

BARODA PIONEER ASSET MANAGEMENT COMPANY LIMITED

16TH
ANNUAL REPORT
(2007-2008)



बैंक ऑफ बड़ोदा
Bank of Baroda



PIONEER
Investments

BARODA PIONEER ASSET MANAGEMENT COMPANY LIMITED

Registered Office: 105, Maker Chamber III, Nariman Point, Mumbai-400021

16 TH ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

Dr. Anil K Khandelwal	Chairman
Prof B B Bhattacharya	Independent Director
Dr. P N Khandwalla	Independent Director
Mr G P Gupta	Independent Director
Mr. Shiv Dayal	Independent Director
Mr. Rohit Arora	Independent Director
Mr. Dario Frigerio	Associate Director
Mr. Angus Stening	Associate Director
Mr. B A Prabhakar	Associate Director
Mr. S. Bhattacharya	Associate Director

CHIEF EXECUTIVE OFFICER

Mr. Rajan Krishnan

COMPANY SECRETARY

Mr. Krishna Kumar Kushwaha

AUDITORS

M/S Babu U. Chokshi & Co.

REGISTERED OFFICE

105, Maker Chamber III
10th Floor, Nariman Point,
Mumbai- 400021

REGISTERED AND TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT. LTD.
17/B Dena Bank Building, 2nd floor
Horiman Circle, Fort, Mumbai - 400001

BARODA PIONEER ASSET MANAGEMENT COMPANY LIMITED

Registered Office: 105, Maker Chamber III, Nariman Point, Mumbai-400021

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixteenth Annual General Meeting of Baroda Pioneer Asset Management Company Limited, will be held at Bank of Baroda Corporate Centre, C-26, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051, on, Tuesday, September 23, 2008 at 3.30 p.m. to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon along with comments received from Comptroller and Auditor General of India.
- 2) To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

Special Resolution:

"RESOLVED THAT M/s. BSR & Co., Chartered Accountants, be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

3. To appoint Mr. B A Prabhakar as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr B A Prabhakar be and is hereby appointed as a Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

4. To appoint Mr. G. P. Gupta as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr. G. P. Gupta be and is hereby appointed as a Independent Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

5. To appoint Prof B B Bhattacharya as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Prof B B Bhattacharya be and is hereby appointed as an Independent Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

6. To appoint Dr. P N Khandwalkar as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Dr. P N Khandwalkar be and is hereby appointed as an Independent Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

7. To appoint Mr. Shiv Dayal as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr. Shiv Dayal be and is hereby appointed as an Independent Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

8. To appoint Mr. Rohit Arora as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr. Rohit Arora be and is hereby appointed as an Independent Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

9. To appoint Dr. Anil K Khandelwal as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Dr. Anil K Khandelwal be and is hereby appointed as a Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

10. To appoint Mr. Dario Frigerio as a non- executive director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr. Dario Frigerio be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

11. To appoint Mr. Angus Stening as a non- executive director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

" RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr. Angus Stening be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby severally authorized to file the Form - 32 with the Registrar of Companies."

12. To confirm the appointment of Mr. Rajan Krishnan as Chief Executive Officer of the Company and pass the following resolution as special resolution.

RESOLVED THAT pursuant to Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act 1956, pursuant to the provisions of all other applicable enactments and in accordance with the Articles of Association of the Company, approval be and is hereby accorded for the appointment of Mr. Rajan Krishnan as the Chief Executive Officer of the company for a period of 5 years under Article 184 of the Articles of Association of the Company with effect from 8th July, 2008."

"RESOLVED FURTHER THAT pursuant to Sections 198, 269, 309, 310 Schedule XIII and other applicable provisions of the Companies Act 1956, pursuant to the provisions

of all other applicable enactments and in accordance with the Articles of Association of the Company, Mr. Rajan Krishnan be paid remuneration and perquisites as mentioned in Annexure."

By order of the Board of Directors


Rajan Krishnan
Chief Executive Officer

Place: Mumbai

Date: August 29, 2008

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the company. A proxy cannot vote except on a poll
2. An Explanatory Statement Pursuant to Section 173 (2) of the Companies Act 1956, relating to special business to be transacted at the meeting is annexed hereto.
3. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

Explanatory Statement

[Pursuant to section 173(2) of the Companies Act 1956]

Item No. 2

As per section 224A of the Companies Act, 1956 "In the case of a company in which not less than twenty-five per cent of the subscribed share capital is held, whether singly or in any combination, by-

- (a) a public financial institution or a Government company or Central Government or any State Government, or
- (b) any financial or other institution established by any Provincial or State Act in which a State Government holds not less than fifty-one per cent of the subscribed share capital, or
- (c) a nationalised bank or an insurance company carrying on general insurance business,

the appointment or re-appointment at each annual general meeting of an auditor or auditors shall be made by a special resolution.

(2) Where any company referred to in sub-section (1) omits or fails to pass at its annual general meeting any special resolution appointing an auditor or auditors, it shall be deemed that no auditor or auditors had been appointed by the company at its annual general meeting, and thereupon the provisions of sub-section (3) of section 224 shall become applicable in relation to such company.

In view of the above the resolution is accordingly commended for your acceptance as a special resolution.

Item No. 3

Mr. B A Prabhakar was appointed as an Additional Director on the Board of Your Company with effect from January 22, 2008 pursuant to the provision of section 260 read with 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. B A Prabhakar for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Mr. B A Prabhakar is interested in this resolution.

Item No. 4

Mr. G P Gupta was appointed as an Additional Director as well as Independent Director on the Board of Your Company with effect from June 27, 2008 pursuant to the provision of section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a

deposit of Rs. 500/- proposing the candidature of Mr. G P Gupta for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Mr. G P Gupta is interested in this resolution.

Item No. 5

Prof B B Bhattacharya was appointed as an Additional Director as well as Independent Director on the Board of Your Company with effect from June 27, 2008 pursuant to the provision of section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Prof B B Bhattacharya for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Prof B B Bhattacharya is interested in this resolution.

Item No. 6

Dr P N Khandwalla was appointed as an Additional Director as well as Independent Director on the Board of Your Company with effect from June 27, 2008 pursuant to the provision of section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Dr P N Khandwalla for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Dr P N Khandwalla is interested in this resolution.

Item No. 7

Mr. Shiv Dayal was appointed as an Additional Director as well as Independent Director on the Board of Your Company with effect from June 27, 2008 pursuant to the provision of section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Shiv Dayal for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Mr. Shiv Dayal is interested in this resolution.

Item No. 8

Mr. Rohit Arora was appointed as an Additional Director as well as Independent Director on the Board of Your Company with effect from June 27, 2008 pursuant to the provision of

section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Rohit Arora for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Mr. Rohit Arora is interested in this resolution.

Item No. 9

Dr. Anil K Khandelwal was appointed as an Additional Director on the Board of Your Company with effect from June 28, 2008 pursuant to the provision of section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Dr. Anil K Khandelwal for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Dr. Anil K Khandelwal is interested in this resolution.

Item No. 10

Mr. Dario Frigerio was appointed as an Additional Director on the Board of Your Company with effect from June 28, 2008 pursuant to the provision of section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Dario Frigerio for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Mr. Dario Frigerio is interested in this resolution.

Item No. 11

Mr. Angus Stening was appointed as an Additional Director on the Board of Your Company with effect from June 28, 2008 pursuant to the provision of section 260 read with Article 148(1) and 155(1) of the article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Angus Stening for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company other than Mr. Angus Stening is interested in this resolution.

Item No. 12

Consequent to the term and condition of Shareholders Agreement entered into between Bank of Baroda, Pioneer Global Asset Management SpA and BOB Asset Management Co. Ltd. Mr. S. Bhattacharya has resigned from the post of Managing Director of the Company and Mr. Rajan Krishnan has appointed as **Manager (Chief Executive Officer)** of the Company for a period of five years.

Under the provisions of the Companies Act 1956, the terms and conditions of the appointment of the Manager require the approval of the Shareholders at a General Meeting and hence the item has been put up for approval.

None of the Directors are interested or deemed to be interested in the said item.

DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the Sixteenth Annual Report of the company together with the Audited Balance Sheet as on 31.03.2008 and Profit & Loss A/c for the year ended at that date.

FINANCIAL PERFORMANCE OF THE COMPANY FOR YEAR ENDED MARCH 31, 2008

	As at 31.3.08 (Rs in lacs)	As at 31.3.07 (Rs in lacs)
Total Income	348.85	274.58
Profit Before Depreciation	263.87	148.70
Less Depreciation	1.57	2.49
Profit Before Tax	262.22	146.21
Less Provision for Tax	44.03	29.34
Profit After Tax	218.26	116.87
Less Prior Period Adjustment	(0.42)	18.05
Profit after Tax & Adjustment	218.68	98.82
Add Balance in Profit & Loss A/c B/f	868.50	769.68
Reserve & Surplus	1087.19	868.50
APPROPRIATION		
Proposed Dividend	-	-
General Reserve	-	-
Balance Carried Forward	1087.19	868.50

The Total income of the Company has increased to Rs.348.85 lac in the year 2007-08 from Rs. 274.58 lac in the previous year.

SHARE CAPITAL

The Paid up Equity Share Capital of the Company is Rs.20 crore and net worth of the company was Rs. 30.87 crore as on March 31, 2007.

PROFITABILITY

The net profit after tax for the financial year 2007-08 was Rs. 218.26 lacs as against Rs. 116.87 lac in 2006-07 showing a growth of 86.75%.

DIVIDEND

Although the Company has made profits during the fifteenth year in succession, your Directors do not recommend any dividend for the year 2007-08 with a view to consolidating the resources of the Company and strengthening the net worth in keeping with the challenges faced by the mutual fund industry.

MANAGEMENT DISCUSSION & ANALYSIS

Indian economy grew by 9.0 per cent in 2007-08 supported by the growth of 4.5 per cent in agriculture, 8.5 per cent in industry and 10.8 per cent in services. Global financial markets witnessed turbulent conditions during 2007-08 as a result of deepening crisis in the U.S. sub-prime mortgage market. The Indian financial markets remained largely orderly during 2007-08 except the equity market, which witnessed bouts of volatility in tandem with trends in major international equity markets. The domestic stock markets, which remained strong till early January 2008, witnessed a sharp correction beginning January 11, 2008 due to rising concerns over the severity of sub-prime crisis and its spill-over to other countries. As a result of the

huge volatility witnessed during the year 2007-08, the Sensex gained 19.7 per cent and Nifty added 23.9 per cent on an annual basis. The Foreign Institutional Investors (FIIs) invested \$12.7 billion in the Indian stock markets during 2007-08 as against net purchases of \$5.7 billion during 2006-07. The major gainers in the stock markets during 2007-08 were metals, oil & gas, capital goods, fast moving consumer goods, public sector undertakings, banking and consumer durable stocks. Resources raised through public issues by the corporate sector increased sharply by 158.5 per cent to Rs 83,707 crore in 2007-08 over those in last year. All public issues during 2007-08 were in the form of equity except three, which were in the form of debt. According to the Ministry of Commerce, total foreign direct investment (FDI) inflows into India rose to \$24.6 billion in 2007-08 from \$21.9 billion in 2006-07. The Commerce Ministry expects FDI inflows to India to rise to \$35 billion in 2008-09 despite the growing uncertainties in the world economy. Even though the rupee appreciated 7.8 per cent against the U.S. dollar in 2007-08, India's merchandise exports grew 23.02 per cent in 2007-08 to \$155.51 billion. The imports, however, stood at \$235.91 billion primarily due the pressure of high oil import bill. The government's fiscal deficit in the first eleven months of 2007-08 declined 13.5 per cent on year-on-year basis and accounted for 73.4 per cent of the revised budget target for the entire financial year. In the Union Budget for 2008-09, the government has projected that the central government's fiscal deficit would narrow from 3.1 per cent of GDP in 2007-08 to 2.5 per cent in 2008-09.

MUTUAL FUND INDUSTRY

The mutual fund industry recorded a healthy growth in the financial year 2007-08. Gross mobilizations by the industry during the year amounted to Rs.44,67,943 crore as against Rs.19,41,347 crore in the previous year, registering a growth of 130%. The Industry also witnessed a gross redemption of Rs. 43,12,979 crore representing 134% increase over the previous year figure of Rs. 18,46,198 crore. On a net basis, there was an inflow of Rs. 1,54,964 crore as against Rs. 95,149 crore in the last year registering a growth of 63%. The Average Assets Under Management of the industry as on March 31, 2008 stood at Rs. 5,42,389 crore as against Rs. 3,61,254 crore the previous year recording an increase of over 50%. A combination of investor friendly and market-related products, extension of branch network, favourable market conditions for much of the year and investor awareness campaigns by fund houses contributed to the increased inflow. There is also an increasing trend towards tapping non-metro and rural markets.

FUTURE OUTLOOK

According to a report of McKinsey, a global consultancy firm, the Indian Asset Management business is expected to grow at least 33% annually. The main drivers will be the retail segment and institutional investor segment. AUM as a percentage of GDP works out to only 8% in India as compared with 79% in the US, and 39% in Brazil. AUM as a percentage of bank deposits is also abysmally low in India, at 25%, while it is 140% in the US and 96% in Brazil. SEBI has recently withdrawn the flexibility of charging the initial issue expenses to the new close-ended funds and amortising it over a period of 5 years. In view of this, the initial issue expenses incurred for the launch of the new funds will be confined to the extent of the entry load collected and any expenses in excess will be borne by the company. In addition, Asset Management Companies cannot charge any entry load in respect direct investments pursuant to SEBI circular. Your company believes the measures will be in the long-term interest of all stakeholders in the mutual funds business. In the near-to-medium term, the measures could impact on the profitability of the company. With the entry of new players in the mutual fund industry, competition is likely to intensify.

Baroda Pioneer Asset Management will strive to provide well-defined products that cater to a diverse range of risk, return and liquidity preferences of investors. Your company is confident of a robust growth in AUM on the back of consistent performance, a well thought-out marketing and distribution strategy, enhanced geographical reach and quality customer service. It is proposed that the branch network of the Bank, especially in the rural and semi-urban areas would be used for broadening investor base.

STATE OF COMPANY AFFAIRS

The Company was a wholly owned subsidiary of Bank of Baroda and is an Investment Manager for BOB Mutual Fund. On the 5th October 2007, agreements for Joint Venture has been entered into between Bank of Baroda ("BOB"), Pioneer Global Asset Management SpA ("Pioneer"), a global asset management company based in Italy and BOB Asset Management Company Limited (the "AMC").

On 27th of June 2008 Pioneer Global Asset Management SpA has acquired 51% stake in the AMC, partly by a fresh issuance and partly by way of purchase of shares from Bank of Baroda.

Consequent to above change of shareholding pattern of the Company the name of the Company is changed to "Baroda Pioneer Asset Management Company Limited" wef 8th July 2008.

The total net assets of all the schemes of Baroda Pioneer Mutual Fund as on 31-03-2008 was as follows:

Scheme	Net Assets (Rs. in Crore)
BOB DIVERSIFIED FUND	36.27
BOB ELSS 96	11.12
BOB Liquid Fund	11.71
BOB Income Fund	0.44
BOB Gilt Fund	0.07
BOB Balance Fund	0.79
BOB Growth Fund	6.63
BOB MIP Fund	0.05
BOB Children Fund	0.03
Baroda Global Fund	3.25
Total	70.36

DIRECTORS

Mr. B A Prabhakar has been appointed as an Additional Director of the Company since January 22, 2008 and he is entitled to hold office only up to the date of the next Annual General Meeting.

Mr. G. P. Gupta, Prof B B Bhattacharya, Dr P N Khandwalla, Mr. Shiv Dayal and Mr. Rohit Arora have been appointed as Additional Director as well as Independent Director of the Company since June 27, 2008 and they are entitled to hold office only up to the date of the next Annual General Meeting.

Dr. Anil K Khandelwal, Mr. Dario Frigerio and Mr. Angus Stening have been appointed as Additional Director of the Company since June 28, 2008 and they are entitled to hold office only up to the date of the next Annual General Meeting.

Mr. S. Bhattacharya, who was the Managing Director of the Company since 20th July 2006, resigned from the post of Managing Director of the Company wef 8th July 2008 and he continues as a Director of the Company

Mr. Suresh Jivandas Pabari and Mr. Bhagawati Prasad Managal who had been appointed as Additional Director as well as Independent Director of the Company since November 22, 2007 resigned from the Directorship of the Company wef June 27, 2008.

Mr. Bhagirat B. Merchant and Mr. S.D. Abhayankar resigned from the Directorship of the Company on October 10, 2007 and Mr. S. S. Mundra resigned from the Directorship of the Company on January 17, 2008.

Your Directors place on record their appreciation for the valuable contribution made by Mr. Bhagirat B. Merchant, Mr. S. D. Abhayankar, Mr. S. S. Mundra, Mr. Suresh Jivandas Pabari and Mr Bhagwati Prasad Managal during their tenure.

PARTICULARS OF EMPLOYEES

The provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988, as amended are not applicable to the Company, as there is no employee whose remuneration is in excess of the limits prescribed.

Directors' Responsibility Statement Pursuant to Section 217(2AA) of the Companies Act, 1956

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Management, and due enquiry, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. 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.
- iii. 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.
- iv. The Annual Accounts of the company have been prepared on an ongoing basis.

AUDITORS

The Company's present Auditor M/s Babu Chokshi & Co. Chartered Accountants, hold the office till the conclusion of the ensuing Annual General Meeting.

Information under section 217(1) (e) of the Companies Act, 1956

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.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Company has at present the following ten Directors, out of whom five Directors are Non-Executive Independent Directors.

Dr. Anil K Khandelwal	Chairman
Prof B B Bhattacharya	Independent Director
Dr. P N Khandwalla	Independent Director
Mr G P Gupta	Independent Director
Mr. Shiv Dayal	Independent Director
Mr. Rohit Arora	Independent Director
Mr. Dario Frigerio	Associate Director
Mr. Angus Stening	Associate Director
Mr. B A Prabhakar	Associate Director
Mr. S. Bhattacharya	Associate Director

BOARD MEETINGS

The Board meets at least four times a year and the maximum gap between two meetings is not more than four months. During the financial year 2007-08, 7 meetings of the Board of Directors were held on 17th April 2007, 27th April 2007, 4th July, 2007, 29th August, 2007, 22nd November 2007, 24th January 2008 and 24th March 2008.

BOARD COMMITTEES

Audit Committee

The Audit Committee of the Board of Directors has been constituted in line with the provisions of Section 292A of the Companies Act, 1956. The Audit Committee comprises Mr. Angus Stening, Mr. Shiv Dayal and Mr. B A Prabhakar. The Audit Committee of the Board of Directors held 3 meetings during financial year 2007-08 on April 17, 2007, August 29, 2007 and November 22, 2007.

Mr. Suresh Jivandas Pabari and Mr. Bhagawati Prasad Managal resigned from the membership of Audit Committee of the Company wef 27th June 2008. Mr. Bhagirat B. Merchant and Mr. S. D. Abhyankar resigned from the membership of the Audit Committee of the Company on October 10, 2007. Mr. S. S. Mundra resigned from the membership of the Audit Committee of the Company on January 17, 2008.

ANNUAL GENERAL MEETINGS

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

AGM	DATE	VENUE
12 th AGM	21.08.2004	BOB AMC Limited 105, Maker Chambers III, Nariman Point, Mumbai 21
13 th AGM	23.09.2005	BOB AMC Limited 105, Maker Chambers III, Nariman Point, Mumbai 21
14 th AGM	23.09.2006	BOB AMC Limited 105, Maker Chambers III, Nariman Point, Mumbai 21
15 th AGM	08.09.2007	Baroda Corporate Centre, C-26, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai- 51

AUDITORS REPORTS

The observations made by the Auditors in their report are self - explanatory and therefore, do not call for any comments.

APPRECIATION

The Directors place on record their appreciation for the assistance and guidance rendered by Securities and Exchange Board of India, Association of Mutual Funds in

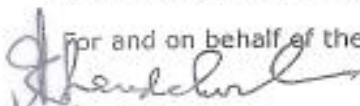
India, Bank of Baroda and Trustees of BOB Mutual Fund. The Directors also thank the investors for having reposed their confidence in BOB Mutual Fund.

The Directors wish to take this opportunity to thank:

- M/s Karvy Computershare Private Limited, the Registrar and Share Transfer Agents of BOB Mutual Fund for the services rendered by them.
- M/s SHAREX dynamic (India) Pvt. Ltd. the Registrar and Share Transfer Agents of BOB Asset Management Company Limited for the services rendered by them
- M/s Karvy Computershare Private Limited, HDFC Bank Limited and Bank of Baroda for providing collection centers for various schemes of the BOB Mutual Fund
- Bank of Baroda for helping in marketing of our schemes and collection of investments all over the country
- HDFC Bank, custodians of schemes 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.

For and on behalf of the Board of Directors



Chairman

Place: Mumbai


Date: August 19, 2008

COMMENTS OF THE COMPTROLLER AND 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 2008.

The preparation of financial statements of BOB Asset Management Company Limited for the year ended 31 March 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 24 April 2008.

I on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditor on the accounts of BOB Asset Management Company Limited for the year ended 31 March 2008 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India


(A. W. Langstich)

Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board-I, Mumbai

Place : Mumbai.
Date : 23 May 2008

BABU U. CHOKSHI & CO.
CHARTERED ACCOUNTANTS

BABU U. CHOKSHI
B. Com., F.C.A.
SANJAY B. CHOKSHI
B. Com., F.C.A.
DEVANGI S. SHAH
B. Com., F.C.A.

Telephone: 23 09 02 75
23 07 31 09
Fax: 23 09 02 75
Office No. 31, 13th Floor,
Navjivan Com. Prem. Co-op. Soc. Ltd.,
Lamington Road, Mumbai 400 008.

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

We have audited the attached Balance Sheet of BOB ASSET Management Company Ltd. as at 31st March 2008 and also the Profit & 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, Profit & Loss account and Cash Flow dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet Profit & Loss account and Cash Flow 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 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



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- 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 Balance Sheet, of the state of affairs of the Company as at 31st March 2008
 - b) In the case of Profit & Loss Account, of the profit for the year ended on that date.
 - c) In the case of the Cash Flow statement, of the cash flow for the year ended on that date.

Place: Mumbai
Date: 24th April 2008



For Babu Chokshi & Co.
Chartered Accountants

Sanjay B. Chokshi

Sanjay Chokshi
Partner
Mem.No.48508

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 and no inventory is being maintained, hence no comments are required for the same.

(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 and sale of services. The Company does not deal in any goods and hence no comments are required with respect to internal controls for the purchase and sale of goods. 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



[Handwritten signature]

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) Statutory dues

- a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess 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, 2006 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.

Other 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, 2008. 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.



[Signature]

- (xii) According to the information and explanations give 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.
- (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.
- (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 Babu Chokshi & Co.
Chartered Accountants

Sanjay B. Chokshi

Sanjay Chokshi
Partner
Mem.No.48508

Place: Mumbai
Date: 24th April 2008



BOB ASSET MANAGEMENT COMPANY LIMITED
AUDITED BALANCE SHEET AS AT 31st March, 2008

	SCHEDULE	AS AT 31.3.2008 (2007 - 2008)		AS AT 31.03.2007 (2006 - 2007)	
			Rs.		Rs.
SOURCE OF FUNDS					
Shareholders' Funds	A		200,000,000		200,000,000
Share Capital					
Reserves & Surplus	B		108,719,035		86,850,225
			308,719,035		286,850,225
APPLICATION OF FUNDS					
Fixed Assets	C				
Free Block		5,334,990		5,554,229	
Less : Depreciation		4,791,016		4,854,387	
NET BLOCK			543,974		699,842
Investments	D		162,023,343		218,308,924
Deferred Tax Asset					
Deferred Tax asset		145,298		772,184	
Less : Deferred Tax Liability		16,995		88,387	
			128,303		683,797
Current Assets, Loans & Advances	E	188,686,226		97,644,171	
Less : Current Liabilities and Provisions	F	22,712,811		30,749,097	
NET CURRENT ASSETS			145,973,415		66,895,074
Miscellaneous Expenditure (to the extent not written off (adjusted))	G		50,000		262,588
			308,719,035		286,850,225

NOTES ON ACCOUNTS

Schedules referred to above form an integral part of the Balance Sheet. See our Report of even date.

ABU U. CHOKSHI & CO.

Anjay B. Chokshi

ANJAY B. CHOKSHI

Partner

No. 48508

Chartered Accountants

For and on behalf of Board of Directors

S.J. Pabari

Bhagwati Prasad Mangal

B A Prabhakar

S. Bhattacharya

Krishna Kumar Kushwaha
(Company Secretary)



BOB ASSET MANAGEMENT COMPANY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

	SCHEDULE	CURRENT YEAR 1.4.2007 TO 31.3.2008		PREVIOUS YEAR 1.4.2006 TO 31.3.2007	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Interest on Debentures / Bonds T.D.S. Rs.238,395/- (Previous Year Rs.8,88,184/-)			3,893,606		4,580,102
Interest on Deposits T.D.S. Rs.499,522/- (Previous Year Rs.4,91,770/-)			5,916,769		4,058,625
Dividend on Equity Shares T.D.S. Rs.NIL/- (Previous Year Rs.NIL)			135		-
Management Fees from BOB Mutual Fund T.D.S. Rs.9,78,463/- (Previous Year Rs.7,19,714/-)	H		8,302,724		12,215,772
Profit on sale / redemption of Investments	J		16,379,070		6,588,096
Profit on sale of UPS			-		5,000
Profit on sale of Batteries			3,000		-
Write off of depreciation in value of investment			348,020		-
Other Income	K		42,210		467
			34,885,534		27,458,354
EXPENDITURE					
Staff Expenses	L	3,354,148		4,500,587	
Rent, Rates & Taxes	M	1,237,300		1,318,948	
Legal & Professional Expenses		77,042		67,392	
Remuneration to Statutory Auditor's					
- As Audit Fees		28,000		13,483	
- As Other Fees (Tax audit)		12,000		13,483	
- As Other Fees (Certification)		3,000		1,000	
- Out of Pocket Expenses		1,025		1,650	
Out of Pocket Exps Concurrent Auditor		-		3,500	
Advertisement & Publicity Expenses		25,000		16,800	
Other Operating Expenses	N	3,388,508		4,513,085	
Depreciation		157,268		248,891	
Depreciation in value of Investments		13,180		1,486,712	
Loss on Conversion / Redemption of Invs.	I	3,492		97,818	
Deferred Revenue Exps w/off		212,588		553,355	
Receivables written off		163,173		-	
			8,655,722		12,836,803
Profit Before Taxation (PBT)			26,229,812		14,621,551
Less: Provision for Deferred Taxes (Current Year)					
Deferred Tax Asset written off		626,886		(334,891)	
Deferred Tax Liability W/off		(71,392)		(186,259)	
: Provision for Taxation (Normal Tax)		3,800,000		3,400,000	
: Provision for Taxation (Fringe Benefit)		48,000		55,000	
			4,403,494		2,934,050
Add: Excess provision for income Tax for 2003-04			21,826,318		11,687,511
			10,024		
			21,836,342		11,687,511
Less: Prior period adjustments					
Prior Period Expenses		117,753		1,967,250	
Less: Prior Period Income		(150,221)		(32,468)	
				(182,209)	
Profit After Tax & Adjustment (PAT)			21,686,810		9,862,469
Add: Balance of Profit from last year			86,850,225		76,967,756
Balance Carried to Balance Sheet			108,719,035		86,850,225

Earnings Per Share
(Face Value of Rs.10 per share)

1.09

0.49

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

As per our Report of even date
For BABU U. CHOKSHI & CO.
CHARTERED ACCOUNTANTS

Banjay B. Chokshi.
(SANJAY B. CHOKSHI)
Partner
M. No. 48508

For and on behalf of Board of Directors

S.J. Pabari

Bhagwan Prasad Mengal

S. Bhattacharya

Krishna Kumar Kushwaha
(Company Secretary)

Place: Mumbai
Date: 24th April 2008



BOB ASSET MANAGEMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

PARTICULARS	AMOUNT	AMOUNT	AMOUNT
CASH FLOW FROM OPERATING ACTIVITY			
NET PROFIT BEFORE TAXATION AND EXTRA ORDINARY ITEMS			25,329,512
ADD: Adjustments for:			
Non Cash Items Included			
Depreciation	157,255		
Depreciation in value of Investments	13,180		
Deferred Revenue Expts writt	212,588		
Receivables written off	153,173	545,206	
Loss on Sale of Investments considered separately	3,492	3,492	549,700
LESS: Non Cash Items Included			
Write off of depreciation in value of investment	348,020	348,020	
LESS: Income Considered separately			
Interest Income	9,810,375		
Dividend Income	135		
Profit on sale of Investments	16,379,070		
Profit on sale of asset	3,000	26,192,579	26,540,599
Operating profit before working capital changes			238,913
LESS: Increase in sundry debtors	(7,047,235)		
Decrease in inventories	0		
Decrease in sundry creditors	11,874,254	4,827,028	4,827,028
Cash generated from operations			(4,588,115)
LESS: Income taxes paid	4,267,001	4,267,001	4,267,001
Cash flow before extraordinary item			(8,855,116)
ADD: Prior Period Items		32,468	32,468
Net cash from operating activities			(8,822,648)
CASH FLOW FROM INVESTMENT ACTIVITIES			
ADD: Interest income	9,810,375		
Dividend income	135	9,810,510	
ADD: Cash flows from investing activities			
Purchase of fixed assets	(1,400)		
Proceeds from sale of equipment	3,000		
Sale Of Investments	129,495,000	129,497,600	139,305,110
LESS: Investments Made			56,900,000
NET CASH FLOW			73,585,462
Net increase in cash and cash equivalents			59,691,040
Cash and cash equivalents at beginning of period			133,876,502
Cash and cash equivalents at end of period			73,585,462

NOTES ON ACCOUNTS O

The Schedules referred to above form an integral part of the Balance Sheet, profit and loss account and cash flow statement.

As per our Report of even date

For BABU U. CHOKSHI & CO.

CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Sanjay B. Chokshi
Partner
M No 48506

S. A. Prabhu

Bhagwati Prasad Mangal

S. A. Prabhu

S. Bhattacharya

Place : Mumbai
Date : 24th April 2008

Krishna Kumar Kushwaha
(Company Secretary)



BOB ASSET MANAGEMENT COMPANY LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008 AND
THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

		AS AT 31.3.2008 (RS.)		AS AT 31.3.2007 (RS.)
SCHEDULE 'A'				
SHARE CAPITAL :				
<u>Authorised :</u>				
200,00,000 Equity shares of Rs.10/- each		200,000,000		200,000,000
(200,00,000 Equity shares of Rs.10/- each)				
<u>Issued, Subscribed & Paid Up :</u>				
200,00,000 Equity shares of Rs.10/- each fully paid up.		200,000,000		200,000,000
(200,00,000 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	86,850,225		76,967,756	
Add : Surplus during the year	21,868,810		9,882,469	
		108,719,035		86,850,22
		108,719,035		86,850,22

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BOB ASSET MANAGEMENT COMPANY LIMITED

SCHEDULE 'C'

FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2007 (RS.)	ADDITIONS DURING THE PERIOD (RS.)	DEDUCTIONS DURING THE PERIOD (RS.)	AS AT 31.3.2008 (RS.)	UPTO 31.03.2007 (RS.)	FOR THE PERIOD (RS.)	ON DEDUCTIONS DURING THE PERIOD (RS.)	UPTO 31.3.2008 (RS.)	AS AT 31.3.2008 (RS.)	AS AT 31.03.2007 (RS.)
Motor Car	487,521	-	-	487,521	374,886	29,161	-	404,047	83,474	112,635
Computers	3,619,299	1,400	220,639	3,400,060	3,568,198	32,575	220,639	3,380,134	19,926	51,101
Software	32,575	-	-	32,575	32,575	-	-	32,575	-	-
Furniture & Fixtures	683,876	-	-	683,876	414,400	48,777	-	463,177	220,699	269,476
Office Equipment	730,958	-	-	730,958	464,328	46,755	-	511,083	219,875	266,630
TOTAL	5,554,229	1,400	220,639	5,334,990	4,854,387	157,268	220,639	4,791,016	543,974	699,842
PREVIOUS YEAR	5,583,855	55,750	85,376	5,554,229	4,640,538	248,891	35,042	4,854,387	699,842	943,317



	AS AT 31.3.2008 (RS.)	AS AT 31.03.2007 (RS.)
SCHEDULE 'D'		
INVESTMENTS (At Cost OR Market Value whichever is less):		
QUOTED		
Traded:		
Bonds		
200 bonds (Previous Year 200 bonds)	20,000,000	20,000,000
14.3% Bank of Baroda Bonds - Series II (option - III) of Rs.100000/- each . Price as on 31.3.2008 - Rs. 104751.4405 per unit		
108118 units (Previous year - 108118 units) 6.75% UTI Bonds-2008 (Tax Free) of 100 each (Converted into Bonds on 1.6.2003) Price as on 31.3.2008 - Rs. 99.6824	10,777,460	10,429,484
Non-Convertible Debentures		
Nil (Previous year - 100 bonds) 10% National Textile Corporation Ltd. of Rs.100000/- each. Matured on 20.7.2007	-	10,003,492
Govt. Security		
100 units of 11.03% GOI 2012 (Face Value of Rs. 100 each). Price as on 31.3.2008 Rs. 112.759	11,276	11,232
Equity Shares		
613 shares of Cinemax (I) Ltd. @Rs.155 per share Price as on 31.3.08 Rs.105.65	64,763	77,943
Non-Traded:		
Units		
UN-QUOTED		
UNITS		
2344294.539 (Pr. Year - 896026.173 Units) Units of BOB Diversified Fund (Dividend) NAV PER UNIT Rs. 36.87 AS ON 31.3.2008	74,500,000	18,000,000
0 (Pr. Year - 482225.180 Units) Units of BOB MIP - Growth Plan NAV PER UNIT Rs. 11.7691 AS ON 28.2.2007	-	-
0 (Pr. Year - 482197.277 Units) Units of BOB MIP - Monthly Dividend NAV PER UNIT Rs. 11.7740 AS ON 28.2.2007	-	-
3697731.452 (Pre year - 9934992.626 units) Units of BOB LIQUID FUND (Growth) NAV PER UNIT Rs. 14.3136 AS ON 31.3.2008	46,066,681	123,782,955
85099.895 (Pr. Yr. - 91142.286) Units of BOB INCOME FUND (Growth) NAV PER UNIT Rs. 13.2859 AS ON 31.3.2008	1,012,127	1,083,972
77227.912 (Pr. Yr. - 96476.879 units) Units of BOB BALANCE FUND (Growth) NAV PER UNIT Rs. 26.8433 AS ON 31.3.2008	927,308	1,158,260
84502.183 (Pr. Yr. - 84502.183 units) Units of BOB GROWTH FUND (Growth) NAV PER UNIT Rs. 39.3100 AS ON 31.3.2008	1,144,000	1,144,000
761144.300 (Pr. Yr. 3299434.025 units) Units of Baroda Global Fund (Growth) NAV PER UNIT Rs. 12.8066 AS ON 31.3.2008	7,519,728	32,617,586
	162,023,343	218,308,924

2/3/08



	AS AT 31.3.2006		AS AT 31.3.2007	
	(RS.)	(RS.)	(RS.)	(RS.)
SCHEDULE 'E'				
<u>CURRENT ASSETS, LOANS & ADVANCES, DEPOSITS:</u>				
a) Current Assets				
Interest accrued on Investments	2,591,217		3,042,798	
Receivables				
(Unsecured, considered good unless otherwise stated)				
Over six months***	10,000,000		10,000,000	
Others	2,066,715		2,276,988	
Cash & Balance with Banks				
Cash in hand	205		2,311	
Bank Balances				
In Current Account with Scheduled Banks	191,333		886,729	
Deposits				
In Fixed Deposit with Scheduled Banks	133,684,964		59,000,000	
		148,534,434		75,210,826
b) Loans & Advances				
(Unsecured considered good, unless otherwise stated)				
Advances recoverable in cash or in kind for value to be received (Includes Advance Tax Rs.6,976,680 (Previous Year - Rs.10,796,780), T.D.S Rs.11,518,150 (Previous Year - Rs.10,988,296) and FBT amounting to Rs.164,600 (Previous Year - Rs.114,600))		20,151,792		22,433,345
		158,686,226		97,644,171

*** Amount recoverable from ATCOM Technologies being investment in Pref. Shares.



Signature

	AS AT 31.3.2006 (RS.)	AS AT 31.3.2007 (RS.)
SCHEDULE 'F'		
CURRENT LIABILITIES & PROVISIONS :		
a) Current Liabilities		
Bank Overdraft	-	4,302,019
(Against FD of Rs. 35 lac & Rs.200 lac from OBC)		
Liability for Expenses:		
Provision for Gratuity Payable	-	39,115
Amount Payable on to BOB Liquid Fund	-	764,246
Amount Payable to BOB Income Fund	-	132,433
Amount Payable on to BOB Gilt Fund	-	-
Amount Payable to BOB Balance Fund	-	94,768
Amount payable to of BOB NRI FUND - STB	23,714	23,714
Amount payable to BOB NRI FUND - LTB	2,342	2,342
Amount Payable to BOB NRI Flexi Asset Plan	7,554	7,554
Amount Payable to BOB MIP. Fund	944,380	1,037,295
Amount Payable to BOB Children Study Plan	6,506	14,280
Amount Payable to BOB Children Gift Plan	7,762	41,679
Amount Payable to Baroda Global Fund	84,834	84,834
Amount Payable to BOB	1,072,491	-
Provision for Expenses 2004-2005	-	-
Provision for Expenses 2005-2006	-	-
Provision for Expenses 2006-2007	-	740,337
Provision for Expenses 2007-2008	395,327	-
	2,544,910	7,284,616
Other liabilities *	5,011,101	4,705,681
	7,556,011	11,990,297
b) Provisions		
For Taxation (Fringe Benefit Tax)	167,000	119,000
For Taxation (Normal Tax)	14,989,800	18,639,800
	22,712,811	30,749,097
SCHEDULE 'G'		
MISCELLANEOUS EXPENDITURE :		
(to the extent not written off)		
Deferred Revenue Expenditure	50,000	262,588
	50,000	262,588

* Foot Note: Other liabilities includes amount received from Kinetic Finance Rs. 43,92,608/-, payable to unit holders of STP plan after deducting legal & other fees.

Signature



	FOR THE PERIOD 1.4.2007 to 31.3.2008 (RS.)	FOR THE PERIOD 1.4.2006 to 31.3.2007 (RS.)
SCHEDULE 'H'		
Management Fees:		
From BOB DIVERSIFIED FUND	4,783,185	3,542,466
From BOB ELSS'96	1,453,419	1,316,807
From BOB ELSS'97	-	292,487
From BOB LIQUID FUND	444,399	1,799,357
From BOB INCOME FUND	33,261	34,839
From BOB GILT FUND	16,910	420,132
From BOB GILT P.F. PLAN	-	73,209
From BOB BALANCE FUND	86,008	86,105
From BOB GROWTH FUND	1,002,297	1,395,126
From BOB MIP Fund	7,108	11,993
From BOB NRI - STB Fund	-	910
From BOB NRI - LTB Fund	-	633
From BOB NRI - Flexi Asset Plan	-	391
From BOB CHILDREN FUND - GIFT PLAN	2,421	3,008
From BOB CHILDREN FUND - STUDY PLAN	1,190	1,354
From Baroda Global Fund	470,506	3,236,935
	8,302,724	12,215,772
SCHEDULE 'I'		
LOSS on sale / redemption / conversion of Investments:		
Loss on Maturity of NTCL Bonds	3,492	97,818
Loss on Baroda Global Fund	-	-
	3,492	97,818
SCHEDULE 'J'		
PROFIT on sale / redemption of Investments:		
Profit on Sale of Units of BOB MIP Fund Monthly Div Plan	-	431,084
Profit on Sale of Units of BOB MIP Fund Growth Plan	-	563,892
Profit on Sale of Units of BOB NRI STB	-	96,169
Profit on Sale of Units of BOB Gilt Fund	-	1,722,380
Profit on Sale of Units of BOB Gilt Fund PF Plan	-	1,305,600
Profit on Sale of Units of BOB Balance Fund	310,048	182,260
Profit on Sale of Units of BOB Liquid Fund	9,863,726	392,201
Profit on Sale of BOB Income Fund	6,154	972
Profit on Sale of Units of Baroda Global Fund	6,179,142	1,893,540
	16,379,070	6,588,096
SCHEDULE 'K'		
Other Income:		
Miscellaneous Income	42,210	467
	42,210	467
SCHEDULE 'L'		
Staff Expenses:		
Salaries, Wages and Allowances	3,268,030	4,294,467
ESIC Company contribution	15,676	18,938
Gratuity	6,520	47,193
Staff Welfare Expenses	63,922	139,989
	3,354,148	4,500,587
SCHEDULE 'M'		
Rent, Rates & Taxes:		
Rent for Office Premises	1,234,800	1,316,448
Profession Tax	2,500	2,500
	1,237,300	1,318,948



BOB ASSET MANAGEMENT COMPANY LIMITED

	FOR THE PERIOD 1.4.2007 to 31.3.2008 (RS.)	FOR THE PERIOD 1.4.2006 to 31.3.2007 (RS.)
SCHEDULE 'N'		
Other Operating Expenses:	174,497	292,561
Printing & Stationery	564,522	479,755
Electricity Charges	162,595	245,956
Telephone Expenses	163,629	188,458
Motor Car Expenses	74,616	140,357
Conveyance & Travelling Expenses	807,967	871,154
Membership & Registration Fees	80,000	160,000
Director Sitting Fees	8,891	8,679
Newspaper & Periodical Expenses	75,000	84,571
Website Maintenance Expenses	45,319	60,258
Postage	859,453	361,167
Repairs & Maintenance	-	250,000
Trail Fees	142,974	158,679
Miscellaneous Expenses	156,257	137,606
Premises Maintenance Charges	-	4,650
Training & Seminar Fees	8,545	6,139
Bank Charges	5,641	2,019
Interest on overdraft	6,100	23,438
Insurance Premium	-	783,138
Registrar Charges	12,500	109,500
Filing Fees	-	125,000
Extra Plan Benefit	20,000	20,000
Custodian charges (CDSL)	-	-
	3,368,506	4,513,085



1.8 DEFERRED TAX ASSET

As on 31st March 2008, the Deferred Tax Asset stood at Rs.1,45,298 in relation to

Fixed Assets	Rs. 1,30,600
Loss on Investment	Rs. 14,698

1.9 DEFERRED TAX LIABILITY

The Deferred Tax Liability stood at Rs.16,995 in relation to Deferred Revenue Expenditure.

2. REMUNERATION TO MANAGING DIRECTOR

	2007-08 (RS.)	2006-07 (RS.)	2005-06 (RS.)
Salary & Other allowances	5,41,957	3,76,984	7,21,941

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

INCOME

Interest	15,53,386	32,00,275	28,97,684
Interest on BOB Bonds	28,60,000	28,60,000	28,60,000

EXPENSES

Bank Charges	8,545	6,139	14,512
Rent	12,34,800	13,16,448	13,63,824
Salary	13,92,536	17,68,416	16,70,687

ASSETS

Bank Balance	1,91,333	8,88,730	26,96,111
Fixed Deposit Balance	9,10,77,008	--	2,78,21,152
Inv in BOB Bonds	2,00,00,000	2,00,00,000	2,00,00,000

LIABILITIES

Share Capital	20,00,00,000	20,00,00,000	20,00,00,000
Amt Payable	45,94,994		

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

5. The registered office of the BOB ASSET Management Company Ltd. is 105, Maker Chambers III, Nariman Point, Mumbai 400 021. The Company is making payments directly to the Maker Chambers III CHS Ltd. towards premises maintenance, municipal taxes and lease rent.

7. Earnings Per Share:

Earnings per share have been computed as under

	Current Year	Previous year
Profit After Taxation (Rs).	2,18,68,810	98,82,469
No. of shares outstanding	2,00,00,000	2,00,00,000
Earnings Per Share basic/diluted (Face Value of Rs.10per share)	Rs.1.09	Rs.0.49



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

9. In the opinion of the Management, the Current Assets, Loans & 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.

10. 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 Company Ltd.

11. The figures of the previous year have been regrouped/rearranged, wherever necessary to confirm the current year's presentation.

12. 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.

13. The cash flow statement has been prepared by applying the indirect method as per Accounting Standard 3 issued by the Institute of Chartered Accountants of India. As per our Report attached

For Babu U. Chokshi & Co.
Chartered Accountants

Sanjay B. Chokshi

(Sanjay Chokshi)
Partner
M. No. 48508

Place: Mumbai
Date: 24th April 2008

For and on behalf of Board of Directors

S J Pabari

Bhagwati Prasad Managaj

B A Prabhakar

S. Bhattacharya (Managing Director)

K.K.
Krishna Kr Khushwaha (Company Secretary)



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

1. REGISTRATION DETAILS

Registration No.	:	6 9 4 1 4
State Code	:	1 1
Balance Sheet Date	:	31.3.2008

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

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT IN Rs.Thousand)

Total Liabilities	:	30,87,19
Total Assets	:	30,87,19

SOURCES OF FUNDS (Amount in Rs. Thousand)

Paid up Capital	:	20,00,00
Reserves & Surplus	:	10,87,19
Secured Loans	:	NIL
Unsecured Loans	:	NIL

APPLICATION OF FUNDS (Amount in Rs. Thousand)

Net Fixed Assets	:	5,44
Investment	:	16,20,23
Net Current Assets	:	14,59,73
Miscellaneous Expenditure	:	50
Deferred Tax Asset	:	1,45
Accumulated Losses	:	NIL

IV PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)

Turnover	:	3,48,86
Total Expenditure	:	86,56
Profit Before Tax	:	2,62,30
Profit After Tax	:	2,18,69
Earnings Per share (In Rs.)	:	1.09
Dividend %	:	NIL

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF CO. :

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



BARODA PIONEER 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 Fifteenth Annual General Meeting of the Company to be held on the
_____ day of _____ 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008

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.**

BARODA PIONEER ASSET MANAGEMENT COMPANY LTD.

I hereby record my presence at the 16th Annual General Meeting of the Company to be
held at Baroda Corporate Centre, C- 26, G- Block, Bandra Kurla Complex, Bandra (E)
Mumbai 400 051, on Tuesday, September 23, 2008 at 3.30 p.m.

Full Name of Shareholders: _____

Folio No: _____, No. of Shares held: _____

Signature _____

Member's/
Signature

Proxy

Please complete this attendance slip and hand over at the entrance of the hall.