BOBAMC

BOB ASSET MANAGEMENT COMPANY LIMITED

10TH ANNUAL REPORT (2001-2002)

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BOB ASSET MANAGEMENT COMPANY LIMITED

TENTH ANNUAL REPORT (2001-2002)

Board of Directors

Shri R.R. Kumar	Chairman
Shri Bhagirat B. Merchant	
Shri S.D. Abhyankar	
Shri V. Venkatraman	
Shri Manubhai K. Parekh	Managing Director

Company Secretary

Ashutosh P. Vaidya

Auditors

M/s. Jain Tripathi & Co.
Chartered Accountants
204/B Ruby Apartment
Sir M.V.Marg
Andheri (E)
Mumbai 400 069

Bankers

Bank of Baroda

Registered Office

2nd Floor, Maneckji Wadia Building
Nanik Motwane Marg, Opp. University of Mumbai
Fort, Mumbai 400 023.

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BOB ASSET MANAGEMENT COMPANY LIMITED

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Tenth Annual General Meeting of BOB Asset Management Company Limited, will be held at the registered office of the Company at Maneckji Wadia Building, 2nd Floor, Nanik Motwane Marg, Opposite University of Mumbai, Fort, Mumbai 400 023, on Monday, September 16, 2002 at 3.30 p.m. to transact the following business :

ORDINARY BUSINESS

1) To receive, consider and adopt the Directors' Report and the Audited Profit & Loss Account for the year ended 31-03-2002 and the Balance Sheet as at that date and the Auditors' Report thereon alongwith comments received from Comptroller and Auditor General of India.

2) To consider, and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**

   RESOLVED THAT pursuant to section 255 of the Companies Act, 1956 and Article 165 of the Articles of Association of the Company, Shri R.R. Kumar be and is hereby appointed as a Director of the Company liable to retire by rotation.

3) To authorise the Board of Directors to appoint Auditors on the directions of Comptroller & Auditor General of India for the financial year 2002-2003 and to fix their remuneration.

SPECIAL BUSINESS

4) To consider, and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**

   RESOLVED THAT pursuant to section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Article 173 of the Articles of Association of the Company, approval of the company be and is hereby accorded for the appointment of Shri Manubhai K, Parekh as Managing Director of the Company w.e.f. 17-05-2002 for a period of 3 years upon such terms of appointment and remuneration as are contained in the letters of advice issued by Bank of Baroda, subject to a condition that such terms of appointment and remuneration shall not exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof.

By order of the Board of Directors

Ashutosh P. Vaidya
Company Secretary

Place : Mumbai
Date : 22-08-2002

Registered Office

2nd floor,Maneckji Wadia Building,
Nanik Motwane Marg, Opp. University of Mumbai
Fort, Mumbai - 400 023.

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BOB ASSET MANAGEMENT COMPANY LIMITED

NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY (WHETHER A MEMBER OR NOT) TO ATTEND AND VOTE INSTEAD OF HIMSELF; BUT SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.

PROXY FORMS IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Shri B. Krishna Kumar, Managing Director of the company has been replaced by Shri Manubhai K. Parekh (Dy. General Manager, South Gujarat Zone) pursuant to Article 173 of Articles of Association of the Company and the letters of advice received from Bank of Baroda. Consequently the Board of Directors at its meeting held on 14-05-2002, passed a resolution appointing Shri Manubhai K. Parekh as Managing Director of the company by executing a power of attorney in his favour w.e.f. 17-05-2002. Shri Manubhai K. Parekh will hold the office of Managing Director for a period of 3 years w.e.f. 17-05-2002.

Bank of Baroda Officers' Service Regulations will govern the terms of remuneration of Shri Manubhai K. Parekh as applicable to the Executives on deputation. The letters of advice from Bank of Baroda are available for inspection by the members of the company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the company.

The Board commends the resolution for shareholders' approval. Shri Manubhai K. Parekh is concerned or interested in his appointment as Managing Director and the remuneration payable to him. No other director is interested in the resolution.

By order of the Board of Directors

Ashutosh P. Vaidya
Company Secretary

Place : Mumbai
Date : 22-08-2002

Registered Office

2nd floor, Maneckji Wadia Building,
Nanik Motwane Marg, Opp. University of Mumbai
Fort, Mumbai - 400 023.

DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts for the year ended 31st March, 2002 :

FINANCIAL RESULTS

As at	(Rs. In Lac) 31.03.2002	(Rs. In Lac) 31.03.2001
Total Income	225.34	260.78
Profit before Depreciation	108.57	174.15
Less : Depreciation	4.45	7.61
Profit before Tax	104.12	166.54
Less : provision for Taxation	6.13	33.00
Profit after Tax	97.99	133.54
Less : Prior period adjustments	0.03	--
Add : Prior period adjustments	2.22	0.52
Add : Balance in Profit & Loss Account brought forward	521.16	387.10
RESERVES & SURPLUS	**621.35**	**521.16**
APPROPRIATION		
Proposed Dividend	--	--
General Reserve	--	--
Balance carried forward	621.35	521.16
Total	621.35	521.16

The total income of the Company has decreased to Rs.225.34 Lac in 2001-2002 from Rs.260.78 Lac in 2000-01 mainly due to fall in interest rates and reduction in management fees. There has been fall in profit on redemption/ sale of investments. Income from dividend has increased.

DIVIDEND

Although the Company has made profits during the tenth year in succession, your Directors do not recommend any dividend for the year 2001-2002 with a view to consolidate the resources of the company and strengthen its net worth in keeping with the challenges of the Mutual Fund industry.

MANAGEMENT DISCUSSION AND ANALYSIS

1) Economic Scenario

The liberalization measures initiated in early 90s have spurred the growth of the economy. In continuing with the reforms the government is targeting disinvestments in PSUs. However economic growth during the year fell below the estimated level due to stagnant industrial growth, (particular in the manufacturing sector). Besides unforeseen events globally and domestically had a decelerating effect on economic growth.

2) Mutual Funds Industry

Overall it was a good year for the industry notwithstanding lackluster capital markets. The debt schemes had given high returns surpassing the expectations of the investors. The Assets under Management as on 31-03-2002 were to the tune of Rs.100594 Crore.

3) State of Company affairs

The Company is a wholly owned subsidiary of Bank of Baroda and is an Investment Manager for BOB Mutual Fund. At the commencement of the financial year, BOB Mutual Fund had the following schemes :

		Initial Corpus
BOB ELSS 95	:	Rs.37.84 Crore
BOB Growth 95	:	Rs.20.81 Crore
BOB ELSS 96	:	Rs.3.45 Crore
BOB ELSS 97	:	Rs. 1.60 Crore.

During the year, BOB Mutual Fund launched three new open-ended schemes, viz., BOB Liquid Fund, BOB Income Fund and BOB Gilt Fund. The initial collection figures are as under :

BOB Liquid Fund	:	Rs.44.54 Crore
BOB Income Fund	:	Rs.8.15 Crore
BOB Gilt Fund	:	Rs.6.59 Crore

Repurchases in respect of BOB ELSS'95, BOB GROWTH'95 and BOB ELSS'97 has commenced w.e.f. 01-04-1998, 03-01-1999 & 01-4-2000 respectively and their corpus as on 31-03-2002 is Rs.21.04 Crore, Rs. 15.73 Crore & Rs.1.06 Crore respectively.

BOB ELSS 96 was converted into open-ended scheme w.e.f. 23.3.2000. The corpus as on 31.3.2002 is Rs.1.98 Crore.

BOB Liquid Fund, BOB Gilt Fund and BOB Income Fund were launched simultaneously in February 2002. The schemes opened for ongoing sales and repurchases as under :

BOB Liquid Fund	:	w.e.f. 22.2.2002
BOB Income Fund	:	w.e.f. 25.3.2002
BOB Gilt Fund	:	w.e.f. 25.3.2002

BOB Liquid Fund, BOB Income Fund and BOB Gilt Fund are open for on going sales and repurchases. Their Corpus as on 31-3-2002 is Rs.42.76 Crore, Rs.8.18 Crore and Rs.7.59 Crore respectively.

4) Share Capital

The present paid up capital of the company is Rs.10 Crore. To strengthen the networth of the Company and to augment long term resources, the Board of Directors of the Company had decided in its meeting held on 18.3.1998 to issue further shares in the capital of the Company to the existing share holders in the ratio of one equity share of Rs.10 each for every such share held. As authorised by the shareholders in the Annual General Meeting held on 22-09-1998, the authorised share capital of the company was increased to Rs.20 Crore from Rs.10 Crore.

5) Future Outlook

We propose to launch BOB Balance Fund, BOB Growth Fund in the coming financial year. Depending on market conditions, we also propose to launch more schemes.

CORPORATE GOVERNANCE

1) Board of Directors

BOB AMC Ltd. currently has five Directors (including Managing Director). Majority of the Directors (i.e., three) are Non-Executive Independent Directors, including the Chairman.

2) Board Meetings

During the financial year 2001-2002, thirteen (13) board meetings were held.

3) Board Committees

a) Audit Committee

Pursuant to the Companies (Amendment) Act 2000, your Directors have constituted an Audit Committee of the Board with following members who are Non-Executive Independent Directors :

1. Shri Bhagirat B. Merchant, Chairman.
2. Shri R. R. Kumar
3. Shri S.D. Abhyankar

ANNUAL GENERAL MEETINGS

The details of Annual General Meetings held during the last three years are given below :

AGM	Date	Venue
7th AGM	20-9-1999	Board Room, Bank of Baroda, Central Office, Mumbai
8th AGM	19-9-2000	Board Room, Bank of Baroda, Central Office, Mumbai
9th AGM	13-9-2001	BOB AMC Ltd., Maneckji Wadia Blg., Nanik Motwane Road, Mumbai

CUSTODIANS

M/s IIT Corporate Services Ltd., who were the custodians of the Company and of BOB Mutual Fund decided to discontinue the custodial business. In view thereof Deutsche Bank AG have been appointed as custodians of the Company and of BOB Mutual Fund. M/s IIT Corporate Services Ltd. continue to be the Registrars and Share Transfer Agents of BOB Mutual Fund for BOB ELSS 95, BOB Growth 95, BOB ELSS 96 and BOB ELSS 97. Ms. Karvy Consultants Ltd. have been appointed as Registrars for BOB Gilt Fund, BOB Income Fund and BOB Liquid Fund.

DIRECTORS

Shri M.J. Agni's tenure as Managing Director expired on 18-08-2001. The Board of Directors at its meeting held on 13-8-2001 granted him extension upto 30-9-2001. Shri B. Krishna Kumar was appointed by the Board of Directors as a Director not liable to retire by rotation at its meeting held on 13-8-2001. The Board further ap pointed him as Managing Director of the Company for a period of 3 years w.e.f 1.st October 2001.The above actions were ratified by the Company in its Annual General Meeting held on 13-9-2001.

Shri B. Krishna Kumar, Managing Director of the company has been replaced by Shri Manubhai K. Parekh (Dy. General Manager, South Gujarat Zone) pursuant to Article 173 of Articles of Association of the Company and the letters of advice received from Bank of Baroda. Consequently the Board of Directors at its meeting held on 14-05-2002, passed a resolution appointing Shri Manubhai K. Parekh as Managing Director of the company by executing a power of attorney in his favour w.e.f. 17-05-2002. Shri Manubhai K. Parekh will hold the office of Managing Director for a period of 3 years w.e.f. 17-05-2002.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

There are no particulars under above head, as it does not apply to our business activities.

PARTICULARS OF EMPLOYEES

The Company has not paid remuneration above Rs.1,00,000/- p.m. to any employee during the year and hence no such information is appended to this report under the provisions of Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SEC. 217(2AA)

1) The annual accounts of the Company have been prepared in accordance with applicable accounting standards.
2) The accounting policies have been consistently followed so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for that period.
3) Proper and sufficient care has been taken by your Directors for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for the preventing and detecting fraud and other irregularities.
4) The annual accounts of the Company have been prepared on a going concern basis.

AUDITORS

Since not less than 51% of the paid - up capital is held by Bank of Baroda, the Auditors of the Company for the financial year 2002-2003 will be appointed by the Comptroller & Auditor General of India, New Delhi in terms of clause (I) of Section 619B of the Companies Act, 1956.

APPRECIATION

The Directors place on record their appreciation and thanks for the assistance and guidance rendered by Securities and Exchange Board of India, Reserve Bank of India, Bank of Baroda and Trustees of BOB Mutual Fund.

The Directors also thank the investors for having reposed their confidence in BOB Mutual fund.

The Directors wish to take this opportunity to thank :

- M/s IIT Corporate Services Ltd. and M/s Karvy Consultants Ltd., the Registrar and Share Transfer Agents of BOB Mutual Fund for the services rendered by them.
- M/s Karvy Consultants Ltd. and Bank of Baroda for providing collection centres for BOB ELSS'96, BOB Liquid Fund, BOB Gilt Fund and BOB Income Fund.
- Deutsche Bank AG, custodians of BOB Mutual Fund and of the Company for the services rendered by them.

The Directors also appreciate the dedication and sense of commitment shown by the employees at all levels and acknowledge their contribution towards the progress and performance of the Company.

On behalf of the Board of Directors.

R.R. Kumar
Chairman

Mumbai
14-05-2002

बॉब ऐसेट मैनेजमेंट कं. लि.
BOB ASSET MANAGEMENT COMPANY LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **M/s BOB ASSET MANAGEMENT COMPANY LIMITED**, as at **31st March 2002** and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, as applicable to the company.

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

(i) We have obtained all the information and explanations, which to the best of our knowl edge and belief were necessary for the purposes of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(v) On the basis of written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting prin ciples generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002

And

(b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

For JAIN TRIPATHI & Co.
Chartered Accountants

D. P. TRIPATHI
Partner

Place : MUMBAI
Date : 13 May, 2002

ANNEXURE TO AUDITORS' REPORT

(Referred to in our report of even date)

1. The Company is maintaining proper records showing particulars including quantitative details and situation of Fixed Assets. As explained to us, the same has been verified by the management during the year. No material discrepancies have been noticed on such physical verification as compared to the book records.

2. The fixed assets have not been revalued during the year.

3. The Company has not taken or granted any loans, secured or unsecured from/to compa nies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956and/or to any Companies covered under Section 370 (1-B) of the Companies Act, 1956.

4. No loans or advances in the nature of loans have been given by the Company.

5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business.

6. The Company has not accepted any deposits from the public.

7. The Company does not have any formal internal audit system.

8. According to the information and explanation given to us, the company has been regularly depositing the Provident Fund and ESI dues with the appropriate authorities.

9. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income –tax, Wealth-tax, Sales tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 2002, for the period of more than six months from the date they become payable.

10. According to the information and explanations given to us and records examined by us, no personal expenses of employees or directors have been charged to revenue account.

11. The Company has not granted any loans and advances on the basis of security, by way of pledge of shares, debentures and other securities.

12. We are informed by the management that the provisions of any special statue applicable to Chit Fund, Nidhi or Mutual benefit society are not applicable to the Company.

13. According to the information and explanations given to us, proper records have been main tained of the transaction relating to shares, securities, debentures and other investments and the company in its own name has held these.

14. As per the information and explanations given to us and taking into consideration the nature of business of the Company, sub clauses (iii), (iv), (v) and (vi) relating to stock in trade; sub-clause (xi) relating to the transaction of purchase and sale of goods, materials and services made in pursuance of contracts entered in the register maintained under section 301 of the Companies Act, 1956,sub-clause (xii) regarding damaged stores etc; sub-clause (xiv) relating to by-products; sub-clause (xvi) relating to maintenance of Cost records and cub-clause(xx) relating to sick industrial company; of Clause A of paragraph 4 of the Manufacturing And Other companies (Auditors' Report) Order, 1988 are not applicable.

For Jain Tripathi & Co.
Chartered Accountants

(D. P. Tripathi)
Partner

Place : MUMBAI
Date : 13 May, 2002

बॉब ऐसेट मैनेजमेंट कं. लि.
BOB ASSET MANAGEMENT COMPANY LIMITED

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT 1956, ON THE ACCOUNTS OF BOB ASSET MANAGEMENT COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH, 2002.

BALANCE SHEET
Investment (At Cost) Schedule-D : Rs. 1173.69 lakh,
Un-quoted-Units : Rs. 160 lakh,

The above represents the value of 1080180.334 Units of US-64 valued at Rs. 14.81 per unit against which BAV as at close of accounts for year was Rs. 6.31 per unit. As per scheme formulated by UTI, the repurchase price of US-64 was fixed at Rs. 10 per unit, as on 31st May 2003 or at NAV pervailing on that day, whichever was higher. As per RBI's clarification (9 January 2002) on investment in US-64 scheme, the premium over the face value of US-64 was to be amortised up to 31st May, 2003. Thus, provision for Rs. 25.98 lakh (being the half of the amount of Rs. 51.96 lakh towards decrease in the face value in US-64 as at close of accounts), should have been made in the accounts.

Non provision for amortisation of premium of Rs. 25.98 lakh over the face value of US-64 during the year resulted in overstatement of investment as well as profit for the year to the extent of Rs. 25.98 lakh.

(Balvinder Singh)
Principal Director of Commercial Audit
& Ex-Officie Member, Audit Board-I, Mumbai.

Mumbai
Date : 12 August, 2002.

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BOB ASSET MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 31st MARCH, 2002

	SCHEDULE	CURRENT YEAR (2001 - 2002)		PREVIOUS YEAR (2000 - 2001)	
		Rs.	Rs.	Rs.	Rs.
SOURCE OF FUNDS					
1) **Shareholders' Funds**					
a) Share Capital	A		100,000,000		100,000,000
b) Reserves & Surplus	B		62,134,750		52,116,268
			162,134,750		152,116,268
APPLICATION OF FUNDS					
1) **Fixed Assets**	C				
Gross Block		4,089,110		4,008,892	
Less : Depreciation		2,910,979		2,688,222	
Net Block			1,178,131		1,320,670
2) **Investments**	D		117,369,070		132,378,935
3) **Current Assets, Loans & Advances**	E	56,806,134		29,309,470	
Less : Current Liabilities and Provisions	F	21,189,371		12,131,022	
NET CURRENT ASSETS			35,616,763		17,178,448
4) Miscellaneous Expenditure (to the extent not written off or adjusted)	G		7,970,786		1,238,215
			162,134,750		152,116,268

NOTES ON ACCOUNTS N

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date
For JAIN TRIPATHI & CO.
CHARTERED ACCOUNTANTS

(O. P. Tripathi)
Partner

Mumbai :
Date : 13 May, 2002

For and on behalf of Board of Directors

Shri R. R. Kumar (Chairman)

Shri Bhagirat B. Merchant

Shri Sharadchandra D. Abhyankar

Shri V. Venkatraman

Shri B. Krishna Kumar (Managing Director)

Ms. Usha Rangarajan (Company Secretary)

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BOB ASSET MANAGEMENT COMPANY LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2002

	SCHEDULE	CURRENT YEAR (2001 - 2002)		PREVIOUS YEAR (2000 - 2001)	
		Rs.	Rs.	Rs.	Rs.
Interest on Debentures / Bonds T.D.S. Rs.18,44,259/- (Previous Year Rs.13,06,401/-)			10,883,132		7,502,725
Interest on Deposits T.D.S. Rs.2,58,491/- (Previous Year Rs.7,30,302/-)			1,266,829		3,258,007
Dividend on Preference Shares/ units			4,869,130		4,594,487
Management Fees from BOB Mutual Fund T.D.S. Rs.2,11,048/- (Previous Year Rs.2,79,014/-)	H		4,138,203		5,040,239
Profit on sale / redemption of Investments	I		1,337,935		5,517,898
Other Income	J		38,632		164,351
			22,533,861		26,077,707
EXPENDITURE					
Staff Expenses	K	2,368,691		2,431,248	
Rent, Rates & Taxes	L	3,646,985		3,582,217	
Legal & Professional Expenses		21,000		9,175	
Remuneration to Statutory Auditor		7,875		5,250	
Remuneration to Tax Auditor		10,500		10,500	
Advertisement & Publicity Expenses		559,052		409,109	
Other Operating Expenses	M	2,891,933		2,059,226	
Depreciation		444,772		761,721	
Loss on sale / redemption of Investments		105,668		--	
Deferred Revenue Exps w/off		2,012,516		123,250	
Preliminary Exps w/off		52,493		52,493	
			12,121,485		9,424,189
Profit Before Taxation (PBT)			10,412,376		16,653,518
Less : Provision for Taxation			613,200		3,300,000
			9,799,176		13,353,518
Less : Prior period adjustments			2,709		-
			9,796,467		13,353,518
Add : Prior period adjustments			222,015		52,576
			10,018,482		13,406,094
Add : Balance of Profit from last year			52,116,268		38,710,174
Balance Carried to Balance Sheet			62,134,750		52,116,268

NOTES ON ACCOUNTS N

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date
For JAIN TRIPATHI & CO.
CHARTERED ACCOUNTANTS

(D. P. Tripathi)
Partner

Mumbai :
Date : 13 May, 2002

For and on behalf of Board of Directors

Shri R. R. Kumar (Chairman)

Shri Bhagirat B. Merchant

Shri Sharadchandra D. Abhyankar

Shri V. Venkatraman

Shri B. Krishna Kumar (Managing Director)

Ms. Usha Rangarajan (Company Secretary)

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BOB ASSET MANAGEMENT COMPANY LIMITED

THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2002

	CURRENT YEAR (2001 - 2002)	PREVIOUS YEAR (2000 - 2001)
	Rs.	Rs.
SCHEDULE 'A'		
SHARE CAPITAL :		
Authorised :		
200,00,000 Equity shares of Rs.10/- each (200,00,000 Equity shares of Rs.10/- each)	**200,000,000**	200,000,000
Issued, Subscribed & Paid Up :		
100,00,000 Equity shares of Rs.10/- each fully paid up. (100,00,000 Equity Shares of Rs.10/- each fully paid up)	**100,000,000**	100,000,000
The entire Share Capital is held by Bank of Baroda & its nominees.		
SCHEDULE 'B'		
RESERVES & SURPLUS :		
Surplus as per Profit & Loss Account	62,134,750	52,116,268
	62,134,750	52,116,268

FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31st, 2002

SCHEDULE 'C' :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1-04-2001	ADDITION DURING THE PERIOD	DEDUCATIONS DURING THE PERIOD	AS AT 31-03-2002	UPTO 31-03-2001	FOR THE YEAR	ON DEDUCTION PRIOR PERIOD ADJUSTMENT	UPTO 31-03-2002	AS AT 31-03-2002	AS AT 31-03-2001
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Motor Car	262,235	--	--	262,235	232,765	8,695	4,114	237,346	24,889	29,470
Computers	2,257,063	41,218	--	2,298,281	1,716,984	298,307	183,738	1,831,553	466,728	540,079
Furniture & Fixtures	847,453	2,500	--	849,953	439,784	77,448	19,769	497,463	352,490	407,669
Office Equipment	642,141	36,500	--	678,641	298,689	60,322	14,394	344,617	334,024	343,452
TOTAL	4,008,892	80,218	--	4,089,110	2,688,222	444,772	222,015	2,910,979	1,178,131	1,320,670
PREVIOUS YEAR	3,628,087	380,805	--	4,008,892	1,926,501	761,721	--	2,688,222	1,320,670	1,701,586

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BOB ASSET MANAGEMENT COMPANY LIMITED

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE 'D'		
<u>INVESTMENTS (At Cost)</u> : <u>QUOTED</u> <u>Non - Traded :</u>		
<u>Bonds</u>		
200 (Previous year - 200 bonds) 14.3% Bank of Baroda Bonds - Series II (option - III) of Rs.100000/- each	20,000,000	20,000,000
10000 (Previous year - 10000 bonds) 10.50% Konkan Railways Corpn Ltd.Bonds of Rs.1000/- each (Tax - free)	10,331,000	10,331,000
400 (Previous year - 400 bonds) 13.75% IDBI OMNI Bonds - of Rs.25000/- each	10,466,700	10,466,700
1500 (Previous year - 1500 bonds) 14.00% ICICI Bonds - 2003 of Rs.5000/- each	7,950,872	7,950,872
100 (Previous year- 100 bonds) 14.35% Maharashtra Krishna Valley Development Corporation Bonds of Rs.100000/- each 10,580,990	10,580,990	
<u>Units</u>		
1000000 (Previous year - 1000000 units) Units of UTI MIP'2000 (second) 10,000,000 (Net Asset Value as on 27.03.2002 is Rs.7.91 per unit)	10,000,000	
<u>UN - QUOTED</u>		
<u>Preference Shares</u>		
1,00,000 (Previous year - 1,00,000 Pref. Shares) - 15% Non-Convertible Cumulative Redeemable Preference Shares of Atco Industries Ltd of Rs. 100/- each. 10,000,000	10,000,000	
<u>Bonds</u>		
125 (Previous year - 125 bonds) 16.25% State Bank Of Travancore Bonds of Rs.100000/- each	14,004,838	14004837
75 (Previous year- 75 bonds) 14.50% Godavari Marathwada Irrigation Devlopment Corporation Bonds of Rs.100000/- each	8,034,670	8,034,670
<u>Debentures</u>		
NIL (Previous year - 200 NCD's) Non Convertible Portion of Tripple Option - Convertible Debentures of Reliance Petroleum Ltd. of Rs.40/- each	NIL	9,866
<u>UNITS</u>		
NIL (Previous year - 401071.663 Units) Units of UTI Bond Fund (Growth)	NIL	5,000,000
1080180.334 (Previous year - 1080180.334 units) Units of UTI - US' 64. (Net Asset Value as on 28.03.2002 is Rs.6.31 per unit)	16,000,000	16,000,000
NIL (Previous year-980614.793) Units of Prudential ICICI Income Plan (Div. option)	---	10,000,000
	117,369,070	132,378,935

(Aggregate amount of the Company's quoted and non-traded Investments is Rs. 6,93,29,562/-)

(Aggregate amount of the Company's unquoted Investments is Rs. 3,20,39,508/-)

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BOB ASSET MANAGEMENT COMPANY LIMITED

	CURRENT YEAR (2001 - 2002)		PREVIOUS YEAR (2000 - 2001)	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'E'				
CURRENT ASSETS, LOANS & ADVANCES, DEPOSITS :				
a) **Current Assets**				
Interest accrued on Investments	4,587,164		5,692,079	
Interest Recoverable on Investments	--		109,217	
Receivables (Management Fees) (Unsecured, considered good unless other wise stated)				
Over six months	--		--	
Others	1,445,908		1,118,130	
Sales Receivables	16,232,267		--	
Cash & Balance with Banks				
Cash in hand	7,572		15,810	
In Current Account with Scheduled Banks	2,616,874		197,993	
In Fixed Deposit with Scheduled Banks	16,500,000	10,000,000		
		41,389,785		17,133,229
b) **Loans & Advances** (Unsecured considered good, unless otherwise stated)				
Advances recoverable in cash or in kind for value to be received				
Advance to staff		--		--
Advance others (i)		15,416,349		12,176,241
		56,806,134		29,309,470

Note (i) Includes Advance Tax and T.D.S. amounting to Rs.1,47,16,695/- (Previous Year Rs.1,17,52,897/-)

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BOB ASSET MANAGEMENT COMPANY LIMITED

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE 'F'		
CURRENT LIABILITIES & PROVISIONS :		
a) Current Liabilities		
Liability for Expenses	8,558,393	275,896
Other liabilities	573,778	411,126
	9,132,171	687,022
b) Provisions		
For Taxation	12,057,200	11,444,000
	21,189,371	12,131,022
SCHEDULE 'G'		
MISCELLANEOUS EXPENDITURE : (to the extent not written off)		
Preliminary Expenses	209,972	262,465
Deferred Revenue Expenditure	7,760,814	975,750
	7,970,786	1,238,215

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE 'H'		
Management Fees:		
From BOB ELSS'95	1,687,643	2,439,063
From BOB Growth'95	1,589,609	2,089,160
From BOB ELSS'96	233,335	359,780
From BOB ELSS'97	116,077	152,236
From BOB LIQUID FUND	481,774	--
From BOB INCOME FUND	15,722	--
From BOB GILT FUND	14,043	--
	4,138,203	5,040,239
SCHEDULE 'I'		
Profit on sale / redemption of Investments:		
Profit on redemption of Escorts Ltd.	--	206,475
Profit on redemption of Hindustan Dev. Corp.	--	367,723
Profit on Sale of UTI BOND FUND UnitA	1,337,935	--
Profit on redemption of Emco Transformers Ltd.	--	4,943,700
	1,337,935	5,517,898
SCHEDULE 'J'		
Other Income:		
Incentive on Investment	--	136,000
Miscellaneous Income	38,632	28,351
	38,632	164,351
SCHEDULE 'K'		
Staff Expenses :		
Salaries, Wages and Allowances	2,228,280	2,317,856
ESIC Company contribution	14,401	17,361
Gratuity	14,000	--
Staff Welfare Expenses	112,010	96,031
	2,368,691	2,431,248
SCHEDULE 'L'		
Rent, Rates & Taxes:		
Rent for Office Premises	3,453,210	3,453,210
Profession Tax	2,500	2,500
Shop and establishment exp.	2,400	2,930
Municipal tax and water charges	188,875	103,577
	3,646,985	3,562,217

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BOB ASSET MANAGEMENT COMPANY LIMITED

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE 'M'		
Other Operating Expenses:		
Printing & Stationery { includes Rs. 37,054/- (Previous Year - Rs.162,833/-) pertaining to BOB GILT FUND, BOB ELSS '96 and BOB ELSS '97 schemes }	236,674	348,149
Electricity Charges	377,726	221,902
Telephone Expenses	198,835	135,440
Motor Car Expenses	59,195	77,940
Conveyance & Travelling Expenses	126,854	127,224
Membership & Registration Fees	359,182	279,907
Director Sitting Fees	80,000	56,000
Newspaper & Periodical Expenses	15,458	13,808
Computer Software Expenses	173,500	4,250
Postage { includes Rs.2,96,842/- pertaining to BOB ELSS'95 & ELSS'96 schemes}	318,801	33,789
Repairs & Maintenance	350,256	327,818
Miscellaneous Expenses	25,598	24,863
Brokerage { pertains to BOB GILT FUND }	4,981	--
Registrar Charges { pertains to BOB INCOME & BOB GILT FUND }	13,134	--
Training & Seminar Fees	8,250	4,900
Bank Charges { Includes Rs.75,922/- pertaining to BOB INCOME & GILT FUND }	77,672	1,300
Custodian charges	45,638	45,638
Insurance Premium	31,805	34,580
Collection & Processing Charges for BOB ELSS'96	220,000	291,718
Listing Fees for BOB ELSS'97	14,200	30,000
Listing Fees for BOB ELSS'95	62,250	--
Trail Fees { pertains to BOB INCOME FUND & BOB GILT FUND }	16,924	--
Filing Fees { pertains to BOB Liquid Fund ; BOB Income Fund & BOB Gilt Fund }	75,000	--
	2,891,933	2,059,226

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BOB ASSET MANAGEMENT COMPANY LIMITED

SCHEDULE 'N'

NOTES FORMING PART OF THE ACCOUNTS:

1. **SIGNIFICANT ACCOUNTING POLICIES:**

A. **BASIS OF ACCOUNTING :**
The company adopts the accrual concept in the preparation of accounts except reimbursements to staff members, which are accounted on cash basis.

B. **FIXED ASSETS :**
Fixed Assets are valued at cost less depreciation.

C. **DEPRECIATION :**
Depreciation on fixed assets is provided on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Depreciation on additions made during the year is provided on pro-rata basis from the date of such additions.

D. **INVESTMENTS :**
Investments are stated at cost.

E. **DEFERRED REVENUE EXPENDITURE :**
During the current financial year the company has incurred Rs.87,97,581/- towards initial issue expenses for launch of BOB Liquid Fund , BOB Income Fund & BOB Gilt Fund. The same has been treated as Deferred Revenue Expenditure to be written off over a period of five years commencing from the current financial year.

2. **REMUNERATION TO MANAGING DIRECTOR**

	2001-02 (Rs.)	2000-01 (Rs.)
SALARY		
Basic, D.A. & Other allowances	4,16,355	3,42,946
	4,16,355	3,42,946

3. **REMUNERATION TO DIRECTORS** NIL NIL

4. The Company has treated the difference between the redemption value and purchase price of TOCD's of Rs.4,234/- (previous year Rs.2,117/-) of Reliance Petroleum Ltd. as interest on Debentures.

5. Previous year figures are regrouped wherever necessary to conform to current year's presentation.

6. In the opinion of the Management, the Current Assets, Loans and Advances, are approximately of the value stated, if realised in the ordinary course of the business. Provision for all expenses including depreciation is reasonable and is not in excess. No personal expenses have been charged to Profit & Loss Account.

7. No provision has been made for retirement gratuity and other benefits for employees on deputation from Bank of Baroda.

8. The AMC has incurred an expenditure of Rs. 87,97,581/- towards initial issue expenses for launch of BOB Liquid Fund, BOB Gilt Fund & BOB Income Fund. The said expenditure has been treated as Deferred Revenue Expenditure and is to be written off over a period of five years commencing from the current year.

As per our report attached
For and on behalf of

M/s JAIN TRIPATHI & CO.
Chartered Accountants

(D. P. Tripathi)
Partner

Place : Mumbai
Date : 13 May, 2002

For and on behalf of
Board of Directors

Shri R.R. Kumar (Chairman)

Shri Bhagirat B. Merchant

Shri Sharadchandra D. Abhyankar

Shri V. Venkatraman

Shri B. Krishna Kumar (Managing Director)

Ms. Usha Rangarajan (Company Secretary)

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BOB ASSET MANAGEMENT COMPANY LIMITED

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I	**REGISTRATION DETAILS**		
	Registration No.	:	6 9 4 1 4
	State Code	:	1 1
	Balance Sheet date	:	31.03.2002
II	**CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands)**		
	Public Issue	:	N I L
	Rights Issue	:	N I L
	Bonus Issue	:	N I L
	Private Placement	:	N I L
III	**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.Thousand)**		
	Total Liabilities	:	1,62,135
	Total Assets	:	1,62,135
	SOURCES OF FUNDS		
	Paid up Capital	:	1,00,000
	Reserves & Surplus	:	62,135
	Secured Loans	:	N I L
	Unsecured Loans	:	N I L
	APPLICATION OF FUNDS		
	Net Fixed Assets	:	1,178
	Investments	:	1,17,369
	Net Current Assets	:	34,803
	Miscellaneous Expenditure	:	7,971
	Accumulated Losses	:	N I L
IV	**PERFORMANCE OF COMPANY (Amount in Rs. Thousand)**		
	Turnover	:	22,534
	Total Expenditure	:	12,121
	Profit & Loss Before Tax	:	10,412
	Profit & Loss After Tax	:	9,799
	Earning Per Share in Rs.	:	1.00
	Dividend	:	N I L
V	**GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (As per Monetary Terms)**		
	Item Code No. (ITC Code)	:	N I L
	Product Description	:	N I L
	Item Code No. (ITC Code)	:	N.A.
	Product Description	:	N.A.
	Item Code No. (ITC Code)	:	N.A.
	Product Description	:	N.A.

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