 31.03.2007 Rupees		Period ended 31.03.2007 Rupees		Period ended 31.03.2007 Rupees		Period ended 31.03.2007 Rupees		Period ended 31.03.2007 Rupees	
	123,425		1,147,782		179,277		752,534		136,318
	20,759,247		38,734,818		25,873,515		1,113,990		1,164,438
	20,882,672		39,882,600		26,052,792		1,866,524		1,300,756

DSP MERRILL LYNCH MUTUAL FUND FIXED TERM PLANS (FTP): CLOSED ENDED SCHEMES
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), HMK Investment Private Limited and ADIKO Investment Private Limited.

Schemes Name	Date of Launch	NFO Period	Maturity date	Investment objective
FTP- Series 1	Nov 14, 2005	Nov 14, 2005 - Nov 18, 2005	Feb 16, 2006	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1A	Dec 20, 2005	Dec 20, 2005 - Dec 22,2005	March 23, 2006	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1B	Feb 28, 2006	Feb 28, 2006 - March 03, 2006	June 01, 2006	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 2	Feb 14, 2006	Feb 14, 2006 - Feb 17, 2006	Aug 16, 2006	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 3	Dec 6, 2005	Dec 06, 2005 - Dec 09, 2005	Dec 11, 2006	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1C	March 21, 2006	March 21, 2005 - March 24, 2006	June 29, 2006	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 3A	March 21, 2006	March 21, 2005 - March 24, 2006	Apr 16, 2007	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1D	June 29, 2006	June 29, 2006 - June 30, 2006	Sept 28, 2006	The primary investment objective of the scheme 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. The scheme may 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 realised.

Schemes Name	Date of Launch	NFO Period	Maturity date	Investment objective
FTP- Series 1E	Nov 22, 2006	Nov 22, 2006 - Nov 23, 2006	Feb 22, 2007	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1F	Dec 19, 2006	Dec 19, 2006 - Dec 19, 2006	March 20, 2007	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1G	Dec 26, 2006	Dec 26, 2006 - Dec 27, 2006	March 28, 2007	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1H	Feb 09, 2007	Feb 09, 2007 - Feb 13, 2007	May 15, 2007	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1I	Feb 19, 2007	Feb 19, 2007 - Feb 22, 2007	May 28, 2007	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 3E	Feb 27, 2007	Feb 27, 2007 - March 12, 2007	Apr 02, 2008	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 3C	March 16, 2007	March 16, 2007 - March 22, 2007	Apr 02, 2008	The primary investment objective of the scheme 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. The scheme may 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 realised.
FTP- Series 1J	March 23, 2007	March 23, 2007 - March 28, 2007	June 27, 2007	The primary investment objective of the scheme 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. The scheme may 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 realised.

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.

2.3 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

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. 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 security.

II.II. 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.

2.4 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.

2.5 Expenses

All expenses are accounted for on accrual basis.

2.6 Exit Load

The exit load collected is utilised for meeting the selling and distribution expenses. Unutilized exit load collected is written back on maturity of the Plans (Scheme).

2.7 New Fund offer expenses

New Fund offer expenses for the Schemes were borne by the AMC.

3 Investments

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

b. 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)										
			FTP- 1E	FTP- 3A	FTP- 3C	FTP- 3E	FTP-1H	FTP-1I	FTP-1J	FTP-2	FTP-3	
HDFC Ltd	LF	Purchases	-	-	-	-	-	-	-	-	-	-
		Value	-	-	-	7.98	24.94	-	-	-	-	-
ICICI Bank Limited	LF	Purchases	134.73	199.31	16.28	379.00	125.56	150.98	34.02	-	-	
		Value	-	207.87	16.28	379.00	125.35	148.04	34.02	-	-	
Punjab National Bank	STF	Purchases	-	-	-	-	-	-	-	-	-	
		Value	-	-	12.50	-	-	-	28.00	-	-	
State Bank of India	ITF	Purchases	-	-	-	-	-	-	-	-	-	
		Value	-	-	-	120.00	-	98.71	52.27	-	-	
UCO Bank	STF	Purchases	-	-	-	-	-	-	-	-	-	
		Value	-	-	45.12	-	-	-	-	-	-	

LF - Liquidity Fund, STF – Short Term Fund, ITF - India T.I.G.E.R. Fund

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 debt securities issued by the aforesaid companies would yield attractive returns commensurate with the risks associated with the issuer.

4 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)													
FTP-Series 1B	FTP-Series 1C	FTP-Series 2	FTP-Series 3	FTP-Series 3A	FTP-Series 1D	FTP-Series 1E	FTP-Series 1F	FTP-Series 1G	FTP-Series 1H	FTP-Series 1I	FTP Series 1J	FTP-Series 3E	FTP-Series 3C
0.42%	0.07%	0.38%	0.24%	0.20%	0.06%	0.19%	0.27%	0.05%	0.10%	0.18%	0.00%	0.20%	0.18%

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.

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

Name of Associate: DSP Merrill Lynch Limited

Rupees

Scheme Name	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		Payment of Brokerage on Secondary Market transactions		Payment of Brokerage for Distribution and Sale of Units	
	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006
FTP- Series 1B	-	-	-	-	49,078	19,302
FTP- Series 2	-	962,803,000	-	-	90,727	28,173
FTP- Series 3	-	-	-	-	47,817	20,747
FTP- Series 1C	-	-	-	-	92,121	3,103
FTP- Series 3A	-	-	-	-	-	255,707
FTP- Series 1D	-	-	-	-	16,457	-
FTP- Series 1E	-	-	-	-	26,420	-
FTP- Series 1F	-	-	-	-	89,587	-
FTP- Series 1G	-	-	-	-	18,784	-
FTP- Series 1H	-	-	-	-	14,500	-
FTP- Series 1I	-	-	-	-	28,206	-
FTP- Series 3E	-	-	-	-	2,083,014	-
FTP- Series 3C	-	-	-	-	38,450	-
FTP- Series 1J	-	-	-	-	484	-

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.

6 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
FTP- Series 1B	-	3,855,563,750	3,920,000,000	-	0.00%	98.85%	100.09%	0.00%
FTP- Series 2	19,950,110	2,261,740,950	2,270,000,000	96,883,900	0.88%	97.48%	100.13%	4.18%
FTP- Series 3	29,200,140	1,539,142,960	1,628,622,150	29,738,488	1.85%	98.91%	103.11%	1.91%
FTP- Series 1C	50,000,000	3,586,175,000	3,699,372,292	-	1.37%	98.37%	101.50%	0.00%
FTP- Series 3A	2,499,593,756	2,409,707,700	2,422,526,064	-	94.85%	95.23%	91.92%	0.00%
FTP- Series D	1,939,141,510	-	1,963,734,876	-	132.58%	-	134.26%	-
FTP- Series 1E	2,372,569,633	-	2,417,945,326	-	98.67%	-	100.56%	-
FTP- Series 1F	4,106,995,050	-	4,175,817,885	-	98.68%	-	100.33%	-
FTP- Series 1G	2,348,260,734	-	2,423,842,726	-	140.68%	-	145.21%	-
FTP- Series 1H	1,754,471,746	-	-	-	99.22%	-	0.00%	-
FTP- Series 1I	5,081,159,469	-	179,534,790	-	102.69%	-	3.63%	-
FTP- Series 3E	5,869,714,780	-	-	-	99.54%	-	0.00%	-
FTP- Series 1J	2,152,959,968	-	280,000,000	-	111.36%	-	14.48%	-
FTP- Series 3C	864,022,248	-	-	-	99.49%	-	0.00%	-

7 Distributable Surplus:
2006-07

Rupees

Scheme Name	Net Income as per Revenue Account	Add: Balance of undistributed income as at the beginning of the year	Less: Distributed to unit holders & distribution Tax	Balance Distributable income
FTP- Series 1B	50,521,946	7,685,170	48,498,638	9,708,478
FTP- Series 2	61,903,930	3,705,244	53,835,545	11,773,629
FTP- Series 3	72,201,374	29,000,043	178,162	101,023,255
FTP- Series 1C	75,765,204	6,472,326	70,135,555	12,101,975
FTP- Series 3A	211,569,098	4,365,828	-	215,934,926
FTP- Series 1D	24,708,978	-	21,765,625	2,943,353
FTP- Series 1E	45,110,806	-	29,506,621	15,604,185
FTP- Series 1F	79,954,869	-	77,717,370	2,237,499
FTP- Series 1G	34,998,829	-	32,261,457	2,737,372
FTP- Series 1H	18,324,938	-	13,393,539	4,931,399
FTP- Series 1I	38,622,248	-	32,620,710	6,001,538
FTP- Series 3E	25,432,722	-	-	25,432,722
FTP- Series 3C	1,851,970	-	-	1,851,970
FTP- Series 1J	1,293,174	-	-	1,293,174

2005-2006

Rupees

Scheme Name	Net Income as per Revenue Account	Less: Distributed to unit holders & distribution tax	Balance Distributable income
FTP- Series 1B	24,662,008	16,976,838	7,685,170
FTP- Series 2	19,853,536	16,148,292	3,705,244
FTP- Series 3	29,067,542	67,499	29,000,043
FTP- Series 1C	6,472,326	-	6,472,326
FTP- Series 3A	4,365,828	-	4,365,828

8 Prior Period Comparatives

Prior Period figures have been reclassified, wherever necessary, to conform to current years' presentation. For FTP-Series 1D, 1E, 1F, 1G, 1H, 1I, 3E, 3C, & 1J as these are the first Financial Statements since the date of its launch, there are no comparatives for the prior period.

9 Unit-holders can obtain from the mutual fund a copy of the Annual Report of the scheme in which he /she 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 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

	FTP- Series 1B		FTP- Series 2		FTP- Series 3		FTP- Series 1C		FTP- Series 3A		FTP- Series 1D
	As at 1-Jun-06	As at 31-Mar-06	As at 16-Aug-06	As at 31-Mar-06	As at 11-Dec-06	As at 31-Mar-06	As at 29-Jun-06	As at 31-Mar-06	As at 31-Mar-07	As at 31-Mar-06	As at 28.09.2006
a. Net assets value, at the end of the period	G 1,019.4222	D *1006.3462	10.3670	*10.0859	10.6652	*10.1886	1,002.8701	*1001.7782	*1085.6146	*1001.7277	1,017.0781
	1,000.1151	*1001.3440	10.0048	*10.0059	10.0017	*10.0085	1,002.8701	*1001.7782	*1085.6146	*1001.7277	1,000.1136
* refers to computed NAV											
b. Gross Income											
(i) Income other than profit on sale of investments	13.3666	6.5172	0.2928	0.0963	0.4901	0.2151	21.6074	1.7799	83.3332	1.7526	17.1486
(ii) Income from profit / (loss) on inter scheme sales/transfer of investment	-	-	-	-	-	-	-	-	0.0005	-	-
(iii) Income from profit / (loss) on sale of investment to third party	0.3934	-	0.0051	(0.0030)	(0.0001)	-	-	-	4.4743	-	(0.0059)
(iv) Transfer to revenue account from past years' reserve	-	-	-	-	0.0173	-	-	-	-	-	-
c. Aggregate of expenses, writeoff, amortisation and charges (excluding change in unrealised depreciation in investments)	0.8557	0.1789	0.0212	0.0038	0.0257	0.0094	0.4009	0.0017	3.0075	0.0014	0.3071
d. Net Income (excluding change in unrealised depreciation in investments)	12.9043	6.3383	0.2767	0.0895	0.4816	0.2057	21.2065	1.7782	84.8005	1.7512	16.836
e. Unrealised appreciation / (depreciation) in value of investments	-	-	-	-	-	(0.0169)	-	-	(0.7686)	(0.0233)	-
f. Redemption Price:											
Highest Price											
G	1,011.7765	998.3624	10.2633	9.9838	10.4519	9.9811	1,015.1502	-	1,063.1933	-	1,009.4500
D	1,006.6337	996.8388	10.1660	9.9695	10.2593	9.9683	1,014.9476	-	1,063.1933	-	1,009.2982
Lowest Price											
G	999.8963	995.5338	9.9953	9.9123	9.9988	9.8102	995.4128	-	983.2304	-	993.5733
D	992.6142	993.3999	9.9048	9.9046	9.8017	9.8047	992.7197	-	983.2304	-	992.6127
g. Ratio of expenses to average daily net assets by percentage	0.50%	0.30%	0.43%	0.35%	0.35%	0.31%	0.16%	0.06%	0.29%	0.05%	0.13%
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).	1.38%	0.65%	2.94%	0.89%	4.65%	1.96%	2.12%	0.18%	8.31%	0.17%	1.72%

Notes :

- (1) G - Growth, DD - Daily Dividend, WD - Weekly Dividend, MD - Monthly Dividend, QD - Quarterly Dividend, D - Dividend.
- (2) 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.
- (3) The per unit calculations are based on the number of units outstanding at the end of the financial year / last outstanding units in case of matured schemes.
- (4) P/E ratio is not applicable since the units are not listed on any stock exchange.
- (5) For FTP- Series 3c, FTP- Series ij after date of allotment (March 29, 2006) no NAV is declared and hence High / Low Redemption Price is not applicable.
- (6) In case of Matured schemes no NAV available as of March 31, 2007.
- (7) Since the Schemes are closed ended schemes no highest / lowest purchase price is computed.

Perspective Historical per Unit Statistics

	FTP- Series 1E	FTP- Series 1F	FTP- Series 1G	FTP- Series 1H		FTP- Series 1I		FTP- Series 3E		FTP- Series 3C	FTP- Series 1J	
	As at 22.02.2007	As at 20.03.2007	As at 28.03.2007	As at 31.03.2007		As at 31.03.2007		As at 31.03.2007		As at 31.03.2007	As at 31.03.2007	
				Retail	Institutional	Retail	Institutional	Retail	Institutional		Retail	Institutional
a. Net assets value, at the end of the period	1,018.9478	1,019.4026	1,021.1918	*1010.6166	*1010.7355	*1007.9868	*1008.0613	*1004.3110	*1004.3437	*1002.1367	*1000.6693	*1000.6692
D	1,000.1978	1,000.1026	1,000.2318	*1002.1121	*1000.9804	*1001.7841	*1000.7081	*1004.3110	NA	*1002.1367	*1000.6693	*1000.6692
* refers to computed NAV												
b. Gross Income												
(i) Income other than profit on sale of investments	19.3998	19.8679	21.0663	11.7966		8.0759		4.4303		2.1531	0.6731	
(ii) Income from profit / (loss) on inter scheme sales/ transfer of investment	(0.0001)	(0.1516)	(0.0002)	-		-		-		-	-	
(iii) Income from profit / (loss) on sale of investment to third party	-	0.3006	0.0722	(1.1885)		0.0001		-		-	-	
(iv) Transfer to revenue account from past years' reserve	-	-	-	-		-		-		-	-	
c. Aggregate of expenses, writeoff, amortisation and charges (excluding change in unrealised depreciation in investments)	0.5878	0.9127	0.2806	0.2563		0.2553		0.1054		0.0168	0.0039	
d. Net Income (excluding change in unrealised depreciation in investments)	18.8119	19.1042	20.8577	10.3518		7.8207		4.3249		2.1363	0.6692	
e. Unrealised appreciation / (depreciation) in value of investments	-	-	-	0.3059		0.2102		0.0113		-	-	
f. Redemption Price:												
Highest Price												
G	1,011.3057	1,011.7571	1,013.5329	1,002.2495	1,002.3593	999.7729	999.8386	983.5666	983.5905	NA	NA	NA
D	1,011.1127	1,010.6622	1,011.8992	1,002.2495	1,002.3593	999.7729	999.8386	983.5666	NA	NA	NA	NA
Lowest Price												
G	993.7751	994.2205	994.1315	994.4410	994.4410	995.0533	995.0614	982.0030	982.0084	NA	NA	NA
D	992.6963	992.6018	992.7301	994.0755	992.9474	993.8363	992.7634	982.0030	NA	NA	NA	NA
g. Ratio of expenses to average daily net assets by percentage	0.25%	0.38%	0.12%	0.31%	0.21%	0.36%	0.28%	0.40%	0.30%	0.31%	0.07%	0.07%
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).	1.93%	2.01%	2.12%	1.09%		0.83%		0.44%		0.21%	0.07%	

Portfolio: Closed Ended Schemes
DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1B

Portfolio as of 01-Jun-06

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				3,921,473,556	99.86%
	Net receivables / (Payables)				5,381,688	0.14%
	Total				3,926,855,244	100.00%
	Grand Total				3,926,855,244	100.00%

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1C

Portfolio as of 29-Jun-06

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				3,594,615,516	100.33%
	Net receivables / (Payables)				(11,770,115)	-0.33%
	Total				3,582,845,401	100.00%
	Grand Total				3,582,845,401	100.00%

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1D

Portfolio as of 28-Sep-06

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	MONEY MARKET INSTRUMENTS					
	Commercial Paper **					
1	ABN Amro Securities	Finance	P1+	500	245,711,750	16.71%
	Total				245,711,750	16.71%
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				5,488,695	0.37%
	Net receivables / (Payables)				1,219,403,339	82.92%
	Total				1,224,892,034	83.29%
	Grand Total				1,470,603,784	100.00%
	** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 1 day and modified duration: 1 day					

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1E

Portfolio as of 22-Feb-07

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	MONEY MARKET INSTRUMENTS					
	Commercial Paper **					
1	SBI Cards & Payments	Finance	P1+	1,000	490,582,000	20.33%
	Total				490,582,000	20.33%
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				1,274,788,917	52.82%
	Net receivables / (Payables)				648,099,819	26.85%
	Total				1,922,888,736	79.67%
	Grand Total				2,413,470,736	100.00%
	** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 1 day and modified duration: 1 day					

Portfolio: Closed Ended Schemes

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1F

Portfolio as of 20-Mar-07

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				3,605,050,758	86.09%
	Net receivables / (Payables)				582,370,136	13.91%
	Total				4,187,420,894	100.00%
	Grand Total				4,187,420,894	100.00%

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1G

Portfolio as of 28-Mar-07

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				1,685,966,539	100.31%
	Net receivables / (Payables)				(5,249,615)	-0.31%
	Total				1,680,716,924	100.00%
	Grand Total				1,680,716,924	100.00%

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 2

Portfolio as of 16-Aug-06

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	MONEY MARKET INSTRUMENTS					
1	Certificate of Deposit **					
	ICICI BANK	Banks	P1+	10,000	962,302,000	42.79%
					962,302,000	42.79%
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				1,282,288,159	57.02%
	Net receivables / (Payables)				4,380,157	0.19%
	Total				1,286,668,316	57.21%
	Grand Total				2,248,970,316	100.00%

** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines
average maturity: 1 day and modified duration: 1 day

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 3

Portfolio as of 11-Dec-06

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
	Cash & Cash Equivalents					
	Reverse Repo Investments / CBLO				1,599,498,504	100.06%
	Net receivables / (Payables)				(961,203)	-0.06%
	Total				1,598,537,301	100.00%
	Grand Total				1,598,537,301	100.00%

Portfolio: Closed Ended Schemes
DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 3A

Portfolio as of 31-Mar-07

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
DEBT INSTRUMENTS						
Listed / awaiting listing on Stock Exchanges						
FIXED RATE DEBT INSTRUMENTS - RESIDUAL MATURITY<365 DAYS **						
1	Canara Bank	Bank	AAA	200	100,059,200	3.66%
2	ICICI Bank	Bank	AAA	100	100,108,800	3.66%
Total					200,168,000	7.33%
MONEY MARKET INSTRUMENTS						
Certificate of Deposit **						
3	ICICI Bank	Bank	P1+	1,000	92,525,900	3.39%
4	ICICI Bank	Bank	P1+	19,000	1,885,988,528	69.02%
Bank					1,978,514,428	72.41%
Commercial Paper **						
5	Cholamandalam DBS Finance	Finance	P1+	1,000	496,649,890	18.18%
Finance					496,649,890	18.18%
Total					2,475,164,318	90.58%
Cash & Cash Equivalents						
Reverse Repo Investments / CBLO					32,023,270	1.17%
Net receivables / (Payables)					25,161,356	0.92%
Total					57,184,626	2.09%
Grand Total					2,732,516,944	100.00%
** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 20 days and modified duration: 19 days						

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 3C

Portfolio as of 31-Mar-07

Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
FIXED DEPOSITS						
1	Development Credit Bank	Bank			125,000,000	14.39%
2	Punjab National Bank	Bank			125,000,000	14.39%
Total					250,000,000	28.78%
MONEY MARKET INSTRUMENTS						
Certificate of Deposit **						
3	ICICI Bank	Bank	A1+	1,000	90,330,400	10.40%
4	ICICI Bank	Bank	A1+	800	72,510,848	8.35%
5	UCO Bank	Bank	P1+	5,000	451,181,000	51.93%
Total					614,022,248	70.68%
Cash & Cash Equivalents						
Reverse Repo Investments / CBLO					2,462,043	0.28%
Net receivables / (Payables)					2,287,276	0.26%
Total					4,749,319	0.55%
Grand Total					868,771,567	100.00%
** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 369 days and modified duration: 330 days						

Portfolio: Closed Ended Schemes

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 3E						
Portfolio as of 31-Mar-07						
Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
DEBT INSTRUMENTS						
(a) Listed / awaiting listing on Stock Exchanges						
FLOATING RATE DEBT INSTRUMENTS - RESET FREQUENCY <182 DAYS **						
1	HDFC FRN	Finance	AAA	80	79,803,920	1.35%
	Total				79,803,920	1.35%
FIXED DEPOSITS						
2	State Bank of Bikaner & Jaipur	Bank			550,000,000	9.31%
3	State Bank of Hyderabad	Bank			650,000,000	11.01%
4	UTI Bank	Bank			800,000,000	13.55%
	Total				2,000,000,000	33.86%
MONEY MARKET INSTRUMENTS						
Certificate of Deposit **						
5	ICICI Bank	Bank	A1+	500	45,175,200	0.76%
6	ICICI Bank	Bank	A1+	41,500	3,744,802,300	63.41%
	Total				3,789,977,500	64.17%
Cash & Cash Equivalents						
	Reverse Repo Investments / CBLO				8,456,581	0.14%
	Net receivables / (Payables)				27,794,149	0.47%
	Total				36,250,730	0.61%
	Grand Total				5,906,032,150	100.00%
** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 352 days and modified duration: 318 days						

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1H						
Portfolio as of 31-Mar-07						
Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
DEBT INSTRUMENTS						
(a) Listed / awaiting listing on Stock Exchanges						
FLOATING RATE DEBT INSTRUMENTS - RESET FREQUENCY <182 DAYS **						
1	HDFC FRN	Finance	AAA	250	249,387,250	14.04%
	Total				249,387,250	14.04%
FIXED DEPOSITS						
2	Development Credit Bank	Bank			250,000,000	14.08%
	Total				250,000,000	14.08%
MONEY MARKET INSTRUMENTS						
Certificate of Deposit **						
3	ICICI Bank	Bank	A1+	12,860	1,253,522,002	70.59%
	Total				1,253,522,002	70.59%
Cash & Cash Equivalents						
	Net receivables / (Payables)				22,798,240	1.28%
	Total				22,798,240	1.28%
	Grand Total				1,775,707,492	100.00%
** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 45 days and modified duration: 42 days						

Portfolio: Closed Ended Schemes

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1I						
Portfolio as of 31-Mar-07						
Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
DEBT INSTRUMENTS						
(a) Listed / awaiting listing on Stock Exchanges						
FLOATING RATE DEBT INSTRUMENTS - RESET FREQUENCY <182 DAYS **						
1	Citi Financial Consumer Finance India FRN	Finance	AAA	250	248,018,000	5.02%
Total					248,018,000	5.02%
FIXED DEPOSITS						
2	State Bank of Patiala	Bank			500,000,000	10.11%
3	Union Bank of India	Bank			500,000,000	10.11%
4	UTI Bank	Bank			700,000,000	14.15%
5	Yes Bank	Bank			500,000,000	10.11%
Total					2,200,000,000	44.49%
MONEY MARKET INSTRUMENTS						
Certificate of Deposit **						
6	ICICI Bank	Bank	A1+	190	18,612,609	0.38%
7	ICICI Bank	Bank	A1+	15,000	1,461,816,317	29.56%
8	Standard Chartered Bank	Bank	P1+	1,000	97,462,200	1.97%
9	Kotak Mahindra Bank	Bank	P1+	2,500	243,556,500	4.92%
10	State Bank of Bikaner & Jaipur	Bank	P1+	5,000	487,113,000	9.85%
Bank					2,308,560,626	46.68%
Commercial Paper **						
11	Kotak Mahindra Prime	Finance	P1+	300	146,231,100	2.96%
Finance					146,231,100	2.96%
Total					2,454,791,726	49.64%
Cash & Cash Equivalents						
Reverse Repo Investments / CBLO					7,493,173	0.15%
Net receivables / (Payables)					35,074,664	0.71%
Total					42,567,837	0.86%
Grand Total					4,945,377,563	100.00%
** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 53 days and modified duration: 50 days						

Portfolio: Closed Ended Schemes

DSP MERRILL LYNCH FIXED TERM PLAN: SERIES 1J						
Portfolio as of 31-Mar-07						
Sr. No.	Name of the instrument	Industry	Rating	Quantity	Market Value	% to Net Assets
DEBT INSTRUMENTS						
Unlisted / Privately Placed **						
1	JM Financial Products	Finance	P1+	15	150,000,000	7.76%
2	JM Financial Products	Finance	P1+	40	40,000,000	2.07%
3	Kotak Mahindra Prime	Finance	P1+	200	200,000,000	10.34%
	Total				390,000,000	20.17%
FIXED DEPOSITS						
4	Punjab National Bank	Bank			280,000,000	14.48%
5	State Bank of Patiala	Bank			280,000,000	14.48%
					560,000,000	28.96%
MONEY MARKET INSTRUMENTS						
Certificate of Deposit **						
6	Standard Chartered Bank	Bank	P1+	1,000	97,272,400	5.03%
7	ICICI Bank	Bank	P1+	3,500	340,241,650	17.59%
8	State Bank of Patiala	Bank	P1+	2,500	242,708,168	12.55%
		Bank			680,222,218	35.18%
Commercial Paper **						
9	GE Money Housing Finance	Finance	P1+	500	242,737,750	12.55%
		Finance			242,737,750	12.55%
	Total				922,959,968	47.73%
Cash & Cash Equivalents						
	Reverse Repo Investments / CBLO				5,031,131	0.26%
	Net receivables / (Payables)				55,749,823	2.88%
	Total				60,780,954	3.14%
	Grand Total				1,933,740,922	100.00%
** Non Traded / Thinly Traded Securities valued in accordance with SEBI Regulations / Guidelines average maturity: 89 days and modified duration: 81 days						

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.	DSPMLBalF	An Open Ended balanced Scheme, seeking to generate long term capital appreciation and current income from a portfolio constituted of equity and equity related securities as well as fixed income securities (debt and money market securities).
10.	DSPMLBF	An Open Ended income Scheme, seeking to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of high quality debt securities, predominantly of issuers domiciled in India. As a secondary objective, the Scheme will seek capital appreciation.
11.	DSPMLSPF – Conservative, DSPMLSPF – Aggressive and DSPMLSPF – Moderate	An Open ended income Scheme, seeking to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of quality debt securities. The Scheme will also seek to generate capital appreciation by investing a smaller portion of its corpus in equity and equity related securities of the 100 largest corporates, by market capitalization, listed in India.
12.	DSPMLSTF	An Open Ended income Scheme, seeking to generate income commensurate with prudent risk, from a portfolio constituted of money market securities, floating rate debt securities and debt securities.
13.	DSPMLLPF (Regular Plan and Institutional Plan)	An Open Ended income Scheme, seeking to generate reasonable returns commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and high quality debt securities.
14.	DSPMLFTPs	Close ended Schemes, seeking capital appreciation by investing in a portfolio of debt and money market securities. For each of these schemes, it is envisaged that the portfolio will display the maturity profile that is generally in line with the Term of the scheme.
15.	DSPMLSMF	An open ended equity growth Scheme, seeking to generate long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities which are not part of the top 100 stocks by market capitalization.
16.	DSPMLTSF	An open ended ELSS scheme, seeking to generate medium to long-term capital appreciation from a diversified portfolio that is substantially constituted of equity and equity related securities of corporates, and to enable investors avail of a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time.

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 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 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) carefully before investing.