



ANNUAL REPORT 2007-08

BENCHMARK
MUTUAL FUND

BOARD OF DIRECTORS

**BENCHMARK TRUSTEE COMPANY
PVT. LTD.**

Dr. S. A. Dave, Chairman

Dr. A. C. Shah

Dr. P. P. Shah

Mr. Shriraj Dhruv

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

Mr. D. S. Mehta, Chairman

Mr. S. J. Parekh

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Mr. T. N. V. Ayyar

Ms. Susan Thomas

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TRUSTEES' REPORT

For the Year ended March 31, 2008

Dear Unit holders,

We have pleasure in presenting our eighth report and the audited financial statements of the Schemes of Benchmark Mutual Fund for the year ended March 31, 2008.

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 Fund vide Investment Management Agreement dated February 14, 2001.

INVESTMENT PHILOSOPHY OF THE FUND

The Fund uses indexing and quantitative approach to achieve Schemes' investment objective. Unlike other Funds, the Fund does not try to beat the markets they track and does not seek temporary defensive positions when markets decline or appear over valued. The Fund does not make any judgements 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 risks associated with active management with 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.

AWARD

Nifty Benchmark Exchange Traded Scheme - Nifty BeES, a scheme of Benchmark Mutual Fund has been awarded Best Performing Mutual Fund of the Year in the Index Fund Category at the CNBC - TV18 - Crisil Mutual Fund of The Year Award 2007 by CRISIL Fund Services, CRISIL Limited. 11 index schemes were qualified for this award category.

Eligibility Criteria & Methodology

Funds should be ranked for all the four quarterly CRISIL~CPRs (Composite Performance Rankings) in the year 2007. The scores of individual parameters for each of the four quarterly CRISIL~CPRs in 2007 are considered individually for the schemes eligible for the category. The eligible schemes are scaled with the best score for each quarter. The average scaled scores constitute the parametric scores. The final weighted-average score for each scheme is arrived at by applying an assigned weightage, as in the CRISIL~CPR, to each of the parametric scores.

INVESTMENT OBJECTIVE OF THE SCHEMES

1. Nifty BeES

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

2. Junior BeES

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

3. Liquid BeES

Liquid Benchmark Exchange Traded Scheme (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.

4. Bank BeES

Banking Index Benchmark Exchange Traded Scheme (Bank BeES) is an open ended index scheme in the form of an Exchange Traded Fund (ETF), tracking CNX Bank Index and is 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 CNX Bank Index.

5. Benchmark Derivative Fund (BDF)

Benchmark Derivative Fund (BDF) is an open ended equity 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 are used as return enhancers.

6. 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 has two classes of units, namely Class A or Preferred Units and Class B or Capital units. The Class A and Class B units of the Scheme are listed on the Capital Market Segment of National Stock Exchange of India Ltd.

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. The Class A units would be provided a specific participation rate in the return of S&P CNX Nifty and will have priority over Class B units for distribution. The Scheme would provide 40% participation in the equity markets for Class A units holders. Thus the holder of Class A would receive 40% of the returns of S&P CNX Nifty on the date of maturity. For example if the S&P CNX Nifty is at 1,500 on the date of allotment and has moved to 3,000 (i.e. it has gained by 100%) on the date of maturity, Class A unit holders would be entitled to 40% of returns (i.e. 40% of 100%). If S&P CNX Nifty has moved below 1,500 on the date of maturity, Class A unit holders would receive from the assets available for distribution for redemption on the date of maturity subject to the maximum of its face value. Such redemption value may go below the face value also if on the date of maturity, the assets available on that date are not sufficient to redeem the Class A units fully.

7. Gold BeES

Gold Benchmark Exchange Traded Scheme (Gold BeES) is an open ended scheme in the form of an Exchange Traded Fund (ETF) which is 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 returns provided by domestic price of gold through physical gold.

8. PSU Bank BeES

PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES) is an open ended index scheme in the form of an Exchange Traded Fund (ETF), tracking CNX PSU Bank Index and is 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 CNX PSU Bank Index.

The New Fund Offer of PSU Bank BeES opened and closed on October 24, 2007 with Rs. 98.90 crores being mobilized in the New Fund Offer. The units of the Scheme were allotted on October 25, 2007 at Rs. 263.9062. The units of PSU Bank BeES were listed on National Stock Exchange of India Ltd. on November 1, 2007.

9. Benchmark Equity & Derivatives Opportunities Fund

Benchmark Equity & Derivatives Opportunities Fund (BEDOF) is an open ended equity scheme, investing in Equities, Derivatives, Debt Securities and Money Market Instruments. The investment objective of the Scheme is to provide absolute returns by taking advantage of opportunities in the underlying cash and derivative markets, and through deployment of surplus cash in fixed income securities. The Scheme is designed for investors seeking long-term capital appreciation primarily through investment in a diversified portfolio of strategies.

The New Fund Offer of BEDOF opened for public subscription on September 10, 2007 and closed on October 5, 2007 with Rs. 128.60 Crores being mobilized in the New Fund Offer. The units of the Scheme were allotted on October 31, 2007 at Rs.10/- (excluding load). The first Net Asset Value of the Scheme was calculated on November 1, 2007.

PERFORMANCE REVIEW

1. 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 (As on March 31, 2008)

Particulars	Nifty BeES	Benchmark Returns	
		S&P CNX Nifty	S&P CNX Nifty Total Return Index
Since Inception	28.89%	27.51%	29.86%
Last Five Years	39.42%	37.03%	39.61%
Last Three Years	34.36%	32.46%	34.44%
Last One Year	24.06%	23.74%	24.97%
Last Six Months	(5.83%)	(5.71%)	(5.44%)
Last Three Months	(22.91%)	(22.87%)	(22.76%)
Last One Month	(9.41%)	(9.36%)	(9.34%)

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

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	January 8, 2007	Rs. 8.00 per unit
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

All dividends are on face value of Rs. 10/- per unit. After payment of dividend, per unit NAV will fall to the extent of the payout and distribution tax (if applicable). 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 Fund Offer.

Total assets under management in Nifty BeES as on March 31, 2008 were Rs. 474.61 crores held by 2,763 investors.

Annualised Tracking Error since inception is 0.16%. It is calculated with respect to Total Return S&P CNX Nifty Index.

2. Junior BeES

As per the investment pattern, Junior BeES invests at least 90% of its total assets in the stocks constituting CNX Nifty 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, by IISL, relevant investment decisions are determined considering the composition of CNX Nifty Junior Index.

Performance Record (As on March 31, 2008)

Particulars	Junior BeES	Benchmark Returns	
		CNX Nifty Junior	CNX Nifty Junior Total Return Index
Since Inception	41.00%	40.57%	42.93%
Last Five Years	45.69%	44.59%	47.02%
Last Three Years	23.25%	23.08%	24.56%
Last One Year	15.34%	15.87%	16.74%
Last Six Months	(19.08%)	(18.79%)	(18.67%)
Last Three Months	(36.14%)	(36.13%)	(36.06%)
Last One Month	(17.16%)	(17.23%)	(17.20%)

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

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. All dividends are on face value of Rs. 10/- per unit. After payment of dividend, per unit NAV will fall to the extent of the payout and distribution tax (if applicable).

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 Fund Offer.

Total assets under management as on March 31, 2008 were Rs. 17.65 crores held by 1,035 investors. Annualised Tracking Error since inception is 0.21%. It is calculated with respect to Total Return CNX Nifty Junior Index.

3. Liquid BeES

As per the investment pattern, Liquid BeES invests in Call Money, Short Term Government Securities, T-Bills, Repos, Debt Securities, Commercial Papers, Certificate of Deposits, 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 portfolio of the Scheme provides highest protection against losses from credit defaults. V1+ (ind) indicates that the Scheme has lowest market risk.

Performance Record (As on March 31, 2008)

Particulars	Liquid BeES #	Benchmark Returns Crisil Liquid Fund Index
Since Inception	5.30%	5.47%
Last Three Years	6.11%	6.25%
Last One Year	7.09%	7.50%
Last Six Months	6.94%	6.77%
Last Three Months	7.25%	6.79%
Last One Month	7.59%	8.28%

The date of allotment of the units of the Scheme was 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.

Returns are based on income distributed including dividend distribution tax. Actual dividend in the hands of each investor will vary based on category and rate of dividend distribution tax applicable thereon.

Total assets under management as on March 31, 2008 were Rs. 298.40 crores held by 3,660 investors.

4. 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, by IISL, relevant investment decisions are determined considering the composition of CNX Bank Index.

Performance Record (As on March 31, 2008)

Particulars	Bank BeES	Benchmark Returns	
		CNX Bank Index	CNX Bank Total Return Index
Since Inception	29.96%	28.59%	30.40%
Last Three Years	24.46%	23.43%	24.75%
Last One Year	25.86%	25.21%	24.73%
Last Six Months	(17.50%)	(17.25%)	(18.42%)
Last Three Months	(32.63%)	(32.53%)	(33.49%)
Last One Month	(23.27%)	(23.40%)	(24.49%)

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

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	September 11, 2007	Rs. 5.00 per unit
Dividend	January 8, 2007	Rs. 7.00 per unit
Dividend	February 15, 2006	Rs. 8.00 per unit

All dividends are on face value of Rs. 10/- per unit. After payment of dividend, per unit NAV will fall to the extent of the payout and distribution tax (if applicable). 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 Fund Offer.

Total assets under management as on March 31, 2008 were Rs. 1,583.46 crores held by 466 investors. Annualised Tracking Error since inception is 0.32%. It is calculated with respect to Total Return CNX Bank Index.

5. Benchmark Derivative Fund (BDF)

As per the investment pattern, Benchmark Derivative Fund invests 65% - 100% in Equities and Convertible Debentures, 65% - 100% in Derivatives including Index Futures, Stock Futures, Index Options and Stock Options and 0% - 35% in money market, debt instruments and cash at call.

Performance Record (As on March 31, 2008)

Particulars	Benchmark Derivative Fund		Benchmark Returns		
	Growth #	Dividend #	S&P CNX Nifty Index	Crisil Composite Bond Fund Index	Crisil Liquid Fund Index
Since Inception	7.37%	8.04%	29.76%	5.25%	6.10%
Last Three Years	7.84%	NA	32.46%	5.06%	6.25%
Last One Year	8.38%	8.38%	23.74%	8.20%	7.50%
Last Six Months	4.28%	4.28%	(5.71%)	3.67%	3.45%
Last Three Months	2.55%	2.55%	(22.87%)	1.04%	1.71%
Last One Month	0.53%	0.53%	(9.36%)	(0.01%)	0.73%

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

Past performance may or may not be sustained.

Note: For Benchmark Derivative Fund - Dividend Plan, the returns are calculated after considering the following income distribution:

Type of Distribution	Record Date	Income Distribution (Including Dividend Dividend Distribution Tax)#
Dividend	April 26, 2007	Rs. 40/- per unit
Dividend	September 27, 2006	Rs. 20/- per unit
Dividend	June 28, 2006	Rs. 25/- per unit
Dividend	February 08, 2006	Rs. 20/- per unit

All dividends are on face value of Rs. 1000/- per unit. After payment of dividend, per unit NAV will fall to the extent of the payout and distribution tax (if applicable). For calculating returns since inception, the allotment price for Growth Option is taken at Rs. 1,000/- at which the units were allotted on December 18, 2004 in the New Fund Offer and for Dividend Option is taken at Rs. 1,000/- at which the units were allotted on September 30, 2005.

Actual income in the hands of investor will vary based on category and rate of dividend distribution tax applicable thereon.

Total assets under management as on March 31, 2008 were Rs. 34.73 crores held by 202 investors.

6. Benchmark Split Capital Fund - Balanced (SCF - Balanced)

As per the investment pattern, SCF - Balanced invests 30% - 70% in equity and equity related instruments, 30% - 50% in debt securities including securitized debt and 0% - 30% in money market instrument or government securities. The Scheme tracks S&P CNX Nifty and is close ended passively managed scheme.

Performance Record (As on March 31, 2008)

Particulars	Benchmark Split Capital Fund-Balanced		Benchmark Returns S&P CNX Nifty
	Class A	Class B	
Since Inception	13.18%	19.45%	30.17%
Last One Year	14.51%	22.46%	23.74%
Last Six Months	(1.31%)	10.17%	(5.71%)
Last Three Months	(12.90%)	4.19%	(22.87%)
Last One Month	(4.98%)	1.04%	(9.36%)

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

Past performance may or may not be sustained.

For calculating returns since inception, the allotment price has been taken at Rs. 102.25 and the units were allotted on August 16, 2005 in the New Fund Offer.

Total assets under management as on March 31, 2008 were Rs. 6.03 crores held by 455 investors.

7. Gold Benchmark Exchange Traded Scheme (Gold BeES)

As per the investment pattern, Gold BeES invests 90% - 100% in physical gold and 0% - 10% in money market instruments, securitised debts, bonds including cash at call. The Scheme tracks domestic price of gold and is an open ended passively managed scheme.

Performance Record (As on March 31, 2008)

Particulars	Gold BeES	Benchmark Return Physical price of Gold
Since Inception	26.25%	26.58%
Last One Year	27.68%	28.96%
Last Six Months	26.75%	27.43%
Last Three Months	13.19%	13.49%
Last One Month	(3.21%)	(3.13%)

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

Past performance may or may not be sustained.

Total assets under management as on March 31, 2008 were Rs. 155.33 crores held by 21,523 investors.

8. PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES)

As per the investment pattern, PSU Bank BeES invests at least 90% of its total assets in the stocks constituting CNX PSU 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 PSU Bank Index and is a passively managed scheme. The investment decisions are determined as per CNX PSU Bank Index. In case of any change in the index due to corporate actions or change in the constituents of CNX PSU Bank Index, by IISL, relevant investment decisions are determined considering the composition of CNX PSU Bank Index.

Performance Record (As on March 31, 2008)

Particulars	PSU Bank BeES	Benchmark Returns	
		CNX PSU Bank Index	CNX PSU Bank Total Return Index
Since Inception	(14.95%)	(14.45%)	(14.37%)
Last Three Months	(30.68%)	(30.71%)	(30.65%)
Last One Month	(23.01%)	(23.16%)	(23.08%)

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

Past performance may or may not be sustained.

Total assets under management as on March 31, 2008 were Rs. 206.21 crores held by 266 investors.

Annualised Tracking Error since inception is 0.24%. It is calculated with respect to Total Return CNX PSU Bank Index.

9. Benchmark Equity & Derivatives Opportunities Fund (BEDOF)

As per the investment pattern, BEDOF invests at least 65% - 90% of its total assets in Equities & Equity related derivative instruments and 0% - 35% in Money Market, Debt instruments and Cash at call.

Performance Record (As on March 31, 2008)

Particulars	BEDOF		Benchmark Returns CRISIL Balanced Fund
	Growth	Dividend	
Since Inception	4.21%	4.21%	(11.94%)
Last Three Months	2.91%	2.91%	(14.71%)
Last One Month	0.62%	0.62%	(6.02%)

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

Past performance may or may not be sustained.

Total assets under management as on March 31, 2008 were Rs. 136.10 crores held by 533 investors.

TOTAL ASSETS UNDER MANAGEMENT

As on March 31, 2008 total assets under management were Rs. 2,912.53 crores for all the Schemes.

FUTURE PLANS

The Fund has also received approval from Securities & Exchange Board of India for the launch of the following Scheme :

Benchmark India Value and Momentum Quant Fund is an open ended equity scheme whose investment objective is to provide returns before expenses by investing in securities by the Fund Manager based on the results of a quantitative stock selection model provided by Citigroup and government securities, money market instrument, etc. Such investments shall be made at the sole discretion of the Investment Manager, and Citigroup is not rendering any advice in relation to, or directing, or exercising any element of control over such decisions.

Further the Fund has also filed the following offer documents with SEBI. The details of the Schemes for which offer document has been filed are:

1. Combined offer document of four open ended Schemes (i) Benchmark Global Clean Energy Fund, (ii) Benchmark Global Private Equity Fund, (iii) Benchmark Global Commodities Fund and (iv) Benchmark Global Water Fund.
 - (i) The investment objective of the Benchmark Global Clean Energy Fund is to provide returns by investing predominantly in Exchange Traded Funds linked to indices whose constituents are involved in the production of clean energy/ alternate energy or manufacturing of equipment and technology for the industry of clean energy/alternate energy and foreign debt securities whose returns are linked to indices pertaining to clean energy/alternate energy.
 - (ii) The investment objective of the Benchmark Global Private Equity Fund is to provide returns by investing predominantly in Exchange Traded Funds linked to indices whose constituents are publicly traded private equity companies and foreign debt securities whose returns are linked to indices pertaining to publicly traded private equity companies.
 - (iii) The investment objective of the Benchmark Global Commodities Fund is to provide returns by investing predominantly in Exchange Traded Funds linked to global diversified commodity indices and foreign debt securities whose returns are linked to indices pertaining to global diversified commodities.
 - (iv) The investment objective of the Benchmark Global Water Fund is to provide returns by investing predominantly in Exchange Traded Funds linked to indices whose constituents are companies engaged in business of water utilities and related equipments and foreign debt securities whose returns are linked to indices whose constituents are companies engaged in business of water utilities and related equipments.
2. Benchmark Structured Fund - Series I and II are close ended debt Schemes, with maturity period of 36 months and 48 months, respectively, and which would be listed on the Capital Market Segment of the National Stock Exchange of India Ltd (NSE). The investment objective of the Schemes is to seek returns, before expenses, by investing in non convertible debentures, bonds, debt instruments, government securities, money market instrument, etc.
3. Benchmark S&P CNX 500 Fund is an open ended Index Scheme whose investment objective is to generate capital appreciation through equity investments by investing in securities which are constituents of S&P CNX 500 Index.

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/investors 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 the 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 Schemes. 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 Ltd., 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)

Dr. S. A. Dave
Chairman

Place : Mumbai
Date : June 30, 2008

AUDITORS' REPORT

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

We have audited the attached Balance Sheet as at March 31, 2008 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 to 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, 2008; 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, 2008.

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

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

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND*Nifty Benchmark Exchange Traded Scheme (Nifty BeES)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
LIABILITIES				
1	Unit Capital	A	99,174,766	41,474,766
2	Reserves and Surplus	B	4,646,948,504	1,541,512,896
3	Provision for Unrealised Appreciation in the value of Investments		–	15,027,910
Unit Holders Funds			4,746,123,270	1,598,015,572
4	Current Liabilities & Provisions	C	274,719,534	56,337,931
Total			5,020,842,804	1,654,353,503
ASSETS				
1	Investments	D	4,732,251,927	1,590,817,730
2	Other Current Assets	E	288,590,877	63,535,773
Total			5,020,842,804	1,654,353,503

Accounting Policies and Notes to Accounts H

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. S. A. Dave
Chairman

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 : June 30, 2008

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND*Nifty Benchmark Exchange Traded Scheme (Nifty BeES)***Revenue Account for the year ended March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
1	INCOME AND GAINS			
1.1	Dividend		30,031,015	36,982,441
1.2	Other Income		–	–
1.3	Profit on sale / redemption of investments (other than inter-scheme transfer/sale)		1,111,614,428	1,433,506,143
1.4	Profit on Futures		31,308,017	2,184,881
1.5	Net Change in unrealised appreciation/ (depreciation) on investments		(436,952,460)	(391,547,217)
1.6	Sundry Credit Balances written back		–	14,122
	Total		736,001,000	1,081,140,370
2	EXPENSES AND LOSSES			
2.1	Management & Operating Expenses	F	14,432,328	12,508,472
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		270,633,692	151,545,040
2.3	Loss on Futures		40,272,479	1,505,276
	Total		325,338,499	165,558,788
	Surplus / (Deficit) for the year		410,662,501	915,581,582
	Add: Write back of provision for unrealised appreciation on investments		15,027,910	406,575,127
	Less: Provision for unrealised appreciation on investments carried to Balance Sheet		–	15,027,910
	Add: Income Equalisation		2,608,537,788	(764,074,816)
			3,034,228,199	543,053,983
	Balance brought forward from Previous year		991,664,692	487,070,521
	Surplus available for distribution		4,025,892,891	1,030,124,504
	Appropriation			
	Income Distribution		–	38,459,812
	Balance Carried to the Balance Sheet		4,025,892,891	991,664,692

Accounting Policies and Notes to Accounts **H**

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

As per our Report of even date

For and on behalf of

For N. M. Raiji & Co.**Benchmark Trustee Company Pvt. Ltd.**

Chartered Accountants

J. M. Gandhi

Partner

Membership No. 37924

Dr. S. A. Dave

Chairman

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 : June 30, 2008

Vishal Jain

Fund Manager

BENCHMARK MUTUAL FUND*Nifty Benchmark Exchange Traded Scheme (Nifty BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008	March 31, 2007
A	UNIT CAPITAL	99,174,766	41,474,766
	Total	99,174,766	41,474,766
	No. of units of face value of Rs.10/- each	9,917,477	4,147,477
B	RESERVES AND SURPLUS		
	Unit Premium Reserve		
	Opening Balance	549,848,204	676,357,886
	Add/(Less): Transfer to Revenue A/c	(152,085,925)	–
	Add/(Less): on account of subscription/redemption of units	71,207,410	(126,509,682)
		468,969,689	549,848,204
	Surplus / (Deficit) in Revenue Account		
	Balance transferred from Revenue Account	4,025,892,891	991,664,692
	Add/(Less): Transfer from Unit Premium Reserve A/c	152,085,925	–
		4,177,978,815	991,664,692
	Total	4,646,948,504	1,541,512,896
C	CURRENT LIABILITIES & PROVISIONS		
	Current Liabilities		
	Contracts for Purchase of Investments	270,170,803	789,200
	Management Fees Payable	1,069,185	462,447
	Trusteeship Fees Payable	89,382	42,222
	Payable on repurchase of units	–	49,051,400
	Others	3,390,164	5,992,662
	Total	274,719,534	56,337,931
D	INVESTMENTS (Marked to Market)		
	(Refer Schedule G for Portfolio Holding Statement)		
	Equity Shares	4,732,251,927	1,590,817,730
	Total	4,732,251,927	1,590,817,730
E	OTHER CURRENT ASSETS		
	Balances with Scheduled Banks in Current Account	17,315,002	13,106,609
	Contracts for sale of investments	–	49,300,203
	Others	271,275,875	1,128,961
	Total	288,590,877	63,535,773

(In Rupees)

Schedule No.	Particulars	March 31, 2008	March 31, 2007
F	MANAGEMENT & OTHER OPERATING EXPENSES		
	Management Fees	8,658,425	7,355,016
	Trusteeship Fees	288,563	358,260
	Selling, Marketing and Distribution Expenses	505,840	625,887
	Audit Fees	56,180	56,180
	Custodial Fees	3,231,479	2,722,565
	Registrar Expenses	1,306,984	963,171
	Investor Communication Expenses	51,968	61,199
	Listing, Licensing and Other Fees	332,889	366,046
	Other Operating Expenses	-	148
	Total	14,432,328	12,508,472

BENCHMARK MUTUAL FUND*Nifty Benchmark Exchange Traded Scheme (Nifty BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****Schedule - G Portfolio Holding Statement as on March 31, 2008**

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS			
LISTED			
AUTO			
HERO HONDA MOTORS LTD	33,101	22,990,300	
MAHINDRA & MAHINDRA LTD	40,798	28,438,246	
MARUTI SUZUKI LTD	47,932	39,639,764	
TATA MOTORS LTD	64,113	39,923,165	
		130,991,475	2.77
BANKS			
HDFC BANK LTD	58,809	78,289,481	
ICICI BANK LTD	184,609	142,038,165	
PUNJAB NATIONAL BANK	52,411	26,742,713	
STATE BANK OF INDIA	104,955	167,954,239	
		415,024,598	8.77
CEMENT			
ACC LTD	31,101	25,694,091	
AMBUJA CEMENTS LTD	252,910	30,614,756	
GRASIM INDUSTRIES LTD	15,172	39,072,452	
		95,381,299	2.02
CONSTRUCTION			
DLF LIMITED	283,293	182,936,455	
UNITECH LTD	269,702	74,491,692	
		257,428,147	5.44
MEDIA & ENTERTAINMENT			
ZEE ENTERTAINMENT ENTERPRISES LTD	72,089	17,737,498	
		17,737,498	0.37
FERROUS METALS			
STEEL AUTHORITY OF INDIA LTD	686,202	127,153,231	
TATA STEEL LTD	121,335	84,248,957	
		211,402,188	4.47
FINANCE			
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	47,214	112,357,517	
		112,357,517	2.37
DIVERSIFIED			
HINDUSTAN UNILEVER LTD	361,847	82,790,594	
LARSEN & TOUBRO LTD	48,548	147,389,301	
		230,179,895	4.86
GAS			
GAIL (INDIA) LTD	140,544	59,794,445	
		59,794,445	1.26
CONSUMER NON DURABLES			
ITC LTD	625,848	129,081,150	
		129,081,150	2.73

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
INDUSTRIAL CAPITAL GOODS			
ABB LTD	35,286	41,635,716	
BHARAT HEAVY ELECTRICALS LTD	81,324	167,637,227	
SIEMENS LTD	55,934	34,477,718	
SUZLON ENERGY LTD	248,726	65,613,919	
		309,364,580	6.54
NON-FERROUS METALS			
HINDALCO INDUSTRIES LTD	203,943	33,670,989	
NATIONAL ALUMINIUM COMPANY LTD	107,051	48,365,642	
STERLITE INDUSTRIES (INDIA) LTD	117,753	84,134,519	
		166,171,150	3.51
OIL			
CAIRN INDIA LTD	295,571	66,237,461	
OIL & NATURAL GAS CORPORATION LTD	355,284	348,373,726	
		414,611,187	8.76
PETROLEUM PRODUCTS			
BHARAT PETROLEUM CORPORATION LTD	60,134	24,567,746	
RELIANCE INDUSTRIES LTD	241,576	547,362,901	
RELIANCE PETROLEUM LTD	747,618	116,777,932	
		688,708,579	14.55
PHARMACEUTICALS			
CIPLA LTD	129,098	28,401,560	
DR. REDDY'S LABORATORIES LTD	27,911	16,502,379	
RANBAXY LABORATORIES LTD	62,072	27,215,468	
SUN PHARMACEUTICAL INDUSTRIES LTD	33,945	41,730,286	
		113,849,693	2.41
POWER			
RELIANCE ENERGY LTD	39,193	49,024,564	
TATA POWER COMPANY LTD	36,578	42,851,127	
NTPC LTD	1,369,948	269,331,777	
POWER GRID CORPORATION OF INDIA LTD	699,210	68,732,343	
		429,939,811	9.09
SOFTWARE			
HCL TECHNOLOGIES LTD	110,413	27,962,092	
INFOSYS TECHNOLOGIES LTD	95,052	136,865,375	
SATYAM COMPUTER SERVICES LTD	111,309	44,117,322	
TATA CONSULTANCY SERVICES LTD	162,588	131,769,445	
WIPRO LTD	242,806	104,916,473	
		445,630,707	9.42
TELECOM - SERVICES			
BHARTI AIRTEL LTD	315,312	260,526,540	
IDEA CELLULAR LTD	437,902	44,950,640	
RELIANCE COMMUNICATION LTD	342,938	174,812,646	
TATA COMMUNICATIONS LTD	47,389	24,308,186	
		504,598,012	10.66
TOTAL		4,732,251,927	100.00

BENCHMARK MUTUAL FUND

Nifty Benchmark Exchange Traded Scheme (Nifty BeES)

Schedule - H: Accounting Policies And Notes To Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd and has been 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 the S&P CNX Nifty Index.

Subscription and Redemption of units of Nifty BeES are 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. The Fund also allows cash subscription/redemption of Nifty BeES in pre-defined size, whereby the Fund will arrange to buy/sell the underlying index securities on behalf of the investors.

2. SIGNIFICANT ACCOUNTING POLICIES

The method of accounting is on accrual basis.

Investments

- a. Purchase and sale of securities are recognized 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.
- 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. In absence of such a quoted price on the valuation date, the last available quoted price within a period of thirty days prior to the valuation date is used for valuation purpose.

Non traded securities, if any, including those not 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/loss on sale of investments, weighted average method has been followed.

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 appreciation and changes thereon are recognized as gain/loss in the Revenue Account and thereafter carried to the Balance Sheet as Unrealized Appreciation Reserve.

Income Equalization

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

Unit Premium Reserve

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

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 TO ACCOUNTS

1. Net Assets 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. 11.
5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
6. Purchase of investments yet to be settled: Rs. 270,170,803/- (Previous Year - Rs. 789,200/-). The above purchases were made on NSE and were accordingly settled on T + 2 basis.
7. Sale of investments yet to be settled: NIL (Previous Year - Rs. 49,300,203/-). The above sales were made on NSE and were accordingly settled on T + 2 basis.

8. Income & Expenses

Daily Average Net Assets (Rs.)	Year Ended March 31, 2008		Year Ended March 31, 2007	
	2,885,617,910		3,582,821,452	
	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of 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)	425,094,828	14.73%	928,090,053	25.90%
Total expenditure (Annual recurring expenses)	14,432,327	0.50%	12,508,473	0.35%

9. Aggregate Value of Purchase and Sale of Investments during the year

	2007-08 Rs. (In Lacs)	2006-07 Rs. (In Lacs)
Daily Average Net Assets	28,856.18	35,828.21
Purchases	142,949.88	239,647.12
% to Daily Average Net Assets	495.39%	668.88%
Sales	115,575.82	248,775.78
% to Daily Average Net Assets	400.52%	694.36%

10. Net Asset Value (Per Unit - in Rs.)

	As on March 31, 2008	As on March 31, 2007
Face Value	10.00	10.00
Net Asset Value	478.5616	385.2983

11. Cost & Market Value of Investments

	Amount (Rs. In Lacs)	
	2007-08	2006-07
Cost	51,541.76	15,757.90
Market Value	47,322.52	15,908.18
Unrealised Appreciation in the Value of investments	(4,219.25)	150.28

12. Movement of Unit Capital

Particulars	2007-08		2006-07	
	Units	Rs. (in Lacs)	Units	Rs. (in Lacs)
Initial Units (on the date of Allotment)	2,011,631	201.16	2,011,631	201.16
Units at the beginning of the year	4,147,477	414.75	4,697,477	469.75
Units Issued	26,580,000	2,658.00	35,810,000	3,581.00
Units Redeemed	20,810,000	2,081.00	36,360,000	3,636.00
Units at the end of the year	9,917,477	991.75	4,147,477	414.75

13. Details of Large Holding (more than 25% of the Net Assets of the Scheme)

As on March 31, 2008 there is 1 investor in the Scheme who holds 74.19% of the net assets of the Scheme.

14. 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.

15. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets of the Scheme. The details of management fees levied on an annualized basis are as follows:

(Rupees)

	2007-08	2006-07
Daily Average Net Assets	2,885,617,910	3,582,821,452
Management Fees (in %)	0.30%	0.21%
Management Fees	8,658,425	7,355,016

16. 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.

17. Custodial Fees and Expenses

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

18. Registrar and Transfer Agent Fees and Expenses

Karvy Computershare Private 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.

19. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed units of the Scheme during the year ended March 31, 2008 and holds 7,395 units in the Scheme as at March 31, 2008.

20. The Scheme has made following investments in Group/Associate Companies

Name of the Associate	Aggregate of investments during the Year (at Cost - in Rs. Lacs)	Outstanding investment at Market Value (in Rs. Lacs) as on March 31, 2008
Bajaj Auto Ltd.	1,087.80	NIL

21. The Scheme has not made any investment in the issues lead managed by Associate Companies.

22. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

23. Disclosure under Regulation 25 (11)

Benchmark Mutual Fund had invested in the following company, which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank Ltd. in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

24. Unclaimed Dividend / Redemption Amount

As on March 31, 2008 unclaimed dividend amount is Rs. 44,268.25 which represents 189 un-encashed dividend warrants. As on March 31, 2008 Rs. 3,030.47 is yet to be claimed by 43 investors to whom redemption warrants have been issued.

25. Registered Securities

In accordance with Regulation 44(1) of the 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.

26. A complete list of investments of the Scheme is given in **Schedule G**.

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

28. The audited results for the year ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, the present and prospective unit holders/investors can inspect a full list of investments of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Nifty Benchmark Exchange Traded Scheme (Nifty BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****Schedule H - NOTES TO ACCOUNTS****(In Rupees)**

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	April 1, 2005 to March 31, 2006
a)	Net Asset Value, per unit at the end of the year	478.5616	385.2983	344.2228
b)	i) Income other than profit on sale of investments, per unit	3.03	8.92	2.60
	ii) Income (net) from profit / (loss) on inter scheme sales/transfer of investments, per unit	-	-	-
	iii) Income (net) from profit / (loss) on sale of investment to third parties, per unit	84.80	309.09	25.29
	iv) Transfer to Revenue account from past year's reserve, per unit	-	-	-
c)	Aggregate of expenses, write off, amortisation & charges, per unit	1.46	3.02	1.15
d)	Net Income / (loss) per unit (b - c)	86.37	315.00	26.74
e)	Net Change in Unrealised Appreciation / (Depreciation) in the value of investments	(44.06)	(94.41)	78.70
f)	Repurchase Price during the year			
	i) Highest	635.7153	424.0293	345.8872
	ii) Lowest	366.4220	267.1589	190.3001
g)	Resale Price during the year			
	i) Highest	635.7153	424.0293	345.8872
	ii) Lowest	366.4220	267.1589	190.3001
h)	Market Price (National Stock Exchange)			
	i) Highest	760.00	445.00	387.00
	ii) Lowest	365.00	217.25	183.25
i)	Price Earning Ratio **	1.19	2.93	3.74
j)	Ratio of expenses to the average net assets	0.50%	0.35%	0.59%
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	14.73%	25.95%	54.97%

- * 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. & surplus for the year which includes unrealised appreciation / depreciation and income equalisation per unit.

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

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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

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, 2008 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 to 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, 2008 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, 2008.

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

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

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
LIABILITIES				
1	Unit Capital	A	2,723,988	603,988
2	Reserves and Surplus	B	173,733,295	32,554,757
3	Provision for Unrealised Appreciation in the value of Investments		–	735,350
Unit Holders Funds			176,457,283	33,894,095
4	Current Liabilities & Provisions	C	1,133,776	215,174
Total			177,591,059	34,109,269
ASSETS				
1	Investments	D	175,820,165	33,715,149
2	Other Current Assets	E	1,770,894	394,120
Total			177,591,059	34,109,269

Accounting Policies and Notes to Accounts H

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. S. A. Dave
 Chairman

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 : June 30, 2008

Payal Kaipunjaj
 Fund Manager

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Revenue Account for the year ended March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
1	INCOME AND GAINS			
1.1	Dividend		1,179,005	771,501
1.2	Profit on sale / redemption of investments (other than inter-scheme transfer/sale)		278,701,039	34,457,014
1.3	Profit on Sale of Futures		191,924	
1.4	Net Change in unrealised appreciation/ (depreciation) on investments		(42,009,138)	(17,958,650)
	Total		238,062,830	17,269,865
2	EXPENSES AND LOSSES			
2.1	Management & Operating Expenses	F	3,104,847	625,593
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		51,070,027	2,981,816
2.3	Loss on Sale of Futures		187,749	
	Total		54,362,623	3,607,409
	Surplus / (Deficit) for the year		183,700,207	13,662,456
	<i>Add:</i> Write back of provision for unrealised appreciation on investments		735,350	18,694,000
	<i>Less:</i> Provision for unrealised appreciation on investments carried to Balance Sheet		–	735,350
	<i>Add:</i> Income Equalisation		356,264,181	(26,574,047)
			540,699,737	5,047,059
	Balance brought forward from Previous year		33,590,128	28,543,069
	Surplus available for distribution		574,289,865	33,590,128
	Appropriation			
	Income Distribution		–	–
	Balance Carried to the Balance Sheet		574,289,865	33,590,128

Accounting Policies and Notes to Accounts **H**

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**J. M. Gandhi**
Partner
Membership No. 37924For and on behalf of
Benchmark Trustee Company Pvt. Ltd.**Dr. S. A. Dave**
Chairman**Dr. A. C. Shah**
DirectorFor and on behalf of
Benchmark Asset Management Company Pvt. Ltd.**D. S. Mehta**
Chairman**S. R. Halbe**
DirectorPlace : Mumbai
Date : June 30, 2008**Payal Kaipunjal**
Fund Manager

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008	March 31, 2007
A	UNIT CAPITAL	2,723,988	603,988
	Total	2,723,988	603,988
	No. of units of face value of Rs.1.25 each	2,179,190	483,190
B	RESERVES AND SURPLUS		
	Unit Premium Reserve		
	Opening Balance	(1,035,371)	13,154,434
	Add/(Less): Transfer to Revenue A/c	(1,670,359)	–
	Add/(Less): on account of subscription/ redemption of units	(399,521,200)	(14,189,805)
		(402,226,929)	(1,035,371)
	Surplus / (Deficit) in Revenue Account		
	Balance transferred from Revenue Account	574,289,865	33,590,128
	Add/(Less): Transfer from Unit Premium Reserve A/c	1,670,359	–
		575,960,224	33,590,128
	Total	173,733,295	32,554,757
C	CURRENT LIABILITIES & PROVISIONS		
	Current Liabilities		
	Management Fees Payable	74,080	13,817
	Trusteeship Fees Payable	50,487	8,738
	Unutilised Load	–	21,537
	Others	1,009,209	171,082
	Total	1,133,776	215,174
D	INVESTMENTS (Marked to Market) (Refer Schedule G for Portfolio Holding Statement)		
	Equity Shares	175,820,165	33,715,149
	Total	175,820,165	33,715,149
E	OTHER CURRENT ASSETS		
	Balances with Scheduled Banks in Current Account	1,740,543	361,084
	Others	30,351	33,036
	Total	1,770,894	394,120

(In Rupees)

Schedule No.	Particulars	March 31, 2008	March 31, 2007
F	MANAGEMENT & OTHER OPERATING EXPENSES		
	Management Fees	1,551,959	312,304
	Trusteeship Fees	155,275	31,391
	Selling, Marketing and Distribution Expenses	503,662	4,640
	Audit Fees	59,136	56,180
	Custodial Fees	563,948	153,980
	Registrar Expenses	143,915	36,915
	Investor Communication Expenses	10,310	293
	Listing, Licensing and Other Fees	116,560	29,890
	Other Operating Expenses	82	-
	Total	3,104,847	625,593

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and****Revenue Account for the year ended March 31, 2008****Schedule - G Portfolio Holding Statement as on March 31, 2008**

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS			
LISTED			
AUTO			
ASHOK LEYLAND LTD	51,565	1,825,401	
TVS MOTOR COMPANY LTD	9,209	321,394	
		2,146,795	1.22
AUTO ANCILLARIES			
APOLLO TYRES LTD	18,448	761,902	
		761,902	0.43
BANKS			
ANDHRA BANK	18,798	1,383,533	
AXIS BANK LTD	13,863	10,949,691	
BANK OF BARODA	14,120	4,000,902	
BANK OF INDIA	20,353	5,154,397	
CANARA BANK	15,893	3,577,514	
CORPORATION BANK	5,561	1,568,202	
INDIAN OVERSEAS BANK	21,116	2,852,772	
ING VYSYA BANK LTD	3,970	1,329,156	
KOTAK MAHINDRA BANK LTD	13,359	8,361,398	
SYNDICATE BANK	20,234	1,516,538	
UNION BANK OF INDIA	19,579	2,755,744	
VIJAYA BANK	16,801	832,490	
INDUSTRIAL DEVELOPMENT BANK OF INDIA LTD	28,087	2,502,552	
		46,784,889	26.61
CEMENT			
ULTRATECH CEMENT LTD	4,823	3,783,885	
		3,783,885	2.15
CONSTRUCTION			
JAIPRAKASH ASSOCIATES LTD	45,370	10,278,574	
		10,278,574	5.85
CONSUMER NON-DURABLES LTD			
UNITED SPIRITS LTD	3,871	5,813,855	
ASIAN PAINTS LTD	3,716	4,458,828	
NIRMA LTD	6,167	956,193	
		11,228,876	6.39
CONSTRUCTION			
GMR INFRASTRUCTURE LTD	70,567	10,507,426	
		10,507,426	5.98
FINANCE			
INFRASTRUCTURE DEVELOPMENT FINANCE CO. LTD	50,165	7,574,915	
IFCI LTD	29,551	1,303,199	
LIC HOUSING FINANCE LTD	3,291	927,897	
POWER FINANCE CORPORATION	44,489	7,213,891	
RELIANCE CAPITAL LTD	9,521	11,699,405	
		28,719,307	16.33

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
GAS			
RELIANCE NATURAL RESOURCES LTD	63,301	6,317,440	
		6,317,440	3.59
HOTELS			
INDIAN HOTELS CO LTD	28,040	3,146,088	
		3,146,088	1.79
HARDWARE			
MOSER BEAR INDIA LTD	6,521	992,170	
		992,170	0.56
INDUSTRIAL CAPITAL GOODS			
BHARAT ELECTRONICS LTD	3,102	3,311,075	
		3,311,075	1.88
INDUSTRIAL PRODUCTS			
BHARAT FORGE LTD	8,628	2,304,970	
CUMMINS INDIA LTD	7,673	2,474,159	
		4,779,129	2.72
PETROLEUM PRODUCTS			
CHENNAI PETROLEUM CORPORATION LTD	5,770	1,621,659	
		1,621,659	0.92
PHARMACEUTICALS			
AUROBINDO PHARMA LTD	2,082	606,487	
AVENTIS PHARMA LTD	895	684,720	
BIOCON LTD	3,874	1,667,757	
CADILA HEALTHCARE LTD	4,870	1,234,302	
LUPIN LTD	3,180	1,585,230	
PFIZER LTD	1,159	794,263	
WOCKHARDT LTD	4,241	1,129,378	
		7,702,137	4.38
SOFTWARE			
I-FLEX SOLUTIONS LTD	3,247	3,055,752	
MPHASIS LTD	8,088	1,631,754	
PATNI COMPUTER SYSTEMS LTD	5,391	1,198,419	
TECH MAHINDRA LTD	4,706	3,318,907	
		9,204,832	5.24
TELECOM - SERVICES			
TATA TELESERVICES (MAHARASHTRA) LTD	73,384	2,062,090	
		2,062,090	1.17
TEXTILE PRODUCTS			
ADITYA BIRLA NUVO LTD	3,619	5,052,667	
RAYMOND LTD	2,382	721,627	
		5,774,294	3.28
FERROUS METALS			
JINDAL STEEL & POWER LTD	5,968	12,353,760	
		12,353,760	7.03
TRANSPORTATION			
CONTAINER CORPORATION OF INDIA LTD	2,517	4,343,839	
		4,343,839	2.47
TOTAL		175,820,165	100.00

BENCHMARK MUTUAL FUND

Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)

Schedule - H: Accounting Policies And Notes To Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd and has been 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 total returns of securities as represented by the CNX Nifty Junior Index.

Subscription and Redemption of units of Junior BeES are generally through the exchange of underlying securities forming part of the CNX Nifty Junior Index. The rounding off difference is settled in money value. The Fund also allows cash subscription/redemption of Junior BeES in pre-defined size, whereby the Fund will arrange to buy/sell the underlying index securities on behalf of the investors.

2. SIGNIFICANT ACCOUNTING POLICIES

The method of accounting is on accrual basis.

Investments

- a. Purchase and sale of securities are recognized 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.
- 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, if any, including those not 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/loss on sale of investments, weighted average method has been followed.

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 appreciation and changes thereon are recognized as gain/loss in the Revenue Account and thereafter carried to the Balance Sheet as Unrealized Appreciation Reserve.

Income Equalization

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

Unit Premium Reserve

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

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 TO ACCOUNTS

- Net Assets Value (NAV) is calculated after considering market/fair value of investments and after providing for expenses on an estimated basis.
 - There are no underwriting obligations undertaken by the Scheme with respect to issue of securities of associate companies.
 - There is no contingent liability on underwriting commitment, partly paid equity shares or any other uncalled liabilities.
 - 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. 11.
 - The AMC has not dealt in any securities through brokers associated with the Sponsor.
 - Purchase of investments yet to be settled: NIL (Previous Year - NIL)
 - Sale of investments yet to be settled: NIL (Previous Year - NIL)
- 8. Income and Expenses**

Daily Average Net Assets (Rs.)	Year Ended March 31, 2008		Year Ended March 31, 2007	
	310,550,401		62,781,783	
	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of 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)	186,805,053	60.15%	14,288,049	22.76%
Total expenditure (Annual recurring expenses)	3,104,847	1.00%	625,595	1.00%

9. Aggregate Value of Purchase and Sale of Investments during the year

	2007-08 Rs. (In Lacs)	2006-07 Rs. (In Lacs)
Daily Average Net Assets	3,105.50	627.82
Purchases	28,397.59	4,203.95
% to Daily Average Net Assets	914.43%	669.61%
Sales	28,832.75	4,616.60
% to Daily Average Net Assets	928.44%	735.34%

10. Net Asset Value (Per Unit - in Rs.)

	As on March 31, 2008	As on March 31, 2007
Face Value	1.25	1.25
Net Assets Value	80.9738	70.1465

11. Cost and Market Value of Investments

	Amount (Rs. In Lacs)	
	2007-08	2006-07
Cost	2,170.94	329.80
Market Value	1,758.20	337.15
Unrealised Appreciation in the Value of investments	(412.74)	7.35

12. Movement in Unit Capital

Particulars	2007-08		2006-07	
	Units	Rs. (in Lacs)	Units	Rs. (in Lacs)
Initial Units (on the date of Allotment)	85,119	8.51	85,119	8.51
Units at the beginning of the year	483,190	6.04	947,190	11.84
Units Issued	25,840,000	323.00	5,936,000	74.20
Units Redeemed	24,144,000	301.80	6,400,000	80.00
Units at the end of the year	2,179,190	27.24	483,190	6.04

13. Details of Large Holding (more than 25% of the Net Assets of the Scheme)

As on March 31, 2008 there is no investor in the Scheme holding more than 25% of the net assets of the Scheme.

14. 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.

15. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets of the Scheme. The details of management fees levied on an annualized basis are as follows:

	Amount (In Rs.)	
	2007-08	2006-07
Daily Average Net Assets	310,550,400.88	62,781,783.09
Management Fees (in %)	0.50%	0.50%
Management Fees	1,551,959.03	312,303.60

16. Trustee Fees

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

17. Custodial Fees and Expenses

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

18. Registrar and Transfer Agent Fees and Expenses

Karvy Computershare Private 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.

19. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed units of the Scheme during the year ended March 31, 2008 and holds 9,074 units in the Scheme as at March 31, 2008.

20. The Scheme has not made any investments in any Group/Associate Companies.

21. The Scheme has not made any investment in the issues lead managed by Associate Companies.

22. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

23. Disclosure under Regulation 25 (11)

Benchmark Mutual Fund had invested in the following company, which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank Ltd. in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

24. Unclaimed Dividend/Redemption Amount

As on March 31, 2008, unclaimed dividend of Rs.2,980/- is lying in Unclaimed dividend account which represents 9 un-encashed warrants. There is no unclaimed redemption amount in respect of the scheme as on March 31, 2008.

25. Registered Securities

In accordance with Regulation 44(1) of the 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.

26. A complete list of investments of the Scheme is given in **Schedule G**.

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

28. The audited results for the year ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, the present and prospective unit holders/investors can inspect a full list of investments of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****Schedule H - NOTES TO ACCOUNTS****(In Rupees)**

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	April 1, 2005 to March 31, 2006
a)	Net Asset Value, per unit at the end of the year	80.9738	70.1465	65.0084
b)	i) Income other than profit on sale of investments, per unit	0.54	1.60	1.18
	ii) Income (net) from profit / (loss) on inter scheme sales/transfer of investments, per unit	-	-	-
	iii) Income (net) from profit / (loss) on sale of investments to third parties, per unit	104.46	65.14	19.29
	iv) Transfer to Revenue account from past year's reserve, per unit	-	-	-
c)	Aggregate of expenses, write off, amortisation & charges, per unit	1.42	1.29	0.70
d)	Net Income / (loss) per unit (b - c)	103.57	65.44	19.77
e)	Net Change in unrealised appreciation / (depreciation) in the value of investments	(19.28)	(37.17)	9.54
f)	Repurchase Price during the year			
	i) Highest	132.6604	76.4614	65.0084
	ii) Lowest	67.1388	46.0241	40.6997
g)	Resale Price during the year			
	i) Highest	132.6604	76.4614	65.0084
	ii) Lowest	67.1388	46.0241	40.6997
h)	Market Price (National Stock Exchange)			
	i) Highest	149.00	77.00	64.90
	ii) Lowest	67.20	43.00	40.05
i)	Price Earning Ratio **	0.31	6.72	20.51
j)	Ratio of expenses 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 / depreciation in value of investments) to average net assets	60.21%	22.76%	43.09%

- * 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. & surplus for the year which includes unrealised appreciation / depreciation and income equalisation per unit.

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

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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

Payal Kaipunjil
Fund Manager

AUDITORS' REPORT

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

We have audited the attached Balance Sheet as at March 31, 2008 and the Revenue Account for the year 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 to 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, 2008; 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 year ended March 31, 2008.

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

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

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
LIABILITIES				
1	Unit Capital	A	2,984,037,616	1,654,751,749
2	Reserves and Surplus	B	–	15
Unit Holders Funds			2,984,037,616	1,654,751,764
3	Current Liabilities & Provisions	C	602,668,443	224,870,594
Total			3,586,706,059	1,879,622,358
ASSETS				
1	Investments	D	2,830,589,250	950,533,492
2	Deposits	E	99,063,116	682,208,493
3	Other Current Assets	F	657,053,693	246,880,373
Total			3,586,706,059	1,879,622,358

Accounting Policies and Notes to 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. S. A. Dave
Chairman

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 : June 30, 2008

Payal Kaipunjal
Fund Manager

BENCHMARK MUTUAL FUND
Liquid Benchmark Exchange Traded Scheme (Liquid BeES)
Revenue Account for the year ended March 31, 2008

(In Rupees)

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
1	INCOME AND GAINS			
1.1	Interest		151,402,403	100,932,487
1.2	Other Income		–	2,400
1.3	Profit on Sale / Redemption of investments (other than inter-scheme transfer / sale)		–	134,135
	Total		151,402,403	101,069,022
2	EXPENSES AND LOSSES			
2.1	Management & Operating Expenses	G	11,583,094	7,878,495
	Total		11,583,094	7,878,495
	Surplus / (Deficit) for the year		139,819,309	93,190,527
	Balance brought forward from Previous year		15	–
	Surplus available for distribution		139,819,324	93,190,527
	Appropriation			
	Income Distribution (Inclusive of distribution tax of Rs. 30,861,928/- (Previous year Rs. 14,227,128/-))		139,819,324	93,190,512
	Balance Carried to the Balance Sheet		–	15

Accounting Policies and Notes to 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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave **Dr. A. C. Shah**
Chairman Director

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

D. S. Mehta **S. R. Halbe**
Chairman Director

Place : Mumbai
Date : June 30, 2008

Payal Kaipunjaj
Fund Manager

BENCHMARK MUTUAL FUND*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008	March 31, 2007
A	UNIT CAPITAL	2,984,037,616	1,654,751,749
	Total	2,984,037,616	1,654,751,749
	No. of Units of face value of Rs.1,000/- each	2,984,038	1,654,751
B	RESERVES AND SURPLUS		
	Unit Premium Reserve		
	Opening Balance	-	-
	Add/(Less): on account of subscription/ redemption of units	-	-
	Surplus / (Deficit) in Revenue Account		
	Balance transferred from Revenue Account	-	15
	Total	-	15
C	CURRENT LIABILITIES & PROVISIONS		
	Current Liabilities		
	Management Fees Payable	674,987	438,930
	Trusteeship Fees Payable	48,308	39,921
	Units application pending allotment	489,559,423	201,220,000
	Unit redemption payable	108,220,400	18,162,000
	Sundry Creditors for expenses	1,434,703	2,495,923
		599,937,821	222,356,774
	Provisions	2,730,622	2,513,820
	Total	602,668,443	224,870,594
D	INVESTMENTS (Marked to Market)		
	(Refer Schedule H for Portfolio Holding Statement)		
	Non Convertible Debentures	1,600,000,000	100,000,000
	Certificates of Deposits	934,923,254	198,623,492
	Privately Placed Debentures / Bonds	-	651,910,000
	Commercial Paper	295,665,996	-
	Total	2,830,589,250	950,533,492

(In Rupees)

Schedule No.	Particulars	March 31, 2008	March 31, 2007
E	DEPOSITS WITH SCHEDULED BANKS		
	Term Deposits	–	682,208,493
	CBLO - Margin Deposit	8,100,000	–
	CBLO	90,963,116	–
	Total	99,063,116	682,208,493
F	OTHER CURRENT ASSETS		
	Balances with Scheduled Banks in Current Account	51,308,991	3,905,546
	Outstanding and Accrued income	7,964,878	20,392,827
	Units Subscription Receivable	489,559,423	201,220,000
	Units Pending Redemption	108,220,401	18,162,000
	Others	–	3,200,000
	Total	657,053,693	246,880,373
G	MANAGEMENT & OTHER OPERATING EXPENSES		
	Management Fees	5,618,675	3,935,435
	Trusteeship Fees	198,692	131,356
	Selling, Marketing and Distribution Expenses	168,690	379,401
	Audit Fees	75,095	56,180
	Custodial Fees	1,088,540	541,200
	Registrar Expenses	3,935,410	2,461,629
	Investor Communication Expenses	65,961	117,783
	Listing, Licensing and Other Fees	105,000	96,600
	Bank & Interest Charges	56,844	–
	Other Operating Expenses	270,187	158,911
	Total	11,583,094	7,878,495

BENCHMARK MUTUAL FUND

Liquid Benchmark Exchange Traded Scheme (Liquid BeES)
**Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008**

Schedule H - Portfolio Holding Statement as on March 31, 2008

Scrip Name	Rating	Nos.	Market Value (Amount in Rs.)	% to Total
DEBT INSTRUMENTS				
NON CONVERTIBLE DEBENTURES				
KOTAK MAHINDRA PRIME LTD	P1+	300	300,000,000	
JM FINANCIAL PRODUCTS PVT LTD	P1+	30	300,000,000	
CHOLAMANDALAM DBS FINANCE LTD	P1+	200	200,000,000	
CHOLAMANDALAM DBS FINANCE LTD	A1+	100	100,000,000	
NICHOLAS PIRAMAL INDIA LTD	A1+	10	100,000,000	
RABO INDIA FINANCE LTD	P1+	250	250,000,000	
RELIANCE CAPITAL LTD.	A1+	35	350,000,000	
Total (A)			1,600,000,000	54.77
CERTIFICATES OF DEPOSITS				
ICICI BANK LTD	A1+	2,000	195,641,731	
INDUSTRIAL DEVELOPMENT BANK OF INDIA LTD	A1+	500	49,447,198	
ING VYSYA BANK LTD	P1+	1,000	97,857,292	
STATE BANK OF HYDERABAD	A1+	2,000	196,841,467	
STATE BANK OF INDIA	P1+	1,000	98,432,459	
STATE BANK OF INDORE	P1+	2,000	196,733,323	
STATE BANK OF SAURASHTRA	A1+	1,000	99,969,785	
Total (B)			934,923,254	32.00
COMMERCIAL PAPERS				
FULLERTON (I) CREDIT CORPORATION LTD.	A1+	200	97,981,391	
RABO INDIA FINANCE PVT LTD	P1+	200	98,831,432	
L & T FINANCE LTD	PR1+	200	98,853,173	
Total (C)			295,665,996	10.12
OTHERS - DEPOSITS				
TERM DEPOSITS			-	
CBLO			90,963,116	
Total (D)			90,963,116	3.11
Grand Total (A+B+C+D)			2,921,552,367	100.00

BENCHMARK MUTUAL FUND

Liquid Benchmark Exchange Traded Scheme (Liquid BeES)

Schedule - I: Accounting Policies And Notes To Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd and has been 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 Trade 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 (ETF) and the units of Liquid 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 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

The method of accounting is on accrual basis.

Investments

- a. Purchase and sale of securities are recognized 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 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. In valuing the Scheme's investments:

- Debt securities listed on a recognized 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 AMC in accordance with the guidelines for valuation of such securities specified by SEBI.
- Privately placed debt securities are valued at fair value in good faith by the AMC in accordance with the guidelines for valuation of such securities as specified by SEBI.
- 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 basis yield to maturity as prescribed by SEBI.

- In accordance with SEBI Regulations, Government securities are valued at prices released by the Agency approved by AMFI. 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 / installment has fallen due.

Income Recognition

- a. Interest on fixed income investments are recognized 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 recognized on cash basis.
- d. Other income of miscellaneous nature is accounted for when there is certainty of collection.

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.

Income Equalization

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.

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.

Entry / Exit Load

The Fund does not charge any entry / exit load on subscription/redemption of units in the creation unit size.

NOTES TO ACCOUNTS

1. Net Assets 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. 11.
5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
6. Purchase of investments yet to be settled: NIL (Previous Year - NIL)
7. Sale of investments yet to be settled: NIL (Previous Year - NIL)

8. Income and Expenses

Daily Average Net Assets (Rs.)	Year Ended March 31, 2008		Year Ended March 31, 2007	
	1986,910,027		1,313,564,872	
	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of 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)	151,402,403	7.62%	101,069,022	7.69%
Total expenditure (Annual recurring expenses)	11,583,091	0.58%	7,878,495	0.60%

9. Aggregate Value of Purchase and Sale of Investments (including matured) during the year

	2007-08 Rs. (In Lacs)	2006-07 Rs. (In Lacs)
Daily Average Net Assets	19,869.10	13,135.65
Purchases	134,977.26	92,850.82
% to Daily Average Net Assets	679.33%	706.86%
Sales	56,868.59	90,440.40
% to Daily Average Net Assets	286.22%	688.51%

10. Net Asset Value (Per Unit - in Rs.)

	As on March 31, 2008	As on March 31, 2007
Face Value	1,000.0000	1,000.0000
Net Asset Value	1,000.0000	1,000.0000

11. Cost & Market Value of Investments

	Amount (Rs. In Lacs)	
	2007-08	2006-07
Cost	28,305.89	9,505.33
Market Value	28,305.89	9,505.33
Unrealised Appreciation in the Value of investments	NIL	NIL

12. Movement in Unit Capital

	2007-08		2006-07	
	Units	Rs. (In Lacs)	Units	Rs. (In Lacs)
Initial Units (on the date of Allotment)	89,650.000	896.50	89,650.000	896.50
Opening Units	1,654,751.610	16,547.52	1,427,185.690	14,271.86
Units Issued	8,387,646.000	83,876.46	7,078,524.510	70,785.25
Units Issued towards reinvestment of Dividend*	109,594.680	1,095.95	77,825.300	778.25
Units Redeemed	7,167,954.680	71,679.55	6,928,783.890	69,287.84
Units at the end of the year	2,984,037.610	29,840.38	1,654,751.610	16,547.52

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

13. Details of Large Holding (more than 25% of the Net Assets of the Scheme)

As on March 31, 2008 there is no investor in the Scheme who holds 25% of the net assets of the Scheme.

14. 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.

15. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets of the Scheme. The details of management fees levied on an annualized basis are as follows:

	Amount (In Rs.)	
	2007-08	2006-07
Daily Average Net Assets	1,986,910,027.27	1,313,564,872.00
Management Fees (in %)	0.28%	0.30%
Management Fees	5,618,675.15	3,935,434.74

16. Trustee Fees

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

17. Custodial Fees and Expenses

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

18. Registrar and Transfer Agent Fees and Expenses

Karvy Computershare Private 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.

19. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed units in the Scheme during the year ended March 31, 2008 and holds 1,861.912 units in the Scheme as at March 31, 2008.

20. The Scheme has not made any investments in any Group/Associate Companies:

21. The Scheme has not made any investment in the issues lead managed by Associate Companies.

22. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

23. Disclosure under Regulation 25 (11)

Benchmark Mutual Fund had invested in the following company, which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank Ltd. in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

24. Unclaimed Dividend/Redemption Amount

As on March 31, 2008 there is no unclaimed dividend / redemption amount in the Scheme

25. Registered Securities

In accordance with Regulation 44(1) of the 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.

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

27. Previous year figures have been regrouped/rearranged wherever necessary.

28. The audited results for the year ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, the present and prospective unit holders/investors can inspect a full list of investments of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Liquid Benchmark Exchange Traded Scheme (Liquid BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****Schedule I - NOTES TO ACCOUNTS****(In Rupees)**

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	April 1, 2005 to March 31, 2006
a)	Net Asset Value, per unit at the end of the year	1,000.0000	1,000.0000	1,000.0000
b) i)	Income other than profit on sale of investments, per unit	50.74	61.00	48.41
ii)	Income (net) from profit / (loss) on inter scheme sales/transfer of investments, per unit	-	-	-
iii)	Income (net) from profit / (loss) on sale of investment to third parties, per unit	-	0.08	-
iv)	Transfer to Revenue account from past year's reserve, per unit	-	-	-
c)	Aggregate of expenses, write off, amortisation & charges, per unit	3.88	4.76	5.01
d)	Net Income / (loss) per unit (b - c)	46.86	56.32	43.40
e)	Net Change in unrealised appreciation / (depreciation) in the value of investments	-	-	-
f)	Repurchase Price during the year			
i)	Highest	1,000.0000	1,000.0000	1,000.0000
ii)	Lowest	1,000.0000	1,000.0000	1,000.0000
g)	Resale Price during the year			
i)	Highest	1,000.0000	1,000.0000	1,000.0000
ii)	Lowest	1,000.0000	1,000.0000	1,000.0000
h)	Market Price (National Stock Exchange)			
i)	Highest	1,001.01	1,000.05	1,189.90
ii)	Lowest	802.40	900.00	816.40
i)	Price Earning Ratio **	21.34	17.76	23.04
j)	Ratio of expenses to the average net assets	0.58%	0.60%	0.65%
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	7.62%	7.69%	6.26%

- * 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. & surplus for the year which includes unrealised appreciation / depreciation and Income Equalisation per unit.

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. S. A. Dave
Chairman

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 : June 30, 2008

Payal Kaipunjil
Fund Manager

AUDITORS' REPORT

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

We have audited the attached Balance Sheet as at March 31, 2008 and the Revenue Account for the year 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 to 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, 2008; 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 year ended March 31, 2008.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND*Banking Index Benchmark Exchange Traded Scheme (Bank BeES)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
LIABILITIES				
1.	Unit Capital	A	237,974,740	619,774,740
2.	Reserves & Surplus	B	15,596,625,936	32,383,098,541
3.	Provision for Unrealised Appreciation in the value of Investments		—	—
	Unit Holders Funds		15,834,600,676	33,002,873,281
4.	Current Liabilities & Provisions	C	703,630,083	3,256,171,255
Total			16,538,230,759	36,259,044,536
ASSETS				
1.	Investments	D	15,823,286,563	32,912,039,584
2.	Other Current Assets	E	714,944,196	3,347,004,952
Total			16,538,230,759	36,259,044,536

Accounting Policies and Notes to Accounts H

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

J. M. Gandhi
 Partner
 Membership No. 37924

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

Dr. S. A. Dave
 Chairman

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 : June 30, 2008

Vishal Jain
 Fund Manager

BENCHMARK MUTUAL FUND*Banking Index Benchmark Exchange Traded Scheme (Bank BeES)***Revenue Account for the year ended March 31, 2008**

(In Rupees)

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
1.	INCOME AND GAINS			
1.1	Dividend/Other Income		600,214,211	242,783,766
1.2	Interest		—	455
1.3	Profit on sale / redemption of investments (other than inter-scheme transfer/sale)		21,547,302,849	4,889,578,730
1.4	Profit on futures		—	188,577,562
1.5	Net Change in unrealised appreciation/ (depreciation) on investments		37,909,946	(714,645,010)
	Total		22,185,427,005	4,606,295,503
2.	EXPENSES AND LOSSES			
2.1	Management & Operating Expenses	F	242,229,526	141,586,509
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		990,528,199	2,455,796,005
2.3	Loss on futures		6,065,671	68,791,921
	Total		1,238,823,396	2,666,174,435
	Surplus / (Deficit) for the year		20,946,603,609	1,940,121,068
Add:	Write back of provision for unrealised appreciation on investments		—	198,497,079
Less:	Provision for unrealised appreciation on investments carried to Balance Sheet		—	—
Add:	Income Equalisation		(25,885,422,350)	12,043,381,747
			(4,938,818,741)	14,181,999,894
	Balance brought forward from Previous year		17,256,704,124	3,915,386,548
	Surplus available for distribution		12,317,885,383	18,097,386,442
	Appropriation			
	Income Distribution		339,887,370	840,682,318
	Balance Carried to the Balance Sheet		11,977,998,013	17,256,704,124

Accounting Policies and Notes to Accounts H

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

J. M. Gandhi
Partner
Membership No. 37924

Dr. S. A. Dave
Chairman

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 : June 30, 2008

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, 2008 and Revenue Account for the year ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008	March 31, 2007
A	UNIT CAPITAL		
		237,974,740	619,774,740
	Total	237,974,740	619,774,740
	No. of Units of face value of Rs.10/- each	23,797,474	61,977,474
B	RESERVES & SURPLUS		
	Unit Premium Reserve		
	Opening Balance	15,126,394,417	1,102,392,346
	Add/(Less): Transfer to Revenue A/c	(4,689,806,150)	–
	Add/(Less): on account of subscription/ redemption of units	(11,507,766,495)	14,024,002,071
		(1,071,178,228)	15,126,394,417
	Surplus/(Deficit) in Revenue Account		
	Balance transferred from Revenue Account	11,977,998,013	17,256,704,124
	Add/(Less): Transfer from Unit Premium Reserve A/c	4,689,806,150	–
		16,667,804,163	17,256,704,124
	Total	15,596,625,936	32,383,098,541
C	CURRENT LIABILITIES & PROVISIONS		
	Current Liabilities		
	Contracts For Purchase of Equity	8,108,290	–
	Management Fees Payable	7,651,780	17,959,879
	Trusteeship Fees Payable	810,235	1,272,895
	Unit Redemption Payable	651,189,783	3,236,938,481
	Others	35,869,995	–
	Total	703,630,083	3,256,171,255
D	INVESTMENTS (Marked to Market)		
	(Refer Schedule - G for Portfolio Holding Statement)		
	Equity Shares	15,823,286,563	32,912,039,584
	Total	15,823,286,563	32,912,039,584
E	OTHER CURRENT ASSETS		
	Contracts For Sale of Equity	652,295,522	–
	Balances with Scheduled Banks in Current Account	55,617,927	118,394,954
	Unit Subscription Receivable	7,030,747	3,228,609,998
	Others	–	–
	Total	714,944,196	3,347,004,952

(In Rupees)

Schedule No.	Particulars	March 31, 2008	March 31, 2007
F	MANAGEMENT & OTHER OPERATING EXPENSES		
	Management Fees	171,276,585	105,022,087
	Trusteeship Fees	5,013,982	3,146,471
	Selling, Marketing and Distribution Expenses	19,279,073	12,845,172
	Audit Fees	533,495	56,180
	Custodial Fees	20,962,106	9,000,496
	Registrar Expenses	17,739,851	7,751,891
	Listing, Licensing and Other Fees	5,746,725	3,587,365
	Other Operating Expenses	13,192	176,847
	Investor Communication Expenses	1,664,517	–
	Total	242,229,526	141,586,509

BENCHMARK MUTUAL FUND

Banking Index Benchmark Exchange Traded Scheme (Bank BeES)
**Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008**

Schedule - G Portfolio Holding Statement as on March 31, 2008

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS			
LISTED			
BANKS			
BANK OF BARODA	1,644,309	465,914,955	2.94
BANK OF INDIA	2,370,657	600,368,885	3.79
CANARA BANK	1,850,738	416,601,124	2.63
IDBI LTD	3,271,218	291,465,524	1.84
HDFC BANK LTD	1,599,938	2,129,917,463	13.46
ICICI BANK LTD	5,016,947	3,860,039,022	24.39
KOTAK MAHINDRA BANK LTD	1,555,815	973,784,609	6.15
ORIENTAL BANK OF COMMERCE	1,130,957	200,518,676	1.27
PUNJAB NATIONAL BANK	1,423,291	726,234,233	4.59
STATE BANK OF INDIA	2,850,876	4,562,114,319	28.83
UNION BANK OF INDIA	2,280,126	320,927,735	2.03
AXIS BANK LTD	1,614,737	1,275,400,018	8.06
TOTAL		15,823,286,563	100.00

BENCHMARK MUTUAL FUND

Banking Index Benchmark Exchange Traded Scheme (Bank BeES)

Schedule H - Accounting Policies and Notes to Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd and has been 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 investment objective of the Scheme is to generate returns that, before expenses, closely correspond to the total returns of securities as represented by the CNX Bank Index.

Subscription and Redemption of units of Bank BeES are generally through the exchange of underlying securities forming part of the CNX Bank Index. The rounding off difference is settled in money value. The Fund also allows cash subscription/redemption of Bank BeES in pre-defined size, whereby the Fund will arrange to buy/sell the underlying index securities on behalf of the investors.

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 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.
- 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. In absence of such a quoted price on the valuation date, the last available quoted price within a period of thirty days prior to the valuation date is used for valuation purpose.

Non traded securities, if any, including those not 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/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 Equalization Account. In arriving at the portion of the price to be transferred to Income Equalization Account, surplus/deficit (before considering unrealized appreciation/depreciation) upto the date of transaction is taken into account. The net balance in Income Equalization Account is transferred to Revenue Account.

2.5 Unit Premium Reserve

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

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 TO ACCOUNTS

1. Net Assets 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. 11.
5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
6. Purchase of investments yet to be settled: Rs. 8,108,290/- (Previous Year - Rs. 834,799,771/-)
7. Sale of investments yet to be settled: Rs. 652,295,522/- (Previous Year - Rs. 2,851,024,618/-)

8. Income and expenses

Daily Average Net Assets (Rs.)	Year Ended March 31, 2008		Year Ended March 31, 2007	
	50,139,820,098		31,464,549,919	
	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of 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)	21,188,833,136	42.26%	2,081,707,576	6.62%
Total expenditure (Annual recurring expenses)	242,229,527	0.48%	141,586,509	0.45%

9. Aggregate Value of Purchase and Sale of Investments during the year

	2007 - 08 Rs. (In Lacs)	2006 - 07 Rs. (In Lacs)
Daily Average Net Assets	501,398.20	314,645.50
Purchases	621,199.93	836,667.65
% to Daily Average Net Assets	123.89%	265.91%
Sales	998,036.85	577,788.15
% to Daily Average Net Assets	199.05%	183.63%

10. Net Asset Value (Per unit - in Rs.)

	As on March 31, 2008	As on March 31, 2007
Face Value	10	10
Net Asset Value	665.3900	532.4979

The Scheme declared and paid a dividend of Rs. 5/- per unit on record date of September 11, 2007.

11. Cost and Market Value of Investments

	Amount (Rs. In Lacs)	
	2007 - 08	2006 - 07
Cost	163,015.25	334,281.88
Market Value	158,232.87	329,120.40
Unrealised Appreciation/ (Depreciation) in the Value of investments	(4,782.38)	(5,161.48)

12. Movement in Unit Capital

Particulars	2007 - 08		2006 - 07	
	Units	Rs. (in Lacs)	Units	Rs. (in Lacs)
Initial Units (on the date of Allotment)	177,474	17.75	177,474	17.75
Units at the beginning of the year	61,977,474	6,197.75	11,397,474	1,139.75
Units Issued	79,550,000	7,955.00	151,920,000	15,192.00
Units Redeemed	117,730,000	11,773.00	101,340,000	10,134.00
Units at the end of the year	23,797,474	2,379.75	61,977,474	6,197.75

13. Details of Large Holding (more than 25% of the Net Assets of the Scheme)

As on March 31, 2008 there are 2 investors in the Scheme who hold 95.55% of the net assets of the Scheme.

14. 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.

15. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets of the Scheme. The details of management fees levied on an annualized basis are as follows:

	Amount (In Rs.)	
	2007-08	2006-07
Daily Average Net Assets	50,139,820,097.89	31,464,549,919.23
Management Fees (in percentage)	0.34%	0.33%
Management Fees	171,276,584.74	105,022,086.92

16. Trustee Fees

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

17. Custodial Fees and Expenses

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

18. Registrar and Transfer Agent Fees and Expenses

Kavy Computershare Private 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.

19. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed units in the Scheme during the year ended March 31, 2008 and holds 10,179 units in the Scheme as at March 31, 2008.

20. The Scheme has not made any investments in any Group/Associate Companies.

21. The Scheme has not made any investment in the issues lead managed by Associate Companies.

22. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

23. Disclosure under Regulation 25(11)

Benchmark Mutual Fund had invested in the following company, which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivative Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made, as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

24. Unclaimed Dividend/Redemption Amount

As on March 31, 2008 there was unclaimed dividend of Rs.21,297/- represented by 39 un-encashed warrants. There were no unclaimed redemption in the scheme as of March 31, 2008.

25. Registered Securities

In accordance with Regulation 44(1) of the 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.

26. A complete list of investments of the Scheme is given in **Schedule G**.

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

28. The audited results for the year ended March 31, 2008 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 June 30, 2008 respectively.

NOTES:

- 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.
- On written request, the present and prospective unit holders/investors may request a copy of the Annual Report of the AMC.
- On written request, the present and prospective unit holders/investors can inspect a full list of investments of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Banking Index Benchmark Exchange Traded Scheme (Bank BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****Schedule H - NOTES TO ACCOUNTS****(In Rupees)**

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	April 1 2005 to March 31, 2006
a)	Net Asset Value, per unit at the end of the year	665.3900	532.4979	467.6701
b)	i) Income other than profit on sale of investments per unit	25.22	3.92	10.32
	ii) Income (net) from profit / (loss) on inter scheme sales/transfer of investments, per unit	-	-	-
	iii) Income (net) from profit / (loss) on sale of investment to third party, per unit	863.57	41.20	182.95
	iv) Transfer to Revenue account from past year's reserve, per unit	-	-	-
c)	Aggregate of expenses, write off, amortisation & charges, per unit	10.18	2.28	5.28
d)	Net Income / (loss) per unit (b - c)	878.61	42.83	187.99
e)	Net Change in Unrealised Appreciation / (Depreciation) in the value of investments	1.59	(11.53)	(5.86)
f)	Repurchase Price during the year			
	i) Highest	1,070.8812	640.8481	486.2816
	ii) Lowest	498.0407	350.1991	321.6453
g)	Resale Price during the year			
	i) Highest	1,070.8812	640.8481	486.2816
	ii) Lowest	498.0407	350.1991	321.6453
h)	Market Price (National Stock Exchange)			
	i) Highest	1,115.00	637.00	500.00
	ii) Lowest	492.60	350.00	333.00
i)	Price Earning Ratio **	1.28	1.80	1.37
j)	Ratio of expenses to the average net assets	0.48%	0.45%	0.46%

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	April 1 2005 to March 31, 2006
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	42.26%	6.62%	16.25%

* 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. & surplus for the year which includes unrealised appreciation / depreciation and income equalisation per unit.

Signatures to Schedules A to H 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. S. A. Dave
Chairman

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 : June 30, 2008

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, 2008 and the Revenue Account for the year 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 to 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, 2008; 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 year ended March 31, 2008.

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

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

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
LIABILITIES				
1	Unit Capital	A	293,505,985	1,107,475,456
2	Reserves & Surplus	B	39,129,388	104,646,786
3	Unrealised Appreciation in value of Investments		14,709,171	–
			347,344,544	1,212,122,242
4	Current Liabilities & Provisions	C	48,783,031	204,581,924
Total			396,127,575	1,416,704,166
ASSETS				
1	Investments	D	106,701,386	657,634,186
2	Deposits	E	278,891,860	675,120,000
3	Other Current Assets	F	10,534,329	83,949,980
Total			396,127,575	1,416,704,166

Accounting Policies and Notes to 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. S. A. Dave
Chairman

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 : June 30, 2008

Gowri Sekaria
Fund Manager

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Revenue Account for the year ended March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
1	INCOME AND GAINS			
1.1	Dividend		3,432,680	9,627,684
1.2	Interest & Discount Income		21,227,422	73,027,240
1.3	Profit on sale/redemption of investments (other than inter-scheme transfer/sale)		267,320,806	81,964,826
1.4	Profit on Futures		2,710,044	373,331,984
1.5	Net change in unrealised appreciation/depreciation on Investments		45,275,818	(69,293,100)
	Total		339,966,770	468,658,634
2	EXPENSES AND LOSSES			
2.1	Management & Operating expenses	G	9,934,277	24,131,587
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		56,286,603	65,305,097
2.3	Loss on Futures		219,758,438	256,130,853
	Total		285,979,318	345,567,537
	Surplus / (Deficit) for the year		53,987,452	123,091,097
Add :	Writeback of provision for Unrealised Appreciation on Investments		–	38,726,452
Less :	Provision for unrealised Appreciation on Investments carried to Balance Sheet		14,709,171	–
Less :	Income Equalisation Account		(88,289,554)	(40,788,519)
			(49,011,273)	121,029,030
	Balance brought forward from previous year		136,788,389	58,123,526
	Surplus available for distribution		87,777,116	179,152,556
	Appropriation			
	Income Distribution (Inclusive of Distribution Tax of Rs.3,663,892/- (Previous Year Rs. 6,031,877/-))		27,470,248	42,364,167
	Balance carried to the Balance Sheet		60,306,868	136,788,389

Accounting Policies and Notes to 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 and on behalf of

For N. M. Raiji & Co.**Benchmark Trustee Company Pvt. Ltd.**

Chartered Accountants

J. M. Gandhi

Partner

Membership No. 37924

Dr. S. A. Dave

Chairman

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 : June 30, 2008

Gowri Sekaria

Fund Manager

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008	March 31, 2007
A	UNIT CAPITAL	293,505,985	1,107,475,456
	Total	293,505,985	1,107,475,456
	No. of Units of face value of Rs.1000/- each	293,505.985	1,107,475.456
B	RESERVES & SURPLUS		
	Unit Premium Reserve		
	Opening Balance	(32,141,603)	(29,085,679)
	Add/(Less): on account of subscription/redemption of units	10,964,122	(3,055,924)
		(21,177,482)	(32,141,603)
	Surplus/(Deficit) in Revenue Account		
	Balance transferred from Revenue account	60,306,868	136,788,389
		60,306,868	136,788,389
	Total	39,129,388	104,646,786
C	CURRENT LIABILITIES & PROVISIONS		
	Current Liabilities		
	Contracts for purchase of investments	7,081,780	23,292,006
	Payable on Repurchase of units	38,426,993	165,652,760
	Management Fees payable	324,559	561,308
	Trusteeship Fees payable	43,112	153,868
	Other Liabilities	2,906,587	14,921,982
	Total	48,783,031	204,581,924
D	INVESTMENTS (Marked to Market)		
	(Refer Schedule - H for Portfolio Holding Statement as on March 31, 2008)		
	Equity Shares	106,701,386	607,634,186
	Privately Placed Debentures/Bonds	–	50,000,000
	Total	106,701,386	657,634,186
E	DEPOSITS		
	- Term Deposit	–	446,720,000
	- CBLO	226,891,860	–
	- Margin Deposit	50,000,000	228,400,000
	- CCIL Margin	2,000,000	–
	Total	278,891,860	675,120,000

(In Rupees)

Schedule No.	Particulars	March 31, 2008	March 31, 2007
F	OTHER CURRENT ASSETS		
	Balances with scheduled banks in current account	5,307,626	33,837,173
	Receivable on issue of fresh units	–	42,800,000
	Contracts for sale of investments	1,670,028	–
	Outstanding and accrued income	394,820	7,312,807
	MTM Receivable	3,161,855	–
	Total	10,534,329	83,949,980
G	MANAGEMENT & OPERATING EXPENSES		
	Management Fees	3,469,779	8,043,935
	Trusteeship Fees	133,468	321,749
	Selling, Distribution and Publicity Expenses	4,053,800	10,490,116
	Audit Fees	62,533	56,180
	Custodial Fees	1,497,701	3,968,251
	Registrar Expenses	496,054	1,220,880
	Investor Communication and Statutory Advertisement	22,154	24,300
	Listing, Licensing & Other Fees	132,000	–
	Other Operating Expenses	66,788	6,176
	Total	9,934,277	24,131,587

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****Schedule - H Portfolio Holding Statement as on March 31, 2008**

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS			
BANKS			
BANK OF BARODA	18,200	5,156,970	
CANARA BANK	15,200	3,421,520	
UNION BANK OF INDIA	21,000	2,955,750	
INDUSTRIAL DEVELOPMENT BANK OF INDIA LTD	28,800	2,566,080	
ORIENTAL BANK OF COMMERCE	6,000	1,063,800	
ICICI BANK LTD	1,225	942,515	
		16,106,635	4.20
CHEMICALS			
BOMBAY DYEING & MANUFACTURING CO LTD	1,500	922,050	
		922,050	0.24
CONSTRUCTION			
JAIPRAKASH ASSOCIATES LTD	12,000	2,718,600	
HINDUSTAN CONSTRUCTION CO LTD	7,000	926,800	
IVR PRIME URBAN DEVELOPERS LTD	2,400	421,320	
HOUSING DEVELOPMENT & INFRASTRUCTURE LTD	400	262,900	
		4,329,620	1.13
CONSUMER DURABLES			
VOLTAS LTD	9,000	1,616,850	
		1,616,850	0.42
CONSUMER NON DURABLES			
ITC LTD	14,625	3,016,406	
		3,016,406	0.79
DIVERSIFIED			
LARSEN & TOUBRO LTD	1,800	5,464,710	
		5,464,710	1.42
FERROUS METALS			
TATA STEEL LTD	4,584	3,182,900	
		3,182,900	0.83
HOTELS			
HOTEL LEELA VENTURE LTD	56,250	2,258,438	
		2,258,438	0.59
INDUSTRIAL CAPITAL GOODS			
SUZLON ENERGY LTD	11,000	2,901,800	
		2,901,800	0.76

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
MEDIA & ENTERTAINMENT			
NDTV LTD	99,000	38,139,750	
		38,139,750	9.94
NON - FERROUS METALS			
HINDALCO INDUSTRIES LTD	14,355	2,370,011	
		2,370,011	0.62
OIL			
OIL & NATURAL GAS CORPORATION LTD	2,475	2,426,861	
		2,426,861	0.63
PETROLEUM PRODUCTS			
HINDUSTAN PETROLEUM CORPORATION LTD	11,700	2,999,880	
		2,999,880	0.78
POWER			
NTPC LTD	13,000	2,555,800	
JAIPRAKASH HYDRO POWER LTD	18,750	1,012,500	
		3,568,300	0.93
SOFTWARE			
TECH MAHINDRA LTD	4,200	2,962,050	
INFOSYS TECHNOLOGIES LTD	1,800	2,591,820	
TATA CONSULTANCY SERVICES LTD	3,000	2,431,350	
		7,985,220	2.08
TELECOM - EQUIPMENT & ACCESSORIES			
GTL LTD	21,000	5,283,600	
		5,283,600	1.38
TELECOM - SERVICES			
BHARTI AIRTEL LTD	3,500	2,891,875	
MAHANAGAR TELEPHONE NIGAM LTD	12,800	1,236,480	
		4,128,355	1.08
MONEY MARKET INSTRUMENTS			
COLLATERALISED BORROWING AND LENDING OBLIGATION (CBLO)		226,891,860	
		226,891,860	59.15
OTHERS			
DEPOSITS PLACED WITH NATIONAL SECURITIES CLEARING CORPORATION LTD		50,000,000	
		50,000,000	13.03
TOTAL		383,593,246	100.00

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****Schedule - H Portfolio Holding Statement as on March 31, 2008****Details of Derivative Positions outstanding as on March 31, 2008**

Name of the Instrument (Stock Futures Contract for April 2008 expiring on April 24, 2008)	Nos.	Market Value (Rs.)	% to Net Assets
NDTV LTD	(99,000)	37,813,050	10.89
LARSEN & TOUBRO LTD	(1,800)	5,447,070	1.57
GTL LTD	(21,000)	5,274,150	1.52
BANK OF BARODA	(18,200)	5,179,720	1.49
CANARA BANK	(15,200)	3,410,880	0.98
TATA STEEL LTD	(4,584)	3,166,856	0.91
ITC LTD	(14,625)	3,020,794	0.87
HINDUSTAN PETROLEUM CORPORATION LTD	(11,700)	3,003,390	0.86
UNION BANK OF INDIA	(21,000)	2,957,850	0.85
TECH MAHINDRA LTD	(4,200)	2,954,280	0.85
BHARTI AIRTEL LTD	(3,500)	2,894,500	0.83
SUZLON ENERGY LTD	(11,000)	2,893,550	0.83
JAIPRAKASH ASSOCIATES LTD	(12,000)	2,716,800	0.78
INFOSYS TECHNOLOGIES LTD	(1,800)	2,580,840	0.74
NTPC LTD	(13,000)	2,564,900	0.74
INDUSTRIAL DEVELOPMENT BANK OF INDIA LTD	(28,800)	2,561,760	0.74
OIL & NATURAL GAS CORPORATION LTD	(2,475)	2,438,865	0.70
TATA CONSULTANCY SERVICES LTD	(3,000)	2,433,900	0.70
HINDALCO INDUSTRIES LTD	(14,355)	2,373,599	0.68
HOTEL LEELA VENTURE LTD	(56,250)	2,264,063	0.65
VOLTAS LTD	(9,000)	1,600,650	0.46
MAHANAGAR TELEPHONE NIGAM LTD	(12,800)	1,237,760	0.36
ORIENTAL BANK OF COMMERCE	(6,000)	1,074,600	0.31
JAIPRAKASH HYDRO POWER LTD	(18,750)	1,012,500	0.29
ICICI BANK LTD	(1,225)	945,823	0.27
BOMBAY DYEING & MANUFACTURING CO. LTD	(1,500)	926,025	0.27
HINDUSTAN CONSTRUCTION CO. LTD	(7,000)	922,600	0.27
IVR PRIME URBAN DEVELOPERS LTD	(2,400)	420,000	0.12
HOUSING DEVELOPMENT & INFRASTRUCTURE LTD	(400)	264,340	0.08
TOTAL		106,355,114	30.62

BENCHMARK MUTUAL FUND

Benchmark Derivative Fund (BDF)

Schedule - I: Accounting Policies And Notes To Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and has been 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. At the time of the New Fund Offer in December 2004, the Scheme had only Growth Option. The Scheme introduced a Dividend Option with effect from September 30, 2005.

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 are 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.
- 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). In absence of a quoted price on the valuation date, the last available quoted price within a period of thirty days prior to the valuation date is used for valuation purpose.
- Debt securities, if any, listed on a recognised stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that date, debt securities are valued at fair value as determined in accordance with the valuation policy of the Fund.
- Non-traded and Thinly-traded debt securities, if any, are valued at fair value in good faith by the AMC in accordance with the guidelines for valuation of such securities specified by SEBI.
- Privately placed debt securities are valued at fair value in good faith by the AMC in accordance with the guidelines for valuation of such securities specified by SEBI.

- Money market securities/Non traded/Thinly traded Non-Government Debt securities of up to 182 days of maturity are valued on the basis of amortization (cost plus accrued interest basis) 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 prescribed by SEBI.
 - In accordance with SEBI Regulations, Government securities are valued at prices released by the Agency approved by AMFI.
- 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 or loss on sale of investments 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), if any, 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 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 or from 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 the 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 load charged is utilized towards meeting distribution and marketing expenses viz. commission to agents and publicity 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 TO 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.13.
5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
6. Purchase of investments yet to be settled: Rs. 70.82 Lacs (Previous Year: Rs. 232.92 Lacs)
The above purchases were made on NSE and were accordingly settled on T+2 basis.
7. Sale of investments yet to be settled: Rs.16.70 Lacs (Previous Year : NIL)
The above sales were made on NSE and were accordingly settled on T+2 basis.

8. Entry/Exit Load

With effect from July 7, 2005, no entry load was charged. Further, on redemption within one year of subscription if redemption amount is less than Rs. 5 Crores exit load of 1% was charged. However, with effect from October 18, 2005, no entry / exit load is being charged. As on March 31, 2008 the unutilised load is NIL (previous year Rs. 119,858)

9. Income and expenses

(Rupees In Lacs)

Daily Average Net Assets (Rs.)	Year Ended March 31, 2008		Year Ended March 31, 2007	
	6,673.16		16,080.31	
	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of 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)	639.22	9.58%	1,472.23	9.16%
Total Expenditure (annual recurring expenses)	99.34	1.49%	241.32	1.50%

10. Aggregate Value of Purchase and Sale of Investments (including matured) during the year

(Rupees In Lacs)

	2007-08	2006-08
Daily Average Net Assets	6,673.16	16,080.31
Purchases	2,373.38	15,539.03
% to Daily Average Net Assets	35.57%	96.63%
Sales	987.40	11,331.11
% to Daily Average Net Assets	14.80%	87.92%

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

	As on March 31, 2008	As on March 31, 2007
Face Value:		
Growth Option	1,000.0000	1,000.0000
Dividend Option	1,000.0000	1,000.0000
Net Asset Value:		
Growth Option	1,263.2641	1,165.7620
Dividend Option	1,095.6422	1,050.8295

12. Dividend

The Dividend plan of the Scheme declared and paid dividend as follows:

Record Date	Gross Dividend Per Unit (Rs.)	Dividend Payout(Rs.) per Unit	
		Individual/NRI/HUF	Others
April 26, 2007	40	35.09	32.67

13. Cost & Market Value of Investments

(Rupees In Lacs)

	2007-08	2006-07
Cost (Equity)	911.19	6,409.11
Market Value (Equity)	1067.01	6,076.34
Unrealised Appreciation/(Depreciation)	155.82	(332.77)

Liability with respect to Open Positions in Future Segment of Derivative was Rs 1,063.55 Lacs as on March 31, 2008 (previous year Rs. 6,121.76 Lacs).

14. Margin Deposits

As on March 31,2008, Margin Deposits of Rs. 500 lacs were placed with NSCCL in form of Fixed Deposit.

15. Movement in Unit Capital

	2007-08				2006-07			
	Growth Option		Dividend Option		Growth Option		Dividend Option	
	Units	Rs. (In Lacs)	Units	Rs. (In Lacs)	Units	Rs. (In Lacs)	Units	Rs. (In Lacs)
Initial Capital (on the date of Allotment)	775,667.53	7,756.68	627,222.12	6,272.22	775,667.53	7,756.68	627,222.12	6,272.22
Units at the beginning of the year	420,719.27	4,207.19	686,756.20	6,867.56	837,797.99	8,377.98	434,371.74	4,343.72
Units Issued	25,320.33	253.21	171,946.20	1,719.46	275,186.20	2,751.86	1,479,481.68	14,794.81
Units Redeemed	292,318.64	2,923.19	718,917.36	7,189.17	692,264.92	6,922.65	1,227,097.22	12,270.97
Units at the end of the year	153,720.96	1,537.21	139,785.04	1,397.85	420,719.27	4,207.19	686,756.20	6,867.56

16. Details of Large Holding (more than 25% of the Net Asset Value of the Scheme)

As on March 31, 2008, there is no investor in the Scheme who holds more than 25% of the net assets of the Scheme.

17. 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.

18. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets (NAV) of the Scheme. The details of management fees levied on an annualized basis are as follows:

	(Rs. in Lacs)	
	2007-08	2006-07
Daily Average Net Assets	6,673.16	16,080.31
Management Fees (in percentage)	0.52%	0.50%
Management Fees	34.70	80.44

19. Trustee Fees

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

20. Custodial Fees and Expenses

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

21. 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.

22. During the year ended March 31, 2008, Benchmark Trustee Company Pvt. Ltd. and Benchmark Asset Management Company Pvt. Ltd. did not make any investment in the Scheme.

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

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

25. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

26. Disclosure under Regulation 25(11)

Benchmark Mutual Fund had invested in the following company which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank Ltd. in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

27. Unclaimed Dividend/Redemption Amount

As on March 31, 2008 there was no unclaimed dividend amount or unclaimed redemption amount in the Scheme.

28. Registered Securities

In accordance with Regulation 44(1) of the 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.

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

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

31. The audited results for the year ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, present and prospective unit holders/investors can inspect a full list of investment of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Benchmark Derivative Fund (BDF)***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008**

Schedule I - NOTES TO ACCOUNTS		(In Rupees)		
Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	April 1, 2005 to March 31, 2006
a)	Net Asset Value, per unit at the end of the year			
i)	Growth Plan	1,263.2641	1,165.7620	1,074.5522
ii)	Dividend Plan	1,095.6422	1,050.8295	1,012.2123
b)	Gross Income per-unit broken into following components:			
i)	Income other than profit on sale of investments, per unit	84.02	74.63	39.80
ii)	Income from Profit on inter scheme sales/transfer of investments, per unit	–	–	–
iii)	Income from profit on sale of investment to third parties, per unit	(20.49)	120.87	204.27
iv)	Transfer to Revenue account from past year's reserve, per unit	–	–	–
c)	Aggregate of expenses, write off, amortisation & charges	33.85	21.79	214.29
d)	Net income/(loss) (b-c)	29.68	173.71	29.78
e)	Net Change in Unrealised Appreciation/ (Depreciation) in value of investments	154.26	(62.57)	29.73
f)	Repurchase Price during the year			
i)	Highest			
	Growth Plan	1,263.2641	1,165.1017	1,074.5522
	Dividend Plan	1,095.6422	1,050.2343	1,021.2540
ii)	Lowest			
	Growth Plan	1,182.6685	1,077.0841	1,014.5471
	Dividend Plan	1,018.1829	1,006.5283	1,005.6753
g)	Resale Price during the year			
i)	Highest			
	Growth Plan	1,263.2641	1,165.1017	1,074.5522
	Dividend Plan	1,068.4031	1,050.2343	1,021.2540
ii)	Lowest			
	Growth Plan	1,169.2468	1,077.0841	1,024.80
	Dividend Plan	1,017.3875	1,006.5283	1,000.00

(In Rupees)

Sr. No. PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	April 1, 2005 to March 31, 2006
h) Market Price (National Stock Exchange)			
i) Highest			
Growth Plan	N.A	N.A	N.A
Dividend Plan	N.A	N.A	N.A
ii) Lowest			
Growth Plan	N.A	N.A	N.A
Dividend Plan	N.A	N.A	N.A
i) Price Earning Ratio	N.A	N.A	N.A
j) Ratio of expenses to the average net assets	1.49%	1.50%	1.35%
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	9.58%	9.16%	7.79%

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

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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

Gowri Sekaria
Fund Manager

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of Benchmark Split Capital Fund - Balanced ("the scheme"), a scheme of Benchmark Mutual Fund, as at 31st March, 2008 and the annexed Revenue Account for the year ended on that date. 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 the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that :

1. We have obtained all the 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 are in agreement with the books of account of the scheme.
3. The accounts have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
4. In our opinion, valuation methods for non-traded securities adopted by the scheme, which have been approved by the Trustee, are fair and reasonable, in accordance with the guidelines for valuation issued by Securities and Exchange Board of India.
5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the accounting policies and notes attached thereto, present a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet of the state of affairs of the scheme as at 31st March, 2008; and
 - b. In the case of the Revenue Account of the surplus of the scheme for the year ended on that date.

For and on behalf of
DALAL & SHAH
Chartered Accountants

ASHISH DALAL
Partner
Membership No: 33596

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND
Benchmark Split Capital Fund- Balanced
Balance Sheet as at March 31, 2008

(In Rupees)

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
LIABILITIES				
1	Unit Capital	A	41,623,400	41,623,400
2	Reserves and Surplus	B	8,407,859	3,062,173
3	Unrealised Appreciation in the value of Investments		10,269,169	7,897,790
UNIT HOLDERS FUNDS			60,300,428	52,583,363
TOTAL			60,300,428	52,583,363
ASSETS				
1	Investments	C	59,304,276	21,368,746
2	Deposits (with Banks)	D	-	29,925,821
3	Other Current Assets	E	847,111	738,659
4	Deferred Revenue Expenditure	F	149,041	550,137
TOTAL			60,300,428	52,583,363

Accounting Policies and Notes to Accounts **H**

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

As per our Report of even date
For DALAL & SHAH
Chartered Accountants

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

Ashish Dalal
Partner
Membership No. 33596

Dr. S. A. Dave
Chairman

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 : June 30, 2008

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND
Benchmark Split Capital Fund- Balanced
Revenue Account for the year ended March 31, 2008

(In Rupees)

Sr. No.	Particulars	Schedule	Year ended March 31, 2008	Year ended March 31, 2007
1.	INCOME AND GAINS			
1.1	Dividend		279,830	335,239
1.2	Interest/Premium or Discount on Certificate of Deposit		2,789,527	1,758,249
1.3	Other Income		-	532
1.4	Profit on sale / redemption of investments (other than inter-scheme transfer/sale)		2,778,337	370,272
1.5	Net Change in unrealised appreciation/(diminution) in value of investments		2,371,379	2,006,067
Total			8,219,073	4,470,359
2.	EXPENSES AND LOSSES			
2.1	Initial Issue Expenses written off		401,096	400,000
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		100,912	36,428
Total			502,008	436,428
Surplus for the year			7,717,065	4,033,931
Add:	Opening Balance of unrealised appreciation in value of investments transferred		7,897,790	5,891,723
Less:	Closing Balance of unrealised appreciation in value of investments carried to Balance Sheet		10,269,169	7,897,790
			5,345,686	2,027,864
Balance brought forward from Previous year			3,062,173	1,034,309
Balance Carried to the Balance Sheet			8,407,859	3,062,173

Accounting Policies and Notes to Accounts**H**

The Schedules referred to herein form an integral part of the Balance Sheet and Revenue Account
As per our Report of even date

For Dalal & Shah

Chartered Accountants

Ashish Dalal

Partner

Membership No. 33596

Dr. S. A. Dave

Chairman

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 : June 30, 2008

Vishal Jain

Fund Manager

BENCHMARK MUTUAL FUND*Benchmark Split Capital Fund- Balanced***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008	March 31, 2007
A	UNIT CAPITAL		
	416,234 Units of Face Value of Rs. 100/- each (Class A - 328,132 units; Class B - 88,102 units)	41,623,400	41,623,400
	Total	41,623,400	41,623,400
B	RESERVES & SURPLUS		
	Surplus as per Revenue Account	8,407,859	3,062,173
	Total	8,407,859	3,062,173
C	INVESTMENTS		
	Equity Shares (Mark to Market) (Refer Schedule G for Portfolio Holding Statement as at March 31, 2008)	26,623,278	21,368,746
	Certificate of Deposit With ICICI Bank Ltd (Non-Trade)	32,680,998	–
	Total	59,304,276	21,368,746
D	DEPOSITS WITH A SCHEDULED BANK		
	Term Deposits	–	27,050,000
	Interest Accrued on Term Deposit	–	2,875,821
	Total	–	29,925,821
E	OTHER CURRENT ASSETS		
	Balances with a Scheduled Bank in Current Account	839,518	723,119
	Dividend Receivable	7,593	15,540
	Total	847,111	738,659
F	DEFERRED REVENUE EXPENDITURE		
	Initial Issue Expenses:		
	Opening Balance	550,137	950,137
		550,137	950,137
	Less: Written off during the year	401,096	400,000
	Total	149,041	550,137

BENCHMARK MUTUAL FUND*Benchmark Split Capital Fund- Balanced***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****Schedule - G : Portfolio Holding Statement as at March 31, 2008 - Equity Shares**

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS			
LISTED			
AUTO			
HERO HONDA MOTORS LTD	187	129,881	
MAHINDRA & MAHINDRA LTD	230	160,322	
MARUTI SUZUKI INDIA LTD	270	223,290	
TATA MOTORS LTD	360	224,182	
		737,675	2.77
BANKS			
HDFC BANK LTD	331	440,644	
ICICI BANK LTD	1,039	799,407	
PUNJAB NATIONAL BANK	295	150,524	
STATE BANK OF INDIA	590	944,148	
		2,334,723	8.77
CEMENT			
ACC LTD	175	144,576	
AMBUJA CEMENTS LTD	1,423	172,254	
GRASIM INDUSTRIES LTD	86	221,476	
		538,306	2.02
CONSTRUCTION			
DLF LIMITED	1,593	1,028,680	
UNITECH LTD	1,517	418,995	
		1,447,675	5.44
MEDIA & ENTERTAINMENT			
ZEE ENTERTAINMENT ENTERPRISES LTD	405	99,650	
		99,650	0.37
FERROUS METALS			
STEEL AUTHORITY OF INDIA LTD	3,860	715,258	
TATA STEEL LTD	683	474,241	
		1,189,499	4.47
FINANCE			
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	265	630,634	
		630,634	2.37
DIVERSIFIED			
HINDUSTAN UNILEVER LTD	2,035	465,608	
LARSEN & TOUBRO LTD	273	828,814	
		1,294,422	4.86
CONSUMER NON DURABLES			
ITC LTD	3,521	726,206	
		726,206	2.73

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
GAS			
GAIL (INDIA) LTD	790	336,106	
		336,106	1.26
INDUSTRIAL CAPITAL GOODS			
ABB LTD	198	233,630	
BHARAT HEAVY ELECTRICALS LTD	458	944,098	
SIEMENS LTD	315	194,166	
SUZLON ENERGY LTD	1,399	369,056	
		1,740,950	6.54
NON - FERROUS METALS			
STERLITE INDUSTRIES (INDIA) LTD	662	472,999	
HINDALCO INDUSTRIES LTD	1,147	189,370	
NATIONAL ALUMINIUM COMPANY LTD	602	271,984	
		934,353	3.51
OIL			
CAIRN INDIA LTD	1,663	372,678	
OIL & NATURAL GAS CORPORATION LTD	1,999	1,960,119	
		2,332,797	8.76
PETROLEUM PRODUCTS			
BHARAT PETROLEUM CORPORATION LTD	338	138,090	
RELIANCE INDUSTRIES LTD	1,359	3,079,222	
RELIANCE PETROLEUM LTD	4,206	656,977	
		3,874,289	14.55
PHARMACEUTICALS			
CIPLA LTD	726	159,720	
DR. REDDY'S LABORATORIES LTD	157	92,826	
RANBAXY LABORATORIES LTD	349	153,019	
SUN PHARMACEUTICAL INDUSTRIES LTD	191	234,806	
		640,371	2.41
POWER			
RELIANCE ENERGY LTD	221	276,438	
TATA POWER COMPANY LTD	206	241,329	
NTPC LTD	7,706	1,515,000	
POWER GRID CORPORATION OF INDIA LTD	3,934	386,712	
		2,419,479	9.09
SOFTWARE			
HCL TECHNOLOGIES LTD	622	157,522	
INFOSYS TECHNOLOGIES LTD	535	770,347	
SATYAM COMPUTER SERVICES LTD	626	248,115	
TATA CONSULTANCY SERVICES LTD	915	741,562	
WIPRO LTD	1,366	590,249	
		2,507,795	9.42
TELECOM - SERVICES			
BHARTI AIRTEL LTD	1,774	1,465,768	
IDEA CELLULAR LTD	2,463	252,827	
RELIANCE COMMUNICATION LTD	1,929	983,308	
TATA COMMUNICATIONS LTD	266	136,445	
		2,838,348	10.66
TOTAL		26,623,278	100.00

BENCHMARK MUTUAL FUND

Benchmark Split Capital Fund - Balanced

Schedule - H: Accounting Policies And Notes To Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd and has been 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 Split Capital Fund - Balanced is close ended for duration of 3 years. The New Fund Offer of Benchmark Split Capital Fund - Balanced (SCF - Balanced) - Class A opened for public subscription on June 22, 2005 and closed on July 19, 2005 and Class B opened on June 22, 2005 and closed on July 21, 2005. The Scheme collected Rs. 42,924,073/- in the New Fund Offer. The units of the Scheme were allotted on August 16, 2005 at Rs. 102.25.

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 distribution specified in the Offer Document. The Class A units would be provided a specific participation rate in the return of the S&P CNX Nifty Index and will have priority over Class B units for distribution. Class A and Class B units are listed on the Capital Market Segment of the National Stock Exchange of India Ltd (NSE). The NAV of each Class of unit is declared on every Wednesday.

The Scheme would provide 40% participation in the equity markets for Class A unit holders. Thus the holder of Class A would receive 40% of the returns of S&P CNX Nifty Index on the date of maturity. e.g. If S&P CNX Nifty Index is at 1500 on the date of allotment and has moved to 3000 (i.e. 100%) on the date of maturity, Class A unit holder would be entitled to 40% of returns (i.e. 40% of 100%). If S&P CNX Nifty Index has moved below 1500 on the date of maturity, Class A unit holder would receive from the assets available for distribution on the date of maturity subject to maximum of its face value. Such redemption value may go below face value, if on the date of maturity, the assets available on that date are not sufficient to redeem Class A units fully.

Class B unit holders are entitled to the balance of the assets of the Scheme after paying off Class A unit holders as specified above.

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 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.
- 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, if any, including those not 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/loss on sale of investments, weighted average method is 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, over the period of Investment.
- d. Unrealized appreciation and changes thereon are recognized as gain/loss in the Revenue Account and thereafter carried to the Balance Sheet as Unrealized Appreciation Reserve.

2.4 The initial issue expenses, recognized to the extent of amount allocated by the AMC, are reduced by the amount recovered from the investors (New Fund Offer Load) and the balance charged to the Scheme is amortized on a daily basis over the period of maturity of the Scheme. The unamortized balance is included for calculating NAV.

2.5 Entry / Exit Load

The Fund charged a load of 2.25% at the time of the New Fund Offer. There is no exit load on redemption of the units.

NOTES TO ACCOUNTS

- 1. Net Assets 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 (other than Non-Traded Securities) are marked to market and accordingly reflected in the Balance Sheet. The cost and market value of such investments are shown in Note no. 11.
- 5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
- 6. Purchase of investments yet to be settled: NIL
- 7. Sale of investments yet to be settled: NIL

8. Income and expenses

Daily Average Net Assets (Rs.)	Year Ended March 31, 2008		Year Ended March 31, 2007		Period Ended March 31, 2006	
	59,700,958		50,349,755		44,203,254	
	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of Average Net assets
Total income (including net profit on sale / redemption of investments, unrealised appreciation in value of investments) for the year	8,118,160	13.60%	4,433,931	8.81%	7,175,895	16.23%
Total expenditure (Annual recurring expenses) for the year	401,096	0.67%	400,000	0.79%	249,863	0.57%

9. Aggregate Value of Purchase and Sale of Investments during the period

	2007-2008 (in Rs.)	2006-2007 (in Rs.)	2005-2006 (in Rs.)
Daily Average Net Assets	59,700,958	50,349,755	44,203,254
Purchase Value	37,061,008	1,409,428	13,341,428
% to Daily Average Net Assets	62.08%	2.80%	30.18%
Sale Value	33,569,979	1,410,023	232,250
% to Daily Average Net Assets	56.23%	2.80%	0.53%

10. Net Assets Value (Per Unit - in Rs.)

	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006
Face Value	100	100	100
NAV : Class A Units	139.9139	124.5042	117.1349
Class B Units	163.3356	133.1361	113.6896

11. Cost and Market Value of Investments (Other than Non-Traded Securities)

	Amount (in Rs.)		
	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006
Purchase Cost	16,354,109	13,470,956	13,137,707
Market Value	26,623,278	21,368,746	19,029,430
Unrealised Appreciation in the Value of investments	10,269,169	7,897,790	5,891,723

12. Movement in Unit Capital

Particulars	2007 - 08		2006 - 07		2005 - 06	
	Units	Rs.	Units	Rs.	Units	Rs.
Units at the beginning of the year						
Class A	328,132	32,813,200	328,132	32,813,200	-	-
Class B	88,102	8,810,200	88,102	8,810,200	-	-
Total	416,234	41,623,400	416,234	41,623,400	-	-
Units Issued (NFO)						
Class A	-	-	-	-	328,132	32,813,200
Class B	-	-	-	-	88,102	8,810,200
Units Redeemed						
Class A	-	-	-	-	-	-
Class B	-	-	-	-	-	-
Units at the end of the year						
Class A	328,132	32,813,200	328,132	32,813,200	328,132	32,813,200
Class B	88,102	8,810,200	88,102	8,810,200	88,102	8,810,200
Total	416,234	41,623,400	416,234	41,623,400	416,234	41,623,400

13. Details of Large Holding (more than 25% of the Net Assets of the Scheme)

As on March 31, 2008 there is no investor in the Scheme holding more than 25% of the net assets of the Scheme.

14. 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.

15. Investment Management Fees

No Investment Management fee has been charged to the Scheme for the year ended March 31, 2008 and the year ended March 31, 2007.

16. Trustee Fees

In accordance with the terms of Offer Document, the Trustee fees is charged @ 0.01% of the daily average net assets of the Scheme. However, no Trustee fee has been charged to the Scheme for the year ended March 31, 2008 and the year ended March 31, 2007.

17. Custodial Fees and Expenses

Citibank N.A. provides custodial services to the Scheme for which it receives custody fees including safekeeping. In addition, Citibank N.A. is reimbursed for custody and transaction charges by depositories (i.e. NSDL / CDSL). However, no fee is allocated to the Scheme by the AMC for the year ended March 31, 2008 and for the year ended March 31, 2007.

18. Registrar and Transfer Agent Fees and Expenses

Karvy Computershare Private Limited provides Registrar and Transfer Agency Services to the Scheme. However no fee is allocated to the Scheme by the AMC for the year ended March 31, 2008 and for the year ended March 31, 2007.

19. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt Ltd. holds 61,458 Class A units in the Scheme as at March 31, 2008 (61,458 Class A units as at March 31, 2007). No Investments were made during the year.
20. The Scheme has made following investments in Group/Associate Companies:

Name of the Associate	Aggregate Investments during the year (at Cost - in Rs.)	Outstanding investment at Market Value (in Rs.) as on March 31, 2008
Bajaj Auto Ltd.	-	-

21. The Scheme has not made any investment in the issues lead managed by Associate Companies.
22. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.
23. **Disclosure under Regulation 25 (11)**

Benchmark Mutual Fund had invested in the following company, which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made, as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

24. Unclaimed Dividend/Redemption Amount

As on March 31, 2008 there are no unclaimed dividend / redemption amount in the Scheme.

25. Registered Securities

In accordance with Regulation 44(1) of the 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.

26. A complete list of investments of the Scheme is given in **Schedule G**.

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

28. The audited results for the year ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, the present and prospective unit holders/investors can inspect a full list of investments of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Benchmark Split Capital Fund- Balanced***Schedules forming part of Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****Schedule H - NOTES TO ACCOUNTS****(In Rupees)**

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	August 16, 2005 to March 31, 2006
a)	Net Asset Value, per unit at the end of the year			
	Class A Units	139.9139	124.5042	117.1349
	Class B Units	163.3356	133.1361	113.6896
b) i)	Income other than profit on sale of investments, per unit	13.07	9.85	17.17
ii)	Income (net) from profit / (loss) on inter scheme sales/transfer of investments, per unit	-	-	-
iii)	Income (net) from profit / (loss) on sale of investment to third parties, per unit	6.43	0.80	0.07
iv)	Transfer to Revenue account from past year's reserve, per unit	N.A.	N.A.	N A
c)	Aggregate of expenses, write off, amortisation & charges, per unit	0.96	0.96	0.60
d)	Net Income / (loss) per unit (b - c)	18.54	9.69	16.64
e)	Net Change in Unrealised Appreciation / (Depreciation) in the value of investments, per unit	5.70	4.82	14.15
f)	Net Assets Value (Daily)			
i)	Highest			
	Class A Units	165.8655	131.3014	117.4319
	Class B Units	163.3356	133.1361	113.6896
ii)	Lowest			
	Class A Units	123.0138	104.4392	100.0000
	Class B Units	133.0958	113.8217	97.3670
g)	Market Price (The National Stock Exchange of India)			
i)	Highest			
	Class A Units	150.00	129.5500	120.0000
	Class B Units (Not Traded during 2007-08)	-	-	105.0000
ii)	Lowest			
	Class A Units	105.00	82.2500	71.0000
	Class B Units (Not Traded during 2007-08)	-	-	101.0000

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 1, 2007 to March 31, 2008	April 1, 2006 to March 31, 2007	August 16, 2005 to March 31, 2006
h)	Price Earning Ratio **	7.81	13.04	7.01
i)	Ratio of expenses to the average net assets	0.67%	0.79%	0.57%
j)	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 daily net assets	13.60%	8.81%	16.23%

* 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 NAV as at March 31, 2008 and net income per unit.

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

As per our Report of even date
For DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Membership No. 33596

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

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, 2008 and the Revenue Account for the year ended on that date annexed thereto, of Gold Benchmark Exchange Traded Scheme (Gold 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 to 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 Gold BeES, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2008; and
 - b. In the case of Revenue Account of Gold BeES, the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the year ended March 31, 2008.

For N. M. RAIJI & CO.
Chartered Accountants

Place : Mumbai
Date : June 30, 2008

J. M. GANDHI
Partner
Membership No. 37924

BENCHMARK MUTUAL FUND*Gold Benchmark Exchange Traded Scheme (Gold BeES)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
LIABILITIES				
1	Unit Capital	A	128,109,029	101,502,561
2	Reserves and Surplus	B	1,104,353,916	858,625,166
3	Provision for Unrealised Appreciation in the value of Investments		320,839,295	2,441,808
	Unit Holders Funds		1,553,302,240	962,569,535
4	Current Liabilities & Provisions	C	2,626,946	654,448
	Total		1,555,929,186	963,223,983
ASSETS				
1	Investments	D	1,553,031,564	952,246,742
2	Other Current Assets	E	2,897,622	10,977,241
	Total		1,555,929,186	963,223,983

Accounting Policies and Notes to Accounts H

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

J. M. Gandhi
 Partner
 Membership No. 37924

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

Dr. S. A. Dave
 Chairman

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 : June 30, 2008

Vishal Jain
 Fund Manager

BENCHMARK MUTUAL FUND
Gold Benchmark Exchange Traded Scheme (Gold BeES)
Revenue Account for the year ended March 31, 2008

(In Rupees)

Sr. No.	Particulars	Schedule	March 31, 2008	March 31, 2007
1.	INCOME AND GAINS			
1.1	Interest		–	899,452
1.2	Profit on sale / redemption of investments (other than inter-scheme transfer/sale)		42,351,333	40,699
1.3	Net Change in unrealised appreciation/ (depreciation) on investments		318,397,487	2,441,808
	Total		360,748,820	3,381,959
2.	EXPENSES AND LOSSES			
2.1	Management & Operating Expenses	F	12,762,299	635,367
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		1,404,866	64,781
	Total		14,167,165	700,148
	Surplus / (Deficit) for the year		346,581,655	2,681,811
	Add: Write back of provision for unrealised appreciation on investments		2,441,808	–
	Less: Provision for unrealised appreciation on investments carried to Balance Sheet		320,839,295	2,441,808
	Add: Income Equalisation		361,021	4,786
			28,545,189	235,217
	Balance brought forward from Previous year		235,217	–
	Surplus available for distribution		28,780,406	235,217
	Appropriation			
	Income Distribution		–	–
	Balance Carried to the Balance Sheet		28,780,406	235,217

Accounting Policies and Notes to Accounts H

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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave **Dr. A. C. Shah**
Chairman Director

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

D. S. Mehta **S. R. Halbe**
Chairman Director

Place : Mumbai
Date : June 30, 2008

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND*Gold Benchmark Exchange Traded Scheme (Gold BeES)***Schedules forming part of the Balance Sheet as at March 31, 2008 and Revenue Account for the year ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008	March 31, 2007
A	UNIT CAPITAL	128,109,029	101,502,561
	Total	128,109,029	101,502,561
	No .of units of Face value of Rs.100/- each	1,281,090	1,015,025
B	RESERVES AND SURPLUS		
	Unit Premium Reserve		
	Opening Balance	858,389,949	–
	Add/(Less): on account of subscription/ redemption of units	217,183,561	858,389,949
	Total	1,075,573,510	858,389,949
	Surplus / (deficit) in Revenue Account		
	Balance transferred from Revenue Account	28,780,406	235,217
	Total	1,104,353,916	858,625,166
C	CURRENT LIABILITIES & PROVISIONS		
	Current Liabilities		
	Management Fees Payable	411,496	190,609
	Trusteeship Fees Payable	62,829	6,354
	Others	2,152,620	457,485
	Total	2,626,946	654,448
D	INVESTMENTS (Marked to Market) (Refer Schedule G for Portfolio Holding Statement)		
	Gold	1,553,031,564	952,246,742
	Total	1,553,031,564	952,246,742
E	OTHER CURRENT ASSETS		
	Balances with Scheduled Banks in Current Account	2,897,622	10,977,241
	Total	2,897,622	10,977,241
F	MANAGEMENT & OTHER OPERATING EXPENSES		
	Management Fees	3,828,689	190,609
	Trusteeship Fees	127,550	6,354
	Selling, Marketing and Distribution Expenses	770,837	227,124
	Audit Fees	152,592	56,180
	Custodial Fees	6,979,280	144,414
	Registrar Expenses	832,671	10,686
	Other Expenses	336	–
	Investor Communication Expenses	42,344	–
	Listing Expenses	28,000	–
	Total	12,762,299	635,367

BENCHMARK MUTUAL FUND*Gold Benchmark Exchange Traded Scheme (Gold BeES)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the year ended March 31, 2008****Schedule - G Portfolio Holding Statement as on March 31, 2008**

Name of the Security	Quantity (Kgs.)	Market Value (Amount in Rs.)	% to Total
GOLD (995 1 KG GOLD BAR)	1,268	1,553,031,564	100.00
TOTAL		1,553,031,564	100.00

BENCHMARK MUTUAL FUND

Gold Benchmark Exchange Traded Scheme (Gold BeES)

Schedule - H: Accounting Policies and Notes to Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd and has been 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.

Gold BeES is an open ended gold exchange traded fund tracking domestic prices of gold through investments in physical gold, listed on the capital market segment of National Stock Exchange of India Ltd.

The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the returns provided by domestic price of gold through physical gold.

Subscription and Redemption of units of Gold BeES are generally through the exchange of physical gold of predefined quantity and purity. 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 physical gold and/or securities are recognized 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. In case of physical gold, the same would include various levies like customs duty, stamp duty, Octroi, if applicable, and VAT (Value Added Tax). In case of securities, acquisition cost would include stamp duty, brokerage and any other charges customarily included in broker's note.

c. 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. The valuation of Gold portfolio is carried out as prescribed by SEBI, which is based on price of Gold quoted by London Bullion Market Association (LBMA). For the purpose of converting LBMA rate denoted in USD to INR, the exchange rate published by the Reserve Bank of India is considered. In addition, the value of gold includes customs duty, stamp duty, Octroi and VAT (Value Added Tax) as applicable. Unrealized 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 recognized 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 AMC in accordance with the guidelines for valuation of such securities specified by SEBI.
- Privately placed debt securities are valued at fair value in good faith by the AMC in accordance with the guidelines for valuation of such securities as specified by SEBI.

- Money market securities/Non traded/Thinly traded Non-Government Debt securities of up to 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 basis yield to maturity as prescribed by SEBI.
 - In accordance with SEBI Regulations, Government securities are valued at prices released by the Agency approved by AMFI. 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 / installment has fallen due.
- d. In determining the holding cost of investments and gain/loss on sale of investments, weighted average method has been followed.

2.3 Income Recognition

- a. Interest on fixed income investments are recognized 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 recognized on cash basis.
- d. Unrealized appreciation and changes thereon are recognized as gain/loss in the Revenue Account and thereafter carried to the Balance Sheet as Unrealized Appreciation Reserve.

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 Equalization

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

2.7 Entry / Exit Load

The Fund charged an entry load at the time of the New Fund Offer. There is no exit load on redemption of the units. The load charged may be utilized for meeting distribution, marketing, investor servicing related expenses and any other expenses as permitted by SEBI. 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 units on subscription and redemption and the same is utilized for payment of transaction charges to Depository Participant and Custodian on account of transfer of units and hence do not form part of Revenue Account.

NOTES TO ACCOUNTS

1. Net Assets 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 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. 11.
5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
6. Purchase of investments yet to be settled: Rs. Nil.
7. Sale of investments yet to be settled: Rs. Nil.

8. Income and Expenses

Daily Average Net Assets (Rs.)	Year Ended March 31, 2008		Period Ended March 31, 2007	
	1,275,502,862		966,281,530	
	Aggregate Value (Rs.)	Percentage of Average Net Assets	Aggregate Value (Rs.)	Percentage of 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)	359,343,954	28.17%	3,317,178	5.22%
Total expenditure (Annual recurring expenses)	12,762,299	1.00%	635,367	1.00%

* Annualised for the period ended March 31, 2007.

9. Aggregate Value of Purchase and Sale of Investments during the year

	2007-08 Rs. (In Lacs)	2006-07 Rs. (In Lacs)
Daily Average Net Assets	12,755	9,663
Purchases	5,903	9,839
% to Daily Average Net Assets	46.28%	101.82%
Sales	3,488	340
% to Daily Average Net Assets	27.35%	3.52%

10. Net Asset Value (Per unit - in Rs.)

	As on March 31, 2008	As on March 31, 2007
Face Value	100	100
Net Assets Value Per Unit	1,212.4846	948.3204

11. Cost and Market Value of Investments

	Amount (Rs. In Lacs)	
	2007-08	2006-07
Cost	12,322	9,498.05
Market Value	15,530	9,522.47
Unrealised Appreciation in the Value of investments	3,208.39	24.42

12. Movement in Unit Capital

	2007-08		2006-07	
	Units	Rs. (in Lacs)	Units	Rs. (in Lacs)
Initial Capital (on the date of allotment)	1,026,025.607	1,026.03	-	-
Units at the beginning of the year	1,015,025.607	1,015.03	-	-
Units Issued (during NFO)	-	-	1,026,025.607	1,026.03
Units Issued (ongoing subscription)	592,000.000	592.00	25,000.000	25.00
Units Redeemed	325,935.314	325.94	36,000.000	36.00
Units at the end of the year	1,281,090.293	1,281.09	1,015,025.607	1,015.03

13. Details of Large Holding (more than 25% of Net Assets of the scheme)

As on March 31, 2008 there is no investor in the Scheme who holds more than 25% of the net assets of the Scheme.

14. 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.

15. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets of the Scheme. The details of management fees levied on an annualized basis are as follows:

	Amount (In Rs.)	
	2007-08	2006-07
Daily Average Net Assets	1,275,502,862.07	966,281,529.69
Management Fees (in %)	0.30%	0.30% *
Management Fees	3,828,689.39	190,609.41

* Annualised for the period ended March 31,2007.

16. Trustee Fees

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

17. Custodial Fees and Expenses

The Bank of Nova Scotia and Citibank N.A. provide custodial services to the Scheme for which they receive custody fees including safekeeping. In addition, they are also reimbursed for transaction charges.

18. Registrar and Transfer Agent Fees and Expenses

Karvy Computershare Private 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.

19. There are no investments made by Benchmark Trustee Company Pvt. Ltd. and Benchmark Asset Management Company Pvt. Ltd. in the Scheme during the year ended March 31, 2008.

20. The Scheme has not made any investments in Group/Associate Companies.

21. The Scheme has not made any investment in the issues lead managed by Associate Companies.

22. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

23. Disclosure under Regulation 25 (11)

Benchmark Mutual Fund had invested in the following company which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank Ltd. in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

24. Unclaimed Dividend/Redemption Amount

As on March 31, 2008 there is no unclaimed dividend in the scheme. As on March 31, 2008, unclaimed redemption amounted to Rs. 110,394.95 represented by 196 un-encashed warrants.

25. Registered Securities

In accordance with Regulation 44(1) of the 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.

26. A complete list of investments of the Scheme is given in **Schedule G**.

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

28. The audited results for the year ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, the present and prospective unit holders/investors can inspect a full list of investments of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Gold Benchmark Exchange Traded Scheme (Gold BeES)***Schedules forming part of the Balance Sheet as at March 31, 2008
and Revenue Account for the year ended March 31, 2008****Schedule H - NOTES TO ACCOUNTS****(In Rupees)**

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 01, 2007 to March 31, 2008	March 08, 2007 to March 31, 2007
a)	Net Asset Value, per unit at the end of the year	1,212.4846	948.3204
b)	i) Income other than profit on sale of investments, per unit	-	0.89
	ii) Income (net) from profit / (loss) on inter scheme sales/transfer of investments, per unit	-	-
	iii) Income (net) from profit / (loss) on sale of investment to third parties, per unit	31.96	(0.02)
	iv) Transfer to Revenue account from past year's reserve, per unit	-	-
c)	Aggregate of expenses, write off, amortisation & charges, per unit	9.96	0.63
d)	Net Income / (loss) per unit (b - c)	22.00	0.24
e)	Net Change in unrealised appreciation / (depreciation) in the value of investments	248.50	2.41
f)	Repurchase Price during the period		
	i) Highest	1,349.7389	952.6907
	ii) Lowest	858.7337	931.8029
g)	Resale Price during the period		
	i) Highest	1,349.7389	952.6907
	ii) Lowest	858.7337	931.8029
h)	Market Price (National Stock Exchange)		
	i) Highest	1,380.00	1105.00
	ii) Lowest	797.00	940.00

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	April 01, 2007 to March 31, 2008	March 08, 2007 to March 31, 2007
i)	Price Earning Ratio **	54.17	358.44
j)	Ratio of expenses to the average net assets @	1.00%	1.00%
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 @	28.17%	5.22%

* 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. & surplus for the year which includes unrealised appreciation / depreciation and income equalisation per unit.

@ Annualised for the period ended March 31, 2007

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

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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

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, 2008 and the Revenue Account for the period ended on that date annexed thereto, of PSU Bank Benchmark Exchange Traded Scheme (PSU 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 to 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 PSU Bank BeES, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2008; and
 - b. In the case of Revenue Account of PSU Bank BeES, the Scheme of Benchmark Mutual Fund, of the deficit of the Scheme for the period ended March 31, 2008.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND*PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008
LIABILITIES			
1	Unit Capital	A	91,875,430
2	Reserves and Surplus	B	1,970,260,136
3	Provision for Unrealised Appreciation in the value of Investments		—
			2,062,135,566
UNIT HOLDERS FUNDS			
4	Current Liabilities & Provisions	C	9,179,433
Total			2,071,314,999
ASSETS			
1	Investments	D	2,051,653,767
2	Other Current Assets	E	19,661,232
Total			2,071,314,999

Accounting Policies and Notes to Accounts **H**

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. S. A. Dave
Chairman

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 : June 30, 2008

Payal Kaipunjai
Fund Manager

BENCHMARK MUTUAL FUND*PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES)***Revenue Account for the period ended March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008
1.	INCOME AND GAINS		
1.1	Dividend		2,210,588
1.2	Interest		—
1.3	Profit on sale / redemption of investments (other than inter-scheme transfer/sale)		404,853,116
	Total		407,063,704
2.	EXPENSES AND LOSSES		
2.1	Management & Operating Expenses	F	10,606,613
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		340,600,439
2.3	Depreciation on Investment		621,268,299
	Total		972,475,351
	Surplus / (Deficit) for the year		(565,411,647)
	Add: Write back of provision for unrealised appreciation on investments		—
	Less: Provision for unrealised appreciation on investments carried to Balance Sheet		—
	Add: Income Equalisation		14,587,241
			(550,824,406)
	Balance brought forward from Previous year		—
	Surplus available for distribution		(550,824,406)
	Appropriation		
	Income Distribution		—
	Balance Carried to the Balance Sheet		(550,824,406)

Accounting Policies and Notes to Accounts H

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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

Payal Kaipunjal
Fund Manager

BENCHMARK MUTUAL FUND*PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES)***Schedules forming part of the Balance Sheet as at March 31, 2008 and Revenue Account for the period ended March 31, 2008**

(In Rupees)

Schedule No.	Particulars	March 31, 2008
A	UNIT CAPITAL	91,875,430
	Total	91,875,430
	No .of units of Face value of Rs.10/- each	9,187,543
B	RESERVES AND SURPLUS	
	Unit Premium Reserve	
	Opening Balance	—
	Add/(Less): on account of subscription/redemption of units	2,521,084,542
		2,521,084,542
	Surplus / (deficit) in Revenue Account	
	Balance transferred from Revenue Account	(550,824,406)
	Total	1,970,260,136
C	CURRENT LIABILITIES & PROVISIONS	
	Current Liabilities	
	Management Fees Payable	1,404,889
	Trusteeship Fees Payable	67,473
	Others	7,707,071
	Total	9,179,433
D	INVESTMENTS (Marked to Market) (Refer Schedule G for Portfolio Holding Statement)	
	Equity Shares	2,051,653,767
	Total	2,051,653,767
E	OTHER CURRENT ASSETS	
	Balances with Scheduled Banks in Current Account	18,874,380
	Others	786,852
	Total	19,661,232
F	MANAGEMENT & OTHER OPERATING EXPENSES	
	Management Fees	7,420,098
	Trusteeship Fees	141,489
	Selling, Marketing and Distribution Expenses	1,607,709
	Audit Fees	68,089
	Custodial Fees	487,448
	Registrar Expenses	630,564
	Listing Fees	224,720
	Investor Communication Expenses	26,496
	Total	10,606,613

BENCHMARK MUTUAL FUND*PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES)***Schedules forming part of the Balance Sheet as at March 31, 2008 and
Revenue Account for the period ended March 31, 2008****Schedule G - Portfolio Holding Statement as on March 31, 2008**

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS			
LISTED			
ANDHRA BANK	643,268	47,344,525	2.31
BANK OF BARODA	460,532	130,491,742	6.36
BANK OF INDIA	439,046	111,188,400	5.42
CANARA BANK	301,206	67,801,471	3.30
CORPORATION BANK	168,177	47,425,914	2.31
IDBI LTD	938,761	83,643,605	4.08
INDIAN OVERSEAS BANK	578,088	78,099,689	3.81
ORIENTAL BANK OF COMMERCE	335425	59,470,853	2.90
PUNJAB NATIONAL BANK	364,124	185,794,271	9.06
STATE BANK OF INDIA	696,345	1,114,326,086	54.31
SYNDICATE BANK	524,568	39,316,371	1.92
UNION BANK OF INDIA	616,347	86,750,840	4.23
TOTAL		2,051,653,767	100.00%

BENCHMARK MUTUAL FUND

PSU Bank Benchmark Exchange Traded Scheme - PSU Bank BeES

Schedule H - Accounting Policies and Notes to Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd and has been 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.

The New Fund Offer of PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES) opened for public subscription on October 24, 2007 and was closed on the same day. The scheme collected Rs. 988,999,832/- in the New Fund Offer and 3,747,543 were allotted at an allotment price per unit of Rs 263.9062 on October 25, 2007. PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES) is an open-ended index scheme of Benchmark Mutual Fund tracking CNX PSU Bank Index in the form of Exchange Traded Fund (ETF) and the units of PSU Bank 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 the CNX PSU Bank Index.

Subscription and Redemption of units of PSU Bank BeES are generally through the exchange of underlying securities forming part of the CNX PSU Bank Index. The rounding off difference is settled in money value. The Fund also allows cash subscription/redemption of PSU Bank BeES in pre-defined size, whereby the Fund will arrange to buy/sell the underlying index securities on behalf of the investors.

2. SIGNIFICANT ACCOUNTING POLICIES

The method of accounting is on accrual basis.

Investments

- a. Purchase and sale of securities are recognized 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.
- 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. In absence of such a quoted price on the valuation date, the last available quoted price within a period of thirty days prior to the valuation date is used for valuation purpose.

Non traded securities, if any, including those not 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/loss on sale of investments, weighted average method has been followed.

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.

Income Equalization

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

Unit Premium Reserve

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

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 TO ACCOUNTS

1. Net Assets 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. 11.
5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
6. Purchase of investments yet to be settled: Rs. NIL
7. Sale of investments yet to be settled: Rs. NIL

8. Income and Expenses

Daily Average Net Assets (Rs.)	Period ended March 31, 2008 3,277,522,680	
	Aggregate Value (Rs.)	percentage of 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)	(554,805,034)	(16.93%)
Total expenditure (Annual recurring expenses)	10,606,613	0.74%

9. Aggregate Value of Purchase and Sale of Investments during the period

	2007 - 08 (Rs. In Lacs)
Daily Average Net Assets	32,775.23
Purchases	91,653.00
% to Daily Average Net Assets	279.64%
Sales	65,566.31
% to Daily Average Net Assets	200.05%

10. Net Asset Value (Per Unit - in Rs.)

	As on March 31, 2008
Face Value	10
Net Asset Value	224.4491

11. Cost and Market Value of Investments

	Amount (Rs. In Lacs)
	2007 - 08
Cost	26,729.22
Market Value	20,516.54
Unrealised Appreciation/(Depreciation) in the Value of Investments	(6,212.68)

12. Movement in Unit Capital

Particulars	2007 - 08	
	Units	(Rs in Lacs)
Initial Units (on the date of Allotment)	3,747,543	374.75
Units at the beginning of the year	–	–
Units Issued	26,990,000	2,699.00
Units Redeemed	21,550,000	2,155.00
Units at the end of the year	9,187,543	918.75

13. Details of Large Holding (more than 25% of the Net Assets of the Scheme)

As on March 31, 2008 there is 1 investor in the Scheme who holds 82.91% of the net assets of the Scheme.

14. 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.

15. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets of the Scheme. The details of management fees levied on an annualized basis are as follows:

	Amount (in Rs.)
	2007 - 08
Daily Average Net Assets	3,277,522,679.71
Management Fees (in %)	0.52% *
Management Fees	7,420,097.61

*Annualised

16. Trustee Fees

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

17. Custodial Fees and Expenses

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

18. Registrar and Transfer Agent Fees and Expenses

Karvy Computershare Private 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.

19. There are no investments made by Benchmark Trustee Company Pvt. Ltd. in the Scheme. Benchmark Asset Management Company Pvt. Ltd. has invested/redeemed units in the Scheme during the period ended March 31, 2008 and holds 2,370 units in the Scheme as at March 31, 2008.
20. The Scheme has not made any investments in any Group/Associate Companies.
21. The Scheme has not made any investment in the issues lead managed by Associate Companies.
22. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

23. Disclosure under Regulation 25 (11)

Benchmark Mutual Fund had invested in the following company, which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank Ltd. in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

24. Unclaimed Dividend/Redemption Amount

As on March 31, 2008 there was no unclaimed dividend or unclaimed redemption to be claimed by investors.

25. Registered Securities

In accordance with Regulation 44(1) of the 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.

26. A complete list of investments of the Scheme is given in **Schedule G**.

27. This being the first financial statement of the Scheme, the previous year figures have not been provided. The Revenue account is drawn for the period from October 25, 2007 to March 31, 2008.

28. The audited results for the period ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, the present and prospective unit holders/investors can inspect a full list of investments of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES)***Schedules forming part of the Balance Sheet as at March 31, 2008 and
Revenue Account for the period ended March 31, 2008****Schedule H - Notes To Accounts****(In Rupees)**

Sr. PERSPECTIVE HISTORICAL No. PER UNIT STATISTICS *	October 25, 2007 to March 31, 2008
a) Net Asset Value, per unit at the end of the year	224.45
b) i) Income other than profit on sale of investment, per unit	0.24
ii) Income (net) from profit / (loss) on inter scheme sales/transfer of investment, per unit	-
iii) Income (net) from profit / (loss) on sale of investment to third party, per unit	6.99
iv) Transfer to Revenue account from past year's reserve, per unit	-
c) Aggregate of Expenses, Write off, Amortisation & Charges, per unit	1.15
d) Net Income / (loss) per unit (b - c)	6.08
e) Net Change in unrealised appreciation / (depreciation) in the value of investments	67.62
f) Repurchase Price during the year	
i) Highest	341.75
ii) Lowest	217.54
g) Resale Price during the year	
i) Highest	341.75
ii) Lowest	217.54
h) Market Price (The National Stock Exchange of India)	
i) Highest	345.00
ii) Lowest	218.00
i) Price Earning Ratio **	(3.72)
j) Ratio of expenses to the average net assets @	0.01
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 @	0.02

- * 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. & deficit for the period which includes unrealised appreciation / depreciation and income equalisation per unit.

@ Annualised for the period

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

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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

Payal Kaipunjaj
Fund Manager

AUDITORS' REPORT

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

We have audited the attached Balance Sheet as at March 31, 2008 and the Revenue Account for the period ended on that date annexed thereto, of Benchmark Equity & Derivatives Opportunities Fund (BEDOF), 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 to 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 Equity & Derivatives Opportunities Fund, the Scheme of Benchmark Mutual Fund, of the state of affairs of the Scheme as at March 31, 2008; and
 - b. In the case of Revenue Account of Benchmark Equity & Derivatives Opportunities Fund, the Scheme of Benchmark Mutual Fund, of the surplus of the Scheme for the period ended March 31, 2008.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Date : June 30, 2008

BENCHMARK MUTUAL FUND*Benchmark Equity & Derivatives Opportunities Fund (BEDOF)***Balance Sheet as at March 31, 2008****(In Rupees)**

Sr. No.	Particulars	Schedule	March 31, 2008
LIABILITIES			
1	Unit Capital	A	1,306,095,214
2	Reserves & Surplus	B	54,918,610
Unit Holders Funds			1,361,013,824
3	Current Liabilities & Provisions	C	72,689,606
Total			1,433,703,430
ASSETS			
1	Investments	D	885,868,248
2	Deposits	E	395,969,918
3	Other Current Assets	F	151,865,264
Total			1,433,703,430

Accounting Policies and Notes to 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. S. A. Dave
Chairman

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 : June 30, 2008

Vishal Jain
Fund Manager

BENCHMARK MUTUAL FUND

Benchmark Equity & Derivatives Opportunities Fund (BEDOF)
Revenue Account for the period ended March 31, 2008

(In Rupees)

Sr. No.	Particulars	Schedule	March 31, 2008
1.	INCOME AND GAINS		
1.1	Dividend		774,350
1.2	Interest & Discount Income		19,110,082
1.3	Profit on sale/redemption of investments (other than inter-scheme transfer/sale)		151,580,322
1.4	Profit on Futures		126,716,756
1.5	Other Income		358
	Total		298,181,868
2	EXPENSES AND LOSSES		
2.1	Management & Operating expenses	G	7,879,030
2.2	Loss on sale/redemption of investments (other than inter-scheme transfer/sale)		151,449,394
2.3	Unrealised depreciation on Investments		84,910,644
	Total		244,239,068
	Surplus / (Deficit) for the year		53,942,800
	Add/(Less) : Writeback of provision for Unrealised Appreciation on Investments		–
	Add/(Less) : Unrealised Appreciation on Investments		–
	Add/(Less) : Income Equalisation Account		(2,056,991)
			51,885,809
	Balance brought forward from previous year		–
	Surplus available for distribution		51,885,809
	Appropriation		
	Income Distribution		–
	Balance carried to the Balance Sheet		51,885,809

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

J. M. Gandhi
 Partner
 Membership No. 37924

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

Dr. S. A. Dave
 Chairman

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 : June 30, 2008

Vishal Jain
 Fund Manager

BENCHMARK MUTUAL FUND*Benchmark Equity & Derivatives Opportunities Fund (BEDOF)***Schedules forming part of the Balance Sheet as at March 31, 2008 and Revenue Account for the period ended March 31, 2008****(In Rupees)**

Schedule No.	Particulars	March 31, 2008
A	UNIT CAPITAL	1,306,095,214
	Total	1,306,095,214
	No. of Units of face value of Rs.10/- each	130,609,521.370
B	RESERVES & SURPLUS	
	Unit Premium Reserve	
	Opening Balance	-
	Add/(Less): on account of subscription/redemption of units	3,032,801
		3,032,801
	Surplus/(Deficit) in Revenue Account	
	Balance transferred from Revenue account	51,885,809
		51,885,809
	Total	54,918,610
C	CURRENT LIABILITIES & PROVISIONS	
	Current Liabilities	
	Contracts for purchase of investments	63,945,837
	Management Fee payable	236,953
	Trusteeship Fee payable	48,912
	Custodian Fee Payable	195,062
	Rates & Taxes	-
	Registrar Fees Payable	51,977
	Audit Fees Payable	50,393
	Option Liability	385,750
	Other Liabilities	7,774,722
	Total	72,689,606
D	INVESTMENTS (Marked to Market)	
	(Refer Schedule - H for Portfolio Holding Statement as on March 31, 2008)	
	Equity Shares	885,868,248
	Total	885,868,248

(In Rupees)

Schedule No.	Particulars	March 31, 2008
E	DEPOSITS WITH SCHEDULED BANKS	
	- CBLO	64,969,918
	- Margin Deposit	325,000,000
	- CCIL Margin	6,000,000
	Total	395,969,918
F	OTHER CURRENT ASSETS	
	Balances with scheduled banks in current account	20,546,522
	Unit Subscription Receivable	81,300,000
	Contracts for sale of investments	8,415,492
	Dividend Receivable	94,050
	Outstanding and accrued income	4,853,654
	MTM Receivable	36,655,546
	Total	151,865,264
G	MANAGEMENT & OPERATING EXPENSES	
	Management Fees	1,076,279
	Trusteeship Fees	54,528
	Selling, Distribution and Publicity Expenses	4,911,505
	Audit Fees	60,919
	Custodial Fees	1,376,893
	Registrar Expenses	356,774
	Investor Communication and Statutory Advertisement	10,545
	Other Operating Expenses	31,587
	Total	7,879,030

BENCHMARK MUTUAL FUND*Benchmark Equity & Derivatives Opportunities Fund (BEDOF)***Schedules forming part of Balance Sheet as at March 31, 2008 and****Revenue Account for the period ended March 31, 2008****Schedule - H Portfolio Holding Statement as on March 31, 2008**

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
EQUITY & EQUITY RELATED INSTRUMENTS			
AUTO			
MAHINDRA & MAHINDRA LTD	18,408	12,831,296	
HERO HONDA MOTORS LTD	15,200	10,557,160	
MARUTI SUZUKI INDIA LTD	12,000	9,924,000	
TVS MOTOR COMPANY LTD	280,250	9,780,725	
ASHOK LEYLAND LTD	52,525	1,859,385	
		44,952,566	3.67
AUTO ANCILLARIES			
SRF LTD	69,000	6,948,300	
		6,948,300	0.57
BANKS			
ORIENTAL BANK OF COMMERCE	165,600	29,360,880	
BANK OF BARODA	49,000	13,884,150	
ICICI BANK LTD	17,850	13,733,790	
INDUSTRIAL DEVELOPMENT BANK OF INDIA LTD	109,200	9,729,720	
CANARA BANK	40,000	9,004,000	
INDUSIND BANK LTD	77,000	6,056,050	
INDIAN OVERSEAS BANK	41,300	5,579,630	
ANDHRA BANK	69,000	5,078,400	
SYNDICATE BANK	62,700	4,699,365	
BANK OF INDIA	16,150	4,089,988	
KOTAK MAHINDRA BANK LTD	3,575	2,237,593	
		103,453,565	8.44
CEMENT			
CENTURY TEXTILES & INDUSTRIES LTD	8,268	6,015,383	
INDIA CEMENTS LTD	20,300	3,792,040	
AMBUJA CEMENTS LTD	16,496	1,996,841	
		11,804,264	0.96
CONSTRUCTION			
HOUSING DEVELOPMENT & INFRASTRUCTURE LTD	19,200	12,619,200	
JAIPRAKASH ASSOCIATES LTD	53,250	12,063,788	
PUNJ LLOYD LTD	31,500	9,790,200	
HINDUSTAN CONSTRUCTION CO. LTD	67,200	8,897,280	
GMR INFRASTRUCTURE LTD	38,750	5,769,875	
IVR PRIME URBAN DEVELOPERS LTD	29,600	5,196,280	
PARSVNATH DEVELOPERS LTD	22,400	4,707,360	
IVRCL INFRASTRUCTURES & PROJECTS LTD	4,500	1,825,200	
		60,869,183	4.97
CONSUMER DURABLES			
VOLTAS LTD	31,500	5,658,975	
		5,658,975	0.46
CONSUMER NON DURABLES			
DABUR INDIA LTD	156,600	17,351,280	
ITC LTD	59,625	12,297,656	
BALRAMPUR CHINI MILLS LTD	98,400	7,955,640	
BAJAJ HINDUSTAN LTD	28,500	5,370,825	
TRIVENI ENGINEERING AND INDUSTRIES LTD	44,275	4,704,219	
GITANJALI GEMS LTD	5,500	1,215,225	
BATA INDIA LTD	7,350	1,044,803	
		49,939,648	4.07

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
DIVERSIFIED			
LARSEN & TOUBRO LTD	4,300	13,054,585	
HINDUSTAN UNILEVER LTD	43,000	9,838,400	
		22,892,985	1.87
FERROUS METALS			
MAHARASHTRA SEAMLESS LTD	71,400	21,823,410	
STEEL AUTHORITY OF INDIA LTD	79,650	14,759,145	
TATA STEEL LTD	10,314	7,161,526	
ISPAT INDUSTRIES LTD	128,650	4,007,448	
		47,751,528	3.90
FERTILISERS			
NAGARJUNA FERTILIZERS & CHEMICALS LTD	476,000	17,635,800	
OSWAL CHEMICALS & FERTILIZERS LTD	123,750	4,300,313	
CHAMBAL FERTILISERS & CHEMICALS LTD	27,600	1,377,240	
GUJARAT NARMADA VALLEY FERTILISERS CO LTD	8,850	1,194,308	
		24,507,660	2.00
FINANCE			
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	7,275	17,312,681	
POWER FINANCE CORPORATION LTD	79,200	12,842,280	
IFCI LTD	228,520	10,077,732	
		40,232,693	3.28
GAS			
GAIL (INDIA) LTD	23,250	9,891,713	
PETRONET LNG LTD	28,600	2,016,300	
		11,908,013	0.97
HOTELS			
HOTEL LEELA VENTURE LTD	356,250	14,303,438	
INDIAN HOTELS CO LTD	37,980	4,261,356	
		18,564,794	1.51
INDUSTRIAL CAPITAL GOODS			
SUZLON ENERGY LTD	42,000	11,079,600	
BHARAT HEAVY ELECTRICALS LTD	3,150	6,493,253	
BHARAT ELECTRONICS LTD	5,796	6,186,650	
BEML LTD	3,500	3,468,500	
		27,228,003	2.22
MEDIA & ENTERTAINMENT			
ADLABS FILMS LTD	43,200	26,505,360	
		26,505,360	2.16
MINERALS/MINING			
SESA GOA LTD	4,425	13,945,609	
		13,945,609	1.14
NON - FERROUS METALS			
STERLITE INDUSTRIES (INDIA) LTD	13,797	9,857,957	
HINDALCO INDUSTRIES LTD	43,065	7,110,032	
		16,967,988	1.38
OIL			
CAIRN INDIA LTD	70,000	15,687,000	
OIL & NATURAL GAS CORPORATION LTD	12,375	12,134,306	
		27,821,306	2.27
PETROLEUM PRODUCTS			
RELIANCE INDUSTRIES LTD	11,925	27,019,665	
HINDUSTAN PETROLEUM CORPORATION LTD	85,800	21,999,120	
BONGAIGAON REFINERY & PETROCHEM LTD	303,750	14,868,563	
RELIANCE PETROLEUM LTD	31,825	4,971,065	
		68,858,413	5.62

Scrip Name	Nos.	Market Value (Amount in Rs.)	% to Total
PHARMACEUTICALS			
CIPRA LTD	57,500	12,650,000	
DR REDDYS LABORATORIES LTD	21,200	12,534,500	
AUROBINDO PHARMA LTD	34,300	9,991,590	
DIVIS LABORATORIES LTD	7,440	9,440,244	
SUN PHARMACEUTICAL INDUSTRIES LTD	900	1,106,415	
		45,722,749	3.73
POWER			
LANCO INFRATECH LTD	39,100	15,192,305	
JAIPRAKASH HYDRO POWER LTD	225,000	12,150,000	
NTPC LTD	50,375	9,903,725	
NEYVELI LIGNITE CORPORATION LTD	38,350	4,596,248	
		41,842,278	3.41
RETAILING			
PANTALOON RETAIL (INDIA) LTD	17,000	7,257,300	
		7,257,300	0.59
SOFTWARE			
I-FLEX SOLUTIONS LTD	15,450	14,539,995	
POLARIS SOFTWARE LAB LTD	140,000	11,004,000	
INFOSYS TECHNOLOGIES LTD	7,200	10,367,280	
TECH MAHINDRA LTD	13,800	9,732,450	
TATA CONSULTANCY SERVICES LTD	10,750	8,712,338	
FINANCIAL TECHNOLOGIES INDIA LTD	2,700	4,317,705	
PATNI COMPUTER SYSTEMS LTD	11,050	2,456,415	
SASKEN COMMUNICATION TECHNOLOGIES LTD	3,300	336,930	
		61,467,113	5.01
TELECOM - EQUIPMENT & ACCESSORIES			
GTL LTD	71,250	17,926,500	
		17,926,500	1.46
TELECOM - SERVICES			
BHARTI AIRTEL LTD	14,250	11,774,063	
MAHANAGAR TELEPHONE NIGAM LTD	49,600	4,791,360	
TATA TELESERVICES (MAHARASHTRA) LTD	151,525	4,257,853	
IDEA CELLULAR LTD	8,100	831,465	
		21,654,740	1.77
TEXTILE PRODUCTS			
ARVIND MILLS LTD	318,200	11,996,140	
S KUMARS NATIONWIDE LTD	102,700	9,088,950	
ALOK INDUSTRIES LTD	113,900	6,526,470	
BOMBAY RAYON FASHIONS LTD	1,150	334,478	
		27,946,038	2.28
TRANSPORTATION			
DECCAN AVIATION LTD	130,050	15,866,100	
JET AIRWAYS (INDIA) LTD	27,600	15,374,580	
		31,240,680	2.55
MONEY MARKET INSTRUMENTS			
COLLATERALISED BORROWING AND LENDING OBLIGATION (CBLO)		64,969,918	
		64,969,918	5.30
OTHERS			
DEPOSITS PLACED WITH NATIONAL SECURITIES CLEARING CORPORATION LTD		275,000,000	
		275,000,000	22.43
TOTAL		1,225,838,166	100.00

BENCHMARK MUTUAL FUND*Benchmark Equity & Derivatives Opportunities Fund (BEDOF)***Schedules forming part of Balance Sheet as at March 31, 2008 and
Revenue Account for the period ended March 31, 2008****Details of Derivative Positions outstanding as on March 31, 2008**

Name of the Instrument (Stock Futures Contract for April 2008 expiring on April 24, 2008)	Nos.	Market Value (Rs.)	% to Net Assets
FUTURES			
Mahindra & Mahindra Ltd	(18,408)	12,821,172	0.94
Hero Honda Motors Ltd	(15,200)	10,569,320	0.78
Maruti Suzuki India Ltd	(12,000)	9,928,800	0.73
TVS Motor Company Ltd	(280,250)	9,836,775	0.72
Ashok Leyland Ltd	(52,525)	1,856,759	0.14
SRF Ltd	(69,000)	6,962,100	0.51
Oriental Bank of Commerce	(165,600)	29,658,960	2.18
Bank of Baroda	(49,000)	13,945,400	1.02
ICICI Bank Ltd	(17,850)	13,781,985	1.01
Industrial Development Bank Of India	(109,200)	9,713,340	0.71
Canara Bank	(40,000)	8,976,000	0.66
Indusind Bank Ltd	(77,000)	6,032,950	0.44
Indian Overseas Bank	(41,300)	5,587,890	0.41
Andhra Bank Ltd	(69,000)	5,116,350	0.38
Syndicate Bank Ltd	(62,700)	4,724,445	0.35
Bank of India	(16,150)	4,102,100	0.30
Kotak Mahindra Bank Ltd	(3,575)	2,246,888	0.17
Century Textiles & Industries Ltd	(8,268)	5,957,094	0.44
India Cements Ltd	(20,300)	3,782,905	0.28
Ambuja Cements Ltd	(16,496)	2,004,264	0.15
Housing Development & Infrastr Ltd	(19,200)	12,688,320	0.93
Jaiprakash Associates Ltd	(53,250)	12,055,800	0.89
Punj Lloyd Ltd	(31,500)	9,769,725	0.72
Hindustan Construction Co Ltd	(67,200)	8,856,960	0.65
GMR Infrastructure Ltd	(38,750)	5,735,000	0.42
IVR Prime Urban Developers Ltd	(29,600)	5,180,000	0.38
Parsvnath Developers Ltd	(22,400)	4,690,560	0.34
IVRCL Infrastructures & Projects Ltd	(4,500)	1,810,350	0.13
Voltas Ltd	(31,500)	5,602,275	0.41
Dabur India Ltd	(156,600)	17,202,510	1.26
ITC Ltd	(59,625)	12,315,544	0.90
Balrampur Chini Mills Ltd	(98,400)	7,926,120	0.58
Bajaj Hindustan Ltd	(28,500)	5,373,675	0.39
Triveni Engeering And Industries Ltd	(44,275)	4,708,646	0.35
Gitanjali Gems Ltd	(5,500)	1,227,875	0.09
Bata India Ltd	(7,350)	1,045,170	0.08
Larsen & Toubro Ltd	(4,300)	13,012,445	0.96
Hindustan UniLever Ltd	(43,000)	9,883,550	0.73
Maharashtra Seamless Ltd	(71,400)	21,759,150	1.60
Steel Authority of India Ltd	(79,650)	14,735,250	1.08
Tata Steel Ltd	(10,314)	7,125,427	0.52
Ispat Industries Ltd	(128,650)	4,033,178	0.30
Nagarjuna Fertilizers & Chemicals Ltd	(476,000)	17,659,600	1.30
Oswal Chemicals & Fertilizers Ltd	(123,750)	4,325,063	0.32
Chambal Fertilisers & Chemicals Ltd	(27,600)	1,375,860	0.10
Gujarat Narmada Valley Fertilisers Co Ltd	(8,850)	1,196,078	0.09
Housing Development Finance Cor Ltd	(7,275)	17,399,618	1.28
Power Finance Corporation Ltd	(79,200)	12,866,040	0.95

Name of the Instrument (Stock Futures Contract for April 2008 expiring on April 24, 2008)	Nos.	Market Value (Rs.)	% to Net Assets
IFCI Ltd	(228,520)	10,066,306	0.74
GAIL (India) Ltd	(23,250)	9,911,475	0.73
Petronet LNG Ltd	(28,600)	2,009,150	0.15
Hotel Leela Venture Ltd	(356,250)	14,339,063	1.05
Indian Hotels Co Ltd	(37,980)	4,259,457	0.31
Suzlon Energy Ltd	(42,000)	11,048,100	0.81
Bharat Heavy Electricals Ltd	(3,150)	6,484,905	0.48
Bharat Electronics Ltd	(5,796)	6,221,716	0.46
BEML Ltd	(3,500)	3,475,500	0.26
Adlabs Films Ltd	(43,200)	26,412,480	1.94
Sesa Goa Ltd	(4,425)	13,892,509	1.02
Sterlite Industries Ltd	(13,797)	9,888,310	0.73
Hindalco Industries Ltd	(43,065)	7,120,798	0.52
Cairn India Ltd	(70,000)	15,694,000	1.15
Oil & Natural Gas Corporation Ltd	(12,375)	12,194,325	0.90
Reliance Industries Ltd	(11,925)	27,062,595	1.99
Hindustan Petroleum Corporation Ltd	(85,800)	22,024,860	1.62
Bongaigaon Refinery & Petrochem Ltd	(303,750)	14,929,313	1.10
Reliance Petroleum Ltd	(31,825)	4,979,021	0.37
Cipla Ltd	(57,500)	12,684,500	0.93
Dr Reddys Laboratories Ltd	(21,200)	12,567,360	0.92
Aurobindo Pharma Ltd	(34,300)	10,034,465	0.74
Divis Laboratories Ltd	(7,440)	9,517,620	0.70
Sun Pharmaceutical Industries Ltd	(900)	1,111,185	0.08
Lanco Infratech Ltd	(39,100)	15,133,655	1.11
Jaiprakash Hydro Power Ltd	(225,000)	12,150,000	0.89
NTPC Ltd	(50,375)	9,938,988	0.73
Neyveli Lignite Corporation Ltd	(38,350)	4,584,743	0.34
Pantaloon Retail (India) Ltd	(17,000)	7,239,450	0.53
I-Flex Solutions Ltd	(15,450)	14,550,038	1.07
Polaris Software Lab	(140,000)	10,990,000	0.81
Infosys Technologies Ltd	(7,200)	10,323,360	0.76
Tech Mahindra Ltd	(13,800)	9,706,920	0.71
Tata Consultancy Services Ltd	(10,750)	8,721,475	0.64
Financial Technologies India	(2,700)	4,314,735	0.32
Patni Computers System Ltd	(11,050)	2,453,100	0.18
Sasken Communication Technologies	(3,300)	337,920	0.02
GTL Ltd	(71,250)	17,894,438	1.31
Bharti Airtel Ltd	(14,250)	11,784,750	0.87
Mahanagar Telephone Nigam Ltd	(49,600)	4,796,320	0.35
Tata Teleservices (Mah) Ltd	(151,525)	4,250,276	0.31
Idea Cellular Ltd	(8,100)	831,870	0.06
Arvind Mills Ltd	(318,200)	12,027,960	0.88
S Kumars Nationwide Ltd	(102,700)	9,124,895	0.67
Alok Industries Ltd	(113,900)	6,526,470	0.48
Bombay Rayon Fashions Ltd	(1,150)	337,180	0.02
Deccan Aviation Ltd	(130,050)	15,918,120	1.17
Jet Airways (India) Ltd	(27,600)	15,414,600	1.13
OPTIONS			
NIFTY OPTION CALL 5300 APRIL 2008	(1,000)	(21,100)	0.00
NIFTY OPTION CALL 5400 APRIL 2008	(3,500)	(54,425)	0.00
NIFTY OPTION PUT 4300 APRIL 2008	(1,000)	(57,350)	0.00
NIFTY OPTION PUT 4400 APRIL 2008	(3,500)	(252,875)	0.02
TOTAL		886,059,806	65.16

BENCHMARK MUTUAL FUND

Benchmark Equity & Derivatives Opportunities Fund (BEDOF)

Schedule - I : Accounting Policies and Notes to Accounts

1. BACKGROUND

Benchmark Mutual Fund ("the Fund") has been sponsored by Niche Financial Services Pvt. Ltd. and has been 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.

The New Fund Offer of Benchmark Equity and Derivatives Opportunities Fund (BEDOF) opened for public subscription on September 10, 2007 and closed on October 5, 2007. The scheme collected Rs. 1,285,971,119/- in the New Fund Offer and the units were allotted on October 31, 2007. Benchmark Equity & Derivatives Opportunities Fund (BEDOF) is an open-ended equity Scheme. The Scheme has Growth and Dividend Option.

The investment objective of the scheme is to provide absolute returns by taking advantage of opportunities in the underlying cash and derivative markets, and through deployment of surplus cash in fixed income securities. The Scheme is designed for investors seeking long term capital appreciation primarily through investment in diversified portfolio of strategies.

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.
- 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). In absence of a quoted price on the valuation date, the last available quoted price within a period of thirty days prior to the valuation date is used for valuation purpose.
- Debt securities, if any, listed on a recognised stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that date, debt securities are valued at fair value as determined in accordance with the valuation policy of the Fund.
- Non-traded and Thinly-traded debt securities, if any, are valued at fair value in good faith by

the AMC in accordance with the guidelines for valuation of such securities specified by SEBI.

- Privately placed debt securities are valued at fair value in good faith by the AMC in accordance with the guidelines for valuation of such securities specified by SEBI.
 - Money market securities/Non traded/Thinly traded Non-Government Debt securities of up to 182 days of maturity are valued on the basis of amortization (cost plus accrued interest basis) 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 prescribed by SEBI.
 - In accordance with SEBI Regulations, Government securities are valued at prices released by the Agency approved by AMFI.
- 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 or loss on sale of investments 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), if any, 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 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 Equalization

An appropriate portion of price of unit at the time of purchase and sale is transferred to or from 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 the 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 load charged is utilized towards meeting distribution and marketing expenses viz. commission to agents and publicity 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 TO 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.11.
5. The AMC has not dealt in any securities through brokers associated with the Sponsor.
6. Purchase of investments yet to be settled: Rs. 639.46 Lacs
The above purchases were made on NSE and were accordingly settled on T+2 basis.
7. Sale of investments yet to be settled: Rs.84.15 Lacs
The above sales were made on NSE and were accordingly settled on T+2 basis.

8. Entry/Exit Load

The fund has charged entry and exit load as follows:

During the NFO	% Load charged
Subscription less than 5 crores	1%
Subscription equal to or more than 5 crores	Nil
Ongoing	
- Entry Load *	
Subscription less than 5 crores	1%
Subscription equal to or more than 5 crores	Nil
- Exit Load	
Redemption before 1 year from date of allotment	1%
Redemption after 1 year from date of allotment	Nil

* Pursuant to the SEBI Circular dated December 31, 2007, the scheme does not charge entry Load on direct applications received from investors with effect from January 4, 2008.

Particulars	Amount (Rs.)
Entry Load collected during NFO	10,247,239
Add: Load collected during the period	5,834,441
Less: Utilised towards Selling, Marketing and Distribution expenses	16,081,680
Balance Load unutilized	Nil

9. Income and Expenses

(Rupees in Lacs)

Daily Average Net Assets (Rs.)	Period ended March 31, 2008 13,003.74	
	Aggregate Value (Rs.)	Percentage of 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)	618.22	9.78%
Total expenditure (Annual recurring expenses)	78.79	1.46%

* annualised

10. Aggregate Value of Purchases and Sales of Investments (including matured) during the period

	(Rs. In Lacs) 2007 - 08
Daily Average Net Assets	13,003.74
Purchases	35,085.32
% to Daily Average Net Assets	269.81%
Sales	22,910.07
% to Daily Average Net Assets	176.18%

11. Net Asset Value (Per unit)

(Rupees)

	As at March 31, 2008
Face Value:	
Growth Option	10.0000
Dividend Option	10.0000
Net Asset Value:	
Growth Option	10.4205
Dividend Option	10.4205

12. Cost and Market Value of Investments

	Amount (Rs. In Lacs) 2007 - 08
Cost (Equity)	9,507.49
Market Value (Equity)	8,858.68
Unrealised Appreciation / (Depreciation)	(648.81)

(Rs. In Lacs)

Open Position in	Amount
Futures	8,864.46
Options	3.86
Total	8,868.32

13. Margin Deposits

Margin Deposits consists of Rs. 500 Lacs as Cash deposit and Rs. 2,750 Lacs in form of Fixed Deposit

14. Movement in Unit Capital

Particulars	2007-08			
	Growth Option		Dividend Option	
	Units	Rs. (in Lacs)	Units	Rs. (in Lacs)
Initial Capital (on the date of Allotment)	24,093,143.48	2,409.31	103,479,244.54	10,347.92
Units Issued	3,764,058.52	376.41	28,923,756.47	2,892.38
Units Redeemed	5,413,391.58	541.34	24,237,290.06	2,423.73
Units at the end of the year	22,443,810.42	2,244.38	108,165,710.94	10,816.57

15. Details of Large Holding (more than 25% of the Net Asset Value of the Scheme)

As on March 31, 2008, there is no investor in the Scheme who holds more than 25% of the Scheme.

16. 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.

17. Investment Management Fees

Investment Management Fees is calculated on the daily average net assets (NAV) of the Scheme. The details of management fees levied on an annualized basis are as follows:

	Amount (in Rs.Lacs) 2007 - 08
Daily Average Net Assets	13,003.74
Management Fees (in percentage)	0.19 %
Management Fees	10.76

Management Fees have not been charged from January 22, 2008 to February 21, 2008

18. Trustee Fees

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

19. Custodial Fees and Expenses

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

20. 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.

21. During the period ended March 31, 2008, Benchmark Trustee Company Pvt. Ltd. and Benchmark Asset Management Company Pvt. Ltd. have not invested in the Scheme.

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

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

24. No brokerage, custodial fees or any other payment for services have been paid or is payable to any entity in which the AMC or its major shareholders have a substantial interest.

25. Disclosure under Regulation 25(11)

Benchmark Mutual Fund had invested in the following company which has invested more than 5% of the net assets of any scheme of Benchmark Mutual Fund.

Company which has invested	Scheme in which company has invested more than 5% of net assets	Scheme which has invested in the company	Aggregate investment during the year under regulation 25(11) at cost (Rs. In lacs)	Outstanding as on March 31, 2008 at Market value (Rs. In Lacs)
ICICI BANK LTD	Nifty BeES, Junior BeES	Nifty BeES	5,681.94	1,420.38
ICICI BANK LTD	Nifty BeES, Junior BeES	Bank BeES	188,209.71	38,600.39
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Split Capital Fund - Balanced	1.76	7.99
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Derivative Fund	9.64	9.43
ICICI BANK LTD	Nifty BeES, Junior BeES	Benchmark Equity & Derivatives Opportunities Fund	246.38	137.34

The investment in ICICI Bank Ltd. was made as it is a constituent of S&P CNX Nifty Index and CNX Bank Index. In case of Nifty BeES, Bank BeES and Benchmark Split Capital Fund - Balanced, the scheme had invested in ICICI Bank Ltd. in the same weightage as the company carries in the respective indices. In case of Benchmark Derivative Fund and Benchmark Equity & Derivatives Opportunities Fund, the investment in ICICI Bank Ltd. was made on account of arbitrage opportunities available in the market during the year.

26. Unclaimed Dividend/Redemption Amount

As on March 31, 2008 there was no unclaimed dividend or unclaimed redemption to be claimed by investors.

27. Registered Securities

In accordance with Regulation 44(1) of the 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.

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

29. As this is the first financial statements of Benchmark Equity & Derivatives Opportunities Fund since the date of its commencement, there are no comparative figures. The Revenue account is drawn for the period from October 31, 2007 to March 31, 2008.

30. The audited results for the period ended March 31, 2008 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 June 30, 2008 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 the AMC.
3. On written request, present and prospective unit holders/investors can inspect a full list of investment of the Scheme at the office of the AMC.

BENCHMARK MUTUAL FUND*Benchmark Equity & Derivatives Opportunities Fund (BEDOF)***Schedules Forming Part Of The Balance Sheet as at March 31, 2008
And Revenue Account For The Period Ended March 31, 2008****Schedule I - NOTES TO ACCOUNTS****(In Rupees)**

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	October 31, 2007 to March 31, 2008
a)	Net Asset Value, per unit at the end of the period	
	i) Growth Plan	10.4205
	ii) Dividend Plan	10.4205
b)	Gross Income per-unit broken into following components:	
	i) Income other than profit on sale of investments, per unit	0.15
	ii) Income from Profit on inter scheme sales/transfer of investments, per unit	-
	iii) Income from profit on sale of investment to third parties, per unit	0.97
	iv) Transfer to Revenue account from past year's reserve, per unit	-
c)	Aggregate of expenses, write off, amortisation & charges	0.06
d)	Net income/(loss) (b-c)	1.06
e)	Net Change in Unrealised Appreciation/(Depreciation) in value of investments	0.65
f)	Repurchase Price during the period	
	i) Highest	
	Growth Plan	10.2791
	Dividend Plan	10.2791
	ii) Lowest	
	Growth Plan	9.9427
	Dividend Plan	9.9427
g)	Resale Price during the period	
	i) Highest	
	Growth Plan	10.5247
	Dividend Plan	10.5247
	ii) Lowest	
	Growth Plan	10.1157
	Dividend Plan	10.1157

(In Rupees)

Sr. No.	PERSPECTIVE HISTORICAL PER UNIT STATISTICS *	October 31, 2007 to March 31, 2008
h)	Market Price (National Stock Exchange)	
i)	Highest	
	Growth Plan	N.A
	Dividend Plan	N.A
ii)	Lowest	
	Growth Plan	N.A
	Dividend Plan	N.A
i)	Price Earning Ratio	N.A
j)	Ratio of expenses to the average net assets @	1.44%
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 @	11.34%

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

@ Annualised for the period

Signatures to Schedule 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

J. M. Gandhi
Partner
Membership No. 37924

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

Dr. S. A. Dave
Chairman

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 : June 30, 2008

Vishal Jain
Fund Manager

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 Schemes will be achieved. • As with any investment in securities, the Net Asset Value (NAV) of the units issued under the Schemes can go up or down depending on the factors and forces affecting the bullion market, capital market and money market. • Past performance of the Sponsor / Investment Manager / Mutual Fund and its affiliates does not indicate the future performance of the Schemes of the Mutual Fund and may not necessarily provide a basis of comparison with other investment. (i) Nifty Benchmark Exchange Traded Scheme (Nifty BeES), (ii) Nifty Junior Benchmark Exchange Traded Scheme (Junior BeES), (iii) Liquid Benchmark Exchange Traded Scheme (Liquid BeES), (iv) Banking Index Benchmark Exchange Traded Scheme (Bank BeES), (v) Benchmark Derivative Fund (BDF), (vi) Benchmark Split Capital Fund - Balanced (SCF - Balanced), (vii) Gold Benchmark Exchange Traded Scheme (Gold BeES), (viii) PSU Bank Benchmark Exchange Traded Scheme (PSU Bank BeES) and (ix) Benchmark Equity & Derivatives Opportunities Fund (BEDOF) are the names of the Schemes and does not in any manner indicate either the quality of the Schemes or its future prospects and the returns. Investors are therefore urged to study the terms of Offer Document carefully and consult their Investment Advisor before they invest in the Scheme. • Investors in the Schemes are not being offered any guaranteed or assured returns. • The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Fund beyond the initial contribution made by them of an amount of Rupees One Lac towards setting up of the Mutual Fund. • The Schemes' NAV will react to the stock/bullion market movements. The Investor could lose money over short periods due to fluctuation in the Schemes' NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in stock prices/ bullion market, 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 Schemes.
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.
3. On written request, the present and prospective unitholders/investors can inspect a full list of investment of the Schemes at the office of Benchmark Asset Management Company Pvt. Ltd.

BENCHMARK
M U T U A L F U N D

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