

Bharat S Raut & Co.

(Registered)
Chartered Accountants

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Auditors' Report

To the Members of

Deutsche Asset Management (India) Private Limited

We have audited the accompanying Balance sheet of Deutsche Asset Management (India) Private Limited ('the Company') as at 31 March 2004 and the Profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
- (iii) The Balance sheet and Profit and loss account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance sheet and Profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
- (v) On the basis of written representations received from the directors of the Company as at 31 March 2004 and taken on record by the Board of Directors, we report that none of the Directors are disqualified from being appointed as Director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



Bharat S Raut & Co.

Auditors' report (continued)

Deutsche Asset Management (India) Private Limited

- (vi) 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 Companies Act, 1956, in a manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance sheet, of the state of affairs of the Company as at 31 March 2004; and
 - (b) in the case of the Profit and loss account, of the profit of the Company for the year ended on that date;

Mumbai
Date: 9 September 2004

For Bharat S Raut & Co.
Chartered Accountants



Abizer Diwanji
Partner
Membership No: 46859

Deutsche Asset Management (India) Private Limited Annexure to Auditors' Report

With reference to the Annexure referred to in paragraph 3 of the Auditors' report to the members of Deutsche Asset Management (India) Private Limited on the financial statement for the year ended 31 March 2004, we report the following:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Management conducts physical verification of its fixed assets and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable.
(c) Fixed assets disposed off during the period were not substantial and therefore do not affect the going concern assumption.
2. In our opinion, and according to the information and explanations given to us, the Company's nature of operations does not require it to hold inventories. Consequently, clause 4(ii) of the Companies (Auditor's Report) Order, 2003 ("the Order") is not applicable.
3. According to the information and explanations given to us, the Company has not given/taken any loans from/to companies, firms or other parties required to be covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets. The activities of the Company do not involve the purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under, apply.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of the business.
8. We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues during the year with appropriate authorities. In our opinion, and according to the information and explanations provided to us, the provisions of the statutes relating to Investors Education and Protection, Employees' State Insurance, Sales Tax, Excise Duty are not applicable to the Company.
(b) According to the information and explanations given to us there are no undisputed amounts payable in respect of statutory dues for a period of more than six months from the date they became payable.

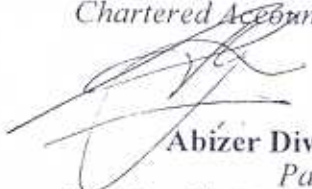
Deutsche Asset Management (India) Private Limited

Annexure to Auditors' Report (Continued)

10. The Company has been registered for a period of less than 5 years and hence clause 4(x) of the Order is not applicable to the Company.
11. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or a bank during the year.
12. Based on the information and explanations given to us, the Company has not disbursed loans or advances on the basis of security by way of pledge of shares, debentures and other securities, during the current year.
13. To the best of our knowledge and as confirmed by the management, no special statutes applicable to a chit fund, nidhi or mutual benefit society are applicable to the Company.
14. Based on information and explanations provided by the management, the Company is not involved in dealing and/or trading in shares, securities, debentures and other investments.
15. Based on information and explanations provided by the management, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
16. The Company has not obtained term loans during the year.
17. Based on the information and explanations given to us and the overall examination of the balance sheet of the Company, we report that the Company has not utilised funds raised on short-term basis for long-term investment. Long-term capital is used for core short-term assets.
18. The Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Mumbai
9 September 2004

For Bharat S Raut & Co.
Chartered Accountants


Abizer Diwanji
Partner
Membership No: 46859

Deutsche Asset Management (India) Private Limited

Notes to financial statements

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

1 Background

Deutsche Asset Management (India) Private Limited ('DeAMC' or 'the Company') was incorporated on 21 March 2002 as a private limited company under the Companies Act, 1956. The principal shareholder of the Company is Deutsche Asset Management (Asia) Limited (75%), a company incorporated in Singapore and the balance (25%) is held by United Associates Holding India Private Limited a company incorporated in India under the Companies Act, 1956.

The Company's principal activity is to act as an investment manager to Deutsche Mutual Fund ('the Fund'). The Company is registered with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996. The Company manages investment portfolios of the Fund and provides various administrative services to the Fund and Deutsche Trustee Services (India) Pvt. Ltd. as laid down in the Investment Management Agreement dated 29 May 2002.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the accounting standards issued by the Institute of Chartered Accountants of India (to the extent applicable) and the provisions of the Companies Act, 1956.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. Actual results may differ from those estimates. Adjustments, if any, are prospectively made.

2.2 Revenue recognition

Asset management fees are recognised on an accrual basis in accordance with terms of contract with Deutsche Trustee Services (India) Pvt. Ltd. subject to SEBI regulations.

Marketing advisory fees are recognised on an accrual basis in accordance with the terms of respective contract.

Interest income is accounted on accrual basis.



Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

2.3 Fixed assets and depreciation

Fixed assets are stated at historical cost less accumulated depreciation. The historical cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged on straight-line basis at rates higher than the rates prescribed by Schedule XIV of the Companies Act as given below :

Class of asset	Rate of depreciation
Furniture, fixtures and office equipment	10%
Telecommunications Equipment	20%
Motor Vehicles	20%
Computer (Hardware)	25%
Computer (Software)	100%

Depreciation for the entire month is charged in the month in which the asset is purchased. Depreciation for the entire month is charged in the month of sale if the asset is sold after 15th day of the month. Depreciation is not provided for the month of sale if the asset is sold on or before 15th of the month.

Assets individually costing upto Rs 5,000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the residual period of the lease.

Until the previous year, the Company depreciated computer software at 33.33% per annum. With effect from 1 April 2003, computer software costing upto Rs 20 million is 100% depreciated in the year of purchase. Computer Software exceeding Rs 20 million is depreciated at 33.33% per annum. Due to change in the estimate, the depreciation charge for the year is higher by Rs.787 thousand and the profit before tax for the year is lower by Rs 787 thousand.

2.4 Employee Cost/ Retirement benefits

Contribution payable to the recognised provident fund, which is a defined contribution scheme, are charged to the profit and loss account.

The employees of the Company are entitled to receive retirement benefits under the Company's superannuation scheme. Superannuation is a defined contribution plan and is charged to the profit and loss account in the period in which they accrue and is funded with Life Insurance Corporation of India ('LIC'). The Company has provided for gratuity based on the provisions of the Payment of Gratuity Act, 1972 in line with the employment contracts executed with its employees. The Company is in the process of entering into an agreement with Life Insurance Corporation of India ('LIC') for funding of gratuity liability.

Leave pay is actuarially determined based on the employee compensation rates for the eligible unavailed leave balance standing to the credit of the employees at the period end and is charged to profit and loss account.



Deutsche Asset Management (India) Private Limited

Notes to financial statements *(continued)*

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

2.5 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the profit and loss account.

Monetary items denominated in foreign currencies and outstanding at the balance sheet date are translated at the year-end exchange rate. The exchange differences, if any, are recognised in the profit and loss account and related assets and liabilities are accordingly restated in the balance sheet.

2.6 Scheme related expenses

The total recurring expenses relating to the schemes of Deutsche Mutual Fund are as per SEBI Regulations. Expenses over and above the expenses limit for each scheme are required to be borne by the Company and are disclosed under the head Administration and other expenses as 'Scheme related expenses'.

All expenses relating to initial public offer for 'no load' schemes are charged to profit and loss account of the Company in the year in which these are incurred. Similarly, expenses incurred by the Company for initial public offer for 'load' schemes in excess of entry load collected are also charged to the profit and loss account of the Company in the year in which such expenses are incurred.

2.7 Leases – Operating Lease

Leases where the lessor effectively retains all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense, as applicable over the lease period.

2.8 Preliminary expenses

Preliminary expenses are charged to the profit and loss account in the year in which they are incurred.

2.9 Taxation

Provision is made for income tax of current tax and deferred tax components. The current tax is recognised under the taxes payable method based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Indian Income-tax Act, 1961.

Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the accounting profits and taxable profits. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are only recognised if there is reasonable certainty that they will be realised, except for deferred tax assets in respect of unabsorbed depreciation and carry forward losses, which are recognised only to the extent that there is virtual certainty they will be realised. These assets are reviewed for appropriateness of their carrying value at each Balance sheet date.

2.10 Earnings per share

The basic earnings per share is computed by dividing the net loss / profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that increase loss per share are included.

2.11 Contingencies

Loss contingencies arising from claims, litigations, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred, and the amount can be reasonably estimated



Deutsche Asset Management (India) Private Limited

Balance Sheet

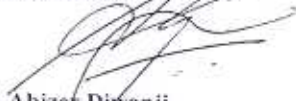
as at March 31,

(Currency: Indian Rupee in Thousands)

	Schedule	Year ended 2004	Period ended 2003
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	250,000	250,000
		<u>250,000</u>	<u>250,000</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	4	10,151	7,583
Less: Depreciation		3,428	878
Net block		<u>6,723</u>	<u>6,705</u>
Current assets, loans and advances			
Sundry Debtors	5	21,227	4,447
Cash and bank balances	6	188,673	195,807
Loans and advances	7	26,691	14,316
		<u>236,591</u>	<u>214,570</u>
Less: Current liabilities and provisions			
Current liabilities	8	9,367	7,414
Provisions	9	5,181	751
		<u>14,548</u>	<u>8,165</u>
Net current assets		222,043	206,405
Profit and Loss Account (Debit Balance)	10	21,234	36,890
		<u>250,000</u>	<u>250,000</u>

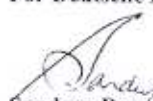
The accompanying schedules form an integral part of this Balance Sheet
As per our report of even date.


For Bharat S Raut & Co.
Chartered Accountants

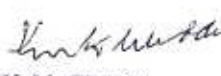

Abizer Dwanji
Partner
Membership No. 46859

Mumbai
09 September 2004

On behalf of the Board of Directors
For Deutsche Asset Management (India) Private Limited


Sandeep Dasgupta
Director


P R Shenoy
Company Secretary


K. M. Gherda
Director

Deutsche Asset Management (India) Private Limited

Profit and loss account

For the year ended March 31,

(Currency: Indian Rupee in Thousands)

Schedule	01 April 2003 to 31 March 2004	21 March 2002 to 31 March 2003
Income		
Investment Management Fees (Includes tax deducted at source Rs.1,856. Previous period Rs.NIL)	72,060	2,534
Marketing Advisory fees	18,106	3,174
Interest (Includes tax deducted at source Rs.1,130. Previous period Rs.2,013)	9,032	11,910
	<u>99,198</u>	<u>17,618</u>
Expenditure		
Employee costs	11	44,321
Administration and other expenses	12	35,542
Depreciation	4	2,550
	<u>82,413</u>	<u>82</u>
Profit before tax	<u>16,785</u>	<u>(36,890)</u>
Provision for current tax	(1,129)	-
Profit transferred to balance sheet	<u>15,656</u>	<u>(36,890)</u>
Earnings per share (In Rupees)		
(Equity shares, face value of Rs.10 each, fully paid up)		
- Basic and diluted	17	3.98
		(28.95)

The accompanying schedules form an integral part of this Profit and Loss Account
As per our report of even date.

For Bharat S Raut & Co.
Chartered Accountants



Abizer Diwanji
Partner
Membership No. 46859

Mumbai
29 September 2004

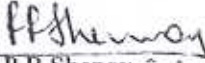
On behalf of the Board of Directors
For Deutsche Asset Management (India) Private Limited



Sandeep Dasgupta
Director



K. M. Gherda
Director



P R Shenoy
Company Secretary

Deutsche Asset Management (India) Private Limited

Notes to financial statements (Continued)

For the year ended March 31,

(Currency: Indian Rupee in Thousands)

	Year ended 2004	Period ended 2003
3 Share capital		
Authorised		
2,000,000 Equity shares of Rs. 10 each	20,000	20,000
2,400,000, 3 % Cumulative Redeemable Preference shares of Rs. 100 each (The above Preference shares are cumulative and redeemable within maximum period of twenty years from the date of issue.)	<u>240,000</u>	<u>240,000</u>
	<u>260,000</u>	<u>260,000</u>
Issued, subscribed and paid up		
1,975,000 equity shares of Rs. 10 each fully paid up (Of the above 1,481,250 equity shares of Rs. 10 each are held by Deutsche Asset Management (Asia) Limited, the holding company.)	19,750	19,750
2,302,500, 3 % Cumulative Redeemable preference shares of Rs. 100 each (All the above preference shares are held by Deutsche Asset Management (Asia) Limited, the holding company. Redeemable within maximum period of twenty years from the date of issue).	<u>230,250</u>	<u>230,250</u>
	<u>250,000</u>	<u>250,000</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31.

(Currency: Indian Rupee in Thousands)

4 Fixed Assets and Depreciation

Description of Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1 April 2003	Addition (Deductions)	As at 31 March 2004	As at 1 April 2003	Charge for the Year (Deductions)	As at 31 March 2004	As at 31 March 2004	As at 31 March 2003
Leasehold Improvements	343	35	378	11	13	24	354	332
Furniture, Fixtures and office equipment	2,965	227	3,192	315	322	637	2,555	2,650
Telecommunications Equipment	990	582	1,571	161	278	439	1,132	829
Motor Vehicles	310	-	310	67	62	129	181	243
Computer (Hardware)	1,669	1,725	3,394	240	653	893	2,501	1,429
Computer (Software)	1,306	-	1,306	84	1,222	1,306	-	1,222
Total	7,583	2,569 (1)	10,151	878	2,550	3,428	6,723	6,705
Previous period	-	7,597 (14)	7,583	-	882 (4)	878	6,705	-



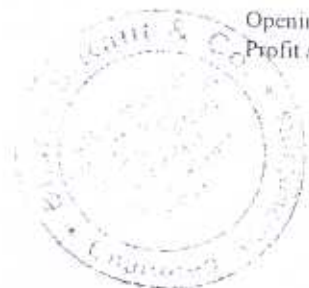
Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31,

(Currency: Indian Rupee in Thousands)

	Year ended 2004	Period ended 2003
5 Sundry Debtors <i>(Unsecured, considered good)</i>		
Outstanding for less than six months		
Investment Management Fees receivable from Mutual Fund	7,925	2,661
Marketing Advisory fees receivable	13,302	1,786
	<u>21,227</u>	<u>4,447</u>
6 Cash and Bank balances		
Cash in hand	10	5
Balance with Scheduled Banks		
- in current account	7,498	2,802
- in fixed deposits	181,165	193,000
	<u>188,673</u>	<u>195,807</u>
7 Loans and advances <i>(Unsecured & considered good)</i>		
Deposit	16,952	9,500
Interest accrued on Bank Deposits	3,455	2,322
Advance tax (net of provision)	3,870	2,013
Prepaid expenses	1,782	481
Advances	281	-
Due from Deutsche Trustee Services (India) Pvt.Ltd. (Maximum amount due during the year :Rs.351 (previous period :nil)	351	-
Due from a Director	-	-
Maximum amount due from the director at any point during the year :Rs.3,800 (previous period : Rs.1,925)	-	-
	<u>26,691</u>	<u>14,316</u>
8 Current liabilities		
Sundry creditors	3,538	2,252
Accrued expenses payable	4,519	3,564
Service Tax payable	1,310	129
	<u>9,367</u>	<u>5,945</u>
On the basis of information available with the Company, none of the sundry creditors are small-scale industrial undertakings.		
9 Provisions		
Provision for Gratuity and Superannuation	496	751
Provision for Leave Encashment	276	-
Bonus	4,409	1,469
	<u>5,181</u>	<u>2,220</u>
10 Profit & Loss Account (Dr)		
Opening Balance	(36,890)	-
Profit / (Loss) for the year	15,656	(36,890)
	<u>(21,234)</u>	<u>(36,890)</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31,

(Currency: Indian Rupee in Thousands)

	01 April 2003 to 31 March 2004	21 March 2002 to 31 March 2003
11 Employee costs		
Salaries, bonus and allowances	38,398	21,359
Contribution to Provident and Other Funds	2,539	1,279
Other staff expenses	3,384	559
	<u>44,321</u>	<u>23,197</u>
Employee costs includes amounts paid to managerial person (refer Note 16)		
12 Administration and other expenses		
Service charges	779	2,421
Repairs and Maintenance - other assets	2,832	1,049
Utilities	5,215	3,129
Legal and professional charges	2,694	7,710
Marketing, advertising and Publicity	3,165	2,439
Scheme related expenses	11,759	3,693
Travel and Conveyance	2,109	1,373
Exchange Loss	127	-
Recruitment expenses	389	1,503
Rent	428	391
Auditor's remuneration (including service tax)		-
- Statutory audit fees	216	152
- Tax audit fees	83	49
- Other services	271	-
- Out of pocket expenses	16	-
Insurance	127	110
Entertainment	412	342
Market Data services	1,078	718
Communication expenses	1,347	684
Registration, Stamp duty and Filing fees	86	3,976
Miscellaneous expenses	2,409	690
	<u>35,542</u>	<u>30,429</u>



Deutsche Asset Management (India) Private Limited

Notes to financial statements *(continued)*

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

13. Contingent liabilities

Arrears of dividend on 3% cumulative redeemable preference shares (including tax thereon) as at 31 March 2004 amount to Rs. 12,187 (previous period Rs.5,956).

14. Expenditure in foreign currency

	01 April 2003 to 31 March 2004	21 March 2002 to 31 March 2003
Travel	293	267
Service charges	779	2,421
	<u>1,072</u>	<u>2,688</u>

15. Earnings in foreign currency

	01 April 2003 to 31 March 2004	21 March 2002 to 31 March 2003
Marketing advisory fees	18,106	3,174



Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

16. Supplementary statutory information.

16.1 Managerial remuneration

Remuneration paid to whole-time director during the year is given below :

	01 April 2003 to 31 March 2004	21 March 2002 to 31 March 2003
Salary, bonus and allowances	6,322	4,317
Contribution to provident fund and other funds	202	90
Perquisites	398	358
Total	<u>6,922</u>	<u>4,765</u>

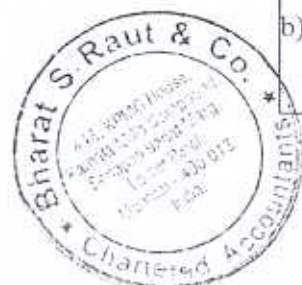
Information relating to managerial remuneration does not include provision for gratuity, which is provided on an overall basis. The information includes value of perquisites as estimated by the management.

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been given as commission by way of percentage of profit for the year is not payable to Directors.

17. Earning per share

In accordance with Accounting Standard 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India, the computation of earnings per share is set out below.

	01 April 2003 to 31 March 2004	21 March 2002 to 31 March 2003
a) Shareholders earnings (as per profit and loss account)	15,656	(36,890)
<i>Less : Dividend on cumulative redeemable preference shares and tax thereon</i>	(7,793)	(5,957)
	<u>7,863</u>	<u>(42,847)</u>
b) Weighted average number of equity shares (par value of Rs.10 each)		
Number of shares at the beginning of the year	1,975,000	-



Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

Shares issued during the year (number of shares issued)	-	-
Total number of equity shares outstanding at the end of the year	1,975,000	1,975,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,975,000	1,479,999
c) Basic and diluted earnings per share (in rupees) (a/b)	3.98	(28.95)

The basic and diluted earnings per shares are the same as there are no dilutive / potential equity shares issued.

18. Deferred Tax Assets (Net):

The component of deferred taxes is as follows:

	As at 31 March 2004	As at 31 March 2003
<i>Deferred tax liability</i>	345	-
Difference in book and tax Depreciation		
<i>Deferred tax asset</i>	345	-
Unabsorbed depreciation		
Net deferred tax asset/ liability	Nil	-

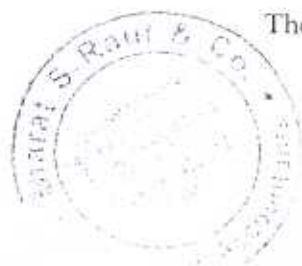
Deferred tax asset has been recognized only to the extent of the deferred tax liability on account of difference between tax and book block of fixed assets as this amount is considered to be virtually certain of realisation.

19. Operating leases

In accordance with Accounting Standard 19 on Accounting of Leases issued by the Institute of Chartered Accountants of India, details of leasing arrangement entered into by the Company are given below:-

The lease agreements are non-cancellable leasing arrangement for vehicles

The schedule of lease payments for the non-cancellable operating lease is given below :



Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

Particulars	Rs. '000	
	01 April 2003 to 31 March 2004	21 March 2002 to 31 March 2003
Not later than 1 year	418	NIL
Later than 1 year but not later than 5 years	1,080	NIL

The total lease payments recognised in the profit and loss account towards non-cancellable operating lease amounts to Rs.176 (previous period : nil)

20. Schedule VI disclosures

Disclosure under Part II of Schedule VI to the Companies Act 1956 has been made to the extent applicable to the Company.

21. Previous year comparatives

Previous year's figures have been regrouped and reclassified, wherever necessary to confirm to the current year's presentation.

Deutsche Asset Management (India) Private Limited

Notes to financial statements (continued)

For the year ended March 31, 2004

(Currency: Indian rupee in thousands)

23. Balance sheet abstract and Company's general business profile (continued)

IV Performance of the Company (Amount in Rupees thousands)

Turnover *	99,198	Total expenditure	82,413
Profit before tax	16,785	Profit after tax	15,656
Profit per share	3.98	Dividend rate	NIL

V Generic names of three principal products/ Services of the Company (as per monetary terms)

Item code No
(ITC Code)

Not applicable

Product Description

Asset Management Services

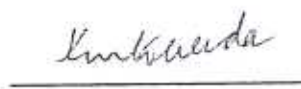
Item Code No.
(ITC Code)

Not applicable

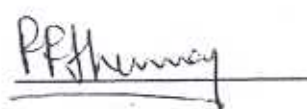
For Deutsche Asset Management (India) Private Limited



Sandeep Dasgupta
Director



K. M. Gherda
Director



P R Shenoy
Company Secretary

09 September 2004
Mumbai

