



Annual Report
2004-2005

Nifty BeES™

Junior BeES™

Liquid BeES™

Bank BeES™

Benchmark Derivative Fund

Benchmark Fund of Funds

Website: <http://www.benchmarkfunds.com>

E-mail: webmaster@benchmarkfunds.com

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BOARD OF DIRECTORS

**BENCHMARK TRUSTEE COMPANY
PVT. LTD.**

Dr. S. A. Dave, Chairman

Mr. D. B. Dhruv

Dr. P. P. Shah

Dr. A. C. Shah

SPONSOR

Niche Financial Services Pvt. Ltd.

511, Maker Bhavan No.3

21, New Marine Lines

Mumbai - 400 020.

Tel: (91 22) 2208 3445.

Fax: (91 22) 2200 5414.

INVESTMENT MANAGER

**Benchmark Asset Management
Company Pvt. Ltd.**

602, Maker Bhavan No.3

21, New Marine Lines

Mumbai - 400 020.

Tel: (91 22) 2200 3389.

Fax: (91 22) 2200 3412.

Visit us at <http://www.benchmarkfunds.com>

E-Mail: webmaster@benchmarkfunds.com

CUSTODIANS

ABN Amro Bank NV (till April 2005)

Brady House, 14, Veer Nariman Road

Fort, Mumbai - 400 023.

Tel: (91 22) 5658 5858.

Fax: (91 22) 2202 7969 / 2281 2589

Citibank NA (w.e.f. May 2005)

Ramnord House, 77, Dr. A. B. Road,

Worli, Mumbai - 400 018.

Tel. : (91 22) 2497 5301

Fax : (91 22) 2493 7620

ICICI Bank

Empire Complex, F7/E7, 1st Floor,

414, Senapati Bapat Marg,

Lower Parel, Mumbai - 400 013

Tel: (91 22) 5667 2069.

Fax: (91 22) 5667 2779

**BENCHMARK ASSET MANAGEMENT
COMPANY PVT. LTD.**

Mr. D. S. Mehta, Chairman

Mr. S. J. Parekh

Mr. S. R. Halbe

Mr. T. N. V. Ayyar

Ms. Susan Thomas

TRUSTEE

Benchmark Trustee Company Pvt. Ltd.

602, Maker Bhavan No.3

21, New Marine Lines

Mumbai - 400 020.

Tel: (91 22) 2200 3389.

Fax: (91 22) 2200 3412.

REGISTRAR & TRANSFER AGENTS

MCS Ltd.

Sri Padmavathi Bhavan

Plot No. 93, Road No. 16, MIDC

Andheri (East), Mumbai 400 093

Tel: (91 22) 2820 1785.

Fax: (91 22) 2820 1783.

E-Mail: mcsmum@vsnl.com

Karvy Computer Share Pvt. Ltd.

46, Road No. 4, Street No. 2,

Banjara Hills, Hyderabad - 500 034.

Tel.: (91 40) 2231 2454

Fax : (91 40) 2331 3165

AUDITORS

N.M. Raiji & Co.

6th Floor, Universal Insurance Building

P. M. Road

Mumbai - 400 001.

TRUSTEES' REPORT

For the Year ended March 31, 2005

Dear Unit holders,

We have pleasure in presenting our fourth report and the audited financial statements of the schemes of Benchmark Mutual Fund for the year ended March 31, 2005.

CONSTITUTION

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd. ("the Sponsor") and was set up as a trust under the Indian Trust Act, 1882 through Trust Deed dated February 14, 2001. The Fund has been registered with Securities and Exchange Board of India ('SEBI') vide registration number MF/045/01/6 dated June 12, 2001. Benchmark Trustee Company Pvt. Ltd. ("the trustee") is sole Trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. (BAMC) has been appointed as Asset Management Company ("the investment manager or AMC") to the Mutual Fund vide Investment Management Agreement dated February 14, 2001.

INVESTMENT PHILOSOPHY OF THE FUND

The Fund uses indexing and quantitative approach to try achieving scheme's investment objective. Unlike other Funds, the Fund does not try to "beat" the markets they track and do not seek temporary defensive positions when markets decline or appear over valued. The Fund does not make any judgments about the investment merit of a particular stock or a particular industry segment nor does it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks in regard to over/underperformance vis-à-vis a benchmark.

Also the Management Fees and other operating expenses charged to the schemes are one of the lowest in the Mutual Fund Industry in India.

INVESTMENT OBJECTIVE OF THE SCHEMES

Nifty BeES

Nifty Benchmark Exchange Traded Scheme (Nifty BeES) is an open-ended index scheme tracking S&P CNX Nifty Index, in the form of an Exchange Traded Fund (ETF), listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE). The investment objective of Nifty BeES is to provide investment returns that, before expenses, closely correspond to the total returns of securities as represented by S&P CNX Nifty Index.

Junior BeES

Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES) is an open-ended index scheme tracking CNX Nifty Junior Index, in the form of an Exchange Traded Fund (ETF), listed on the Capital Market Segment of National Stock Exchange of India Ltd. (NSE). The investment objective of Junior BeES is to provide returns that, before expenses, closely correspond to the returns of securities as represented by the CNX Nifty Junior Index.

Liquid BeES

Liquid BeES is an open-ended listed Liquid Scheme in the form of an Exchange Traded Fund (ETF) listed on the Capital Market Segment of National Stock Exchange of India Ltd. (NSE). The investment objective of the Scheme is to enhance returns and minimize price risk by investing in basket of call money, short-term government securities and money market instruments of short and medium maturities while maintaining the safety and liquidity.

Bank BeES

During the year under review, the Fund launched Banking Index Benchmark Exchange Traded Scheme (Bank BeES).

Bank BeES is an open-ended Index scheme, tracking CNX Bank Index, in the form of an Exchange Traded Fund listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE). The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the total returns of the securities as represented by the CNX Bank Index.

The New Scheme Offer of Bank BeES was open for subscription from May 25, 2004 to May 26, 2004. The face value of unit is Rs. 10/- and the units were allotted at allotment price of Rs.253.5576 on May 27, 2004. The units of Bank BeES were listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE) on June 4, 2004 on which date the scheme was opened for subscription and redemption on an ongoing basis.

Benchmark Derivative Fund (BDF)

Benchmark Derivative Fund is an Open-ended debt scheme, investing in Equities, Derivatives, Debt Securities and Money Market Instruments. The investment objective of the Scheme is to provide absolute returns over and above money market instruments by taking advantage in the underlying cash and derivative markets. Various strategies would be used as return enhancers.

The New Scheme Offer of Benchmark Derivative Fund was open for subscription from December 7, 2004 to December 14, 2004. The face value of unit is Rs.1000/- and the units were allotted at par on December 18, 2004. The scheme is open for ongoing subscription/redemption only on the last working day of the month. The Scheme opened for ongoing subscription and redemption on December 31, 2004.

Benchmark Fund of Funds (FOF)

Benchmark Fund of Funds (FoF) is an Open Ended Fund of Funds Scheme offering Nifty BeES Plan, Junior BeES Plan, Nifty 100 Plan and Nifty Balanced Plan with each plan having Dividend and Growth option. The plans primarily invest in schemes of Benchmark Mutual Fund. The investment objective of the Scheme is to generate returns and provide capital appreciation through investment primarily in underlying schemes of Benchmark Mutual Fund.

The New Scheme Offer of Benchmark Fund of Funds was open for subscription from May 27, 2004 to June 22, 2004. The face value of unit is Rs. 10/- and the units were allotted at par on July 1, 2004. The scheme was opened for ongoing subscription and redemption on July 12, 2004.

During the year under review, as the plans under Benchmark Fund of Funds did not comply with the criterias specified by Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003, with respect to minimum number of investors and maximum holding on average basis by a single unit holder, the Fund has wound up all the plans under Benchmark Fund of Funds.

Accordingly, Nifty BeES Plan, Junior BeES Plan-Growth Option, Nifty 100 Plan and Nifty Balanced Plan were wound up on November 22, 2004 and Junior BeES Plan - Dividend Option was wound up on May 27, 2005.

PERFORMANCE REVIEW

Nifty BeES

As per the investment pattern of the Scheme, Nifty BeES invests at least 90% of its total assets in the stocks constituting S&P CNX Nifty Index. Nifty BeES may hold upto 10% of their total assets in stocks not included in the corresponding underlying index.

The Scheme tracks S&P CNX Nifty Index and is a passively managed scheme. The investment decisions are determined as per S&P CNX Nifty Index. In case of any change in the index due to corporate actions or change in the constituents of S&P CNX Nifty Index (as communicated by India Index Services & Products Ltd. (IISL), an Index provider), relevant investment decisions are determined considering the composition of S&P CNX Nifty Index.

Performance Record

Particulars	Nifty BeES	Benchmark Returns	
		S&P CNX Nifty	S&P CNX Nifty Total Return Index
Since Inception	24.63%	23.12%	25.77%
Last Three Years	23.71%	21.67%	24.44%
Last One Year	16.57%	14.89%	17.30%
Last Six Months	16.82%	16.62%	17.28%
Last Three Months	-2.23%	-2.16%	-2.03%
Last One Month	-3.25%	-3.21%	-3.20%

(Past performance may or may not be sustained)

Note: The returns are calculated after considering the following income distribution:

Type of Distribution	Record Date	Rate/Ratio
Dividend	February 18, 2005	Rs. 3.50 per unit
Dividend	August 21, 2003	Rs. 3.00 per unit
Bonus	February 21, 2003	1 : 110 units

Returns less than one year are absolute and more than one year compounded annualized.

For calculating returns since inception, the allotment price is taken at Rs. 104.3927 at which the units were allotted on December 28, 2001 in the New Scheme Offer

Total assets under management in Nifty BeES as on March 31, 2005 were Rs. 22.15 crores held by 438 investors.

Tracking Error since inception is 0.12% (Annualized). It is calculated with respect to Total Return S&P CNX Nifty Index.

Junior BeES

As per the investment pattern, Junior BeES invests at least 90% of its total assets in the stocks constituting CNX Junior Index. The Scheme may hold upto 10% of its total assets in stocks not included in the corresponding underlying index.

The Scheme tracks CNX Nifty Junior Index and is a passively managed scheme. The investment decisions are determined as per CNX Nifty Junior Index. In case of any change in the index due to corporate actions or change in the constituents of CNX Nifty Junior Index (as communicated by IISL, an Index provider), relevant investment decisions are determined considering the composition of CNX Nifty Junior Index.

Performance Record

Particulars	Junior BeES	Benchmark Returns	
		CNX Nifty Junior	CNX Nifty Junior Total Return Index
Since Inception	70.52%	69.89%	73.88%
Last One Year	27.45%	26.03%	28.76%
Last Six Months	22.08%	22.00%	22.77%
Last Three Months	-3.83%	-4.00%	-3.63%
Last One Month	-2.63%	-2.58%	-2.56%

(Past performance may or may not be sustained)

The returns are calculated after considering a dividend declared by the scheme @ Rs. 4 per unit and Bonus in the ratio of 1 unit for every 4 units held, the record date for which was February 19, 2004. After dividend and bonus, each unit was split into 8 units having face value of Rs. 1.25 each.

Returns less than one year are absolute and more than one year compounded annualized.

For calculating returns since inception, the allotment price is taken at Rs. 142.7852 at which the units were allotted on February 21, 2003 in the New Scheme Offer.

Total assets under management as on March 31, 2005 were Rs. 9.07 crores held by 134 investors.

Tracking Error since inception is 0.21% (Annualised). It is calculated with respect to Total Return CNX Nifty Junior Index.

Liquid BeES

As per the investment pattern, Liquid BeES invests in Call Money, Short Term Government Securities, T-Bills, Repos, Debt Securities, Commercial Papers, CDs, Short Term Debentures and Floating Rate Notes rated A and above.

The Scheme will retain the flexibility to invest in the entire range of securities as per investment objectives of the Scheme and as per the SEBI Regulations.

Fitch Credit Rating Agency has assigned Credit and Volatility Rating of AAA (ind) and V1+(ind) respectively to Liquid BeES. AAA (ind) indicates that the fund portfolio provides highest protection against losses from credit defaults and V1+ (ind) indicates that the Fund has lowest market risk.

Performance Record

Particulars	Liquid BeES	Benchmark Returns Crisil Liquid Fund Index
Since Inception	4.65%	4.14%
Last One Year	4.53%	4.15%
Last Six Months	4.80%	4.38%
Last Three Months	4.88%	4.49%
Last One Month	5.00%	4.16%

Date of Allotment: July 8, 2003

(Past performance may or may not be sustained)

Returns are annualised. The Scheme declares daily dividend which is compulsorily reinvested in the Scheme.

Total assets under management as on March 31, 2005 were Rs. 96.08 crores held by 614 investors.

Bank BeES

As per the investment pattern, Bank BeES invests at least 90% of its total assets in the stocks constituting CNX Bank Index. The Scheme may hold upto 10% of its total assets in stocks not included in the corresponding underlying index.

The Scheme tracks CNX Bank Index and is a passively managed scheme. The investment decisions are determined as per CNX Bank Index. In case of any change in the index due to corporate actions or change in the constituents of CNX Bank Index (as communicated by IISL, an Index provider), relevant investment decisions are determined considering the composition of CNX Bank Index.

Performance Record

Particulars	Bank BeES	Benchmark Returns	
		CNX Bank Index	CNX Bank Total Return Index
Since Inception	41.66%	39.81%	42.90%
Last Six Months	40.57%	41.14%	41.69%
Last Three Months	1.38%	1.12%	1.51%
Last One Month	-3.76%	-3.80%	-3.78%

(Past performance may or may not be sustained)

Returns are absolute as scheme has not completed one year.

For calculating returns since inception, the allotment price is taken at Rs. 253.5576 at which the units were allotted on May 27, 2004 in the New Scheme Offer.

Total assets under management as on March 31, 2005 were Rs. 282.95 crores held by 45 investors.

Tracking Error since inception is 0.43%. It is calculated with respect to Total Return CNX Bank Index.

Benchmark Derivative Fund (BDF)

As per the investment pattern, Benchmark Derivative Fund invests 10%-75% in Equities and Convertible Debentures, 0%-50% in derivative including Index Futures, Stock Futures, Index Options and Stock Options, 25%-90% in Money market, Debt instruments and cash at call.

When the opportunities are available in the cash and derivative market, Benchmark Derivative Fund invests 50%-75% in Equities and Convertible Debentures, 50% in derivative including Index Futures, Stock Futures, Index Options and Stock Options, and 25%-50% in Money market, Debt instruments and cash at call.

Performance Record

Particulars	Benchmark Derivative Fund	Benchmark Returns			
		S&P CNX Nifty Index	Crisil Composite Bond Fund Index	Crisil Liquid Fund Index	Total Return Index (S&P CNX Nifty)
Since Inception	0.71%	1.99%	1.17%	1.27%	1.63%
Last Three Months	1.62%	1.44%	-2.16%	1.12%	-2.03%
Last One Month	0.62%	0.31%	-3.21%	0.37%	-3.20%

(Past performance may or may not be sustained)

Returns are absolute, as the scheme has not completed one year.

For calculating returns since inception, the allotment price is taken at Rs. 1,000/- at which the units were allotted on December 18, 2004 in the New Scheme Offer.

Total assets under management as on March 31, 2005 were Rs. 76.38 crores held by 298 investors.

TOTAL ASSETS UNDER MANAGEMENT

As on March 31, 2005 total assets under management were Rs. 486.82 crores for all the schemes.

The assets under management stood at Rs. 1,277.91 crores for all the schemes as on July 26, 2005.

FUTURE PLANS

The Fund has also received approval from Securities & Exchange Board of India for the scheme 'Benchmark Split Capital Fund - Balanced (SCF - Balanced)'.

Benchmark Split Capital Fund - Balanced (SCF - Balanced) is a close-ended Balanced Scheme with maturity period of 3 Years, which will issue two classes of units, namely Class A or Preferred Units and Class B or Capital Units. The units of Balanced Split Capital Fund - Balanced will be listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE). The investment objective of the scheme is to invest in equity and debt securities and pass on the collection proceeds to Class A and Class B Unit holders in accordance with the Priority of Distributions specified in the Offer Document.

The Fund has launched the New Scheme Offer of Benchmark Split Capital Fund - Balanced (SCF - Balanced). The Scheme Offer for Benchmark Split Capital Fund - Balanced opened for subscription from June 22, 2005 to July 19, 2005 for Class A units and June 22, 2005 to July 21, 2005 for Class B units.

STATUTORY DETAILS

The price and redemption value of the units and income from them can go up as well as down with the fluctuation in the market value of its underlying investments.

On written request, present and prospective unit-holder/investor can obtain a copy of the Trust Deed, the Annual Report and the text of the schemes. Unit holders, if they so desire, may request the Annual Report of AMC.

LIABILITY AND RESPONSIBILITY OF TRUSTEE AND SPONSOR

The main responsibility of the Trustee is to protect the interest of unit holders and inter alia ensure that the AMC functions in the interest of investors and in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the provisions of the Trust Deed and the Offer Document of the scheme(s). From the information provided to the Trustee and the reviews the Trustee has undertaken, the Trustee believes the AMC has operated in the interests of unit holders.

The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Schemes beyond the initial contribution of Rs.1 lac made by it towards setting up of Benchmark Mutual Fund.

ACKNOWLEDGEMENTS

We would like to thank Securities and Exchange Board of India, National Stock Exchange of India, Service providers, Depositories, the investors, the AMC and its employees for their committed service.

For and on behalf of the Board of Directors
of **Benchmark Trustee Company Pvt. Ltd.**,
(Trustee to Benchmark Mutual Fund)

Director

Director

Place : Mumbai
Dated : July 27, 2005

AUDITORS' REPORT

**The Board of Directors,
BENCHMARK TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended on that date annexed thereto, of Nifty Benchmark Exchange Traded Scheme (Nifty BeES), a scheme of Benchmark Mutual Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with SEBI (Mutual Fund) Regulations, 1996. 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 the 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:

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of accounts of the Scheme.
3. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.
4. In our opinion, valuation methods for Non Traded Securities, if any, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustee.
5. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the accounting policies and notes on accounts attached thereto, give a true & fair view in conformity with the generally accepted accounting principles in India:
 - a) In the case of Balance Sheet of Nifty BeES, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2005; and
 - b) In the case of Revenue Account of Nifty BeES, the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the year ended March 31, 2005.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Dated : July 27, 2005

BENCHMARK MUTUAL FUND
Nifty Benchmark Exchange Traded Scheme (Nifty BeES)

Balance Sheet as at March 31, 2005

(In Rupees)

	Schedule	March 31, 2005	March 31, 2004
LIABILITIES			
1. Unit Capital	A	10,874,766	4,874,766
2. Reserves & Surplus	B	210,628,897	81,763,205
3. Current Liabilities & Provisions	C	3,078,074	183,560
Total		224,581,737	86,821,531
ASSETS			
1. Investments	D	221,000,388	86,635,320
2. Deposits	E	-	-
3. Other Current Assets	F	3,581,349	186,211
4. Deferred Revenue Expenditure		-	-
Total		224,581,737	86,821,531

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet and Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi
Partner
Membership No. 37924

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND
Nifty Benchmark Exchange Traded Scheme (Nifty BeES)
Revenue Account for the year ended March 31, 2005

(In Rupees)

	Schedule	March 31, 2005	March 31, 2004
1. INCOME AND GAINS			
1.1 Dividend		4,125,118	2,373,623
1.2 Interest		-	-
1.3 Profit on sale/redemption of investments (other than inter-scheme transfer/sale)		32,509,481	26,123,691
1.4 Profit on inter-scheme transfer/sale of investments		-	-
1.5 Other income		6,738	453
1.6 Net change in unrealised appreciation/(depreciation) on Investments		13,511,251	29,691,479
Total		50,152,588	58,189,246
2. EXPENSES AND LOSSES			
2.1 Management & Operating expenses	G	1,463,236	649,112
2.2 Provision for doubtful income		-	-
2.3 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		2,029,370	5,712,395
2.4 Loss on inter-scheme transfer/sale of investments		-	-
Total		3,492,606	6,361,507
Surplus / (Deficit) for the year		46,659,982	51,827,739
Add/(Less) : Income Equalisation Account		38,906,058	(3,911,674)
Add/(Less) : Unrealised Appreciation on Investments transferred from/to Balance Sheet		(13,511,251)	(23,380,017)
		72,054,789	24,536,048
Balance brought forward from previous year		24,217,440	1,114,602
Add/(Less):Transfer from Unit Premium Reserve		-	-
Surplus available for distribution / (Deficit)		96,272,229	25,650,650
Appropriation			
Income Distribution		4,016,168	1,433,210
Balance carried to the Balance Sheet		92,256,061	24,217,440

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet and Revenue Account

As per our Report of even date

For N. M. Raiji & Co.

Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi

Partner

Membership No. 37924

Dr. P. P. Shah

Director

Dr. A. C. Shah

Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta

Chairman

S. R. Halbe

Director

Place : Mumbai

Date : July 27, 2005

Vishal Jain

Fund Manager

BENCHMARK MUTUAL FUND*Nifty Benchmark Exchange Traded Scheme (Nifty BeES)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005***(In Rupees)*

	March 31, 2005	March 31, 2004
SCHEDULE A		
UNIT CAPITAL	10,874,766	4,874,766
Total	10,874,766	4,874,766
No. of Units of face value of Rs.10/- each	1,087,477	487,477
SCHEDULE B		
RESERVES & SURPLUS		
Unit Premium Reserve		
Opening Balance	34,165,748	79,922,074
Add/(Less): on account of subscription/redemption of units	47,315,820	(45,756,326)
Less: Transfer to Revenue Account	-	-
Total	81,481,568	34,165,748
Unrealised Appreciation Reserve		
Opening Balance	23,380,017	-
Add/(Less) : Transfer from/to Revenue Account	13,511,251	23,380,017
Total	36,891,268	23,380,017
Surplus/Deficit		
Balance transferred from Revenue account	92,256,061	24,217,440
Total	92,256,061	24,217,440
GRAND TOTAL	210,628,897	81,763,205
SCHEDULE C		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	-	-
Contracts for purchase of investments	279,286	-
Management Fee payable	68,905	69,312
Trusteeship Fee payable	5,696	-
Others	2,724,187	114,248
Total (A)	3,078,074	183,560
B. Provisions		
Total (B)	-	-
TOTAL (A) + (B)	3,078,074	183,560

(In Rupees)

	March 31, 2005	March 31, 2004
SCHEDULE D		
INVESTMENTS (Marked to Market)		
(Refer Schedule - H for Portfolio Holding Statement as on March 31, 2005)		
Equity Shares	221,000,388	86,635,320
Preference Shares	—	—
Privately Placed Debentures/Bonds	—	—
Debentures & Bonds Listed /awaiting listing on the Recognised Stock Exchange	—	—
Government Securities	—	—
Commercial Paper	—	—
Other Investments	—	—
Total	221,000,388	86,635,320
SCHEDULE E		
DEPOSITS WITH SCHEDULED BANKS		
- Call Deposits	—	—
- Term Deposits	—	—
Total	—	—
SCHEDULE F		
OTHER CURRENT ASSETS		
Balances with scheduled banks in current account	1,213,073	181,333
Sundry Debtors	—	—
Contracts for sale of investments	2,319,365	—
Outstanding and accrued income	48,911	4,878
Less : Provision for doubtful income	—	—
Shares/Debentures application money	—	—
Others	—	—
Total	3,581,349	186,211
SCHEDULE G		
MANAGEMENT & OPERATING EXPENSES		
Management Fees	639,026	273,838
Trusteeship Fees	18,316	8,339
Selling, Marketing and Distribution Expenses	387,744	—
Audit Fees	55,100	54,000
Custodian Fees	103,361	127,818
Registrar Expenses	85,267	33,275
Investor Communication expenses	15,603	—
Listing, Licensing and Other Fees	131,088	108,000
Other Operating Expenses	27,731	43,842
Total	1,463,236	649,112

BENCHMARK MUTUAL FUND

Nifty Benchmark Exchange Traded Scheme (Nifty BeES)
Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005

Schedule - H Portfolio Holding Statement as on March 31, 2005

Scrip Name	Quantity	Market Value (Rs.)	Sub Total	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS				
LISTED				
AUTO				
TATA MOTORS LTD	8,401	3,475,494		
MARUTI UDYOG LTD	6,709	2,826,502		
BAJAJ AUTO LTD	2,349	2,541,853		
HERO HONDA LTD	4,638	2,541,624		
MAHINDRA & MAHINDRA LTD	2,694	1,338,649	12,724,121	5.76
BANKS				
STATE BANK OF INDIA LTD	12,222	8,002,966		
ICICI BANK LTD	17,098	6,716,094		
HDFC BANK LTD	7,196	3,920,741		
PUNJAB NATIONAL BANK LTD	8,019	3,154,274		
ORIENTAL BANK OF COMMERCE LTD	4,471	1,386,234	23,180,308	10.49
CEMENT				
GRASIM INDUSTRIES LTD	2,129	2,585,564		
GUJARAT AMBUJA CEMENT LTD	4,169	1,669,685		
ASSOCIATED CEMENT COMPANY LTD	4,142	1,493,398	5,748,647	2.60
CHEMICALS				
INDIAN PETROCHEMICALS CORPORATION LTD	5,764	933,768	933,768	0.42
CONSUMER NON DURABLES				
ITC LTD	5,763	7,734,234		
HINDUSTAN LEVER LTD	51,119	6,745,152		
DABUR INDIA LTD	6,652	738,705		
TATA TEA LTD	1,306	682,385		
COLGATE PALMOLIVE (INDIA) LTD	3,158	574,914	16,475,390	7.45
FERROUS METALS				
STEEL AUTHORITY OF INDIA LTD	95,919	6,066,877		
TATA IRON & STEEL COMPANY LTD	12,853	5,154,696	11,221,572	5.08
FERTILISERS				
TATA CHEMICALS LTD	4,995	757,242	757,242	0.34
FINANCE				
HDFC LTD	5,767	4,204,143	4,204,143	1.90
GAS				
GAS AUTHORITY OF INDIA LTD	19,638	4,167,184	4,167,184	1.89
INDUSTRIAL CAPITAL GOODS				
BHARAT HEAVY ELECTRICALS LTD	5,684	4,356,218		
LARSEN & TOUBRO LTD	3,016	3,014,492		
ABB LTD	984	1,145,228	8,515,938	3.85

Scrip Name	Quantity	Market Value (Rs.)	Sub Total	% to Total
MEDIA & ENTERTAINMENT				
ZEE TELEFILMS LTD	9,580	1,330,662	1,330,662	0.60
NON - FERROUS METALS				
HINDALCO INDUSTRIES LTD	2,147	2,781,546		
NATIONAL ALUMINIUM CO LTD	14,962	2,613,861	5,395,407	2.44
OIL				
OIL AND NATURAL GAS CORPORATION LTD	33,114	29,315,824	29,315,824	13.27
PETROLEUM PRODUCTS				
RELIANCE INDUSTRIES LTD	32,361	17,670,724		
BHARAT PETROLEUM CORPORATION LTD	6,967	2,462,835		
HINDUSTAN PETROLEUM CORPORATION LTD	7,881	2,398,582	22,532,141	10.20
PHARMACEUTICALS				
RANBAXY LABORATORIES LTD	4,319	4,357,007		
SUN PHARMACEUTICALS IND LTD	4,308	2,009,682		
CIPLA LTD	6,964	1,781,391		
GLAXOSMITHKLINE PHARMA LTD	2,028	1,458,031		
DR. REDDY'S LABORATORIES LTD	1,777	1,313,470	10,919,581	4.94
POWER				
RELIANCE ENERGY LTD	4,309	2,283,339		
TATA POWER CO LTD	4,596	1,648,126	3,931,465	1.78
SOFTWARE				
TATA CONSULTANCY SERVICES LTD	11,149	15,965,925		
INFOSYS TECHNOLOGY LTD	6,272	14,157,158		
WIPRO LTD	16,328	10,955,272		
SATYAM COMPUTER SERVICES LTD	7,406	3,029,424		
HCL TECHNOLOGIES LTD	7,385	2,750,913	46,858,692	21.20
TELECOM - SERVICES				
BHARTI TELE-VENTURES LTD	43,040	8,926,496		
MAHANAGAR TELEPHONE NIGAM LTD	14,630	1,665,626		
VIDESH SANCHAR NIGAM LTD	6,618	1,216,388	11,808,510	5.34
TRANSPORTATION				
SHIPPING CORP OF INDIA LTD	6,556	979,794	979,794	0.44
TOTAL		221,000,388	221,000,388	100.00

BENCHMARK MUTUAL FUND

Nifty Benchmark Exchange Traded Scheme (Nifty BeES)

Schedule - I: Accounting Policies And Notes To The Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Mutual Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and was set up as a Trust under the Indian Trust Act, 1882 through Trust Deed dated February 14, 2001. Benchmark Trustee Company Pvt. Ltd. ("the Trustee") is the sole Trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. (BAMC) has been appointed as Asset Management Company ("the AMC") to the Fund.

Nifty Benchmark Exchange Traded Scheme (Nifty BeES) is an open-ended index scheme of Benchmark Mutual Fund tracking S&P CNX Nifty Index in the form of Exchange Traded Fund (ETF) and the units of Nifty BeES are listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE).

The investment objective of the scheme is to generate returns that, before expenses, closely correspond to the total returns of securities as represented by S&P CNX Nifty Index.

Subscription and Redemption of units of Nifty BeES is generally through the exchange of underlying securities forming part of the S&P CNX Nifty Index. The rounding off difference is settled in money value.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 The method of accounting is on accrual basis.

2.2 Investments

- a. Purchase and sale of securities are recognized on trade dates i.e. on the dates of transaction and not on the date of settlement.
- b. All investments are accounted at acquisition cost. Such cost includes stamp duty, brokerage and any other charge customarily included in broker's note.
- c. Cost of right shares, if any, is considered at issue price plus premium paid, if any, to acquire rights renunciation.
- d. Bonus entitlements, if any, are recognized on ex-bonus dates. Similarly right entitlements, if any, are recognized only when original shares on which right entitlements accrue are traded on ex-right basis.

e. Portfolio Valuation

For the purpose of financial statements, the Fund marks all investments to market and carries investments in the Balance Sheet at the market value. Unrealized gain, if any, arising out of appreciation of investments is carried to the Balance Sheet. Traded securities are valued at the last quoted closing prices on the NSE, if such date is not preceding more than 30 days prior to the valuation date.

Unlisted equity securities are valued at fair value as determined by AMC in accordance with guidelines for valuation of unlisted equity shares dated May 09, 2002 issued by Securities and Exchange Board of India.

- f. In determining the holding cost of investment and gain and loss on sale of investments, weighted average method has been followed.

2.3 Income Recognition

- a. Dividend income is accrued on ex-dividend date.
- b. Profit or loss on sale of investment is arrived at by applying weighted average cost on trade date.
- c. Interest on fixed income investments are recognized on accrual basis.
- d. Unrealized gain/loss is recognized in Revenue Account. However, unrealized gain is excluded for calculating distributable surplus and the same is carried to the Balance Sheet as Unrealized Appreciation Reserve.

2.4 Income Equalisation

An appropriate portion of price of unit at the time of purchase and sale is transferred to Income Equalisation Account. In arriving at the portion of the price to be transferred to Income Equalisation Account, surplus/deficit (before considering unrealized appreciation/depreciation) upto the date of transaction is taken into account. The net balance in Income Equalisation Account is transferred to Revenue Account.

2.5 Unit Premium Reserve

Unit Premium Reserve is debited or credited at the time of purchase and sale of units after taking into account the face value of units and Income Equalisation.

2.6 Entry/Exit Load

The Fund does not charge any entry/exit load on subscription/redemption of units in the creation unit size. However in case no quotes are available on the NSE for five consecutive trading days, the exit load charged for redemption of units in other than creation unit size is upto 5% of NAV. Such load, if charged, at the time of repurchase of units, is offset against distribution and marketing expenses. Unutilized amount of load collected is carried to subsequent year unless the same is found excess by the Trustees/AMC. Such excess amount is credited to the Scheme.

As per the terms of the Offer Document, Depository and Custody Charges are recovered from the respective investor for transfer of shares on subscription and redemption and the same is utilized for payment of transaction charges to Depository Participant and Custodian on account of transfer of shares and hence do not form part of Revenue Account.

NOTES ON ACCOUNTS

1. Net Asset Value (NAV) is calculated after considering market/fair value of investments and after providing for expenses on an estimated basis.
2. There are no underwriting obligations undertaken by the Scheme of the Fund with respect to issue of securities of associate companies.
3. There is no contingent liability on underwriting commitment, partly paid equity shares or any other uncalled liabilities.
4. All investments are marked to market and accordingly reflected in the Balance Sheet. The cost and market value of investments are shown in Note No.12.
5. As per the terms of Offer Document, Annual Scheme Recurring Expenses in excess of 0.80% of daily average net assets of Nifty BeES are borne by the Asset Management Company.
6. The AMC has not dealt in any securities through brokers associated with the Sponsor.
7. Purchase of investments yet to be settled: Rs. 2,79,286 (Previous Year: Rs. Nil).
8. Sale of investments yet to be settled: Rs. 23,19,365 (Previous Year Rs. Nil)

9. Income & Expenses

Average Net Assets (Rs.)	Year Ended March 31, 05		Year Ended March 31, 04	
	18,31,56,997		8,31,66,708	
	Aggregate Value (Rs.)	Percentage to Average Net Assets	Aggregate Value (Rs.)	Percentage to Average Net Assets
Total income (including net profit/(loss) on sale/ redemption of investments, profit on inter-scheme transfers and net change in unrealised appreciation/ (depreciation) in value of investments)	4,81,23,218	26.27%	5,24,76,851	63.10%
Total Expenditure (Annual Recurring Expenses)	14,63,236	0.80%	6,49,112	0.78%

10. Aggregate Value of Purchases and Sales of Investments during the year

(Rs. In Lacs)

	Current Year	Previous Year
Average Daily NAV	1832	832
Purchases	2619	709
% to NAV	142.95%	85.22%
Sales	1715	1238
% to NAV	93.61%	148.80%

11. Net Asset Value (Per unit)

(Rs.)

	As on March 31, 2005	As on March 31, 2004
Face Value	10	10
Net Asset Value	203.6859	177.7188

12. Cost & Market Value of Investments

(Rs. In Lacs)

	Current Year	Previous Year
Cost	1841.09	632.55
Market Value	2210.00	866.35

Unrealised Appreciation in the value of investments is Rs.368.91 Lacs (Previous Year: Appreciation Rs.233.80 Lacs).

13. Movement of Unit Capital

	Current Year		Previous Year	
	Units	Rs.	Units	Rs.
Opening Units	487,477	4,874,766	917,737	91,77,367
Units issued during the Year	13,00,000	1,30,00,000	4,30,000	43,00,000
Units redeemed during the Year	7,00,000	70,00,000	8,60,260	86,02,601*
Units at the end of the Year	10,87,477	1,08,74,766	487,477	4,874,766

* Includes buy back of 260.18 fractional units pursuant to approval of Trustee vide their Board Resolution dated January 29, 2004.

14. Details of Large Holding

There is no investor holding more than 25% of the NAV of Nifty BeES as on March 31, 2005.

15. Income Tax

No provision for income tax is made as the Scheme qualifies as a recognized Mutual Fund under section 10(23D) of the Income Tax Act, 1961.

16. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets (NAV) of the Scheme. In terms of the Offer Document, the management fee is calculated @ 0.35% of daily average Net Assets of Nifty BeES. The calculation of the same is follows:

	Amount in Rs.
Daily Average Net Assets	18,31,56,997
Previous Year	8,31,66,708
% of Management Fees	(Annualized)
First Rs.100 Crores	0.35%
Management Fees	6,39,026
Previous Year	2,73,838

17. Trustee Fees

In accordance with the terms of Offer Document, the Trustee Fees has been charged @ 0.01% of the daily average net assets of Nifty BeES.

18. Custodial Fees and Expenses

ABN Amro Bank NV (ABN) provides custodial services to the Scheme for which it receives custody fees including safekeeping. In addition, ABN is reimbursed for custody and transaction charges levied by depositories (i.e. NSDL/CDSL).

19. Registrar and Transfer Agents Fees and Expenses

MCS Limited provides Registrar and Transfer Agency Services to the Scheme for which it receives the fees based on daily average net assets of the Scheme.

20. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed in the scheme during the year ended March 31, 2005 and holds Nil units in the Scheme as on March 31, 2005.

21. The Scheme has made following investments in group/associate companies:

(Rs. In Lacs)

Name of the Associate	Aggregate of investments during the Year (at cost)	Outstanding investment at Market Value as on March 31, 2005
Bajaj Auto Ltd.	29.58	25.42

22. The Scheme has not made any investments in the issues lead managed by associate companies.

23. Disclosure under Regulation 25(8)

The AMC has not paid any charges viz. Agency Commission, Brokerage to parties associated with the Sponsor in which AMC or its major shareholder or its subsidiaries are having substantial interest.

24. Disclosure under Regulation 25(11)

During the period covered under Regulation 25(11) of the SEBI Regulations, Junior BeES has invested in the following company which has invested more than 5% of the net assets of Liquid BeES, a Scheme of Benchmark Mutual Fund:

Company which has invested	Aggregate investment during the period under regulation 25(11) at cost (Rs. In Lacs)	Outstanding as on March 31, 2005 at Market Value (Rs. In Lacs)
GTL Ltd.	3.42	Nil

The investment in GTL Ltd. was made, as it was a constituent of CNX Nifty Junior Index. The Scheme had invested in GTL Ltd. in the same weightage as the weightage of that Company in CNX Nifty Junior Index. GTL Ltd. has been excluded from CNX Nifty Junior Index w.e.f. March 1, 2004.

25. Unclaimed Dividend/Redemption Amount

As on March 31, 2005, unclaimed dividend amount is Rs. 29,246 which represents 69 un-encashed dividend warrants expired as on March 31, 2005.

As on March 31, 2005, Rs. 3,100.22 is yet to be claimed by 44 investors to whom redemption warrants have been issued.

26. Registered Securities

In accordance with Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, the securities of the Scheme are registered in the name of the Scheme for the benefit of Scheme's unit holders.

27. A complete list of investments of the Scheme is given in **Schedule H**.

28. The previous year figures have been regrouped/rearranged wherever necessary.

29. The audited results for the year ended March 31, 2005 have been approved by the Boards of Benchmark Asset Management Company Pvt. Ltd. (AMC) and Benchmark Trustee Company Pvt. Ltd. (Trustee) at their meeting held on July 27, 2005 respectively.

NOTES:

1. On written request, present and prospective unit holders/investors can obtain a copy of the Trust Deed, the Annual Report, at a price if any, and the text of the Scheme.
2. On written request, the present and prospective unit holders/investors may request a copy of the annual report of Benchmark Asset Management Company Pvt. Ltd.

BENCHMARK MUTUAL FUND*Nifty Benchmark Exchange Traded Scheme (Nifty BeES)***Schedules forming part of Balance Sheet as at March 31, 2005 and Revenue Account for the year ended March 31, 2005****Schedule I - NOTES TO THE ACCOUNTS***(In Rupees)*

PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2004 to March 31, 2005	April 1, 2003 to March 31, 2004	April 1, 2002 to March 31, 2003
a) Net Asset Value per Unit at the end of the year	203.6859	177.7188	98.3008
b) i) Income other than profit on sale of investments	3.80	4.87	1.42
ii) Income (net) from profit on inter-scheme sales / transfer of investments	-	-	-
iii) Income (net) from profit/(loss) on sale of investments to third parties	28.03	41.87	(0.20)
iv) Transfer to revenue account from past year's reserve	-	-	-
c) Aggregate of expenses, write off, amortisation and charges	1.35	1.33	0.58
d) Net income/(loss) (b-c)	30.48	45.41	0.64
e) Net Change in Unrealised Appreciation/(Depreciation) in value of investments	12.42	60.91	(11.92)
f) Repurchase Price during the year			
i) Highest	217.0612	199.0365	114.8143
ii) Lowest	139.4534	93.0431	93.7126
g) Resale Price during the year			
i) Highest	217.0612	199.0365	114.8143
ii) Lowest	139.4534	93.0431	93.7126
h) Market Price (The National Stock Exchange of India)			
i) Highest	245.00	201.00	115.90
ii) Lowest	141.00	93.35	86.00
i) Price Earning Ratio * *	6.62	3.89	152.99
j) Ratio of expenses to the average net assets @	0.80%	0.78%	0.78%
k) Ratio of gross income (including net profit/loss on sale/redemption of investments and net change in unrealised appreciation/depreciation in value of investments) to average net assets @	26.27%	63.10%	-14.44%

* The above per unit calculations are based on the number of units outstanding at the end of the year

** Price Earning Ratio is based on the closing market price on the National Stock Exchange of India Ltd. on March 31, 2005, March 31, 2004 and March 31, 2003 and net income per unit respectively.

@ Annualised

Signatures to Schedules A to I forming part of the Balance Sheet and Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

J. M. Gandhi
Partner
Membership No. 37924

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Vishal Jain
Fund Manager

AUDITORS' REPORT

**The Board of Directors,
BENCHMARK TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet as at March 31, 2005 and the Revenue Account for the year ended on that date annexed thereto, of Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES), a scheme of Benchmark Mutual Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with SEBI (Mutual Fund) Regulations, 1996. 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 the 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 :

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of accounts of the Scheme.
3. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.
4. In our opinion, valuation methods for Non Traded Securities, if any, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustee.
5. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the accounting policies and notes on accounts attached thereto, give a true & fair view in conformity with the generally accepted accounting principles in India:
 - a) In the case of Balance Sheet of Junior BeES, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2005; and
 - b) In the case of Revenue Account of Junior BeES, the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the year ended March 31, 2005.

**For N. M. RAIJI & CO.
Chartered Accountants**

**J. M. GANDHI
Partner
Membership No. 37924**

Place : Mumbai
Dated : July 27, 2005

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Balance Sheet as at March 31, 2005***(In Rupees)*

	Schedule	March 31, 2005	March 31, 2004
LIABILITIES			
1. Unit Capital	A	2,623,988	2,323,988
2. Reserves & Surplus	B	88,122,974	60,736,413
3. Current Liabilities & Provisions	C	153,782	6,115,133
Total		90,900,744	69,175,534
ASSETS			
1. Investments	D	90,333,393	62,901,550
2. Deposits	E	–	–
3. Other Current Assets	F	567,351	6,273,984
4. Deferred Revenue Expenditure		–	–
Total		90,900,744	69,175,534

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet and Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi
Partner
Membership No. 37924

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND

Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)

Revenue Account for the year ended March 31, 2005

(In Rupees)

	Schedule	March 31, 2005	March 31, 2004
1. INCOME AND GAINS			
1.1 Dividend		1,313,289	433,204
1.2 Interest		—	—
1.3 Profit on sale/redemption of investments (other than inter-scheme transfer/sale)		8,667,992	9,503,925
1.4 Profit on inter-scheme transfer/sale of investments		—	—
1.5 Other Income		6,036	350
1.6 Net change in unrealised appreciation/(depreciation) on Investments		5,895,298	4,638,304
Total		15,882,615	14,575,783
2. EXPENSES AND LOSSES			
2.1 Management & Operating Expenses	G	601,745	239,355
2.2 Provision for Doubtful Income		—	—
2.3 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		1,656,021	664,218
2.4 Loss on inter-scheme transfer/sale of investments		—	—
2.5 Initial Issue Expenses		—	—
Total		2,257,766	903,573
Surplus / (Deficit) for the year		13,624,849	13,672,210
Add/(Less) : Income Equalisation Account		7,256,393	10,758,119
Add/(Less) : Unrealised Appreciation on Investments transferred from/to Balance Sheet		(5,895,298)	(3,760,388)
		14,985,944	20,669,941
Balance brought forward from previous year		17,853,060	(1,431,607)
Surplus available for distribution / (Deficit)		32,839,004	19,238,334
Appropriation			
Income Distribution (Dividend)		—	852,476
Amount utilised for issue of Bonus Units		—	532,798
Balance carried to the Balance Sheet		32,839,004	17,853,060

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet and Revenue Account

As per our Report of even date

For N. M. Raiji & Co.

Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.**J. M. Gandhi**

Partner

Membership No. 37924

Dr. P. P. Shah

Director

Dr. A. C. Shah

Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.**D. S. Mehta**

Chairman

S. R. Halbe

Director

Place : Mumbai

Date : July 27, 2005

Vishal Jain

Fund Manager

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005***(In Rupees)*

	March 31, 2005	March 31, 2004
SCHEDULE A		
UNIT CAPITAL	2,623,988	2,323,988
Total	2,623,988	2,323,988
No of Units of face value of Rs 1.25 each	2,099,190	1,859,190
SCHEDULE B		
RESERVES & SURPLUS		
Unit Premium Reserve		
Opening Balance	39,122,965	11,302,543
Add/(Less): on account of subscription/redemption of units	6,505,319	27,820,422
Less: Transfer to Revenue Account	-	-
Total	45,628,284	39,122,965
Unrealised Appreciation Reserve		
Opening Balance	3,760,388	-
Add/(Less) : Transfer from/to Revenue Account	5,895,298	3,760,388
Total	9,655,686	3,760,388
Surplus/Deficit		
Balance transferred from Revenue account	32,839,004	17,853,060
Total	32,839,004	17,853,060
GRAND TOTAL	88,122,974	60,736,413
SCHEDULE C		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Redemption Payable for unit repurchase	-	5,832,819
Contracts for purchase of investments	-	-
Management Fees payable	40,411	62,317
Unutilised Load	21,537	94,344
Trusteeship Fees payable	11,195	-
Others for Expenses	80,639	125,653
Total (A)	153,782	6,115,133
B. Provisions		
	-	-
Total (B)	-	-
TOTAL (A) + (B)	153,782	6,115,133

(In Rupees)

	March 31, 2005	March 31, 2004
SCHEDULE D		
INVESTMENTS (Marked to Market)		
(Refer Schedule - H for Portfolio Holding Statement as on March 31, 2005)		
Equity Shares	90,333,393	62,901,550
Preference Shares	-	-
Privately Placed Debentures/Bonds	-	-
Debentures & Bonds Listed / awaiting listing on Recognised Stock Exchange	-	-
Government Securities	-	-
Commercial Paper	-	-
Other Investments	-	-
Total	90,333,393	62,901,550
SCHEDULE E		
DEPOSITS WITH SCHEDULED BANKS		
- Call Deposits	-	-
- Term Deposits	-	-
Total	-	-
SCHEDULE F		
OTHER CURRENT ASSETS		
Balances with scheduled banks in current account	551,980	441,166
Sundry Debtors	-	-
Contracts for sale of investments	-	5,832,818
Outstanding and accrued income	15,371	-
Less : Provision for doubtful income	-	-
Shares/Debentures application money	-	-
Others	-	-
Total	567,351	6,273,984
SCHEDULE G		
MANAGEMENT & OTHER OPERATING EXPENSES		
Management Fees	300,158	118,897
Trusteeship Fees	30,160	12,045
Selling, Marketing and Distribution Expenses	147,864	-
Auditors Fees	-	54,000
Custodian Fees	46,755	33,414
Registrar Expenses	43,288	16,799
Investor Communication Expenses	10,264	-
Listing, Licensing and Other Fees	10,420	4,200
Other Operating Expenses	12,836	-
Total	601,745	239,355

BENCHMARK MUTUAL FUND

*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)
Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005*

Schedule - H Portfolio Holding Statement as on March 31, 2005

Scrip Name	Quantity	Market Value (Rs.)	Sub Total	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS				
LISTED				
AUTO				
ASHOK LEYLAND LTD	65,385	1,376,354.25		
TVS MOTOR COMPANY LTD.	13,060	887,427.00		
PUNJAB TRACTORS LTD	3,340	535,402.00	2,799,183.25	3.10
AUTO ANCILLARIES				
APOLLO TYRES LTD	2,108	606,050.00	606,050.00	0.67
BANKS				
CANARA BANK LTD	22,541	4,508,200.00		
BANK OF BARODA LTD	16,274	3,543,663.50		
INDUSTRIAL DEVELOPMENT BANK OF INDIA LTD	35,891	3,271,464.65		
UTI BANK LTD	12,800	3,041,280.00		
CORPORATION BANK LTD	7,886	2,943,843.80		
UNION BANK OF INDIA LTD	25,296	2,859,712.80		
BANK OF INDIA LTD	26,796	2,777,405.40		
ANDHRA BANK LTD	21,991	2,376,127.55		
KOTAK BANK LTD	6,774	2,299,434.30		
INDIAN OVERSEAS BANK LTD	29,952	2,280,844.80		
VIJAYA BANK LTD	23,834	1,528,951.10		
SYNDICATE BANK LTD	25,948	1,389,515.40		
VYSYA BANK LTD	5,000	596,000.00	33,416,443.30	36.99
CONSTRUCTION				
JAIPRAKASH ASSOCIATES LTD	9,688	1,908,051.60	1,908,051.60	2.11
CONSUMER NON DURABLES				
ASIAN PAINTS INDIA LTD	5,293	2,074,591.35		
NIRMA LTD	4,364	1,394,298.00	3,468,889.35	3.84
FINANCE				
LIC HOUSING FINANCE LTD	4,669	1,089,978.05		
IFCI LTD	35,113	467,002.90	1,556,980.95	1.72
HARDWARE				
MOSER-BAER (I) LTD	6,131	1,283,218.30		
CMC LTD	833	517,917.75	1,801,136.05	1.99
INDUSTRIAL CAPITAL GOODS				
SIEMENS LTD	1,822	3,102,592.70		
BHARAT ELECTRONICS LTD	4,398	2,938,743.60		
INGERSOLL-RAND INDIA LTD	1,736	494,412.80	6,535,749.10	7.24

Scrip Name	Quantity	Market Value (Rs.)	Sub Total	% to Total
INDUSTRIAL PRODUCTS				
BHARAT FORGE CO LTD	2,174	2,992,076.20		
CUMMINS INDIA LTD	10,886	1,217,054.80	4,209,131.00	4.66
NON - FERROUS METALS				
STERLITE INDUSTRIES LTD	5,924	4,227,662.60	4,227,662.60	4.68
PETROLEUM PRODUCTS				
CHENNAI PETROLEUM CORP LTD	7,893	1,820,915.10		
COCHIN REFINERIES LIMITED	7,613	1,185,724.75		
BONGAIGAON REFINERY & PETROCHEMICALS LTD	10,986	993,683.70		
IBP CO LTD	1,218	647,001.60	4,647,325.15	5.14
PHARMACEUTICALS				
NICHOLAS PIRAMAL INDIA LTD	10,447	2,330,203.35		
BIOCON LTD	5,498	2,240,984.80		
WOCKHARDT LIFE SCIENCES LTD	5,992	2,205,056.00		
CADILA HEALTHCARE LIMITED	3,453	1,604,436.45		
AVENTIS PHARMA LTD	1,266	1,565,409.00		
LUPIN LTD	2,207	1,207,449.70		
PFIZER LIMITED	1,583	1,133,982.05		
AUROBINDO PHARMA LTD	2,556	736,767.00	13,024,288.35	14.42
SOFTWARE				
PATNI COMPUTER SYSTEM LTD	6,873	2,568,440.10		
I-FLEX SOLUTION LTD	4,113	2,415,976.20		
MPHASIS BFL LTD	4,277	954,626.40		
FLEXTRONICS SOFTWARE SYSTEMS LTD	1,872	880,401.60		
POLARIS SOFTWARE LAB LTD	5,381	580,071.80	7,399,516.10	8.19
TELECOM - SERVICES				
TATA TELESERVICES (MAHARASTRA) LTD	79,195	2,019,472.50	2,019,472.50	2.24
TEXTILE PRODUCTS				
RAYMOND LTD	3,375	1,102,950.00	1,102,950.00	1.22
TRANSPORTATION				
GREAT EASTERN SHIPPING CO LTD	10,465	1,610,563.50	1,610,563.50	1.78
TOTAL		90,333,392.80	90,333,392.80	100.00

BENCHMARK MUTUAL FUND

Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)

Schedule - I: Accounting Policies And Notes To The Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Mutual Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and was set up as a Trust under the Indian Trust Act, 1882 through Trust Deed dated February 14, 2001. Benchmark Trustee Company Pvt. Ltd. ("the Trustee") is the sole Trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. (BAMC) has been appointed as Asset Management Company ("the AMC") to the Fund.

Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES) is an open-ended index scheme of Benchmark Mutual Fund, tracking CNX Nifty Junior Index, in the form of Exchange Traded Fund (ETF) and the units of Junior BeES are listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE).

The investment objective of the Scheme is to generate returns that, before expenses, closely correspond to the returns of securities as represented by CNX Nifty Junior Index.

Subscription and Redemption of units of Junior BeES is generally through the exchange of underlying securities forming part of the CNX Nifty Junior Index. The rounding off difference is settled in money value.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 The method of accounting is on accrual basis.

2.2 Investments

- a. Purchase and sale of securities are recognized on trade date i.e. on the dates of transaction and not on the date of settlement.
- b. All investments are accounted at acquisition cost. Such cost includes stamp duty, brokerage and any other charges customarily included in broker's note.
- c. Cost of right shares, if any, is considered at issue price plus premium paid, if any, to acquire rights renunciation.
- d. Bonus entitlements, if any, are recognized on ex-bonus dates. Similarly right entitlements, if any, are recognized only when original shares on which right entitlements accrue are traded on ex-right basis.

e. Portfolio Valuation

For the purpose of financial statements, the Fund marks all investments to market and carries investments in the Balance Sheet at the market value. Unrealized gain, if any, arising out of appreciation of the investments, is carried to the Balance Sheet. Traded securities are valued at the last quoted closing prices on the NSE, if such date is not preceding more than 30 days prior to the valuation date.

Non-traded securities including those non traded within 30 days prior to the valuation date and thinly traded/unlisted securities are valued in accordance with the guidelines issued by SEBI.

- f. In determining the holding cost of investments and gain and loss on sale of investments, weighted average method has been followed.

2.3 Income Recognition

- a. Dividend income is accrued on ex-dividend date.
- b. Profit or loss on sale of investment is arrived at by applying weighted average cost on trade date.
- c. Interest on fixed income investments are recognized on accrual basis.
- d. Unrealized gain/loss is recognized in Revenue Account. However, unrealized gain is excluded for calculating distributable surplus and the same is carried to the Balance Sheet as Unrealized Appreciation Reserve.

2.4 Income Equalisation

An appropriate portion of price of unit at the time of purchase and sale is transferred to Income Equalisation Account. In arriving at the portion of price to be transferred to Income Equalisation Account, surplus/deficit (before considering unrealized appreciation/depreciation) upto the date of transaction is taken into account. The net balance in Income Equalisation Account is transferred to Revenue Account.

2.5 Unit Premium Reserve

Unit Premium Reserve is debited or credited at the time of purchase and sale of units after taking into account the face value of units and Income Equalisation.

2.6 Entry/Exit Load

The load charged at the time of purchase and sale of units is utilised towards meeting distribution and marketing expenses, namely, commission to agents and publicity expenses. Unutilised amount of load is carried forward to subsequent year unless the same is considered excess by the Trustee/AMC. Such excess amount is credited to the Scheme.

As per the terms of the Offer Document, Depository and Custody charges are recovered from the respective investor for transfer of shares on subscription and redemption and the same is utilized for payment of transaction charges to Depository Participant and Custodian on account of transfer of shares and hence do not form part of Revenue Account.

NOTES ON ACCOUNTS

1. Net Asset Value (NAV) is calculated after considering market/fair value of investments and after providing for expenses on an estimated basis.
2. There are no underwriting obligations undertaken by the Scheme with respect to issue of securities of associate companies.
3. There is no contingent liability on underwriting commitment, partly paid equity shares or any other uncalled liabilities.
4. All investments are marked to market and accordingly reflected in the Balance Sheet. The cost and market value of investments are shown in Note No.12.
5. As per the terms of Offer Document, Annual Scheme Recurring Expenses in excess of 1.00% of daily average net assets of Junior BeES are borne by Asset Management Company.
6. The AMC has not dealt in any securities through brokers associated with the Sponsor.
7. Purchase of investments yet to be settled: Rs. Nil (Previous Year: Rs. Nil).
8. Sale of investments yet to be settled: Rs. Nil (Previous Year: Rs. 58,32,819)

9. Income and expenses

Average Net Assets (Rs.)	Year Ended March 31, 05		Year Ended March 31, 04	
	6,03,17,697		2,40,25,110	
	Aggregate Value (Rs.)	Percentage to Average Net Assets	Aggregate Value (Rs.)	Percentage to Average Net Assets
Total income (including net profit/(loss) on sale/ redemption of investments, profit on inter-scheme transfers and net change in unrealised appreciation/ (depreciation) in value of investments)	1,42,26,595	23.59%	1,39,11,565	57.90%
Total Expenditure (Annual Recurring Expenses)	6,01,745	1.00%	2,39,355	1.00%

10. Aggregate Value of Purchases and Sales of Investments during the year**(Rs. In Lacs)**

	Current Year	Previous Year
Average Daily NAV	603.18	240.25
Purchases	825.59	896.06
% to NAV	136.87%	372.96%
Sales	680.34	508.97
% to NAV	112.79%	211.85%

11. Net Asset Value (Per unit)**(Rs.)**

	As on March 31, 2005	As on March 31, 2004
Face Value	1.25	1.25
Net Asset Value	43.2295	33.9182

12. Cost & Market Value of Investments**(Rs. In Lacs)**

	Current Year	Previous Year
Cost	806.78	591.41
Market Value	903.33	629.02

Unrealised Appreciation in the value of investments is Rs.96.56 Lacs. (Previous Year: Appreciation Rs. 37.60 Lacs)

13. Movement in Unit Capital

	Current Year		Previous Year	
	Units	Rs.	Units	Rs.
Opening Units	18,59,190	23,23,988	85,119	8,51,190
Units issued till February 19, 2004	NA	NA	1,84,000	18,40,000
Units redeemed till February 19, 2004	NA	NA	56,000	5,60,000
Units as on February 19, 2004	NA	NA	2,13,119	21,31,190
Units issued as Bonus on February 19, 2004*	NA	NA	53,280	5,32,750
Total Units as on February 19, 2004	NA	NA	2,66,399	26,63,988
Reclassified into face value of Rs.1.25 each*	NA	NA	21,31,190	26,63,988
Units Issued	16,80,000	21,00,000	1,28,000	1,60,000
Units Redeemed	14,40,000	18,00,000	4,00,000	5,00,000
Units at the end of the year	20,99,190	26,23,988	18,59,190	23,23,988

* The Trustees at its meeting held on January 29, 2004 had declared Bonus in the ratio of 1:4. On the basis of holding as on the record date, i.e. February 19, 2004, 53,279.75 units of Rs.10/- each were issued as Bonus units. Subsequent to issue of bonus units, each unit having a face value of Rs.10 was split into 8 units each having a face value Rs.1.25.

14. Details of Large Holding

The details of investors holding more than 25% of the NAV of Junior BeES as on March 31, 2005

No. of Investors	Total Holding in percentage
1	25.15

15. Income Tax

No provision for income tax is made as the Scheme qualifies as a recognized Mutual Fund under section 10(23D) of the Income Tax Act, 1961.

16. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets (NAV) of the Scheme. In terms of the Offer Document, the management fees is calculated @ 0.50% of daily average Net Assets of Junior BeES. The calculation of the same is follows:

	Amount in Rs.
Daily Average Net Assets	6,03,17,697
Previous Year	2,40,25,110
% of Management Fees First Rs.100 Crores	0.50% (Annualized)
Management Fees	3,00,158
Previous Year	1,18,897

17. Trustee Fees

In accordance with the terms of Offer Document, the Trustee fees has been charged @ 0.05% of the daily average net assets of the Scheme.

18. Custodial Fees and Expenses

ABN Amro Bank NV (ABN) provides custodial services to the Scheme for which it receives custody fees including safekeeping. In addition, ABN is reimbursed for custody and transaction charges levied by depositories (i.e. NSDL/CDSL).

19. Registrar and Transfer Agents Fees and Expenses

MCS Limited provides Registrar and Transfer Agency Services to the Scheme for which it receives the fees based on daily average net assets of the Scheme.

20. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed in the scheme during the year ended March 31, 2005 and holds 106 units in the Scheme as on March 31, 2005.

21. The Scheme has made following investments in group/associate companies:

(Rs. In Lacs)

Name of the Associate	Aggregate of investments during the year (at cost)	Outstanding investment at Market Value as on March 31, 2005
Bank of India	18.15	27.77

Bank of India ceased to be associate company w.e.f. May 8, 2004. However the above details have been given for the year.

22. The Scheme has not made any investments in the issue lead managed by associate companies.
23. Selling, Marketing and Distribution expenses amounting to Rs.72,807.16 has been utilized from load collected. (Previous Year Rs. 16,435.00)

24. Disclosure under Regulation 25(8)

The AMC has not paid any charges viz. Agency Commission, Brokerage to parties associated with the Sponsor in which AMC or its major shareholder or its subsidiaries are having substantial interest.

25. Disclosure under Regulation 25(11)

During the period covered under Regulation 25(11) of the SEBI Regulations, Junior BeES has invested in the following company which has invested more than 5% of the net assets of Liquid BeES, a Scheme of Benchmark Mutual Fund:

Company which has invested	Aggregate investment during the period under regulation 25(11) at cost (Rs. In Lacs)	Outstanding as on March 31, 2005 at Market Value (Rs. In Lacs)
GTL Ltd.	3.42	Nil

The investment in GTL Ltd. was made, as it was a constituent of CNX Nifty Junior Index. The Scheme had invested in GTL Ltd. in the same weightage as the weightage of that Company in CNX Nifty Junior Index. GTL Ltd. has been excluded from CNX Nifty Junior Index w.e.f. March 1, 2004.

26. Unclaimed Dividend/Redemption Amount

As on March 31, 2005, unclaimed dividend amount is Rs.2,680 which represent 9 un-encashed dividend warrants expired as on March 31, 2005.

There are no unclaimed redemption amount in respect of the scheme as on March 31, 2005.

27. Registered Securities

In accordance with Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, the securities of the Scheme are registered in the name of the Scheme for the benefit of Scheme's unit holders.

28. A complete list of investments of the Scheme is given in **Schedule H**.
29. The previous year figures have been regrouped/rearranged wherever necessary.
30. The audited results for the year ended March 31, 2005 have been approved by the Boards of Benchmark Asset Management Company Pvt. Ltd. (AMC) and Benchmark Trustee Company Pvt. Ltd. (Trustee) at their meeting held on July 27, 2005 respectively.

NOTES:

1. On written request, present and prospective unit holders/investors can obtain a copy of the Trust Deed, the Annual Report, at a price if any, and the text of the Scheme.
2. On written request, the present and prospective unit holders/investors may request a copy of the annual report of Benchmark Asset Management Company Pvt. Ltd.

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Schedules forming part of Balance Sheet as at March 31, 2005 and Revenue Account for the year ended March 31, 2005****Schedule I - NOTES TO THE ACCOUNTS***(In Rs.)*

PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2004 to March 31, 2005	April 1, 2003 to March 31, 2004	February 21, 2003 to March 31, 2003
a) Net Asset Value per Unit at the end of the year	43.2295 (F.V. Rs.1.25)	33.9182 (F.V. Rs.1.25)	125.9663 (F.V. Rs.10)
b) i) Income other than profit on sale of investments	0.63	0.23	0.23
ii) Income (net) from profit on inter-scheme sales / transfer of investments	-	-	-
iii) Income (net) from profit/(loss) on sale of investments to third parties	3.34	4.75	(4.45)
iv) Transfer to revenue account from past year's reserve	-	-	-
c) Aggregate of expenses, write off, amortisation and charges	0.29	0.13	2.28
d) Net income/(loss) (b-c)	3.68	4.86	(6.50)
e) Net Change in Unrealised Appreciation/(Depreciation) in value of investments	2.81	2.49	(10.31)
f) Repurchase Price during the year			
i) Highest \$	47.2051	45.9829	136.3561
ii) Lowest	26.8726	31.2583	125.9663
g) Resale Price during the year			
i) Highest \$	47.2051	45.9829	136.3561
ii) Lowest	26.8726	31.2583	125.9663
h) Market Price (The National Stock Exchange of India)			
i) Highest \$	50.80	46.16	142.80
ii) Lowest	26.23	28.20	122.00
i) Price Earning Ratio * *	11.77	6.94	(19.22)
j) Ratio of expenses (excluding initial issue expenses amortised) to the average net assets @	1.00%	1.00%	1.00%
k) Ratio of gross income (including net profit / loss on sale/redemption of investments and net change in unrealised appreciation in value of investments) to average net assets @	23.59%	57.90%	-101.49%

* The above per unit calculation are based on the number of units outstanding at the end of the year/ period

\$ During the year 2003-04, each unit of Junior BeES having a Face Value (F.V.) of Rs.10/- each was split into 8 units of Rs.1.25 each. In view of this Highest Repurchase Price, Resale Price and Market Price is shown w.r.t face value of Rs.1.25 each considering the split.

** Price Earning Ratio is based on Closing Market Price on the National Stock Exchange of India Ltd. (NSE) on March 31, 2005 March 30, 2004 and March 30, 2003 and net income per unit.

@ Annualised.

Signatures to Schedules A to I forming part of the Balance Sheet and Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

J. M. Gandhi
Partner
Membership No. 37924

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Vishal Jain
Fund Manager

AUDITORS' REPORT

**The Board of Directors,
BENCHMARK TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet as at March 31, 2005 and the Revenue Account for the period ended on that date annexed thereto, of Liquid Benchmark Exchange Traded Scheme (Liquid BeES), a scheme of Benchmark Mutual Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with SEBI (Mutual Fund) Regulations, 1996. 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 the 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 :

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of accounts of the Scheme.
3. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.
4. In our opinion, valuation methods for Non Traded Securities, if any, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustee.
5. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the accounting policies and notes on accounts attached thereto, give a true & fair view in conformity with the generally accepted accounting principles in India:
 - a) In the case of Balance Sheet of Liquid BeES, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2005; and
 - b) In the case of Revenue Account of Liquid BeES, the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the period ended March 31, 2005.

**For N. M. RAIJI & CO.
Chartered Accountants**

**J. M. GANDHI
Partner
Membership No. 37924**

Place : Mumbai
Dated : July 27, 2005

BENCHMARK MUTUAL FUND*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)***Balance Sheet as at March 31, 2005***(In Rupees)*

	Schedule	March 31, 2005	March 31, 2004
LIABILITIES			
1. Unit Capital	A	960,770,600	557,199,977
2. Reserves & Surplus	B	–	–
3. Current Liabilities & Provisions	C	27,800,509	835,378
Total		988,571,109	558,035,355
ASSETS			
1. Investments	D	99,370,499	148,992,817
2. Deposits	E	853,578,390	404,181,479
3. Other Current Assets	F	35,622,220	4,861,059
4. Deferred Revenue Expenditure		–	–
Total		988,571,109	558,035,355

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet and Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi
Partner
Membership No. 37924

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Sanjiv Shah
Executive Director

BENCHMARK MUTUAL FUND*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)***Revenue Account for the year ended March 31, 2005***(In Rs.)*

	Schedule	March 31, 2005	March 31, 2004
1. INCOME AND GAINS			
1.1 Dividend		—	—
1.2 Interest		32,425,245	10,312,357
1.3 Profit on sale/redemption of investments (other than inter-scheme transfer/sale)		—	—
1.4 Profit on inter-scheme transfer/sale of investments		—	—
1.5 Other Income		—	—
1.6 Net change in unrealised appreciation/(depreciation) on Investments		—	—
Total		32,425,245	10,312,357
2. EXPENSES AND LOSSES			
2.1 Management & Operating Expenses	G	4,022,935	784,378
2.2 Provision for doubtful income		—	—
2.3 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		—	—
2.4 Loss on inter-scheme transfer/sale of investments		—	—
2.5 Initial Issue Expenses		—	—
Total		4,022,935	784,378
Surplus for the year/period		28,402,310	9,527,979
Add/(Less) : Income Equalisation Account		—	—
Add/(Less) : Unrealised Appreciation on Investments transferred from/to Balance Sheet		—	—
		28,402,310	9,527,979
Balance brought forward from previous year		—	—
Add/(Less) : Transfer from Unit Premium Reserve		—	—
Surplus available for distribution / (Deficit)		28,402,310	9,527,979
Appropriation			
Income Distribution (Inclusive of Distribution Tax of Rs.40,05,260 (PY Rs. 10,81,939))		28,402,310	9,527,979
Balance carried to the Balance Sheet		—	—

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet and Revenue Account

As per our Report of even date

For N. M. Rajji & Co.
Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi
Partner
Membership No. 37924

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Sanjiv Shah
Executive Director

BENCHMARK MUTUAL FUND*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005***(In Rupees)*

	March 31, 2005	March 31, 2004
SCHEDULE A		
UNIT CAPITAL	960,770,600	557,199,977
Total	960,770,600	557,199,977
No of Units of face value of Rs.1000/- each	960,771	557,200
SCHEDULE B		
RESERVES & SURPLUS		
Unit Premium Reserve		
Opening Balance	-	-
Add/(Less): on account of subscription / redemption of units	-	-
Less: Transfer to Revenue Account	-	-
Total	-	-
Unrealised Appreciation Reserve		
Opening Balance	-	-
Add/(Less) : Transfer from/to Revenue Account	-	-
Total	-	-
Surplus/(Deficit)		
Balance transferred from Revenue account	-	-
Total	-	-
GRAND TOTAL		
	-	-
SCHEDULE C		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	-	-
Contracts for purchase of investments	-	-
Sundry Creditors for expenses	2,399,253	673,103
Units Application Pending Allotment	8,597,000	-
Unit Redemption Payable	16,597,000	-
TDS Payable	207,256	162,275
Total (A)	27,800,509	835,378
B. Provisions		
	-	-
Total (B)	-	-
TOTAL (A) + (B)	27,800,509	835,378

(In Rupees)

	March 31, 2005	March 31, 2004
SCHEDULE D		
INVESTMENTS (Marked to Market)		
(Refer Schedule - H for Portfolio Holding Statement as on March 31,2005)		
Equity Shares	-	-
Preference Shares	-	-
Privately Placed Debentures/Bonds	-	100,000,000
Debentures & Bonds Listed / awaiting listing on Recognised Stock Exchange	-	-
Government Securities	-	-
Commercial Paper	99,370,499	48,992,817
Total	99,370,499	148,992,817
SCHEDULE E		
DEPOSITS WITH SCHEDULED BANKS		
- Call Deposits	-	-
- Term Deposits	853,578,390	404,181,479
Total	853,578,390	404,181,479
SCHEDULE F		
OTHER CURRENT ASSETS		
Balances with banks in current account	1,882,130	481,280
Sundry Debtors	-	-
Contracts for sale of investments	-	-
Outstanding and accrued income	8,546,090	4,379,779
Less : Provision for doubtful income	-	-
Shares/Debentures application money	-	-
Others	25,194,000	-
Total	35,622,220	4,861,059
SCHEDULE G		
MANAGEMENT & OTHER OPERATING EXPENSES		
Management Fees	-	-
Trusteeship Fees	61,708	19,067
Selling, Marketing and Distribution Expenses	1,266,743	270,000
Audit Fees	55,100	54,000
Custodian Fees	1,429,554	276,096
Registrar Expenses	617,073	148,738
Investor Communication Expenses	59,730	-
Listing, Licensing and Other Fees	244,432	14,000
Other Operating Expenses	288,595	2,477
Total	4,022,935	784,378

BENCHMARK MUTUAL FUND

*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)
Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005*

Schedule H - Portfolio Holding Statement as on March 31, 2005

Sr. No.	Scrip Name	Rating	Quantity	Market Value (Rs.)	Sub Total	% to Total
(A) MONEY MARKET INSTRUMENTS						
1.	MAGMA LEASING LTD.	PR1+	100	49,910,159		
2.	INDRAPRASTHA MEDICAL CORPORATION	A1+	100	49,460,340	99,370,499	10.43
(B) OTHERS - FIXED DEPOSITS						
1.	TERM DEPOSITS			554,378,390		
2.	FLOATING RATE DEPOSITS ^			299,200,000	853,578,390	89.57
TOTAL					952,948,889	100.00

^ Mibor Linked

BENCHMARK MUTUAL FUND

Liquid Benchmark Exchange Traded Scheme (Liquid BeES)

Schedule - I: Accounting Policies And Notes To The Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Mutual Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and was set up as a Trust under the Indian Trust Act, 1882 through Trust Deed dated February 14, 2001. Benchmark Trustee Company Pvt. Ltd. ("the Trustee") is the sole Trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. (BAMC) has been appointed as Asset Management Company ("the AMC") to the Fund.

Liquid Benchmark Exchange Traded Scheme (Liquid BeES) is an open-ended Liquid Scheme with daily dividend and compulsory reinvestment of dividend into the Scheme, in the form of exchange traded fund listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE).

The investment objective of the Scheme is to enhance returns and minimize price risk by investing in basket of call money, short-term government securities and money market instruments of short and medium maturities while maintaining safety and liquidity.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 The method of accounting is on accrual basis.

2.2 Investments

- a. Purchase and sale of securities are recognised on trade date i.e. on the date of transaction and not on the date of settlement.
- b. All investments are accounted at acquisition cost. Such cost includes stamp duty, brokerage and any other charges customarily included in broker's note. In respect of any privately placed debt instruments any front-end discount offered is reduced from the cost of investments.

c. Portfolio Valuation

For the purpose of financial statements, the Fund marks all investments to market and carries investment in the Balance Sheet at the market value. Unrealised gain, if any, arising out of appreciation of the investments, is carried to the Balance Sheet. In valuing the Scheme's investments:

- Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded.
- Non-traded and Thinly-traded debt securities are valued at fair value in good faith by the Asset Management Company in accordance with the guidelines for valuation of such securities specified by SEBI vide its circular dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India.
- Privately placed debt securities are valued at fair value in good faith by the Asset Management Company in accordance with the guidelines for valuation of such securities specified by SEBI vide its circular.
- Money market securities/Non traded/Thinly traded Non-Government Debt securities of upto 182 days of maturity are valued on the basis of amortization (Cost plus accrued interest basis) plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments, as prescribed by SEBI.

- Non traded/Thinly traded Non-Government securities of over 182 days to maturity are valued on duration based yield to maturity as issued by an approved agency.
 - Government securities are valued at prices released by the Agency approved by AMFI. (in accordance with the SEBI Circular.)
- d. An investment is regarded as non-performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income/instalment has fallen due.

2.3 Income Recognition

- a. Interest on fixed income investments is recognised on accrual basis.
- b. Profit or loss on sale of investment is arrived at by applying weighted average cost on trade date.
- c. Income on non-performing assets (NPA) is recognised on cash basis.
- d. Other income of miscellaneous nature is accounted for when there is certainty of collection.

2.4 Provisions

Provision, if any, is made by charge to Revenue Account, in respect of:

- a. Non Performing Debt Securities as per the Guidelines prescribed by SEBI.
- b. Interest Outstanding for more than one quarter beyond due date.

2.5 Income Equalisation

An appropriate portion of price of unit at the time of purchase and sale is transferred to Income Equalisation Account. In arriving at the portion of the price to be transferred to Income Equalisation Account, surplus/deficit (before considering unrealized appreciation/depreciation) upto the date of transaction is taken into account. The net balance in Income Equalisation Account is transferred to Revenue Account.

2.6 Unit Premium Reserve

Unit Premium Reserve is debited or credited at the time of purchase and sale of units after taking into account the face value of units and Income Equalisation.

2.7 Entry/Exit Load

The Fund does not charge any entry/exit load on subscription/redemption of units in the creation unit size. However in case no quotes are available on the NSE for five consecutive trading days, the exit load charged for redemption of units in other than creation unit size is upto 2% of NAV. Such load, if charged, at the time of repurchase of units, is offset against distribution and marketing expenses. Unutilized amount of load collected is carried to subsequent year unless the same is found excess by the Trustees/AMC. Such excess amount is credited to the Scheme.

NOTES ON ACCOUNTS

1. Net Asset Value (NAV) is calculated after considering market/fair value of investments and after providing for expenses on an estimated basis.
2. There are no underwriting obligations undertaken by the Scheme with respect to issue of securities of associate companies.
3. There is no contingent liability on underwriting commitment, partly paid equity shares or any other uncalled liabilities.
4. All investments are marked to market and accordingly reflected in the Balance Sheet. The cost and market value of investments are shown in Note No.12.

5. As per the terms of Offer Document, Annual Scheme Recurring Expenses in excess of 1.10% of the daily average net assets are borne by the Asset Management Company.
6. The AMC has not dealt in any securities through brokers associated with the Sponsor.
7. Purchase of investments yet to be settled: Rs. Nil (Previous Year : Rs. Nil)
8. Sale of investments yet to be settled: Rs. Nil (Previous Year : Rs. Nil)
9. **Income and expenses**

Average Net Assets (Rs.)	Year Ended March 31, 2005		Period Ended March 31, 2004	
	61,70,65,220		26,83,86,842	
	Aggregate Value (Rs.)	Percentage of Average Net Assets (annualized)	Aggregate Value (Rs.)	Percentage of Average Net Assets (annualized)
Total income (including net profit/(loss) on sale/ redemption of investments, profit on inter-scheme transfers and net change in unrealised appreciation/ (depreciation) in value of investments)	3,24,25,245	5.25%	1,03,12,357	5.25%
Total Expenditure (annual recurring expenses)	40,22,935	0.65%	7,84,378	0.40%

10. Aggregate Value of Purchases and Sales of Investments (including matured) during the year (Rs. In Lacs)

	Current Year	Previous Year
Average Daily NAV	6,170.65	2,683.87
Purchases	6,459.15	2,485.64
% to NAV	104.68%	92.61%
Sales	7,016.42	1,000.00
% to NAV	113.71%	37.26%

11. Net Asset Value (Per unit) (Rs.)

	As on March 31, 2005	As on March 31, 2004
Face Value	1,000	1,000
Net Asset Value	1,000	1,000

12. Cost & Market Value of Investments (Rs. In Lacs)

	Current Year	Previous Year
Cost	993.70	1,489.92
Market Value	993.70	1,489.92

Unrealized Appreciation/ (Depreciation) in the value of investments is Rs. Nil. (Previous Year Rs. Nil)

13. Movement in Unit Capital

	Current Year		Previous Year	
	Units	Rs. In Lacs	Units	Rs. In Lacs
Initial Subscription / Opening Units	5,57,200.00	5,572.00	89,650	896.50
Units issued during the year/period	13,13,445.00	13,134.45	5,79,259	5,792.59
Units issued towards reinvestment of Dividend during the year/period*	24,457.59	244.57	8,385	83.85
Units redeemed during the year/ period	9,34,331.90	9,343.32	1,20,094	1,200.94
Units at the end of the year/period	9,60,770.69	9,607.70	5,57,200	5,572.00

* The Scheme declares daily dividend which is compulsorily reinvested in the Scheme.

14. Details of Large Holding

There is no investor holding more than 25% of the NAV of Liquid BeES as on March 31, 2005.

15. Income Tax

No provision for income tax is made as the Scheme qualifies as a recognized Mutual Fund under section 10(23D) of the Income Tax Act, 1961.

16. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets (NAV) of the Scheme. In terms of the Offer Document, the AMC is entitled for management fees @ 0.30 % of daily average Net Assets of Liquid BeES. However, during the year ended March 31, 2005, the Asset Management Company did not charge the Investment Management Fees to the Scheme.

17. Trustee Fees

In accordance with the terms of Offer Document, the Trustee fees has been charged @ 0.01 % of the daily average net assets of the Scheme.

18. Custodial Fees and Expenses

ABN Amro Bank NV (ABN) provides custodial services to the Scheme for which it receives custody fees including safekeeping. In addition, ABN is reimbursed for custody and transaction charges levied by Depositories (i.e. NSDL/CDSL).

19. Registrar and Transfer Agents Fees and Expenses

MCS Limited provides Registrar and Transfer Agency Services to the Fund for which it receives the fees based on daily average net assets of the Scheme.

20. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed in the scheme during the year ended March 31, 2005 and holds 17,298.599 units in the Scheme as on March 31, 2005.

21. The Scheme has not made any investment in any associate/group company.

22. The Scheme has not made any investments in the issues lead managed by associate companies.

23. Disclosure under Regulation 25(8)

The AMC has not paid any charges viz. Agency Commission, Brokerage etc. to parties associated with the Sponsor in which AMC or its major shareholder or its subsidiaries are having substantial interest.

24. Disclosure under Regulation 25(11)

During the period covered under Regulation 25(11) of the SEBI Regulations, Junior BeES has invested

in the following company which has invested more than 5% of the net assets of Liquid BeES, a Scheme of Benchmark Mutual Fund:

Company which has invested	Aggregate investment during the period under regulation 25(11) at cost (Rs. In Lacs)	Outstanding as on March 31, 2005 at Market Value (Rs. In Lacs)
GTL Ltd.	3.42	Nil

The investment in GTL Ltd. was made, as it was a constituent of CNX Nifty Junior Index. The Scheme had invested in GTL Ltd. in the same weightage as the weightage of that Company in CNX Nifty Junior Index. GTL Ltd. has been excluded from CNX Nifty Junior Index w.e.f. March 1, 2004

25. Unclaimed Dividend/Redemption Amount

As at March 31, 2005, there were no unclaimed dividend or unclaimed redemption amounts in the Scheme.

26. Registered Securities

In accordance with Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, the securities of the Scheme are registered in the name of Scheme for the benefit of Scheme's unit holders.

27. A complete list of investments of the Scheme is given in **Schedule H**.

28. The previous period figures have been regrouped/rearranged wherever necessary.

29. The audited results for the period ended March 31, 2005 have been approved by the Boards of Benchmark Asset Management Company Pvt. Ltd. (AMC) and Benchmark Trustee Company Pvt. Ltd. (Trustee) at their meeting held on July 27, 2005 respectively.

NOTES:

1. On written request, present and prospective unit holders/investors can obtain a copy of the Trust Deed, Annual Report, at a price if any, and the text of the Scheme.
2. On written request, the present and prospective unit holder/investor may request a copy of the annual report of Benchmark Asset Management Company Pvt. Ltd.

BENCHMARK MUTUAL FUND*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005****Schedule I - NOTES TO THE ACCOUNTS***(In Rs.)*

PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2004 to March 31, 2005	July 8, 2003 to March 31, 2004
a) Net Asset Value per unit at the end of the year	1,000.0000	1,000.0000
b) i) Income other than profit on sale of investments	33.75	18.51
ii) Income (net) from profit on inter-scheme sales / transfer of investments	-	-
iii) Income (net) from profit/(loss) on sale of investments to third parties	-	-
iv) Transfer to revenue account from past year's reserve	-	-
c) Aggregate of expenses, write off, amortisation and charges	4.19	1.41
d) Net income/(loss) (b-c)	29.56	17.10
e) Net Change in Unrealised depreciation in value of investments	-	-
f) Repurchase Price during the year		
i) Highest	1,000.00	1,000.00
ii) Lowest	1,000.00	1,000.00
g) Resale Price during the year		
i) Highest	1,000.00	1,000.00
ii) Lowest	1,000.00	1,000.00
h) Market Price (The National Stock Exchange of India)		
i) Highest	1,100.00	1,010.00
ii) Lowest	999.96	999.90
i) Price Earning Ratio * *	33.83	58.48
j) Ratio of expenses (excluding initial issue expenses amortised) to the average net assets @	0.65%	0.40%
k) Ratio of gross income (including net profit/loss on sale/redemption of investments and net change in unrealised appreciation/depreciation in value of investments) to average net assets @	5.25%	5.25%

* The above per unit calculations are based on the number of units outstanding at the end of the year/ period

** Price Earning Ratio is based on the Closing Market Price on the National Stock Exchange of India Ltd. (NSE) as on March 31, 2005 and March 31, 2004 and net income per unit respectively.

@ Annualised

Signatures to Schedules A to I forming part of the Balance Sheet and Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

J. M. Gandhi
Partner
Membership No. 37924

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Sanjiv Shah
Executive Director

AUDITORS' REPORT

**The Board of Directors,
BENCHMARK TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet as at March 31, 2005 and the Revenue Account for the period ended on that date annexed thereto, of Banking Index Benchmark Exchange Traded Scheme (Bank BeES), a scheme of Benchmark Mutual Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with SEBI (Mutual Fund) Regulations, 1996. 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 the 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 :

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of accounts of the Scheme.
3. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.
4. In our opinion, valuation methods for Non Traded Securities, if any, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustee.
5. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the accounting policies and notes on accounts attached thereto, give a true & fair view in conformity with the generally accepted accounting principles in India:
 - a) In the case of Balance Sheet of Bank BeES, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2005; and
 - b) In the case of Revenue Account of Bank BeES, the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the period ended March 31, 2005.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Dated : July 27, 2005

BENCHMARK MUTUAL FUND*Banking Index Benchmark Exchange Traded Scheme (Bank BeES)***Balance Sheet as at March 31, 2005***(In Rupees)*

	Schedule	March 31, 2005
LIABILITIES		
1. Unit Capital	A	78,774,740
2. Reserves & Surplus	B	2,750,728,641
3. Current Liabilities & Provisions	C	1,787,299
Total		2,831,290,680
ASSETS		
1. Investments	D	2,791,341,196
2. Deposits	E	30,000,000
3. Other Current Assets	F	9,949,484
4. Deferred Revenue Expenditure		—
Total		2,831,290,680

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet & Revenue Account

As per our Report of even date
For N. M. Raiji & Co.
Chartered Accountants

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi
Partner
Membership No. 37924

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND*Banking Index Benchmark Exchange Traded Scheme (Bank BeES)***Revenue Account for the period ended March 31, 2005***(In Rs.)*

	Schedule	March 31, 2005
1. INCOME AND GAINS		
1.1 Dividend		11,174,356
1.2 Interest		92,622
1.3 Profit on sale/redemption of investments (other than inter-scheme transfer/sale)		61,238,651
1.4 Profit on inter-scheme transfer/sale of investments		-
1.5 Other income		-
1.6 Net change in unrealised appreciation/(depreciation) on Investments		265,334,318
Total		337,839,947
2. EXPENSES AND LOSSES		
2.1 Management & Operating expenses	G	4,986,158
2.2 Provision for doubtful income		-
2.3 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		1,545,096
2.4 Loss on inter-scheme transfer/sale of investments		-
Total		6,531,254
Surplus / (Deficit) for the period		331,308,693
Add/(Less) : Income Equalisation Account		1,943,144,935
Add/(Less) : Unrealised Appreciation on Investments transferred from/to Balance Sheet		(265,334,318)
		2,009,119,310
Balance brought forward from previous year		-
Add/(Less): Transfer from Unit Premium Reserve		-
Surplus available for distribution / (Deficit)		2,009,119,310
Appropriation		
Income Distribution		-
Balance carried to the Balance Sheet		2,009,119,310

Accounting Policies and Notes on Accounts **I**

The Schedules referred to herein form an integral part of the Balance Sheet & Revenue Account

As per our Report of even date

For N. M. Raiji & Co.

Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.**J. M. Gandhi**

Partner

Membership No. 37924

Dr. P. P. Shah

Director

Dr. A. C. Shah

Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.**D. S. Mehta**

Chairman

S. R. Halbe

Director

Place : Mumbai

Date : July 27, 2005

Vishal Jain

Fund Manager

BENCHMARK MUTUAL FUND*Banking Index Benchmark Exchange Traded Scheme (Bank BeES)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the period ended March 31, 2005***(In Rupees)*

March 31, 2005	
SCHEDULE A	
UNIT CAPITAL	78,774,740
Total	78,774,740
No. of Units of face value of Rs.10/- each	7,877,474
SCHEDULE B	
RESERVES & SURPLUS	
Unit Premium Reserve	
Opening Balance	-
Add/(Less): on account of subscription/redemption of units	476,275,013
Less: Transfer to Revenue Account	-
Total	476,275,013
Unrealised Appreciation Reserve	
Opening Balance	-
Add/(Less) : Transfer from/to Revenue Account	265,334,318
Total	265,334,318
Surplus/(Deficit)	
Balance transferred from Revenue account	2,009,119,310
Total	2,009,119,310
GRAND TOTAL	2,750,728,641
SCHEDULE C	
CURRENT LIABILITIES & PROVISIONS	
A. Current Liabilities	
Sundry Creditors	-
Contracts for purchase of investments	-
Management Fee payable	847,606
Trusteeship Fee payable	66,781
Others	872,912
Total (A)	1,787,299
B. Provisions	
Total (B)	-
TOTAL (A) + (B)	1,787,299

(In Rupees)

March 31, 2005

SCHEDULE D**INVESTMENTS (Marked to Market)**(Refer **Schedule - H** for Portfolio Holding Statement as on March 31, 2005)

Equity Shares	2,791,341,196
Preference Shares	-
Privately Placed Debentures/Bonds	-
Debentures & Bonds Listed /awaiting listing on the Recognised Stock Exchange	-
Government Securities	-
Commercial Paper	-
Other Investments	-
Total	2,791,341,196

SCHEDULE E**DEPOSITS WITH SCHEDULED BANKS**

- Call Deposits	-
- Term Deposits	30,000,000
Total	30,000,000

SCHEDULE F**OTHER CURRENT ASSETS**

Balances with scheduled banks in current account	9,856,862
Sundry Debtors	-
Contracts for sale of investments	-
Outstanding and accrued income	92,622
Less : Provision for doubtful income	-
Shares/Debentures application money	-
Others	-
Total	9,949,484

SCHEDULE G**MANAGEMENT & OTHER OPERATING EXPENSES**

Management Fees	3,160,938
Trusteeship Fees	91,273
Selling, Marketing and Distribution Expenses	496,991
Audit Fees	55,100
Custodian Fees	323,137
Registrar Expenses	755,681
Listing, Licensing and Other Fees	96,222
Other Operating Expenses	6,816
Total	4,986,158

BENCHMARK MUTUAL FUND

*Banking Index Benchmark Exchange Traded Scheme (Bank BeES)
Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the period ended March 31, 2005*

Schedule - H Portfolio Holding Statement as on March 31, 2005

Scrip Name	Quantity	Market Value (Rs.)	Sub Total (Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS				
LISTED				
BANKS				
ANDHRA BANK LTD	815,459	88,110,345		
BANK OF BARODA LTD	603,440	131,399,060		
BANK OF INDIA LTD	993,634	102,990,164		
CANARA BANK LTD	835,846	167,169,200		
CORPORATION BANK LTD	292,424	109,161,879		
HDFC BANK LTD	631,727	344,196,456		
ICICI BANK LTD	1,500,985	589,586,908		
ORIENTAL BANK OF COMMERCE LTD	392,521	121,701,136		
PUNJAB NATIONAL BANK LTD	703,950	276,898,733		
STATE BANK OF INDIA LTD	1,072,938	702,559,802		
SYNDICATE BANK LTD	962,177	51,524,578		
UNION BANK OF INDIA LTD	938,018	106,042,935	2,791,341,196	100.00%
TOTAL			2,791,341,196	100.00%

BENCHMARK MUTUAL FUND

Banking Index Benchmark Exchange Traded Scheme (Bank BeES)

Schedule - I: Accounting Policies And Notes To The Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Mutual Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and was set up as a Trust under the Indian Trust Act, 1882 through Trust Deed dated February 14, 2001. Benchmark Trustee Company Pvt. Ltd. ("the Trustee") is the sole Trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. (BAMC) has been appointed as Asset Management Company ("the AMC") to the Fund.

Banking Index Benchmark Exchange Traded Scheme (Bank BeES) is an open-ended index scheme of Benchmark Mutual Fund tracking CNX Bank Index in the form of Exchange Traded Fund (ETF) and the units of Bank BeES are listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE). The New Scheme offer was open for subscription from May 25, 2004 to May 26, 2004. The units were allotted at an allotment price of Rs. 253.5576 per unit. The face value of unit is Rs.10/- per unit and balance of Rs.243.5576 per unit has been credited to Unit Premium Reserve. The units were listed on NSE on June 4, 2004, on which date scheme opened for subscription and redemption on an ongoing basis.

The investment objective of the scheme is to generate returns that, before expenses, closely correspond to the total returns of securities as represented by CNX Bank Index.

Subscription and Redemption of units of Bank BeES is generally through the exchange of underlying securities forming part of the CNX Bank Index. The rounding off difference is settled in money value.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 The method of accounting is on accrual basis.

2.2 Investments

- a. Purchase and sale of securities are recognized on trade dates i.e. on the dates of transaction and not on the date of settlement.
- b. All investments are accounted at acquisition cost. Such cost includes stamp duty, brokerage and any other charge customarily included in broker's note.
- c. Cost of right shares, if any, is considered at issue price plus premium paid, if any, to acquire rights renunciation.
- d. Bonus entitlements, if any, are recognized on ex-bonus dates. Similarly right entitlements, if any, are recognized only when original shares on which right entitlements accrue are traded on ex-right basis.

e. Portfolio Valuation

For the purpose of financial statements, the Fund marks all investments to market and carries investments in the Balance Sheet at the market value. Unrealized gain, if any, arising out of appreciation of investments is carried to the Balance Sheet. Traded securities are valued at the last quoted closing prices on the NSE, if such date is not preceding more than 30 days prior to the valuation date.

The scheme did not hold thinly traded/Non-traded or unlisted securities.

- f. In determining the holding cost of investment and gain and loss on sale of investments, weighted average method has been followed.

2.3 Income Recognition

- a. Dividend income is accrued on ex-dividend date.
- b. Profit or loss on sale of investment is arrived at by applying weighted average cost on trade date.
- c. Interest on fixed income investments are recognized on accrual basis.
- d. Unrealized gain/loss is recognized in Revenue Account. However, unrealized gain is excluded for calculating distributable surplus and the same is carried to the Balance Sheet as Unrealized Appreciation Reserve.

2.4 Income Equalisation

An appropriate portion of price of unit at the time of purchase and sale is transferred to Income Equalisation Account. In arriving at the portion of the price to be transferred to Income Equalisation Account, surplus/deficit (before considering unrealized appreciation/depreciation) upto the date of transaction is taken into account. The net balance in Income Equalisation Account is transferred to Revenue Account.

2.5 Unit Premium Reserve

Unit Premium Reserve is debited or credited at the time of purchase and sale of units after taking into account the face value of units and Income Equalisation.

2.6 Entry / Exit Load

The Fund does not charge any entry/exit load on subscription/redemption of units in the creation unit size. However in case no quotes are available on the NSE for five consecutive trading days, the exit load charged for redemption of units in other than creation unit size is upto 5% of NAV. Such load, if charged, at the time of repurchase of units, is offset against distribution and marketing expenses. Unutilized amount of load collected is carried to subsequent year unless the same is found excess by the Trustees/AMC. Such excess amount is credited to the Scheme.

As per the terms of the Offer Document, Depository and Custody Charges are recovered from the respective investor for transfer of shares on subscription and redemption and the same is utilized for payment of transaction charges to Depository Participant and Custodian on account of transfer of shares and hence do not form part of Revenue Account.

2.7 Initial Issue Expenses

The initial issue expenses have been borne by the AMC.

NOTES ON ACCOUNTS

1. Net Asset Value (NAV) is calculated after considering market/fair value of investments and after providing for expenses on an estimated basis.
2. There are no underwriting obligations undertaken by the Scheme of the Fund with respect to issue of securities of associate companies.
3. There is no contingent liability on underwriting commitment, partly paid equity shares or any other uncalled liabilities.
4. All investments are marked to market and accordingly reflected in the Balance Sheet. The cost and market value of investments are shown in Note No.12.
5. As per the terms of Offer Document, Annual Scheme Recurring Expenses in excess of 0.55% of daily average net assets of Bank BeES are borne by the Asset Management Company.
6. The AMC has not dealt in any securities through brokers associated with the Sponsor.
7. Purchase of investments yet to be settled: Rs. Nil
8. Sale of investments yet to be settled: Rs. Nil

9. Income and Expenses

Average Net Assets (Rs.)	Period Ended March 31, 2005	
	1,07,81,47,924	
	Aggregate Value (Rs.)	Percentage of Average Net Assets (annualized)
Total income (including net profit/loss on sale/ redemption of investments, profit on inter-scheme transfers and net change in unrealised appreciation/depreciation in value of investments)	33,62,94,851	36.84%
Total Expenditure (Recurring Expenses)	49,86,158	0.55%

10. Aggregate Value of Purchases and Sales of Investments during the period

(Rs. In Lacs)

	Current Year
Average Daily NAV	10,781.48
Purchases	30,841.98
% to NAV	286.06%
Sales	6,178.84
% to NAV	57.31%

11. Net Asset Value (Per unit) (Rs.)

	As on March 31, 2005
Face Value	10
Net Asset Value	359.1892

12. Cost & Market Value of Investments (Rs. In Lacs)

	Current Year
Cost	25,260.07
Market Value	27,913.41

Unrealised Appreciation in the value of investments is Rs.2,653.34 Lacs

13. Movement in Unit Capital

	Current Year	
	Units	Rs. In Lacs
Initial Subscription/Opening Units	1,77,474	17,74,740
Units issued during the Period	95,10,000	9,50,00,000
Units redeemed during the Period	18,10,000	1,81,00,000
Units at the end of the Period	78,77,474	7,87,74,740

14. Details of Large Holding

The details of investors holding more than 25% of the NAV of Bank BeES as on March 31, 2005.

No. of Investors	Total Holding in Percentage
1	97.08

15. Income Tax

No provision for income tax is made as the Scheme qualifies as a recognized Mutual Fund under section 10(23D) of the Income Tax Act, 1961.

16. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets (NAV) of the Scheme. In terms of the Offer Document, the management fees is calculated @ 0.35% of daily average Net Assets upto Rs.100 Crores and 0.30% of daily average net assets beyond Rs.100 Crores of Bank BeES. The calculation of the same is follows:

	Amount in Rs.
Daily Average Net Assets	1,07,81,47,924
% of Management Fees	(Annualized)
First Rs.100 Crores	0.35%
Next Rs. 200 Crores	0.30%
Management Fees	31,60,938

17. Trustee Fees

In accordance with the terms of Offer Document, the Trustee Fees has been charged @ 0.01% of the daily average net assets of Bank BeES.

18. Custodial Fees and Expenses

ABN Amro Bank NV (ABN) provides custodial services to the Scheme for which it receives custody fees including safekeeping. In addition, ABN is reimbursed for custody and transaction charges levied by depositories (i.e. NSDL/CDSL).

19. Registrar and Transfer Agents Fees and Expenses

MCS Limited provides Registrar and Transfer Agency Services to the Scheme for which it receives the fees based on daily average net assets of the Scheme.

20. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed in the scheme during the period ended March 31, 2005 and holds 120 units in the Scheme as on March 31, 2005.

21. The Scheme has made following investments in group/associate companies:

(Rs. In Lacs)

Name of the Associate	Aggregate of investments during the period (at cost)	Outstanding investment at Market Value as on March 31, 2005
Bank of India	956.57	1,029.90

Bank of India ceased to be associate company w.e.f. May 8, 2004. However the above details have been given for the full period.

22. The Scheme has not made any investments in the issues lead managed by associate companies.

23. Disclosure under Regulation 25(8)

The AMC has not paid any charges viz. Agency Commission, Brokerage to parties associated with the Sponsor in which AMC or its major shareholder or its subsidiaries are having substantial interest.

24. Disclosure under Regulation 25(11)

During the period covered under Regulation 25(11) of the SEBI Regulations, Junior BeES has invested in the following company which has invested more than 5% of the net assets of Liquid BeES, a Scheme of Benchmark Mutual Fund:

Company which has invested	Aggregate investment during the period under regulation 25(11) at cost (Rs. In Lacs)	Outstanding as on March 31, 2005 at Market Value (Rs. In Lacs)
GTL Ltd.	3.42	Nil

The investment in GTL Ltd. was made, as it was a constituent of CNX Nifty Junior Index. The Scheme had invested in GTL Ltd. in the same weightage as the weightage of that Company in CNX Nifty Junior Index. GTL Ltd. has been excluded from CNX Nifty Junior Index w.e.f. March 1, 2004.

25. Unclaimed Dividend/Redemption Amount

There are no unclaimed Dividend / Redemption amount in respect of the Scheme as on March 31, 2005.

26. Registered Securities

In accordance with Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, the securities of the Scheme are registered in the name of the Scheme for the benefit of Scheme's unit holders.

27. A complete list of investments of the Scheme is given in **Schedule H**.

28. As this is the first financial statement of the scheme, the previous year figures are not applicable. Revenue account is drawn for the period May 27, 2004 till March 31, 2005.

29. The audited results for the year ended March 31, 2005 have been approved by the Boards of Benchmark Asset Management Company Pvt. Ltd. (AMC) and Benchmark Trustee Company Pvt. Ltd. (Trustee) at their meeting held on July 27, 2005 respectively.

NOTES:

1. On written request, present and prospective unit holders/investors can obtain a copy of the Trust Deed, the Annual Report, at a price if any, and the text of the Scheme.
2. On written request, the present and prospective unit holders/investors may request a copy of the annual report of Benchmark Asset Management Company Pvt. Ltd.

BENCHMARK MUTUAL FUND
Banking Index Benchmark Exchange Traded Scheme (Bank BeES)
Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005

Schedule I - NOTES TO THE ACCOUNTS*(In Rs.)*

PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	May 27, 2004 to March 31, 2005
a) Net Asset Value per Unit at the end of the period	359.1892
b) i) Income other than profit on sale of investments	1.43
ii) Income (net) from profit on inter-scheme sale / transfer of investments	-
iii) Income (net) from profit/(loss) on sale of investments to third parties	7.58
iv) Transfer to revenue account from past year's reserve	-
c) Aggregate of expenses, write off, amortisation and charges	0.63
d) Net income/(loss) (b-c)	8.38
e) Net Change in Unrealised Appreciation/(Depreciation) in value of investments	33.68
f) Repurchase Price during the period	
i) Highest	398.7897
ii) Lowest	219.8002
g) Resale Price during the period	
i) Highest	398.7897
ii) Lowest	219.8002
h) Market Price (The National Stock Exchange of India)	
i) Highest	410.00
ii) Lowest	223.00
i) Price Earning Ratio * *	42.63
j) Ratio of expenses to the average net assets @	0.55%
k) Ratio of gross income (including net profit/(loss) on sale/redemption of investments and net change in unrealised appreciation/(depreciation) in value of investments) to average net assets @	36.84%

* The above per unit calculations are based on the number of units outstanding at the end of the period

** Price Earning Ratio is based on the closing market price on the National Stock Exchange of India Ltd. as on March 31, 2005

@ Annualised

Signatures to Schedules A to I forming part of the Balance Sheet and Revenue Account

As per our Report of even date

For N. M. Rajji & Co.

Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi

Partner

Membership No. 37924

Dr. P. P. Shah

Director

Dr. A. C. Shah

Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta

Chairman

S. R. Halbe

Director

Place : Mumbai

Date : July 27, 2005

Vishal Jain

Fund Manager

AUDITORS' REPORT

**The Board of Directors,
BENCHMARK TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet as at March 31, 2005 and the Revenue Account for the period ended on that date annexed thereto, of Benchmark Derivative Fund (BDF), a scheme of Benchmark Mutual Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with SEBI (Mutual Fund) Regulations, 1996. 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 the 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 :

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of accounts of the Scheme.
3. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.
4. In our opinion, valuation methods for Non Traded Securities, if any, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustee.
5. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the accounting policies and notes on accounts attached thereto, give a true & fair view in conformity with the generally accepted accounting principles in India:
 - a) In the case of Balance Sheet of Benchmark Derivative Fund, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2005; and
 - b) In the case of Revenue Account of Benchmark Derivative Fund, the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the period ended March 31, 2005.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Dated : July 27, 2005

BENCHMARK MUTUAL FUND
Benchmark Derivative Fund (BDF)
Balance Sheet as at March 31, 2005

(In Rupees)

	Schedule	March 31, 2005
LIABILITIES		
1. Unit Capital	A	758,237,777
2. Reserves & Surplus	B	5,363,974
3. Current Liabilities & Provisions	C	78,337,080
Total		841,938,831
ASSETS		
1. Investments	D	283,702,028
2. Deposits	E	371,500,000
3. Other Current Assets	F	186,736,803
4. Deferred Revenue Expenditure		-
Total		841,938,831

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet & Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi
Partner
Membership No. 37924

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Sanjiv Shah
Executive Director

BENCHMARK MUTUAL FUND
Benchmark Derivative Fund (BDF)
Revenue Account for the period ended March 31, 2005

(In Rs.)

Schedule	March 31, 2005
1. INCOME AND GAINS	
1.1 Dividend	99,840
1.2 Interest	4,852,081
1.3 Profit on sale/redemption of investments (other than inter-scheme transfer/sale)	38,625,985
1.4 Profit on inter-scheme transfer/sale of investments	-
1.5 Other income	-
1.6 Net change in unrealised appreciation/ (depreciation) on Investments	908,850
Total	44,486,756
2. EXPENSES AND LOSSES	
2.1 Management & Operating expenses G	3,104,589
2.2 Provision for doubtful income	-
2.3 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	32,894,727
2.4 Loss on inter-scheme transfer/sale of investments	-
2.5 Initial Issue Expenses (Note No.2.7)	2,994,200
Total	38,993,516
Surplus / (Deficit) for the period	5,493,240
Add/(Less) : Income Equalisation Account	3,735,029
Add/(Less) : Unrealised Appreciation on Investments transferred from/to Balance Sheet	(908,850)
	8,319,419
Balance brought forward from previous year	-
Add/(Less): Transfer from Unit Premium Reserve	-
Surplus available for distribution / (Deficit)	8,319,419
Appropriation	
Income Distribution	-
Balance carried to the Balance Sheet	8,319,419

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet & Revenue Account

As per our Report of even date

For N. M. Rajji & Co.

Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi

Partner

Membership No. 37924

Dr. P. P. Shah

Director

Dr. A. C. Shah

Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta

Chairman

S. R. Halbe

Director

Place : Mumbai

Date : July 27, 2005

Sanjiv Shah

Executive Director

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the period ended March 31, 2005***(In Rupees)*

March 31, 2005	
SCHEDULE A	
UNIT CAPITAL	758,237,777
Total	758,237,777
No. of Units of face value of Rs.1000/- each	758,238
SCHEDULE B	
RESERVES & SURPLUS	
Unit Premium Reserve	
Opening Balance	-
Add/(Less): on account of subscription/redemption of units	(3,864,295)
Less: Transfer to Revenue Account	-
Total	(3,864,295)
Unrealised Appreciation Reserve	
Opening Balance	-
Add/(Less) : Transfer from/to Revenue Account	908,850
Total	908,850
Surplus/(Deficit)	
Balance transferred from Revenue account	8,319,419
Total	8,319,419
GRAND TOTAL	5,363,974
SCHEDULE C	
CURRENT LIABILITIES & PROVISIONS	
A. Current Liabilities	
Sundry Creditors	-
Contracts for purchase of investments	71,249,429
Management Fee payable	1,724,466
Trusteeship Fee payable	27,591
Others	5,335,594
Total (A)	78,337,080
B. Provisions	
Total (B)	-
TOTAL (A) + (B)	78,337,080

(In Rupees)

March 31, 2005

SCHEDULE D**INVESTMENTS (Marked to Market)**(Refer **Schedule - H** for Portfolio Holding Statement as on March 31,2005)

Equity Shares	283,702,028
Preference Shares	-
Privately Placed Debentures/Bonds	-
Debentures & Bonds Listed /awaiting listing on the Recognised Stock Exchange	-
Government Securities	-
Commercial Paper	-
Other Investments	-
Total	283,702,028

SCHEDULE E**DEPOSITS WITH SCHEDULED BANKS**

- Call Deposits	-
- Term Deposits	371,500,000
Total	371,500,000

SCHEDULE F**OTHER CURRENT ASSETS**

Balances with scheduled banks in current account	117,027,446
Sundry Debtors	-
Contracts for sale of investments	66,486,333
Outstanding and accrued income	3,223,024
Less : Provision for doubtful income	-
Shares/Debentures application money	-
Others	-
Total	186,736,803

SCHEDULE G**MANAGEMENT & OTHER OPERATING EXPENSES**

Management Fees	1,724,466
Trusteeship Fees	27,591
Selling, Marketing and Distribution Expenses	605,241
Audit Fees	55,100
Custodian Fees	552,249
Registrar Expenses	34,310
Investor Communication Expenses	-
Other Operating Expenses	105,632
Total	3,104,589

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)**Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the period ended March 31, 2005***Schedule - H Portfolio Holding Statement as on March 31, 2005**

Scrip Name	Quantity	Market Value (Rs.)	Sub Total (Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS				
LISTED				
BANKS				
STATE BANK OF INDIA LTD	96,500	63,188,200.00		
ICICI BANK LTD	151,200	59,391,360.00		
PUNJAB NATIONAL BANK LTD	66,000	25,961,100.00		
BANK OF BARODA LTD	23,800	5,182,450.00	153,723,110.00	54.18
FERROUS METALS				
TATA IRON & STEEL COMPANY LTD	157,950	63,345,847.50	63,345,847.50	22.33
PETROLEUM PRODUCTS				
RELIANCE INDUSTRIES LTD	96,600	52,748,430.00	52,748,430.00	18.59
SOFTWARE				
POLARIS SOFTWARE LAB LTD	128,800	13,884,640.00	13,884,640.00	4.89
TOTAL			283,702,027.50	100.00

Details of derivative positions outstanding as on March 31, 2005

Name of the Instrument (Stock Futures) Sale Contract	Equivalent No. of Shares	Notional Market Value (Rs.)	% to NAV
TISCO 28-April-2005	157950	64,269,855	8.39
SBI 28-April-2005	96500	64,071,175	8.37
ICICIBANK 28-April-2005	151200	60,313,680	7.88
RELIANCE 28-April-2005	96600	53,458,440	6.98
PNB 28-April-2005	66000	26,307,600	3.44
POLARIS 28-April-2005	128800	14,200,200	1.85
BANKBARODA 28-April-2005	23800	5,250,280	0.69
TOTAL.....		287,871,230	37.59

Exposure to derivative instrument as on March 31, 2005 **37.59%**

BENCHMARK MUTUAL FUND

Benchmark Derivative Fund (BDF)

Schedule - I: Accounting Policies And Notes To The Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Mutual Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and was set up as a Trust under the Indian Trust Act, 1882 through Trust Deed dated February 14, 2001. Benchmark Trustee Company Pvt. Ltd. ("the Trustee") is the sole Trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. (BAMC) has been appointed as Asset Management Company ("the AMC") to the Fund.

Benchmark Derivative Fund (BDF) is an open-ended debt scheme. The New Scheme Offer was open for subscription from December 7, 2004 to December 14, 2004. The face value of unit is Rs.1,000/- and the units were allotted at par on December 18, 2004. The Scheme is open for subscription/redemption only on the last working day of the month. The scheme opened for ongoing subscription/redemption on December 31, 2004

The investment objective of the Scheme is to provide absolute returns over and above money market instruments by taking advantage in the underlying cash and derivative markets. Various strategies would be used as return enhancers.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 The method of accounting is on accrual basis.

2.2 Investments

- a. Purchase and sale of securities are recognised on trade date i.e. on the date of transaction and not on the date of settlement.
- b. All investments are accounted at acquisition cost. Such cost includes stamp duty, brokerage and any other charges customarily included in broker's note. In respect of any privately placed debt instruments any front-end discount offered is reduced from the cost of investments.
- c. Cost of right shares, if any, is considered at issue price plus premium paid, if any, to acquire rights renunciation.
- d. Bonus entitlements, if any, are recognized on ex-bonus dates. Similarly right entitlements, if any, are recognized only when original shares on which right entitlements accrue are traded on ex-right basis.

e. Portfolio Valuation

For the purpose of financial statements, the Fund marks all investments to market and carries investment in the Balance Sheet at the market value. Unrealised gain, if any, arising out of appreciation of the investments, is carried to the Balance Sheet. In valuing the Scheme's investments:

- Traded Securities are valued at last quoted closing price on the National Stock Exchange of India Ltd. (NSE), if such date is not more than thirty days prior to the valuation date.
- Debt securities listed on a recognised stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded.
- Non-traded and Thinly-traded debt securities are valued at fair value in good faith by the Asset Management Company in accordance with the guidelines for valuation of such securities specified by SEBI vide its circular dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India.
- Privately placed debt securities are valued at fair value in good faith by the Asset Management

Company in accordance with the guidelines for valuation of such securities specified by SEBI vide its circular.

- Money market securities/Non traded/Thinly traded Non-Government Debt securities of upto 182 days of maturity are valued on the basis of amortization (Cost plus accrued interest basis) plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments, as prescribed by SEBI.
 - Non traded/Thinly traded Non-Government securities of over 182 days to maturity are valued on duration based yield to maturity as issued by an approved agency.
 - Government securities are valued at prices released by the Agency approved by AMFI (in accordance with the SEBI Circular)
- f. An investment is regarded as non-performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income/instalment has fallen due.
- g. In determining the holding cost of investments and gain and loss on sale of investment, weighted average method has been followed.

2.3 Income Recognition

- a. Dividend is accrued on ex-dividend date.
- b. Profit or loss on sale of investment is arrived at by applying weighted average cost on trade date.
- c. Interest on fixed income investments is recognised on accrual basis.
- d. Income on non-performing assets (NPA) is recognised on cash basis.
- e. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- f. Unrealized gain/loss is recognized in Revenue Account. However, unrealized gain is excluded for calculating distributable surplus and the same is carried to the Balance Sheet as Unrealized Appreciation Reserve.

2.4 Income Equalisation

An appropriate portion of price of unit at the time of purchase and sale is transferred to Income Equalisation Account. In arriving at the portion of the price to be transferred to Income Equalisation Account, surplus/deficit (before considering unrealized appreciation/depreciation) upto the date of transaction is taken into account. The net balance in Income Equalisation Account is transferred to Revenue Account.

2.5 Unit Premium Reserve

Unit Premium Reserve is debited or credited at the time of purchase and sale of units after taking into account the face value of units and Income Equalisation.

2.6 Entry / Exit Load

Presently the Fund does not charge any exit load on redemption of units in the Scheme. Entry load charged at the time of repurchase of units is credited to separate account in the Scheme and is utilised towards meeting the Selling, Marketing and Distribution expenses, namely, commission to agents and publicity expenses. Unutilized amount of load is carried to subsequent year unless the same is found excess by the Trustees/AMC. Such excess amount is credited to the Scheme.

2.7 Initial Issue Expenses

Initial issue expenses borne by the Scheme are charged to Revenue Account in the first year.

NOTES ON ACCOUNTS

1. Net Asset Value (NAV) is calculated after considering market/fair value of investments and after providing for expenses on an estimated basis.
2. There are no underwriting obligations undertaken by the Scheme with respect to issue of securities of associate companies.

3. There is no contingent liability on underwriting commitment, partly paid equity shares or any other uncalled liabilities.
4. All investments are marked to market and accordingly reflected in the Balance Sheet. The cost and market value of investments are shown in Note No.12.
5. As per the terms of Offer Document, Annual Scheme Recurring Expenses in excess of 2.25% of the daily average net assets are borne by the Asset Management Company.
6. The AMC has not dealt in any securities through brokers associated with the Sponsor.
7. Purchase of investments yet to be settled: Rs. 7,12,49,429
8. Sale of investments yet to be settled: Rs. 6,64,86,333

9. Income and Expenses

Average Net Assets (Rs.)	Period Ended March 31, 2005	
	48,50,20,555.87	
	Aggregate Value (Rs.)	Percentage of Average Net Assets (annualized)
Total income (including net profit/(loss) on sale/ redemption of investments, profit on inter-scheme transfers and net change in unrealised appreciation/ (depreciation) in value of investments)	1,15,92,029	8.39%
Total Expenditure (Recurring Expenses)	31,04,589	2.25%

10. Aggregate Value of Purchases and Sales of Investments during the period
(Rs. In Lacs)

	Current Year
Average Daily NAV	4,850.21
Purchases	12,569.40
% to NAV	259.15%
Sales	12,684.57
% to NAV	261.53%

11. Net Asset Value (Per unit) (Rs.)

	As on March 31, 2005
Face Value	1,000.00
Net Asset Value	1,007.0743

12. Cost & Market Value of Investments
(Rs. In Lacs)

	Current Year
Cost	2,844.85
Market Value	2,837.02

Unrealized Appreciation/(Depreciation) in the value of investments is Rs. (7.83 Lacs)

13. Movement in Unit Capital

	Current Year	
	Units	Rs. In Lacs
Initial Subscription/Opening Units	2,99,420.000	2,994.20
Units issued during the Period	4,76,247.529	4,762.48
Units redeemed during the Period	17,429.753	174.30
Units at the end of the Period	7,58,237.776	7,582.38

14. Details of Large Holding

There is no investor holding units in the scheme in excess of 25% of the NAV as on March 31, 2005.

15. Income Tax

No provision for income tax is made as the Scheme qualifies as a recognized Mutual Fund under section 10(23D) of the Income Tax Act, 1961.

16. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets (NAV) of the Scheme. In terms of the Offer Document, the management fees is calculated @ 1.25% of daily average Net Assets of Benchmark Derivative Fund. The calculation of the same is follows:

	Amount in Rs.
Daily Average Net Assets	48,50,20,556
% of Management Fees First Rs.100 Crores`	(Annualized) 1.25%
Management Fees	17,24,466

17. Trustee Fees

In accordance with the terms of Offer Document, the Trustee fees has been charged @ 0.02 % of the daily average net assets of the Scheme.

18. Custodial Fees and Expenses

ICICI Bank Ltd. provides custodial services to the Scheme for which it receives custody fees including safekeeping. In addition, ICICI is reimbursed for custody and transaction charges levied by Depositories (i.e. NSDL/CDSL).

19. Registrar and Transfer Agents Fees and Expenses

Karvy Computershare Pvt. Ltd. provides Registrar and Transfer Agency Services to the Fund for which it receives the fees based on daily average net assets of the Scheme.

20. During the period ended March 31, 2005, Benchmark Trustee Company Pvt. Ltd. and Benchmark Asset Management Company Pvt. Ltd. did not make any investment in the Scheme.

21. The Scheme has not made any investment in any associate/group company.

22. The Scheme has not made any investments in the issues lead managed by associate companies.

23. Disclosure under Regulation 25(8)

The AMC has not paid any charges viz. Agency Commission, Brokerage etc. to parties associated with the Sponsor in which AMC or its major shareholder or its subsidiaries are having substantial interest.

24. Disclosure under Regulation 25(11)

During the period covered under Regulation 25(11) of the SEBI Regulations, Junior BeES has invested in the following company which has invested more than 5% of the net assets of Liquid BeES, a Scheme of Benchmark Mutual Fund:

Company which has invested	Aggregate investment during the period under regulation 25(11) at cost (Rs. In Lacs)	Outstanding as on March 31, 2005 at Market Value (Rs. In Lacs)
GTL Ltd.	3.42	Nil

The investment in GTL Ltd. was made, as it was a constituent of CNX Nifty Junior Index. The Scheme had invested in GTL Ltd. in the same weightage as the weightage of that Company in CNX Nifty Junior Index. GTL Ltd. has been excluded from CNX Nifty Junior Index w.e.f. March 1, 2004.

25. Unclaimed Dividend/Redemption Amount

As at March 31, 2005, there were no unclaimed dividends or unclaimed redemption amounts in the Scheme.

26. Registered Securities

In accordance with Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, the securities of the Scheme are registered in the name of Scheme for the benefit of Scheme's unit holders.

27. A complete list of investments of the Scheme is given in **Schedule H**.

28. As this is the first financial statement of the Scheme, the previous year figures are not applicable. Revenue Account is drawn for the period December 18, 2004 to March 31, 2005.

29. The audited results for the period ended March 31, 2005 have been approved by the Boards of Benchmark Asset Management Company Pvt. Ltd. (AMC) and Benchmark Trustee Company Pvt. Ltd. (Trustee) at their meeting held on July 27, 2005 respectively.

NOTES:

1. On written request, present and prospective unit holders/investors can obtain a copy of the Trust Deed, the Annual Report, at a price if any, and the text of the Scheme.
2. On written request, the present and prospective unit holder/investor may request a copy of the annual report of Benchmark Asset Management Company Pvt. Ltd.

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the year ended March 31, 2005****Schedule I - NOTES TO THE ACCOUNTS***(In Rs.)*

PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	December 18, 2004 to March 31, 2005
a) Net Asset Value per Unit at the end of the period	1,007.0743
b) i) Income other than profit on sale of investments	6.53
ii) Income (net) from profit on inter-scheme sales / transfer of investments	-
iii) Income (net) from profit/(loss) on sale of investments to third parties	7.56
iv) Transfer to revenue account from past year's reserve	-
c) Aggregate of expenses, write off, amortisation and charges	4.09
d) Net income/(loss) (b-c)	10.00
e) Net Change in Unrealised Appreciation/(Depreciation) in value of investments	1.20
f) Repurchase Price during the period	
i) Highest	1007.074
ii) Lowest	991.040
g) Resale Price during the period	
i) Highest	1017.145
ii) Lowest	1000.951
h) Market Price (The National Stock Exchange of India)	
i) Highest	NA
ii) Lowest	NA
i) Price Earning Ratio	NA
j) Ratio of expenses to the average net assets @	2.25%
k) Ratio of gross income (including net profit/loss on sale/redemption of investments and net change in unrealised appreciation/depreciation in value of investments) to average net assets @	8.39%

* The above per unit calculations are based on the number of units outstanding at the end of the year
@ Annualised

Signatures to Schedules A to I forming part of the Balance Sheet and Revenue Account

As per our Report of even date

For N. M. Raiji & Co.

Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi

Partner

Membership No. 37924

Dr. P. P. Shah

Director

Dr. A. C. Shah

Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta

Chairman

S. R. Halbe

Director

Place : Mumbai

Date : July 27, 2005

Sanjiv Shah

Executive Director

AUDITORS' REPORT

**The Board of Directors,
BENCHMARK TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet as at March 31, 2005 and the Revenue Account for the period ended on that date annexed thereto, of various plans of Benchmark Fund of Funds (FoF), a scheme of Benchmark Mutual Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with SEBI (Mutual Fund) Regulations, 1996. 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 the 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 :

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of accounts of the Scheme.
3. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.
4. In our opinion, valuation methods for Non Traded Securities, if any, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustee.
5. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the accounting policies and notes on accounts attached thereto, give a true & fair view in conformity with the generally accepted accounting principles in India:
 - a) In the case of Balance Sheet of Benchmark Fund of Funds (FoF), the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2005; and
 - b) In the case of Revenue Account of Benchmark Fund of Funds (FoF), the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the period ended March 31, 2005.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Dated : July 27, 2005

BENCHMARK MUTUAL FUND
Benchmark Fund of Funds Scheme (FoF)
Balance Sheet as at March 31, 2005

(In Rupees)

		<i>Junior BeES Plan</i>	<i>Nifty 100 Plan</i>	<i>Nifty BeES Plan</i>	<i>Nifty Balanced Plan</i>
	Schedule	March 31, 2005	March 31, 2005	March 31, 2005	March 31, 2005
LIABILITIES					
1. Unit Capital	A	1,370,114	–	–	–
2. Reserves & Surplus	B	508,715	–	–	–
3. Current Liabilities & Provisions	C	37,544	9,449	1,601	8,828
Total		1,916,373	9,449	1,601	8,828
ASSETS					
1. Investments	D	1,725,594	–	–	–
2. Deposits	E	–	–	–	–
3. Other Current Assets	F	190,779	9,449	1,601	8,828
4. Deferred Revenue Expenditure		–	–	–	–
Total		1,916,373	9,449	1,601	8,828

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet & Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi
Partner
Membership No. 37924

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND*Benchmark Fund of Funds Scheme (FoF)***Revenue Account for the period ended March 31, 2005***(In Rs.)*

	<i>Junior BeES Plan</i>	<i>Nifty 100 Plan</i>	<i>Nifty BeES Plan</i>	<i>Nifty Balanced Plan</i>
Schedule	March 31, 2005	March 31, 2005	March 31, 2005	March 31, 2005
1. INCOME AND GAINS				
1.1 Dividend	2,251	–	–	1,996
1.2 Interest	–	–	–	–
1.3 Profit on sale/redemption of investments (other than inter-scheme transfer/sale)	182,232	100,891	42,918	44,065
1.4 Profit on inter-scheme transfer/sale of investments	–	–	–	–
1.5 Other income	–	–	–	–
1.6 Net change in unrealised appreciation/(depreciation) on Investments	417,656	–	–	–
Total	602,139	100,891	42,918	46,061
2. EXPENSES AND LOSSES				
2.1 Management & Operating expenses G	10,168	1,088	458	752
2.2 Provision for doubtful income	–	–	–	–
2.3 Loss on sale/redemption of investments (other than inter-scheme transfer/sale)	–	–	–	164
2.4 Loss on inter-scheme transfer/sale of investments	–	–	–	–
2.5 Initial Issue Expenses (Note No 2.6)	26,420	8,890	8,500	11,310
Total	36,588	9,978	8,958	12,226
Surplus / (Deficit) for the period	565,551	90,913	33,960	33,835
Add/(Less) : Income Equalisation Account	51,327	–	–	–
Add/(Less) : Unrealised Appreciation on Investments transferred from/to Balance Sheet	(417,656)	–	–	–
	199,222	90,913	33,960	33,835
Balance brought forward from previous year	–	–	–	–
Add/(Less):Transfer from Unit Premium Reserve	–	–	–	–

(In Rs.)

	Junior BeES Plan	Nifty 100 Plan	Nifty BeES Plan	Nifty Balanced Plan
Schedule	March 31, 2005	March 31, 2005	March 31, 2005	March 31, 2005
Surplus available for distribution / (Deficit)	199,222	90,913	33,960	33,835
Appropriation				
Income Distribution	-	-	-	-
Balance carried to the Balance Sheet	199,222	90,913	33,960	33,835

Accounting Policies and Notes on Accounts I

The Schedules referred to herein form an integral part of the Balance Sheet & Revenue Account

As per our Report of even date
For N. M. Rajji & Co.
Chartered Accountants

J. M. Gandhi
Partner
Membership No. 37924

For and on behalf of
Benchmark Trustee Company Pvt. Ltd.

Dr. P. P. Shah
Director

Dr. A. C. Shah
Director

For and on behalf of
Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta
Chairman

S. R. Halbe
Director

Place : Mumbai
Date : July 27, 2005

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND*Benchmark Fund of Funds Scheme (FoF)***Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the period ended March 31, 2005***(In Rupees)*

	<i>Junior BeES Plan</i>	<i>Nifty 100 Plan</i>	<i>Nifty BeES Plan</i>	<i>Nifty Balanced Plan</i>
	March 31, 2005	March 31, 2005	March 31, 2005	March 31, 2005
SCHEDULE A				
UNIT CAPITAL	1,370,114	–	–	–
Total	1,370,114	–	–	–
No. of Units of face value of Rs.10/- each	137,011	–	–	–
SCHEDULE B				
RESERVES & SURPLUS				
Unit Premium Reserve				
Opening Balance	–	–	–	–
Add/(Less): on account of subscription/ redemption of units	(108,163)	(90,913)	(33,960)	(33,835)
Less: Transfer to Revenue Account	–	–	–	–
Total	(108,163)	(90,913)	(33,960)	(33,835)
Unrealised Appreciation Reserve				
Opening Balance	–	–	–	–
Add/(Less) : Transfer from/to Revenue Account	417,656	–	–	–
Total	417,656	–	–	–
Surplus/(Deficit)				
Balance transferred from Revenue account	199,222	90,913	33,960	33,835
Total	199,222	90,913	33,960	33,835
GRAND TOTAL	508,715	–	–	–
SCHEDULE C				
CURRENT LIABILITIES & PROVISIONS				
A. Current Liabilities				
Sundry Creditors	–	–	–	–
Contracts for purchase of investments	–	–	–	–
Management Fee payable	1,208	372	87	298
Trusteeship Fee payable	–	–	–	–
Others	36,336	9,077	1,514	8,530
Total (A)	37,544	9,449	1,601	8,828
B. Provisions				
Total (B)	–	–	–	–
TOTAL (A) + (B)	37,544	9,449	1,601	8,828

(In Rupees)

	Junior BeES Plan	Nifty 100 Plan	Nifty BeES Plan	Nifty Balanced Plan
	March 31, 2005	March 31, 2005	March 31, 2005	March 31, 2005

SCHEDULE D**INVESTMENTS (Marked to Market)**(Refer **Schedule - H** for Portfolio Holding Statement as on March 31,2005)

Equity Shares	-	-	-	-
Preference Shares	-	-	-	-
Privately Placed Debentures/Bonds	-	-	-	-
Debentures & Bonds Listed /awaiting listing on the Recognised Stock Exchange	-	-	-	-
Government Securities	-	-	-	-
Commercial Paper	-	-	-	-
Other Investments - Mutual Fund Units	1,725,594	-	-	-
Total	1,725,594	-	-	-

SCHEDULE E**DEPOSITS WITH SCHEDULED BANKS**

- Call Deposits	-	-	-	-
- Term Deposits	-	-	-	-
Total	-	-	-	-

SCHEDULE F**OTHER CURRENT ASSETS**

Balances with scheduled banks in current account	190,779	9,449	1,601	8,828
Sundry Debtors	-	-	-	-
Contracts for sale of investments	-	-	-	-
Outstanding and accrued income	-	-	-	-
Less : Provision for doubtful income	-	-	-	-
Shares/Debentures application money	-	-	-	-
Others	-	-	-	-
Total	190,779	9,449	1,601	8,828

SCHEDULE G**MANAGEMENT & OTHER OPERATING EXPENSES**

Management Fees	1,208	372	87	298
Trusteeship Fees	-	-	-	-
Selling, Marketing and Distribution Expenses	-	-	-	-
Audit Fees	-	-	-	-
Other Operating Expenses	8,960	716	371	454
Total	10,168	1,088	458	752

BENCHMARK MUTUAL FUND

Benchmark Fund of Funds Scheme - Junior BeES Plan
Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the period ended March 31, 2005

Schedule - H Portfolio Holding Statement as on March 31, 2005

Sr. No.	Scrip Name	Sub-Industry Classification	Quantity	Market Value (Rs.)	% to Total
MUTUAL FUND UNITS					
LISTED					
1.	Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)	Units of Mutual Fund	36,771	1,595,861	92.48
2.	Nifty Benchmark Exchange Traded Scheme (Nifty BeES)	Units of Mutual Fund	643	129,733	7.52
TOTAL				1,725,594	100.00

BENCHMARK MUTUAL FUND

Benchmark Fund Of Funds Scheme (FoF)

Schedule - I: Accounting Policies And Notes To The Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Mutual Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and was set up as a Trust under the Indian Trust Act, 1882 through Trust Deed dated February 14, 2001. Benchmark Trustee Company Pvt. Ltd. ("the Trustee") is the sole Trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. (BAMC) has been appointed as Asset Management Company ("the AMC") to the Fund.

Benchmark Fund of Funds Scheme is an open ended Fund of Funds Scheme investing in the underlying Schemes of Benchmark Mutual Fund. The New Scheme Offer was open for subscription from May 27, 2004 to June 22, 2004. The face value of unit is Rs.10/- and the units were allotted at par on July 1, 2004.

The investment objective of the Scheme is to generate returns and provide capital appreciation through investment primarily in underlying schemes of Benchmark Mutual Fund.

Since, out of the four plans under Benchmark Fund of Funds Scheme viz. Nifty BeES Plan, Junior BeES Plan, Nifty 100 Plan and Nifty Balanced Plan, three plans viz. Nifty BeES Plan, Nifty 100 Plan and Nifty Balanced Plan have been wound up during the period ended March 31, 2005, the Revenue Account is for the period July 1, 2004 to the date of closure.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 The method of accounting is on accrual basis.

2.2 Investments

- a. Purchase and sale of securities are recognized on trade date i.e. on the dates of transaction and not on the date of settlement.
- b. All investments are accounted at acquisition cost. Such cost includes stamp duty, brokerage and any other charges customarily included in broker's note.
- c. Cost of right shares, if any, is considered at issue price plus premium paid, if any, to acquire rights renunciation.
- d. Bonus entitlements, if any, are recognized on ex-bonus dates. Similarly right entitlements, if any, are recognized only when original shares on which right entitlements accrue are traded on ex-right basis.

e. Portfolio Valuation

For the purpose of financial statements, the Fund marks all investments to market and carries investments in the Balance Sheet at the market value. Unrealized gain, if any, arising out of appreciation of the investments, is carried to the Balance Sheet. Traded securities are valued at the last quoted closing prices on the NSE, if such date is not preceding more than 30 days prior to the valuation date.

Non-traded securities including those non traded within 30 days prior to the valuation date and thinly traded/unlisted securities are valued in accordance with the guidelines issued by SEBI.

- f. In determining the holding cost of investments and gain or loss on sale of investments, 'weighted average method' has been followed.

2.3 Income Recognition

- a. Dividend income is accrued on ex-dividend date.
- b. Profit or loss on sale of investment is arrived at by applying weighted average cost on trade date.
- c. Interest on fixed income investments are recognized on accrual basis.
- d. Unrealized gain/loss is recognized in Revenue Account. However, unrealized gain is excluded for calculating distributable surplus and the same is carried to the Balance Sheet as Unrealized Appreciation Reserve.

2.4 Income Equalisation

An appropriate portion of price of unit at the time of purchase and sale is transferred to Income Equalisation Account. In arriving at the portion of price to be transferred to Income Equalisation Account, surplus/deficit (before considering unrealized appreciation/depreciation) upto the date of transaction is taken into account. The net balance in Income Equalisation Account is transferred to Revenue Account.

2.5 Unit Premium Reserve

Unit Premium Reserve is debited or credited at the time of purchase and sale of units after taking into account the face value of units and Income Equalisation.

2.6 Initial Issue Expenses

Initial Issue Expenses borne by the Scheme are charged to the Revenue Account in the first year.

2.7 Entry/Exit Load

The load charged at the time of purchase and sale of units is utilised towards meeting distribution and marketing expenses, namely, commission to agents and publicity expenses. Unutilised amount of load is carried forward to subsequent year unless the same is considered excess by the Trustee/AMC. Such excess amount is credited to the Scheme.

NOTES ON ACCOUNTS

1. Net Asset Value (NAV) is calculated after considering market/fair value of investments and after providing for expenses on an estimated basis.
2. There are no underwriting obligations undertaken by the Scheme with respect to issue of securities of associate companies.
3. There is no contingent liability on underwriting commitment, partly paid equity shares or any other uncalled liabilities.
4. All investments are marked to market and accordingly reflected in the Balance Sheet. The cost and market value of investments are shown in Note No.12.
5. As per the terms of Offer Document, Annual Scheme Recurring Expenses in excess of 0.75% of daily average net assets of the Scheme are borne by Asset Management Company.
6. The AMC has not dealt in any securities through brokers associated with the Sponsor.
7. Purchase of investments yet to be settled: Rs. Nil.
8. Sale of investments yet to be settled: Rs. Nil.

9. Income and Expenses

Average Net Assets (Rs.)	Junior BeES Plan		Nifty 100 Plan		Nifty BeES Plan		Nifty Balanced Plan	
	19,27,452.69		4,50,326.55		1,90,592.98		3,97,660.16	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Total income (including net profit/(loss) on sale/redemption of investments, profit on inter-scheme transfers and net change in unrealised appreciation/(depreciation) in value of investments)*	6,02,139	41.62	1,00,891	62.42	42,918	62.74	45,897	32.16
Total Expenditure (Recurring Expenses)*	10,169	0.70	1,088	0.67	458	0.67	752	0.53

* Percentage to Average Net Assets annualized.

10. Aggregate Value of Purchases and Sales of Investments during the period

(Rs.)

	Junior BeES Plan	Nifty 100 Plan	Nifty BeES Plan	Nifty Balanced Plan
Average Net Assets (Rs.)	19,27,452.69	4,50,326.55	1,90,592.98	3,97,660.16
Purchases –	24,89,758.39	8,31,593.16	4,38,025.86	9,34,192.91
% to NAV	129.17%	184.66 %	229.82%	234.92%
Sales –	10,66,431.77	9,32,601.54	4,81,002.99	9,79,294.50
% to NAV	55.32%	207.09%	252.37%	246.26%

11. Net Asset Value (Per unit)

	Junior BeES Plan	Nifty 100 Plan	Nifty BeES Plan	Nifty Balanced Plan
Face Value	10.00	10.00	10.00	10.00
Net Asset Value	13.7129	N.A	N.A.	N.A.

12. Cost and Market Value of Investments

(Rs.)

	Junior BeES Plan	Nifty 100 Plan	Nifty BeES Plan	Nifty Balanced Plan
Cost	13,07,937.84	Nil	Nil	Nil
Market Value	17,25,593.91	Nil	Nil	Nil
Unrealised Appreciation	4,17,656.07	Nil	Nil	Nil

13. Movement in Unit Capital

	Junior BeES Plan	Nifty 100 Plan	Nifty BeES Plan	Nifty Balanced Plan
Initial Subscription/Opening Units	1,32,100.00	44,450.00	42,500.00	56,550.00
Units Issued during the period	1,84,433.21	68,478.61	7,081.92	25,210.84
Units Redeemed during the period	1,79,521.80	1,12,928.61	49,581.92	81,760.84
Units at the end the period	1,37,011.41	Nil	Nil	Nil

Note: Units of Face value of Rs.10/- each.

14. Details of Large Holding

The details of investors holding more than 25% of the NAV of Junior BeES Plan as on March 31, 2005

No. of Investors	Total Holding in percentage
1	31.01

15. Income Tax

No provision for income tax is made as the Scheme qualifies as a recognized Mutual Fund under section 10(23D) of the Income Tax Act, 1961.

16. Investment Management Fees

Investment Management Fees charged to the Scheme is within the overall limit of 0.75% as permitted under SEBI (Mutual Funds) Regulations.

17. Trustee Fees

No Trustee Fees has been charged to the Scheme.

18. Custodial Fees and Expenses

ABN Amro Bank NV (ABN) provides custodial services to the Scheme for which it receives custody fees including safekeeping. In addition, ABN is reimbursed for custody and transaction charges levied by depositories (i.e. NSDL/CDSL).

19. Registrar and Transfer Agents Fees and Expenses

Karvy Computershare Pvt. Ltd. provides Registrar and Transfer Agency Services to the Scheme for which it receives the fees based on daily average net assets of the Scheme.

20. There are no investments made by Benchmark Trustee Company Pvt. Ltd. and Benchmark Asset Management Company Pvt. Ltd. in the Scheme.

21. The Scheme has not made any investments in group/associate companies during the year ended March 31, 2005.

22. The Scheme has not made any investments in the issue lead managed by associate companies.

23. Disclosure under Regulation 25(8)

The AMC has not paid any charges viz. Agency Commission, Brokerage to parties associated with the Sponsor in which AMC or its major shareholder or its subsidiaries are having substantial interest.

24. Disclosure under Regulation 25(11)

During the period covered under Regulation 25(11) of the SEBI Regulations, Junior BeES has invested

in the following company which has invested more than 5% of the net assets of Liquid BeES, a Scheme of Benchmark Mutual Fund:

Company which has invested	Aggregate investment during the period under regulation 25(11) at cost (Rs. In Lacs)	Outstanding as on March 31, 2005 at Market Value (Rs. In Lacs)
GTL Ltd.	3.42	Nil

The investment in GTL Ltd. was made, as it was a constituent of CNX Nifty Junior Index. The Scheme had invested in GTL Ltd. in the same weightage as the weightage of that Company in CNX Nifty Junior Index. GTL Ltd. has been excluded from CNX Nifty Junior Index w.e.f. March 1, 2004.

25. Unclaimed Dividend/Redemption Amount

There were no unclaimed dividend or unclaimed redemption amounts in the Scheme as at March 31, 2005.

26. Registered Securities

In accordance with Regulation 44(1) of SEBI (Mutual Funds) Regulations, 1996, the securities of the Scheme are registered in the name of the Scheme for the benefit of Scheme's unit holders.

27. A complete list of investments of the Scheme is given in **Schedule H**.

28. As this is the first financial statement of the scheme, the previous year figures are not applicable. Revenue account is drawn for the period July 1, 2004 till March 31, 2005 for Junior BeES Plan and July 1, 2004 till date of closure in respect of Nifty BeES, Nifty 100 Plan and Nifty Balanced Plan.

29. The audited results for the year ended March 31, 2005 have been approved by the Boards of Benchmark Asset Management Company Pvt. Ltd. (AMC) and Benchmark Trustee Company Pvt. Ltd. (Trustee) at their meeting held on July 27, 2005 respectively.

NOTES:

1. On written request, present and prospective unit holders/investors can obtain a copy of the Trust Deed, the Annual Report, at a price if any, and the text of the Scheme.
2. On written request, the present and prospective unit holders/investors may request a copy of the annual report of Benchmark Asset Management Company Pvt. Ltd.

BENCHMARK MUTUAL FUND
Benchmark Fund of Funds Scheme - Junior BeES Plan
Schedules forming part of Balance Sheet as at March 31, 2005 and
Revenue Account for the period ended March 31, 2005

Schedule I - NOTES TO THE ACCOUNTS*(In Rs.)*

PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	July 1, 2004 to March 31, 2005
a) Net Asset Value per Unit at the end of the period	13.7129
b) i) Income other than profit on sale of investments	0.02
ii) Income (net) from profit on inter-scheme sales / transfer of investments	-
iii) Income (net) from profit/(loss) on sale of investments to third parties	1.33
iv) Transfer to revenue account from past year's reserve	-
c) Aggregate of expenses, write off, amortisation and charges	0.27
d) Net income/(loss) (b-c)	1.08
e) Net Change in Unrealised appreciation in value of investments	3.05
f) Repurchase Price during the period	
i) Highest	14.786
ii) Lowest	9.7899
g) Resale Price during the period	
i) Highest	15.0817
ii) Lowest	9.9859
h) Market Price (The National Stock Exchange of India)	
i) Highest	NA
ii) Lowest	NA
i) Price Earning Ratio	NA
j) Ratio of expenses to the average net assets @	0.70%
k) Ratio of gross income (including net profit/loss on sale/redemption of investments and net change in unrealised appreciation/depreciation in value of investments) to average net assets @	41.62%

* The above per unit calculations are based on the number of units outstanding at the end of the period
 @ Annualised

Signatures to Schedules A to I forming part of the Balance Sheet and Revenue Account

As per our Report of even date

For N. M. Raiji & Co.

Chartered Accountants

For and on behalf of

Benchmark Trustee Company Pvt. Ltd.

J. M. Gandhi

Partner

Membership No. 37924

Dr. P. P. Shah

Director

Dr. A. C. Shah

Director

For and on behalf of

Benchmark Asset Management Company Pvt. Ltd.

D. S. Mehta

Chairman

S. R. Halbe

Director

Place : Mumbai

Date : July 27, 2005

Vishal Jain

Fund Manager

DIVIDENDS/BONUS DECLARED BY THE FUND

Dividends/Bonus declared by the schemes of Benchmark Mutual Fund are listed below. This should serve as a handy reference for confirming whether you have received all dividend payments or bonus units while you were an investor in any of the following schemes:

Financial Year 2002-03

Scheme Name	Bonus Ratio	Record Date
Nifty BeES	1 unit for every 110 units held	February 21, 2003

Financial Year 2003-04**Dividend**

Scheme Name	Dividend Declared p.u.	Record Date
Nifty BeES	Rs. 3.00	August 21, 2003
Junior BeES	Rs 4.00	February 19, 2004

Bonus

Scheme Name	Bonus Ratio	Record Date
Junior BeES	1 unit for every 4 units held	February 19, 2004

Note: After dividend and bonus in Junior BeES, each unit of Junior BeES having a face value of Rs.10 each was split into eight units having a face value of Rs.1.25 each.

Thus investor holding one unit of Junior BeES of Rs.10/- each on the record date (i.e. February 19, 2004) would have received dividend of Rs.4 and 10 units of Rs.1.25 after bonus and split.

Financial Year 2004-05**Dividend**

Scheme Name	Dividend Declared p.u.	Record Date
Nifty BeES	Rs. 3.50	February 18, 2005

In Liquid BeES, the Fund declares daily dividend which is compulsorily reinvested in the scheme. The details of dividend declared on daily basis and reinvestment units can be obtained from our website www.benchmarkfunds.com.

On Tap buy back of fractional units of Liquid BeES

Liquid BeES is the world's first Liquid Mutual Fund Scheme listed on a Stock Exchange. The units are listed on the capital market segment of the National Stock Exchange of India Ltd. (NSE) and minimum lot for trading is 1 (one) unit.

The Scheme declares daily dividend and the same is compulsorily reinvested in the scheme on daily basis. The units arising out of dividend reinvestment result into fractional units. The dividend reinvestment units are uploaded periodically in the beneficiary account of the unit holder held with the depository. The units are uploaded upto 3 decimals to ensure that no amount is lost due to rounding off.

National Securities Depository Ltd. and Central Depository Services (India) Ltd. and many of the depository participants have waived the Custody Charges and transaction charges for Liquid BeES.

As the minimum trading lot on NSE is 1 (One) unit, the fractional units of Liquid BeES cannot be traded on NSE. In order to provide the exit option to investor who are holding fractional units of Liquid BeES in their Demat Account, Benchmark Asset Management Company Pvt. Ltd. (AMC to Benchmark Mutual Fund) provides on tap buy back of fractional units of Liquid BeES. This buy back is free without any load or service charges.

The investor should follow the simple two-step process as explained below for buy back of fractional units of Liquid BeES :

1. Transfer the Units to the following Demat account of Benchmark AMC Pvt. Ltd

DP ID: IN302390

DP Name: Yogesh Securities Pvt Ltd

Client ID: 10006747

Client Name: Benchmark Asset Management Company Pvt Ltd.

2. Send Intimation to AMC

On completion of transfer, send intimation to AMC either through e-mail/Fax/letter to:

Benchmark Asset Management Company Pvt Ltd

602, Maker Bhavan No.3,

21, New Marine Lines,

Mumbai 400 020

Tel.: 022 2200 3389

Fax: 022 2200 3412

E-Mail: praveen@benchmarkfunds.com or rajesh@benchmarkfunds.com

The intimation should contain the following details:

1. DP ID of source account
2. Client ID of Source account
3. Investor Name and address
4. Bank Account details of the Investor
5. Number of fractional units transferred

On receipt of the units and intimation, the AMC will mail the amount due to the investor within reasonable time.

Investor should note that facility for buy back of Liquid BeES is only for fractional Units. Units in lot of 1 or in multiples of 1 should be sold on the exchange only.

STATUTORY DETAILS:

Benchmark Mutual Fund has been set up as a trust under the Indian Trust Act, 1882 by way of Trust Deed dated February 14, 2001 by Niche Financial Services Pvt. Ltd., the sponsor of the Mutual Fund. Benchmark Trustee Company Pvt. Ltd. is sole trustee of the Fund. In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Benchmark Asset Management Company Pvt. Ltd. has been appointed as Asset Management Company to Mutual Fund.

RISK FACTORS:

Mutual funds and Securities investments are subject to market risks and there can be no assurance or guarantee that the objective of the Scheme(s) will be achieved. • As with any investment in securities, the Net Asset Value (NAV) of the units issued under the Scheme can go up or down depending on the factors and forces affecting the capital market. • Past performance of the sponsors and its affiliates does not indicate the future performance of the schemes of the Mutual Fund. • Nifty Benchmark Exchange Traded Scheme (Nifty BeES), Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES), Liquid Benchmark Exchange Traded Scheme (Liquid BeES), Banking Index Benchmark Exchange Traded Scheme (Bank BeES), Benchmark Derivative Fund (BDF) and Benchmark Fund of Funds (FOF) are the names of the Scheme and do not in any manner indicate either the quality of the Scheme(s) or its future prospects and the returns. • Investors are urged to study the terms of the offer document carefully and consult their Investment Advisor before they invest in the Scheme. • Though ETFs are popular abroad, it is still a new concept in India. • The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Scheme beyond the initial contribution made by it of an amount of Rs. 1 lac towards setting up of the Mutual Fund. • Investors in the scheme are not being offered any guaranteed or assured returns. • The Scheme's NAV will react to the stock market movements. The Investor could lose money over short periods due to fluctuations in the Scheme's NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in stock market movements and over longer periods during market downturns.

NOTES :

1. On written request, present and prospective unit holders/investors can obtain a copy of the Trust Deed, the Annual report, at a price if any, and the text of the scheme.
2. On written request, the present and prospective unitholders/investors may request a copy of the annual report of Benchmark Asset Management Company Pvt. Ltd.

***B*ENCHMARK**
MUTUAL FUND

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