BOBAMC

BOB ASSET MANAGEMENT COMPANY LIMITED

11TH ANNUAL REPORT (2002-2003)

BOB ASSET MANAGEMENT COMPANY LIMITED

ELEVENTH ANNUAL REPORT (2002-2003)

Board of Directors

Shri R.R. Kumar	Chairman
Shri Bhagirat B. Merchant	
Shri S.D. Abhyankar	
Shri J.K. Chandar	
Shri N.L. Khurana	Managing Director

Company Secretary

Ashutosh P. Vaidya

Auditors

M/s. Jain Tripathi & Co.

Bankers

Bank of Baroda

Registered Office

105, Maker Chamber III,
10th floor, Nariman Point,
Mumbai 400 021

BOB ASSET MANAGEMENT COMPANY LIMITED

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of BOB Asset Management Company Limited, will be held at the Registered Office of the Company at 105, Maker Chamber III, 10th floor, Nariman Point, Mumbai 400 021, on Saturday, September 20, 2003 at 3.00 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 31-03-2003 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 J.K. Chandar be and is hereby appointed as a Director of the Company liable to retire by rotation.

3) To authorize the Board of Directors to appoint Auditors on the directions of Comptroller & Auditor General of India for the financial year 2003-2004 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, 310 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 N.L. Khurana as Managing Director of the Company with effect from 13-05-2003 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 from time to time.

By order of the Board of Directors

Ashutosh P. Vaidya
Company Secretary

Place : Mumbai
Date : 11-09-2003

Registered Office

105, Maker Chamber III,
10th floor, Nariman Point,

Notes:

a) **A member entitled to attend and vote is entitled to appoint a proxy (a proxy need not be a member of the Company) to attend and vote instead of himself; but shall not have any right to speak at the meeting.**

b) **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

Bank of Baroda, the promoter of BOB Asset Management Co. Ltd. (BOBAMC) in exercise of its rights conferred by Clauses 139, 142 and 173 of the Articles of Association of the Company have nominated Shri N.L. Khurana as Managing Director in place of Shri Manubhai.K. Parekh, vide its letter no. BCC/G.M/C.A/95/191 dated 08-05-2003. Shri Manubhai K. Parekh has been transferred to Bihar, Orissa & Jharkhand Zone as Zonal Manager. The Board of Directors of the company at its 121st meeting held on 13-05-2003, passed a resolution appointing Shri N.L. Khurana as Managing Director of the company for a period of three (3) years by executing a power of attorney in his favour with effect from 13-05-2003.

Bank of Baroda Officers' Service Regulations will govern the terms of remuneration of Shri N.L. Khurana 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 N.L. Khurana 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 : 11-09-2003

Registered Office

105, Maker Chamber III,
10th floor, Nariman Point,
Mumbai 400 021

BOB ASSET MANAGEMENT COMPANY LTD.

PROXY FORM

I/We ____

of ____________________________ in the district of ____________

being a member/ members of the above named Company hereby appoint

____________________________________ of ____________

____________ failing him ________________ of ____________

____________ in the district of ____________________________ as

my/our proxy to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on the ____ day of ______ 2003 and at any adjournment thereof.

Signed this ____________________ day of

____________________ 2003

Signature

Revenue
Stamp

Note: The proxy form should be deposited at the Registered Office of the Company at Mumbai not less than (48) forty-eight hours before the meeting.

DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts for the year ended 31st March, 2003:

FINANCIAL RESULTS

	(Rs. in Lac)	(Rs. in Lac)
As at	31-03-2003	31-03-2002
Total Income	210.25	225.34
Profit before Depreciation	74.68	108.57
Less : Depreciation	6.48	4.45
Profit before Tax	68.20	104.12
Less : provision for Taxation	27.45	6.13
Profit after Tax	40.75	97.99
Less : Prior period adjustments	15.00	0.03
Add : Prior period adjustments	---	2.22
Add : Balance in Profit & Loss Account brought forward	621.35	521.16
RESERVES & SURPLUS	**647.10**	**621.35**
APPROPRIATION		
Proposed Dividend	-	-
General Reserve	-	-
Balance carried forward	647.10	621.35
Total	**647.10**	**621.35**

The total income of the Company has decreased to Rs. 210.25 Lac in 2002-2003 from Rs. 225.34 Lac in 2001-2002 mainly due to fall in dividend income and marginal increase in the operating expenses of the company.

DIVIDEND

Although the Company has made profits during the eleventh year in succession, your Directors do not recommend any dividend for the year 2002-2003 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, on account of unforeseen events globally and domestically overall economic growth during the year fell below the estimated level.

2) Mutual Funds Industry

Overall it was a mixed year for the industry where, with the equity markets showing downward trend and the debt markets performing well. The total assets under management as on 31-03-2003 were Rs. 79,464 Crore. It was the year of mergers, acquisitions and consolidation in the mutual fund industry.

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:

Name of the Scheme		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
BOB Liquid Fund	:	Rs.44.54 Crore
BOB Income Fund	:	Rs.8.15 Crore
BOB Gilt Fund	:	Rs.6.59 Crore

During the year BOB Mutual Fund launched BOB Short Term Plan (STP) under BOB Income Fund and could garner an initial corpus of Rs.74.46 Crore. BOB Growth'95 scheme was redeemed on 03-01-2003 with the Net Asset Value of the scheme as on the date of redemption being Rs. 8.62 per unit. The total net assets as on 31-03-2003 of all the schemes is as follows:

Scheme		Net Assets (Rs. in Crore)
BOB ELSS 95	:	13.52
BOB ELSS 96	:	1.70
BOB ELSS 97	:	0.85
BOB Liquid Fund	:	81.84
BOB Income Fund	:	8.20
BOB STP	:	59.93
BOB Gilt Fund	:	12.13

4) Share Capital

The paid up capital of the company at the beginning of the year was Rs.10 Crore. To strengthen the networth of the Company and to augment long term resources, the Board of Directors of the Company at its meeting held on 10-03-2003 issued further shares in the capital of the Company to the existing shareholders on "Rights Basis" for cash at par in the ratio of one equity share of Rs.10 each for every such share held. With the infusion of additional capital by Bank of Baroda to the extent of Rs. 10 Crore, the paid up capital of the company was increased to Rs. 20 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 2002-2003, ten (10) 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
8th AGM	19-09-2000	Board Room, Bank of Baroda, Central Office, Mumbai
9th AGM	13-09-2001	BOB AMC Ltd., Maneckji Wadia Blg., Nanik Motwane Road, Mumbai
10th AGM	16-09-2002	BOB AMC Ltd., Maneckji Wadia Blg., Nanik Motwane Road, Mumbai

DIRECTORS

Shri Manubhai K. Parekh, Managing Director on deputation from Bank of Baroda was transferred. The bank nominated Shri N.L. Khurana as the new Managing Director on the board of the company subject to necessary statutory approvals. The Board of Directors at its meeting held on 13-05-2003 appointed Shri N.L. Khurana as director not liable to retire by rotation. The Board further appointed him as Managing Director of the Company for a period of 3 years w.e.f. 13-05-2003. The above approval is subject to approval of members at the 11th Annual General Meeting of the company.

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 the limit as prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 and hence no such information is appended to this report.

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 safeguarding 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 2003-2004 will be appointed by the Comptroller & Auditor General of India, New Delhi in terms of clause (f) 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, Association of Mutual Funds in 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 and BOB Short Term Plan.

- Deutsche Bank AG, custodians of BOB Mutual Fund and 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

Place: Mumbai
Date: 08-07-2003

COMMENT 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 FOR THE YEAR ENDED 31 MARCH 2003

Balance Sheet :
Investment (At Cost) Schedule –D: Rs.2232.70 lakh,
Un-quoted-Units: Rs.160 lakh.

A reference is invited to the Comptroller & Auditor General of India's comment on the accounts of the Company for the year ended 31 March 2002 wherein it was mentioned that despite RBI's clarification of 9 January 2002 that the premium over the face value of US-64 be amortised up to 31 May 2003. It was, however, seen that no provision on this account was made by the Company during the previous year.

The Unit Trust of India decided (March 2003) to terminate US-64 and to issue 6.75% tax-free bonds guaranteed by Government of India or to repurchase the units. The Board of Directors of the Company decided (4 April 2003) to opt for 6.75% tax-free bonds. Company was entitled for redemption value of Rs.108.12 lakh by way of tax-free bonds as against the investment of Rs.160 lakh.

The Company's accounting policy No. 1.5 (modified during the year) that no provision for decline in investments in units of UTI-64 has been made in the accounts, was not in line with RBI's clarification of 9 January 2002 referred to above. Therefore, the provision for Rs.51.88 lakh towards decrease in value of US-64 should have been made in the accounts. Non-provision for decrease in the face value of US-64 resulted in overstatement of 'Investment' as well as profit for the year to the extent of Rs.51.88 lakh.

(BALVINDER SINGH)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-I, Mumbai

JAIN TRIPATHI & CO.
CHARTERED ACCOUNTANTS

204-B, RUBY APARTMENT, SIR M. V. ROAD, ANDHERI (EAST), MUMBAI – 69. TEL : 2683 0868

AUDITOR'S REPORT TO THE MEMBERS OF BOB ASSET MANAGEMENT CO. LTD.

We have audited the attached Balance Sheet of M/s BOB ASSET MANAGEMENT COMPANY LIMITED, as at **31st March 2003** 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 knowledge 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, 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

JAIN TRIPATHI & CO. 204-B, RUBY APARTMENT

JAIN TRIPATHI & CO.
CHARTERED ACCOUNTANTS

204-B, RUBY APARTMENT, SIR M. V. ROAD, ANDHERI (EAST), MUMBAI – 69. TEL : 2683 0868

(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 principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003

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
M. No. 13593

JAIN TRIPATHI & CO. CHARTERED ACCOUNTANTS
204/B, RUBY APARTMENT, SIR M. V. ROAD, ANDHERI (E), BOMBAY-69

Place: MUMBAI
Date: 24th April, 2003

JAIN TRIPATHI & CO.
CHARTERED ACCOUNTANTS

204-B, RUBY APARTMENT, SIR M. V. ROAD, ANDHERI (EAST), MUMBAI – 69. TEL : 2683 0868

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 companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and/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 has a concurrent audit system.

8. According to the information and explanation given to us, the company has been regularly depositing the Service Tax, 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, 2003, for the period of more than six months from the date they became 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.

JAIN TRIPATHI & CO. 204/B, RUBY APARTMENT, M.V. MARG, ANDHERI (E), BOMBAY-69 CHARTERED ACCOUNTANTS

204-B, RUBY APARTMENT, SIR M. V. ROAD, ANDHERI (EAST), MUMBAI – 69. TEL : 2683 0868

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 maintained 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

(D. P. Tripathi)
Partner
M. No. 13593

JAIN TRIPATHI & CO. ☆ CHARTERED ACCOUNTANTS ☆
204-B, RUBY APARTMENT, M. V. MARG ANDHERI (E), BOMBAY-69

Place: MUMBAI
Date: 24th April, 2003

BOB ASSET MANAGEMENT COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH, 2003

	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR	
			Rs.		Rs.
SOURCE OF FUNDS					
1) Shareholders' Funds					
a) Share Capital	A		200,000,000		100,000,000
b) Reserves & Surplus	B		62,554,310		62,134,750
			262,554,310		162,134,750
APPLICATION OF FUNDS					
1) Fixed Assets	C				
Gross Block		6,132,331		4,089,110	
Less : Depreciation		3,315,698		2,910,979	
NET BLOCK			2,816,633		1,178,131
2) Investments	D		223,270,337		117,369,070
3) Current Assets, Loans & Advances	E	47,720,478		56,806,134	
Less : Current Liabilities and Provisions	F	18,281,784		21,189,371	
NET CURRENT ASSETS			29,438,694		35,616,763
4) Miscellaneous Expenditure (to the extent not written off or adjusted)	G		7,028,646		7,970,786
			262,554,310		162,134,750

2555.26 1541.65

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
M. No. 13593

JAIN TRIPATHI & CO. CHARTERED ACCOUNTANTS
204/B, RUBY APARTMENT, M. V. MARG, ANDHERI (E), BOMBAY-69

Place : Mumbai

For and on behalf of Board of Directors

Shri R. R. Kumar (Chairman)

Shri Bhagirat B. Merchant

Shri Sharadchandra D. Abhyankar

Shri J. K. Chandar

Shri Manubhai K. Parekh (Managing Director)

BOB ASSET MANAGEMENT COMPANY LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2003

	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Interest on Debentures / Bonds T.D.S. Rs.17,76,443/- (Previous Year Rs.18,44,259/-)			10,071,764		10,883,132
Interest on Deposits T.D.S. Rs.3,36,963/- (Previous Year Rs.2,58,491/-)			1,600,636		1,266,829
Dividend on Preference Shares/ units T.D.S. Rs.53,760/- (Previous Year Rs.NIL)			512,000		4,869,130
Management Fees from BOB Mutual Fund T.D.S. Rs.4,61,969/- (Previous Year Rs.2,11,048/-)	H		6,799,392		4,138,203
Profit on sale / redemption of Investments	I		-		1,337,935
Other Income	J		[illegible]041,286		[illegible]38,632
			21,025,078		22,533,861
EXPENDITURE					
Staff Expenses	K	3,474,134		2,368,691	
Rent, Rates & Taxes	L	2,397,693		3,646,985	
Legal & Professional Expenses		39,900		21,000	
Remuneration to Statutory Auditor's		10,500		7,875	
Remuneration to Tax Auditor's		10,500		10,500	
Advertisement & Publicity Expenses		226,734		559,052	
Other Operating Expenses	M	4,715,199		2,891,933	
Depreciation		648,315		444,772	
Loss on sale / redemption of Investments		331,000		105,668	
Loss on sale of Motor Car		5,084		-	
Deferred Revenue Exps w/off		2,293,483		2,012,516	
Preliminary Exps w/off		52,493		52,493	
			14,205,035		12,121,485
Profit Before Taxation (PBT)			6,820,043		10,412,376
Less: Provision for Deferred Taxes (Current Year)		454,854		-	
: Provision for Taxation (Normal Tax)		2,289,800		613,200	
			2,744,654		613,200
			4,075,389		9,799,176
Less : Prior period adjustments			1,500,000		2,709
			2,575,389		9,796,467
Add : Prior period adjustments			-		222,015
Profit After Tax & Adjustment (PAT)			-2,575,389		10,018,482
Add : Balance of Profit from last year			62,134,750		52,116,268
Balance Carried to Balance Sheet			64,710,139		62,134,750

NOTES ON ACCOUNTS N

The Schedules referred to above form an integral part of the Profit & Loss Account

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

(D. P. TRIPATHI)
Partner
M. No. 13593

JAIN TRIPATHI & CO. CHARTERED ACCOUNTANTS 204/B, RUBY APARTMENT, M. V. MARG ANDHERI (E) BOMBAY-69

For and on behalf of Board of Directors

Shri R. R. Kumar (Chairman)

Shri Bhagirat B. Merchant

Shri Sharadchandra D. Abhyankar

Shri J. K. Chandar

Shri Manubhai K. Parekh (Managing Director)

BOB ASSET MANAGEMENT COMPANY LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

AS AT 31st MARCH, 2003 AND

THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2003

		CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
SCHEDULE 'A'			
SHARE CAPITAL :			
Authorised :			
200,00,000 Equity shares of Rs.10/- each		200,000,000	200,000,000
(200,00,000 Equity shares of Rs.10/- each)			
Issued, Subscribed & Paid Up :			
200,00,000 Equity shares of Rs.10/- each fully paid up.		200,000,000	100,000,000
(100,00,000 Equity Shares of Rs.10/- each fully paid up)			
The entire Share Capital is held by Bank of Baroda & its nominees.			
SCHEDULE 'B'			
RESERVES & SURPLUS :			
Surplus as per Profit & Loss Account			
Opening Balance as per Last Balance Sheet	62,134,750		
Add : Surplus during the year	2,575,389		
	64,710,139		
Less : Deferred Tax Adjustment	2,155,829	62,554,310	62,134,750
		62,554,310	62,134,750

JAIN TRIPATHI & CO. CHARTERED ACCOUNTANTS

SCHEDULE 'C'

FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31st, 2003

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2002	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS AT 31.03.2003	UPTO 31.03.2002	FOR THE YEAR	ON DEDUCTIONS	UPTO 31.03.2003	AS AT 31.03.2003	AS AT 31.03.2002
	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)
Motor Car	262,235	487,521	262,235	487,521	237,346	120,020	243,596	113,770	373,751	24,889
Computers	2,298,281	951,407	-	3,249,688	1,831,553	336,337	-	2,167,890	1,081,798	466,728
Furniture & Fixtures	849,953	603,188	-	1,453,141	497,463	99,995	-	597,458	855,683	352,490
Office Equipment	678,641	263,340	-	941,981	344,617	91,963	-	436,580	505,401	334,024
TOTAL	4,089,110	2,305,456	262,235	6,132,331	2,910,979	648,315	243,596	3,315,698	2,816,633	1,178,131
PREVIOUS YEAR	4,008,892	80,218	-	4,089,110	2,688,222	444,772	222,015	2,910,979	1,178,131	1,320,670

JAIN TRIPATHI & CO.
CHARTERED ACCOUNTANTS
RUBY APARTMENT, M. V. MARG, ANDHERI (E), BOMBAY-69

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
SCHEDULE 'D'		
INVESTMENTS (At Cost) :		
QUOTED		
Traded:		
Bonds		
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
1500 (Previous year - 1500 bonds) 14.00% ICICI Bonds - 2003 of Rs.5000/- each	7,950,872	7,950,872
125 (Previous year - 125 bonds) 16.25% State Bank Of Travancore Bonds of Rs.100000/- each	14,004,838	14,004,838
75 (Previous year- 75 bonds) 14.50% Godavari Marathwada Irrigation Devlopment Corporation Bonds of Rs.100000/- each	8,034,670	8,034,670
Non-Traded:		
Units		
1000000 (Previous year - 1000000 units) Units of UTI MIP'2000 (second) NAV PER UNIT Rs.7.55 AS ON 31.3.2003	10,000,000	10,000,000
Bonds		
NIL (Previous year - 10000 bonds) 10.50% Konkan Railways Corpn Ltd.Bonds of Rs.1000/- each (Tax - free)	-	10,331,000
400 (Previous year - 400 bonds) 13.75% IDBI OMNI Bonds - of Rs.25000/- each	10,466,700	10,466,700
UN - QUOTED		
Preference Shares		
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
Bonds		
100 (Previous year- 100 bonds) 14.35% Maharashtra Krishna Valley Development Corporation Bonds of Rs.100000/- each	10,580,990	10,580,990
UNITS		
1080180.334 (Previous year - 1080180.334 units) Units of UTI - US' 64. NAV PER UNIT Rs.5.56 AS ON 31.3.2003	16,000,000	16,000,000
1615951.742 (Previous year - NIL units) Units of BOB INCOME FUND (Growth) NAV PER UNIT Rs.10.6497 AS ON 31.3.2003	16,232,267	-
3238850.503 (Previous year -NIL units) Units of BOB INCOME FUND (Short Term Growth Plan) NAV PER UNIT Rs.10.2257 AS ON 31.3.2003	33,000,000	-
4639682.275 (Previous year - NIL units) Units of BOB LIQUID FUND (Growth) NAV PER UNIT Rs.10.8148 AS ON 31.3.2003	50,000,000	-
1702980.215 (Previous year - NIL units) Units of BOB GILT FUND (Growth) NAV PER UNIT Rs.10.1049 AS ON 31.3.2003	17,000,000	-
	223,270,337	117,369,070

(Aggregate amount of the Company's quoted and traded investments is Rs.6,59,50,380/- and the market value as on 31st March, 2003 is Rs.6,52,95,812/-)

BOB ASSET MANAGEMENT COMPANY LIMITED

	CURRENT YEAR		PREVIOUS YEAR	
	(RS.)	(RS.)	(RS.)	(RS.)
SCHEDULE 'E'				
CURRENT ASSETS, LOANS & ADVANCES, DEPOSITS :				
a) Current Assets				
Interest accrued on Investments	3,667,280		4,587,164	
Receivables (Management Fees)				
(Unsecured, considered good unless other wise stated)				
Over six months	-		-	
Sales Receivables	-		16,232,267	
Others	2,409,435		1,445,908	
Cash & Balance with Banks				
Cash in hand	20,243		7,572	
Bank Balances				
In Current Account with Scheduled Banks	2,155,047		2,616,874	
Deposits				
In Fixed Deposit with Scheduled Banks	21,000,000		16,500,000	
		29,252,005		41,389,785
b) Loans & Advances				
(Unsecured considered good , unless otherwise stated)				
Advances recoverable in cash or in kind for value to be received				
Advance to staff		4,500		-
Advance others (i)		18,463,973		15,416,349
		47,720,478		56,806,134

Note (i) Includes Advance Tax and T.D.S. amounting to Rs.1,78,18,532/- (Previous Year - Rs.1,47,16,695/-)

JAIN TRIPATHI & CO. CHARTERED ACCOUNTANTS 204/B, RUBY APARTMENT, M. V. MARG ANDHERI (E), BOMBAY-69

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
SCHEDULE 'F'		
CURRENT LIABILITIES & PROVISIONS :		
a) Current Liabilities		
Liability for Expenses	1,037,170	8,558,393
Other liabilities	286,931	573,778
	1,324,101	9,132,171
b) Provisions		
For Deferred Tax Liability	2,610,683	-
For Taxation (Normal Tax)	14,347,000	12,057,200
	18,281,784	21,189,371
SCHEDULE 'G'		
MISCELLANEOUS EXPENDITURE :		
(to the extent not written off)		
Preliminary Expenses	157,479	209,972
Deferred Revenue Expenditure	6,871,167	7,760,814
	7,028,646	7,970,786

LVN TRIPATHI & CO. CHARTERED ACCOUNTANTS

BOB ASSET MANAGEMENT COMPANY LIMITED

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
SCHEDULE 'H'		
Management Fees:		
From BOB ELSS'95	1,776,360	1,687,643
From BOB Growth'95	1,272,500	1,589,609
From BOB ELSS'96	230,374	233,335
From BOB ELSS'97	114,641	116,077
From BOB LIQUID FUND	2,542,054	481,774
From BOB INCOME FUND	876,574	15,722
From BOB SHORT TERM PLAN	971,701	-
From BOB GILT FUND	1,015,188	14,043
	8,799,392	4,138,203
SCHEDULE 'I'		
Profit on sale / redemption of Investments:		
Profit on Sale of UTI BOND FUND Units	-	1,337,935
	-	1,337,935
SCHEDULE 'J'		
Other Income:		
Miscellaneous Income	41,286	38,632
	41,286	38,632
SCHEDULE 'K'		
Staff Expenses:		
Salaries, Wages and Allowances	3,265,572	2,228,280
ESIC Company contribution	6,122	14,401
Gratuity	26,100	14,000
Staff Welfare Expenses	176,340	112,010
	3,474,134	2,368,691
SCHEDULE 'L'		
Rent, Rates & Taxes:		
Rent for Office Premises	2,302,140	3,453,210
Profession Tax	2,720	2,500
Shop and establishment exp.	2,400	2,400
Municipal tax and water charges	90,433	188,875
	2,397,693	3,646,985

JAIN TRIPATHI & CO. CHARTERED ACCOUNTANTS 204/8, RUBY APARTMENT M. C. MARG ANDHERI (E) BOMBAY-69

	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
SCHEDULE 'M'		
Other Operating Expenses:		
Printing & Stationery	308,101	236,674
Electricity Charges	352,004	377,726
Telephone Expenses	251,914	198,835
Motor Car Expenses	157,504	59,195
Conveyance & Travelling Expenses	240,134	126,854
Membership & Registration Fees	1,263,694	359,182
Director Sitting Fees	84,000	80,000
Newspaper & Periodical Expenses	13,483	15,458
Computer Software Expenses	696,237	173,500
Postage	193,986	318,801
Repairs & Maintenance	741,132	350,256
Miscellaneous Expenses	110,459	25,598
Brokerage	6,667	4,981
Registrar Charges	16,258	13,134
Training & Seminar Fees	26,500	8,250
Bank Charges	2,981	77,672
Custodian charges	88,711	45,638
Insurance Premium	27,424	31,805
Collection & Processing Charges for BOB ELSS '96	-	220,000
Listing Fees for BOB ELSS'97	-	14,200
Listing Fees for BOB ELSS'95	-	62,250
Trail Fees	134,010	16,924
Filing Fees for BOB Liquid / Gilt / Income Fund	-	75,000
	4,715,199	2,891,933

JAIN TRIPATHI & CO.
204/B, RUBY APARTMENT
CHARTERED ACCOUNTANTS

BOB ASSET MANAGEMENT COMPANY LIMITED

SCHEDULE 'N'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2003

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 ACCOUNTING CONVENTION

The company adopts the accrual concept in the preparation of accounts except reimbursements to staff members, which are accounted on cash basis.

1.2 INCOME RECOGNITION

Management fees and income from investments are accounted for on accrual basis.

1.3 FIXED ASSETS

Fixed Assets are valued at cost less accumulated depreciation.

1.4 DEPRECIATION

Depreciation on fixed assets is provided on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

1.5 INVESTMENTS

Investments are stated at cost. In view of non-applicability of AS-13 relating to accounting for investments for asset management companies and keeping in view the practice followed by the Company for disclosure of investment at cost, no provision is made for decline in investments in the units of UTI –1964.

1.6 RETIREMENT BENEFITS

The Company contributes to the recognised Provident fund for its employees.

1.7 DEFERRED REVENUE EXPENDITURE

A) Miscellaneous Expenditure
Preliminary Expenses are being written off over a period of 10 years.

B) Deferred Revenue Expenditure
Deferred Revenue Expenditure is being written off over a period of 10 years.

C) During the financial year 2000-2001 the company had incurred Rs.5,19,000/- for Up-gradation of computer software system in January 2001, which was treated as Deferred Revenue Expenditure to be written of over a period of three years commencing from January '2001 onwards.

JAIN TRIPATHI & CO.

D) During the financial year 2001-2002 the company had incurred Rs.87,97,581/- towards initial issue expenses for launch of BOB Liquid Fund, BOB Income Fund & BOB Gilt Fund schemes of BOB Mutual Fund, which was treated as Deferred Revenue Expenditure to be written off over a period of five years commencing from Financial year 2001-2002.

E) During the Current Financial year the Company has incurred Rs.14,03,836/- towards initial issue expenses for launch of BOB short Term Plan under BOB Income Fund Scheme of BOB Mutual 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**

	2002 – 2003 (Rs.)	2001 – 2002 (Rs.)
SALARY		
Basic, D.A. & Other allowances	3,77,690	4,16,355
	3,77,690	4,16,355

3. REMUNERATION TO DIRECTORS — NIL — NIL

4. The Company has entered into following transactions with Bank of Baroda, the Holding Company.

	2002 – 2003 (Rs.)	2001 – 2002 (Rs.)
INCOME		
Interest	28,63,288	28,60,000
EXPENSES		
Bank Charges	1,765	1,750
Rent	23,02,140	34,53,210
Electricity Charges	2,05,981	3,73,366
Municipal Tax & Charges	91,464	1,87,875
Salary	5,25,000	4,06,555
ASSETS		
Investments	2,00,00,000	2,00,00,000
Bank Balance	21,55,047	26,16,874

5. The registered office of BOB Asset Management Co. Ltd. has shifted to the new premises owned by Bank of Baroda with effect from 01-12-2002, and the company is making the payments directly to the society towards premises maintenance, municipal taxes and lease rent.

TRIPATHI & CO

6. Provision for tax includes Rs.4,54,854/- for current financial year towards deferred tax liability on timing difference of certain items of assets and expenses. This consists of deferred tax liability mainly comprising of deferred revenue expenditure and depreciation on fixed assets. Deferred tax liability of Rs. 21,55,829/- upto 31-03-2002 has been debited to General Reserve.

7. Recurring expenses of schemes of BOB Mutual Fund in excess of limit prescribed by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 are accounted under the respective expenses heads in the Profit and Loss Account.

8. 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.

9. No provision has been made for retirement gratuity and other benefits for employees on deputation from Bank of Baroda, other than employees of BOB Asset Management Co. Ltd.

10. The figures for the previous year have been regrouped / rearranged, wherever necessary to confirm the current years presentation.

11. The Balance Sheet abstract and the Company's business profile as required by Part IV to Schedule VI to the Companies Act, 1956 is attached herewith.

As per our report attached
For and on behalf of

M/s JAIN TRIPATHI & CO.
Chartered Accountants

D. P. Tripathi

(D. P. Tripathi)
Partner
M. No. 13593

JAIN TRIPATHI & CO. CHARTERED ACCOUNTANTS
204/B, RUBY APARTMENT, R. V. MARG ANDHERI (E), BOMBAY-69

For and on behalf of
Board of Directors

Shri R.R. Kumar (Chairman)

B.B. Merchant

Shri Bhagirat B. Merchant

Shri Sharadchandra D. Abhyankar

Shri J. K. Chandar

Shri Manubhai K. Parekh (Managing Director)

Shri Ashutosh P. Vaidya (Company Secretary)

Place : Mumbai
Date : 24th April, 2003

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	:	31.03.2003

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	:	NIL
Rights Issue	:	1,00,000
Bonus Issue	:	NIL
Private Placement	:	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	:	2,62,554
Total Assets	:	2,62,554

SOURCES OF FUNDS

Paid up Capital	:	2,00,000
Reserves & Surplus	:	62,554
Secured Loans	:	NIL
Unsecured Loans	:	NIL

APPLICATION OF FUNDS

Net Fixed Assets	:	2,817
Investments	:	2,23,270
Net Current Assets	:	29,438
Miscellaneous Expenditure	:	7,029
Accumulated Losses	:	NIL

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover	:	21,025
Total Expenditure	:	14,205
Profit & Loss Before Tax	:	6,820
Profit & Loss After Tax	:	2,575
Earning Per Share in Rs.	:	0.13
Dividend	:	NIL

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (As per Monetary Terms)

Item Code No. (ITC Code)	:	NIL
Product Description	:	ASSET MANAGEMENT
Item Code No. (ITC Code)	:	NIL
Product Description	:	INVESTMENT ADVISORY SERVICES

JAIN TRIPATHI & CO.
204th, RUBY APARTMENT