

BOB ASSET MANAGEMENT COMPANY LTD.

BOB

BALANCE FUND

BOB

GROWTH FUND

BOB

ELSS '96

BOB

GILT FUND-PF PLAN

BOB

SHORT TERM PLAN

BOB

GILT FUND

BOB

LIQUID FUND

BOB

INCOME FUND



12th Annual Report

2003 - 2004

Board of Directors



SHRI R. R. KUMAR
CHAIRMAN



SHRI N. L. KHURANA
MANAGING DIRECTOR



SHRI BHAGIRAT B. MERCHANT
DIRECTOR



SHRI SHARADCHANDRA D. ABHYANKAR
DIRECTOR



SHRI J. K. CHANDAR
DIRECTOR

BOB ASSET MANAGEMENT COMPANY LIMITED
TWELFTH ANNUAL REPORT (2003-2004)

BOARD OF DIRECTORS

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

COMPANY SECRETARY
Ashita Keul

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 TWELFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twelfth 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, August 21, 2004 at 1.30 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 31.03.2004 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 S D Abhyankar 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 2004-2005 and to fix their remuneration.

By order of the Board of Directors

Sd/-

Ashita Kaul

Company Secretary

Place : Mumbai
Date : 19.07.2004

Registered Office

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

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.

By order of the Board of Directors

Sd/-

Ashita Kaul

Company Secretary

Place : Mumbai
Date : 19.07.2004

Registered Office

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

DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts for the year ended March 31, 2004:

FINANCIAL RESULTS

	(Rs. in lac)	(Rs. in lac)
	As At	As at
	31.03.2004	31.03.2003
Total Income	330.06	210.25
Profit before Depreciation	134.15	74.68
Less: Depreciation	8.30	6.48
Profit before Tax	125.85	68.20
Less: provision for Taxation	77.12	27.45
Profit after Tax	48.73	40.75
Less: Prior period adjustments	3.81	15.00
Add: Prior period adjustments	-	-
Add: Balance in Profit & Loss Account brought forward	633.68	621.35
RESERVES & SURPLUS	678.60	647.10
APPROPRIATION		
Proposed Dividend	-	-
General Reserve	-	-
Balance Carried Forward	678.60	647.10
Total	678.60	647.10

The total income of the Company has increased from Rs. 210.25 Lac in 2002-2003 to Rs.330.06 Lac in 2003-2004 as our Corpus size has increased from Rs. 178.17 Crore as on March 31, 2003 to Rs. 453.96 Crore on March 31, 2004.

DIVIDEND

Although the Company has made profits during the twelfth year in succession, your Directors do not recommend any dividend for the year 2003-2004 with a view to consolidate the resources of the Company and to strengthen its network in keeping with the challenges of the mutual fund industry.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO

Corporate India came out with sterling performance in the year 2003-04. Margins have soared and turnover has increased rapidly in '03-04. Most of the large companies recorded improved results right from the first quarter of the last financial year. Industrial production in general, too, has increased consistently throughout the year. What is probably more significant is that the performance of the domestic private sector companies this time around was way above that of their multinational counterparts. The index of industrial production has grown by 6.7% during '03-04, compared to 5.9% in '02-03. The manufacturing sector has done even better with an increase of 7.2% last year, compared to 6% in the previous year. Production in the manufacturing sector grew by 6.7% in March '04, over the corresponding month of '03.

MUTUAL FUND INDUSTRY

The equity rally over the last one year has lead to fund houses launching products with new themes to attract investors and in

the bargain also ramp up their assets under management (AUM). The last few months have seen mutual funds launching products with two dominant themes- select sectors and the 'India Shining' story. The current scenario of political and policy uncertainties has lead to sectors being re-rated by the market, with many fund managers realigning their portfolios. At this juncture, the mutual fund industry, intermediaries and financial advisors are taking pains to explain to investors that investment in equity markets create value over medium to long term, short term volatility notwithstanding, and are citing anecdotal evidence to back their claims.

STATE OF COMPANY AFFAIRS

The Company is a wholly owned subsidiary of Bank of Baroda and is an Investment Manager for BOB Mutual Fund. The Company has come a long way from 1994-95 when it launched its first scheme (BOB ELSS'95) collecting a corpus of Rs.37.84 Crore. Today the Company has 10 Schemes and its net assets stood at Rs.453.96 Crore on March 31, 2004. Your Directors wish to applaud the excellent efforts being put up by the marketing staff as well as fund management. BOB Mutual Fund has launched BOB Growth Fund, BOB Balance Fund and BOB Gift Fund-PF Plan during the year. BOB Mutual Fund has also obtained approval from SEBI for launch of BOB MIP Fund, BOB NRI Fund and BOB Children Fund, all of which will be launched shortly.

The total net assets as on 31-03-2004 of all the schemes is as follows:

Scheme	Net Assets (Rs. in Crore)
BOB ELSS 95	23.35
BOB ELSS 96	2.86
BOB ELSS 97	1.48
BOB Liquid Fund	278.61
BOB Income Fund	1.19
BOB STP Plan	53.96
BOB Gift Fund	20.61
BOB Balance Fund	37.17
BOB Growth Fund	15.32
BOB PF Plan	19.41
Total	453.96

SHARE CAPITAL

The authorised share capital of the Company was increased from Rs.10 crore to Rs.20 crore in the year 1998-99. In the year 2002-03 "Rights Shares" were issued to the existing shareholders thereby increasing the paid up share capital to Rs.20 crore.

FUTURE OUTLOOK

Debt Market - Our outlook for the coming months remains cautious as the target for 10-year yield appears to settle at 5.25% to 5.50% range and inflation expected to be on a high path with a target of 5.00% on account of the impending hike in oil prices by the new central government. The shifting of stance by RBI from a softer interest rate bias to a neutral bias in the credit policy indicates that the northward path for interest rates is more likely to occur on a gradual basis. Call rates are expected to remain below repo rate while the liquidity in the system will remain comfortable.

Equity Market- The upside in the market seems to be capped at 5100 and the Union Budget is expected to give a credible direction



BOB ASSET MANAGEMENT COMPANY LIMITED

to the market. The change of Central Government may procrastinate the growth but it cannot stop it altogether. The Confederation of Indian Industry (CII) has forecast a GDP growth rate of 6.6-7% for the current fiscal. It is expected that the upswing in the industry and services sectors will continue and, indeed, accelerate over the next few quarters, as domestic and external demand continue to strengthen. Across sectors, companies are preparing to meet rising demand expectations by expanding capacity, modernizing technology and focusing on their marketing strategy.

Three new schemes (BOB Children Fund, BOB NRI Fund and BOB MIP Fund) are devised and necessary sanctions of Board of Directors/ Trustees and SEBI have been obtained. They would be launched shortly.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

BOB AMC Ltd. has the following Five Directors (including Managing Director), out of whom the majority of Directors are Non-Executive Independent Directors, including the Chairman:

Shri R. R. Kumar	Chairman (Non Executive)
Shri Bhagirat B. Merchant	Director (Non Executive)
Shri Sharadchandra Abhyankar	Director (Non Executive)
Shri J. K. Chandar	Director (Nominee of Bank of Baroda)
Shri N. L. Khurana	Managing Director (On deputation from Bank of Baroda)

BOARD MEETINGS

During the financial year 11 meetings of the Board of Directors were held on 08-04-2003, 24-04-2003, 13-05-2003, 08-07-2003, 11-09-2003, 17-10-2003, 28-11-2003, 22-12-2003, 16-01-2004, 14-02-2004 and 18-03-2004.

BOARD COMMITTEES

Audit Committee

The Audit Committee of the Board of Directors held 3 meetings during financial year 2003-04. The Audit Committee comprises of Shri Bhagirat Merchant (Chairman), Shri R R Kumar and 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
9 th AGM	13.09.2001	BOB AMC Limited Maneckji Wadia Building Nanik Motwani Road Mumbai
10 th AGM	16.09.2002	BOB AMC Limited Maneckji Wadia Building Nanik Motwani Road Mumbai
11 th AGM	20.09.2003	BOB AMC Limited 105, 10 th Floor Maker Chamber III, Hariman Point Mumbai

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

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

ANNUAL ACCOUNTS

- 1) The Annual Accounts of the Company have been prepared in accordance with the 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 an ongoing 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 2004-2005 will be appointed by the Comptroller and 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 Limited and M/s Karvy Computershare Private Limited, the Registrar and Share Transfer Agents of BOB Mutual Fund for the services rendered by them.
- ❖ M/s Karvy Consultants Limited, and Bank of Baroda for providing collection centers for BOB ELSS'96, BOB Liquid Fund, BOB-Gilt Fund, 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

Sd/-

R. R. Kumar
Chairman

Place : Mumbai
Date : 10.06.2004

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

We have audited the attached Balance Sheet of **BOB ASSET MANAGEMENT COMPANY LIMITED**, as at 31st March 2004 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 Companies (Auditor's Report) Order, 2003 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, 2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 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 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, 2004

(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

Place : MUMBAI
Date : 10.05.2004

Sd/-
D. P. TRIPATHI
Partner
M. No. 13593



BOB ASSET MANAGEMENT COMPANY LIMITED

ANNEXURE TO AUDITORS' REPORT (Referred to in our report of even date)

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets of the Company have been physically verified by the management at the end of the year. No material discrepancies were noticed on such verification. In our opinion, having regard to size of the Company and the nature of its business, the frequency of verification is reasonable.
- c) During the year, the Company has not disposed off substantial part of fixed assets.

(ii) Inventories

The Company does not deal in goods hence, inventory need not be maintained.

(iii) Loans and Advances

The Company has not taken or granted any loans from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) Internal Controls

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, for the purchase of fixed assets. The company does not deal in goods hence, provision for purchase & sale of goods does not apply. During the course of our audit, no major weakness was noticed in the internal controls.

(v) Related Party

- a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) Fixed Deposits

The Company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there-under are not applicable to the Company.

(vii) Internal Audit

In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

(viii) Cost Records

To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the products of the Company.

(ix) Staff Welfare

- a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax and other statutory dues were outstanding as at 31st March, 2004 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues of income tax, wealth tax, or other statutory dues, which have not been deposited on account of any dispute.

Others Matters

- (x) The Company has been registered for a period of more than five years and it has no accumulated losses as on 31st March, 2004. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank. The Company has not taken any loan from financial institutions. Further, no loan has been taken by way of issuance of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

12TH ANNUAL REPORT 2003-2004

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other investments in its own name.

(xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) Based on our examination of records and information and explanations given to us, the company has not borrowed by way of term loan.

(xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

(xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

(xix) So far, the Company has not issued any debentures.

(xx) The Company has not raised any money through public issue.

(xxi) Based on the information and explanations furnished by the management, which have been relied upon by us, there were no fraud on or by the Company noticed or reported during the year.

For JAIN TRIPATHI & Co.
Chartered Accountants

Sd/-

Place : MUMBAI
Date : 10.05.2004

D. P. TRIPATHI
Partner
M. No. 13593



BOB ASSET MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 31st MARCH, 2004

	SCHEDULE	AS AT 31.03.2004 (2003 - 2004) Rs.	AS AT 31.03.2003 (2002 - 2003) Rs.
SOURCE OF FUNDS			
1) Shareholders' Funds			
a) Share Capital	A	200,000,000	200,000,000
b) Reserves & Surplus	B	67,860,484	62,554,310
		<u>267,860,484</u>	<u>262,554,310</u>
APPLICATION OF FUNDS			
1) Fixed Assets	C		
Gross Block		6,426,347	6,132,331
Less : Depreciation		<u>4,146,263</u>	<u>3,315,698</u>
NET BLOCK		2,280,084	2,816,633
2) Investments	D	204,811,300	223,270,337
3) Current Assets, Loans & Advances	E	68,798,436	47,720,478
Less : Current Liabilities and Provisions	F	<u>13,576,107</u>	<u>18,281,784</u>
NET CURRENT ASSETS		55,222,329	29,438,694
4) Miscellaneous Expenditure (to the extent not written off or adjusted)	G	5,546,271	7,028,646
		<u>267,860,484</u>	<u>262,554,310</u>
NOTES ON ACCOUNTS	P		

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

For our Report of even date
for **JAN TRIPATHI & CO.**
CHARTERED ACCOUNTANTS

Sd/-
(D. P. TRIPATHI)

Partner
M. No. 13583

Place : Mumbai
Date : 10.05.2004

For and on behalf of Board of Directors
Sd/-

Shri R. R. Kumar (Chairman)

Sd/-

Shri Bhagirat B. Merchant

Sd/-

Shri Sharadchandra D. Abhyankar

Sd/-

Shri J. K. Chandar

Sd/-

Shri N. L. Khurana (Managing Director)

Sd/-

Ms. Ashita Kaul (Company Secretary)

12TH ANNUAL REPORT 2003-2004

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2004

	SCHEDULE	CURRENT PERIOD 1.4.03 TO 31.3.04 Rs.	PREVIOUS YEAR 1.4.02 TO 31.03.03 Rs.
INCOME			
Interest on Debentures / Bonds		7,874,783	10,071,764
T.D.S. Rs.11,85,763/- (Prev. Year Rs.17,76,443/-)			
Interest on Deposits		1,499,923	1,600,636
T.D.S. Rs.3,12,158/- (Previous Year Rs.3,36,963/-)			
Dividend on Preference Shares / units		607,000	512,000
T.D.S. Rs.NIL/- (Previous Year Rs.53,760/-)			
Management Fees from BOB Mutual Fund	H	14,907,434	8,799,392
T.D.S. Rs.7,64,005/- (Previous Year Rs.4,61,969/-)			
Profit on sale / redemption of Investments	J	7,543,839	—
Income Tax Refund		400,372	—
Other Income	K	173,119	41,286
		33,066,470	21,025,078
EXPENDITURE			
Staff Expenses	L	3,894,839	3,474,134
Rent, Rates & Taxes	M	78,764	2,397,693
Legal & Professional Expenses		126,480	39,900
Remuneration to Statutory Auditor's		11,100	10,500
Remuneration to Tax Auditor's		11,100	10,500
Advertisement & Publicity Expenses		103,213	226,734
Other Operating Expenses	N	4,243,759	4,715,199
Depreciation		830,565	648,315
Loss on Conversion / Redemption of Invts.	I	8,726,270	331,000
Loss on sale of Motor Car		—	5,084
Deferred Revenue Exps w/off		2,432,821	2,293,483
Preliminary Exps w/off		52,493	52,493
		20,421,404	14,205,035
Profit Before Taxation (PBT)		12,585,066	6,820,043
Less : Provision for Deferred Taxes (Current Year)		262,013	454,854
Provision for Taxation (Normal Tax)		7,450,000	2,289,800
		7,712,013	2,744,654
		4,873,053	4,075,389
Less : Prior period adjustments			
Income Tax for the year 1997-98 (AY 1998-99)		57,573	—
Income Tax for the year 1999-2000 (AY 2000-01)		323,455	1,500,000
		4,492,025	2,575,389
Add : Prior period adjustments			
Profit After Tax & Adjustment (PAT)		4,492,025	2,575,389
Add : Balance of Profit from last year		63,368,459	62,134,750
Balance Carried to Balance Sheet		67,860,484	64,710,139
NOTES ON ACCOUNTS	P		

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

Sd/-
(D. P. TRIPATHI)
Partner
M. No. 13593

Place : Mumbai
Date : 19.05.2004

For and on behalf of Board of Directors
Sd/-

Shri R. R. Kumar (Chairman)

Sd/-

Shri Bhagirat B. Merchant

Sd/-

Shri Sharadchandra D. Abhyankar

Sd/-

Shri J. K. Chander

Sd/-

Shri N. L. Khurana (Managing Director)

Sd/-

Ms. Ashita Kaul (Company Secretary)



BOB ASSET MANAGEMENT COMPANY LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2004 AND THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2004

	AS AT 31.03.2004 (Rs.)	AS AT 31.03.2003 (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	200,000,000
(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	63,368,459	62,134,750
Add : Surplus during the year	4,492,025	2,575,389
	67,860,484	64,710,139
Less : Deferred Tax Adjustment		2,155,829
	67,860,484	62,554,310
	67,860,484	62,554,310

SCHEDULE 'C'
FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31st, 2004

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2003	ADDITIONS DURING THE PERIOD	DEDUCTIONS DURING THE PERIOD	AS AT 31.03.2004	UPTO 31.03.2003	FOR THE PERIOD	ON DEDUCTIONS DURING THE PERIOD	UPTO 31.03.2004	AS AT 31.03.2004	AS AT 31.03.2003
	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)
Motor Car	487,521	-	-	487,521	113,770	87,029	-	210,799	276,722	373,751
Computers	3,249,688	197,950	-	3,447,638	2,167,890	483,880	-	2,651,770	795,868	1,081,798
Furniture & Fixtures	1,453,141	41,876	-	1,495,017	597,458	159,599	-	757,157	737,860	855,883
Office Equipment	941,981	54,190	-	996,171	436,530	89,957	-	526,537	469,634	505,401
TOTAL	6,132,331	294,016	-	6,426,347	3,315,698	830,566	-	4,145,263	2,260,684	2,816,633
PREVIOUS YEAR	4,089,110	2,305,456	262,235	6,132,331	2,910,979	648,315	243,596	3,315,698	2,816,633	1,178,121

12TH ANNUAL REPORT 2003-2004

	AS AT 31.03.2004 (Rs.)	AS AT 31.03.2003 (Rs.)
SCHEDULE 'D'		
INVESTMENTS (At Cost) :		
QUOTED		
Traded:		
<i>Bonds</i>		
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
NIL (Previous year-1500 bonds) 14.00% ICICI Bonds - 2003 of Rs.5000/- each	—	7,950,872
NIL (Previous year-125 bonds) 16.25% State Bank Of Travancore Bonds of Rs.100000/- each	—	14,004,838
NIL (Previous year-75 bonds) 14.50% Godavari Marathwada Irrigation Development Corporation Bonds of Rs.100000/- each	—	8,034,670
108118 (Previous year-NIL bonds) 6.75% UTI Bonds - 2008 (Tax Free) of Rs.100/- each (Converted from Units into Bonds on 1.6.2003)	10,811,800	—
Non-Traded:		
<i>Units</i>		
1000000 (Previous year - 1000000 units) Units of UTI MIP'2000 (second) NAV PER UNIT Rs.8.81 AS ON 31.03.2004	10,000,000	10,000,000
<i>Bonds</i>		
NIL (Previous year - 400 bonds) 13.75% IDBI OMNI Bonds - of Rs.25000/- each	—	10,466,700
UN - QUOTED		
<i>Preference Shares</i>		
NIL (Previous year - 1,00,000 Pref. Shares) - 15% Non-Convertible Cumulative Redeemable Preference Shares of ATCOM Technologies Ltd of Rs. 100/- each.	—	10,000,000
<i>Bonds</i>		
NIL (Previous year- 100 bonds) 14.35% Maharashtra Krishna Valley Development Corporation Bonds of Rs.100000/- each	—	10,580,990
UNITS		
NIL (Previous year-1080180.334 units) Units of UTI-US' 64. (Converted into Bonds on 1.6.2003)	—	16,000,000
NIL (Previous year - 1615951.742 units) Units of BOB INCOME FUND (Growth Plan)	—	16,232,267
NIL (Previous year-3238850.503 units) Units of BOB INCOME FUND (Short Term Growth Plan)	—	33,000,000
4403618.013 (Previous year-4639682.275 units) Units of BOB LIQUID FUND (Growth Plan) NAV PER UNIT Rs.11.3618 AS ON 31.03.2004	50,000,000	50,000,000
4702518.669 (Previous year-1702980.215 units) Units of BOB GILT FUND (Growth) NAV PER UNIT Rs.10.6377 AS ON 31.03.2004	50,000,000	17,000,000
4973639.710 (Previous year - NIL units) Units of BOB GILT P.F. PLAN (Growth) NAV PER UNIT Rs.10.0571 AS ON 31.03.2004	50,000,000	—
781928.758 (Previous year - NIL units) Units of BOB BALANCE FUND (Growth) NAV PER UNIT Rs.11.67 AS ON 31.03.2004	9,000,000	—
357653.791 (Previous year - NIL units) Units of BOB GROWTH FUND (Growth) NAV PER UNIT Rs.12.14 AS ON 31.03.2004	5,000,000	—
	204,811,800	223,270,337

(Aggregate amount of the Company's quoted and traded investments is Rs.3,06,11,800/- and the market value as on 31st March, 2004 is Rs.3,92,17,829/-)

(Aggregate amount of the Company's non-traded & unquoted investments is Rs.17,40,00,000/-)

Items Traded during the financial year 2003-2004 have been taken as Quoted & Traded Investments



BOB ASSET MANAGEMENT COMPANY LIMITED

	AS AT 31.03.2004 (Rs.)	AS AT 31.03.2003 (Rs.)
SCHEDULE 'E'		
CURRENT ASSETS, LOANS & ADVANCES, DEPOSITS :		
a) Current Assets		
Interest accrued on Investments	2,159,719	3,667,280
Receivables (Management Fees)		
(Unsecured, considered good unless other wise stated)		
Over six months	—	—
Others	5,074,365	2,409,435
Sales Receivables on Redemption of Bonds	17,500,000	—
Sales Receivables on Redemption of		
Preference Shares	10,000,000	—
Cash & Balance with Banks		
Cash in hand	1,534	20,243
Bank Balances		
In Current Account with Scheduled Banks	2,696,111	2,155,047
Deposits		
In Fixed Deposit with Scheduled Banks	20,000,000	21,000,000
	57,431,729	29,252,005
b) Loans & Advances		
(Unsecured considered good, unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received	22,000	4,500
Advance to staff	11,344,707	18,463,973
Advance others (Foot Note (i))		
	68,798,436	47,720,478

Foot Note (i) includes Advance Tax and T.D.S. amounting to Rs.1,07,58,465/- (Previous Year - Rs.1,78,18,532/-)

	AS AT 31.03.2004 (Rs.)	AS AT 31.03.2003 (Rs.)
SCHEDULE 'F'		
CURRENT LIABILITIES & PROVISIONS :		
a) Current Liabilities		
Liability for Expenses (Schedule "D")	701,306	1,037,170
Other liabilities	456,376	286,931
	1,157,682	1,324,101
b) Provisions		
For Deferred Tax Liability	2,065,425	2,610,683
For Taxation (Normal Tax)	10,353,000	14,347,000
	13,576,107	18,281,784
SCHEDULE 'G'		
MISCELLANEOUS EXPENDITURE :		
(to the extent not written off)		
Preliminary Expenses	104,986	157,479
Deferred Revenue Expenditure	5,441,285	6,871,167
	5,546,271	7,028,646

12TH ANNUAL REPORT 2003-2004

	FOR THE PERIOD 1.4.03 TO 31.3.04 (Rs.)	FOR THE PERIOD 1.4.02 TO 31.3.03 (Rs.)
SCHEDULE 'H'		
Management Fees:		
From BOB ELSS'95	2,539,238	1,776,360
From BOB Growth'95	-	1,272,500
From BOB ELSS'96	308,250	230,374
From BOB ELSS'97	153,446	114,641
From BOB LIQUID FUND	3,448,605	2,542,054
From BOB INCOME FUND	329,261	876,574
From BOB SHORT TERM PLAN	2,962,156	971,701
From BOB GILT FUND	1,091,537	1,015,188
From BOB GILT P.F. PLAN	306,777	-
From BOB BALANCE FUND	2,743,287	-
From BOB GROWTH FUND	1,022,877	-
	14,907,434	8,799,392
SCHEDULE 'I'		
LOSS on sale / redemption / conversion of investments:		
Loss on Redemption of Konkan Railway Corporation Ltd. BONDS	-	331,000
Loss on Redemption of IDBI Omni BONDS	466,700	-
Loss on Redemption of State Bank of Travancore BONDS	1,504,838	-
Loss on Redemption of ICICI BONDS	450,872	-
Loss on Redemption of MKVDC BONDS	580,990	-
Loss on Redemption of GMIDC BONDS	534,670	-
Loss on Conversion of Units of US'64 into 6.75% UTI Tax Free Bonds	5,188,200	-
	8,726,270	331,000
SCHEDULE 'J'		
PROFIT on sale / redemption of Investments:		
Profit on Sale of Units of BOB Short Term Plan under BOB Income Fund	1,637,787	-
Profit on Sale of Units of BOB Income Fund	1,752,145	-
Profit on Sale of Units of BOB Gilt Fund	1,442,085	-
Profit on Sale of Units of BOB Gilt P.F. Plan under BOB Gilt Fund	328,680	-
Profit on Sale of Units of BOB Liquid Fund	2,383,142	-
	7,543,839	-
SCHEDULE 'K'		
Other Income:		
Miscellaneous Income	60,368	41,286
Interest on Income Tax Refund for 2000-01	112,751	-
	173,119	41,286
SCHEDULE 'L'		
Staff Expenses:		
Salaries, Wages and Allowances	3,528,063	3,265,572
ESIC Company contribution	15,244	6,122
Gratuity	53,525	26,100
Staff Welfare Expenses	208,007	176,340
	3,804,839	3,474,134



BOB ASSET MANAGEMENT COMPANY LIMITED

FOR THE PERIOD 1.4.03 TO 31.3.04 (Rs.)	FOR THE PERIOD 1.4.02 TO 31.3.03 (Rs.)
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SCHEDULE 'M'

Rent, Rates & Taxes:

Rent for Office Premises	75,264	2,302,140
Profession Tax	2,500	2,720
Shop and establishment exp.	1,000	2,400
Municipal tax and water charges	-	90,433
	78,764	2,397,693

SCHEDULE 'N'

Other Operating Expenses:

Printing & Stationery	448,376	308,101
Electricity Charges	534,284	352,004
Telephone Expenses	258,342	251,914
Motor Car Expenses	93,015	157,504
Conveyance & Travelling Expenses	389,402	240,134
Membership & Registration Fees	1,180,530	1,263,694
Director Sitting Fees	75,000	84,000
Newspaper & Periodical Expenses	12,076	13,483
Computer Software Expenses	110,250	896,237
Postage	52,827	193,986
Repairs & Maintenance	527,739	741,132
Miscellaneous Expenses	146,093	110,459
Training & Seminar Fees	4,700	26,500
Bank Charges	30,412	2,981
Custodian charges	110,100	88,711
Insurance Premium	39,146	27,424
Stamp Duty	10,000	-
Entertainment Expenses	8,011	-
Trail Fees	192,679	134,010
Brokerage	18,380	6,667
Registrar Charges	-	16,258
Filing Fees	2,397	-
	4,243,759	4,715,199

SCHEDULE 'O'

Liability for Expenses:

Provision for Gratuity Payable	93,625	40,100
Provision for Expenses 2001-2002	-	10,500
Provision for Expenses 2002-2003	-	158,451
Amount payable to BOB ELSS '95	-	53,731
Amount payable to BOB GROWTH '95	-	164
Amount payable to BOB ELSS '97	-	3,450
Amount payable to BOB Income Fund	38,620	18,073
Amount payable to BOB GILT Fund	-	172,195
Amount payable to BOB GILT P.F. Plan	20,856	-
EARNEST MONEY DEPOSIT REFUNDABLE	-	55,505
Amount payable to Bank of Baroda	-	525,000
Income Tax payable 1997-98 (AY 1998-99)	57,573	-
Income Tax payable 1999-2000 (AY 2000-01)	165,461	-
Provision for Expenses 2003-2004	325,169	-
	701,306	1,037,176

SCHEDULE 'P'**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2004****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.

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 off over a period of three years commencing from January '2001 onwards.**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 financial year 2002-2003 the Company had 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 Financial year 2002-2003.**

F) During the Current Financial year the Company has incurred Rs.9,12,938.50 towards initial issue expenses for launch of BOB Growth Fund and BOB Balance Fund Schemes 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.

G) During the Current Financial year the Company has incurred Rs.1,00,000/- towards Stamp Duty paid on allotment of shares to Bank of Baroda due to increase in paid-up capital from Rs. 10 Crores to Rs. 20 Crores. The same has been treated as Deferred Revenue Expenditure to be written off over a period of 10 years commencing from the current financial year.

2. REMUNERATION TO MANAGING DIRECTOR

	2003-2004	2002-2003	2001-2002
	(Rs.)	(Rs.)	(Rs.)

SALARY

Basic, D.A. &

Other allowances

3,91,594	3,77,690	4,16,355
3,91,594	3,77,690	4,16,355

3. REMUNERATION TO DIRECTORS

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

INCOME

Interest 29,18,398 28,63,288 28,60,000

EXPENSES

Bank Charges	2,465	1,765	1,750
Rent	75,264	23,02,140	34,53,210
Electricity Charges	NIL	2,05,981	3,73,366
Municipal Tax & Charges	NIL	91,464	1,87,875
Salary	8,68,670	5,25,000	4,06,555

ASSETS

Investments	2,00,00,000	2,00,00,000	2,00,00,000
Bank Balance	26,96,111	21,55,047	26,16,874

5. Sundry Creditors do not include any amount payable to Small Scale Industrial Undertakings.

6. 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.



BOB ASSET MANAGEMENT COMPANY LIMITED

7. The Company has opened its first branch office in Delhi with effect from 01.09.2003 and has paid Rs.75,264/- towards rent for the period ended 31.03.2004.
8. Provision for tax includes Rs.2,62,013/- (Previous year 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.8,07,271/- (Previous year Rs.21,55,829/-) and Deferred Tax Asset of Rs.6,878/- (Previous year NIL) for Depreciation on Fixed Assets upto 31-03-2004 has been debited to General Reserve.

9. Earnings per Share

Earnings per Share has been computed as under :

	Current Year	Previous Year
(a) Profit after Taxation (Rs.)	44,92,025	25,75,389
(b) No. of Equity Shares Outstanding	2,00,00,000	2,00,00,000
(c) Earnings per Share (Face Value of Rs.10/- per Share)		
(a)/(b) (Basic and Diluted) (Rs.)	0.22	0.13

As per our Report attached

For JAIN TRIPATHI & CO.
CHARTERED ACCOUNTANTS

Sd/-
(D. P. TRIPATHI)
Partner
M. No. 13593

Place : Mumbai
Date : 10.05.2004

10. 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.
11. 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.
12. 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.
13. The figures for the previous year have been regrouped / rearranged, wherever necessary to confirm the current years presentation.
14. The Balance Sheet abstract and the Company's business profile as required by Part IV of Schedule VI to the Companies Act, 1956 is attached herewith.

For and on behalf of Board of Directors

Sd/-
Shri R. R. Kumar (Chairman)
Sd/-
Shri Bhagirat B. Merchant
Sd/-
Shri Sharadchandra D. Abhyankar
Sd/-
Shri J. K. Chandar
Sd/-
Shri N. L. Khurana (Managing Director)
Sd/-
Ms. Ashita Kaul (Company Secretary)

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	:	31.03.2004

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	:	2,67,860
Total Assets	:	2,67,860

SOURCES OF FUNDS (Amount in Rs. Thousand)

Paid up Capital	:	2,00,000
Reserves & Surplus	:	67,860
Secured Loans	:	N I L
Unsecured Loans	:	N I L

APPLICATION OF FUNDS (Amount in Rs. Thousand)

Net Fixed Assets	:	2,280
Investments	:	2,04,812
Net Current Assets	:	55,222
Miscellaneous Expenditure	:	5,546
Accumulated Losses	:	N I L

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover	:	33,006
Total Expenditure	:	20,421
Profit / Loss Before Tax	:	12,585
Profit / Loss After Tax	:	4,492
Earning Per Share in Rs.	:	0.22
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	:	A S S E T M A N A G E M E N T
Item Code No. (ITC Code)	:	N I L
Product Description	:	I N V E S T M E N T A D V I S O R Y S E R V I C E S



BOB ASSET MANAGEMENT COMPANY LIMITED

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 Twelfth Annual General Meeting of the Company to be held on the
21st day of August 2004 and at any adjournment thereof.

Signed this _____ day of _____ 2004

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.

BOB ASSET MANAGEMENT CO. LTD.

I hereby record my presence at the 12th Annual General Meeting of the Company to be held at 105, Maker Chamber III, 10th Floor, Nariman Point, Mumbai - 400 021 on Saturday, August 21, 2004 at 1.30 p.m.

Full Name of Shareholder : _____

Folio No. : _____

No. of Shares held : _____

Member's / Proxy's Signature

Please complete this Attendance Slip and hand over at the entrance of the hall.

Launching of BOB Balance Fund & BOB Growth Fund



Sitting left to right during launch of the Schemes : Shri N L Khurana (MD of BOB AMC), Shri R R Kumar (Chairman of BOB AMC), Shri P S Shenoy (CMD of Bank of Baroda), Dr. Anil K Khandelwal (Ex Executive Director of Bank of Baroda), and Shri R L Baxi (Chairman of the Board of Trustees of BOB Mutual Fund)



Staff of BOB AMC, Directors of BOB AMC and Trustees of BOB Mutual Fund at the ceremony.

Baroda Corporate Centre By Night



If undelivered please return to :
BOB Asset Management Co. Ltd.
105, 10th Floor, Maker Chamber III,
Nariman Point, Mumbai 400 021.