

INDEPENDENT AUDITOR'S REPORT**To****The Members of****Baroda Asset Management India Limited**

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Report on the Audit of the Financial Statements**Opinion**

1. We have audited the financial statements of Baroda Asset Management India Limited (Formerly known as Baroda Pioneer Asset Management Company Limited) ('the Company'), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit and cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

4. Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

Other Matter

5. The comparative financial information of the Company for the year ended 31st March, 2018 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with section 133 of the Act, which were audited by the then statutory auditors "Deloitte Haskins & Sells LLP, Chartered Accountants" for the year ended 31st March, 2018 whose reports dated 25th April, 2018 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and such other disclosures related Information, excluding the financial statements and auditor's report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
8. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.





9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. In terms of provisions of Section 143(5) of the Act, we give in Annexure 3 our report on the Directives by the office of the Comptroller and Auditor General (CAG).
11. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 4.
 - g. In terms of provisions of Section 197(16) of the Act, we report as under:

The Company having become Government Company within the meaning of Section 2(45) of the Act on and from September 28, 2018, as informed, the provisions of Section 197 of the Act, pertaining to managerial remuneration, are not applicable to it from that date vide MCA Notification dated 5th June 2015. For the period from April 1, 2018 to September 27, 2018, in our opinion and as per the information and explanations provided to us, the remuneration paid by the Company to its Whole Time Director and Chief Executive Officer, being in excess by Rs. 1,03,24,836/- compared to the provisions of Section 197 read with Schedule V of the Act, is subject to approval by the shareholders of the Company at its forthcoming Annual General Meeting.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.



Khimji Kunverji & Co

(Registered)

Chartered Accountants



(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 033494)
Place: Mumbai
Date: 24th April, 2019

DRB



Annexure 1 to the Independent Auditors' Report to the Members of Baroda Asset Management India Limited (Formerly known as Baroda Pioneer Asset Management Company Limited)

(referred to in paragraph 4 titled "Auditor's Responsibilities for the Audit of the Financial Statements")

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Annexure 2 to the Independent Auditors' Report to the Members of Baroda Asset Management India Limited (Formerly known as Baroda Pioneer Asset Management Company Limited)

[referred to in paragraph 9 titled 'Report on Other Legal and Regulatory Requirements']

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) Fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties; hence clause (3)(i)(c) of the Order is not applicable to it.
- ii. The Company does not have any inventory and hence reporting under clause (3)(ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the requirements of clause (3) (iii)(a), (3) (iii)(b) and (3) (iii)(c) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or securities covered under section 185 and section 186 of the Act. In respect of investments made by the Company, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year under report. Therefore, question of reporting compliance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act for any of the products / services of the Company. Accordingly, clause (3)(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods & Service tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no disputed Income tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax, cess and other material statutory dues as at 31st March, 2019 for a period of more than six months from the date they became payable.
- viii. Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loans from financial institutions, banks and government or has not issued any debentures. Hence, clause (3)(viii) of paragraph 3 of the Order is not applicable to the Company.

- ix. During the year under report, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, clause (3)(ix) of the Order is not applicable to it.
- x. During the course of our examination of the books of account and records of the Company and according to information and explanation given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.
- xi. The Company having become Government Company within the meaning of Section 2(45) of the Act on and from September 28, 2018, as informed, the provisions of Section 197 of the Act, pertaining to managerial remuneration, are not applicable to it from that date vide MCA Notification dated 5th June 2015. However, for the period from April 1, 2018 to September 27, 2018, in our opinion and as per the information and explanations provided to us, the remuneration paid by the Company to its Whole Time Director and Chief Executive Officer, being in excess by Rs. 1,03,24,836/- compared to the provisions of Section 197 read with Schedule V of the Act, is subject to approval by the shareholders of the Company at its forthcoming Annual General Meeting.
- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause (3) (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (3)(xiv) of the Order are not applicable to it.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. The provisions of clause (3)(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W


Hasmukh B Dedhia
Partner (F - 033494)

ARB

Place: Mumbai
Date: 24th April, 2019

Annexure 3 to the Independent Auditors' Report to the Members of Baroda Asset Management India Limited (Formerly known as Baroda Pioneer Asset Management Company Limited)

[Referred to in paragraph 10 under titled "Report on other legal and regulatory requirements"]

Our report, based on our audit and as per information and explanations provided by the management of the Company on 'Directives' issued by the by office of the CAG in terms of provisions of Section 143(5) of the Act

- I. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

The Company has system in place to process all the accounting transactions, namely "Sun Accounting System". In course of our audit, nothing came to our notice pertaining to accounting transactions being processed outside IT system, having any financial implications.

- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

Not Applicable in case of the Company.

- III. Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

Not Applicable in case of the Company.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W



Hasmukh B Dedhia
Partner (F - 033494)

DRB

Place: Mumbai
Date: 24th April, 2019

Annexure 4 to the Independent Auditors' Report to the Members of Baroda Asset Management India Limited (Formerly known as Baroda Pioneer Asset Management Company Limited)

[Referred to in paragraph 11 (f) titled "Report on other legal and regulatory requirements"]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Baroda Asset Management India Limited ("the Company") as at 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W



Hasmukh B Dedhia
Partner (F - 033494)

DRB

Place: Mumbai
Date: 24th April, 2019

Baroda Asset Management India Limited

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Balance sheet
as at 31 March 2019

(Currency: Indian rupees)

| Particulars | Note No | 31-Mar-19 | 31-Mar-18 |
|--|-----------|--------------------|--------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| (a) Share Capital | 3 | 949,440,640 | 949,440,640 |
| (b) Reserves and Surplus | 4 | (304,279,277) | (352,940,551) |
| Non-Current Liabilities | | | |
| (a) Other long term liabilities | 5 | 11,565,454 | 13,268,875 |
| (b) Long term provisions | 6 | 26,604,979 | 23,568,450 |
| Current Liabilities | | | |
| (a) Trade payables | 7 | | |
| (A) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 15,921,376 | 30,890,491 |
| (b) Other current liabilities | 8 | 58,881,277 | 52,610,046 |
| (c) Short-term provisions | 9 | 5,596,752 | 3,841,964 |
| Total | | 763,731,201 | 720,679,915 |
| II. ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 10 | | |
| (i) Tangible assets | | 6,175,479 | 1,766,975 |
| (ii) Intangible assets | | 7,133,143 | 1,845,948 |
| (ii) Capital work-in-progress | | - | 3,861,400 |
| (b) Non-current investments | 11 | 64,636,396 | 53,010,051 |
| (c) Long term loans and advances | 12 | 48,691,833 | 38,099,537 |
| Current assets | | | |
| (a) Current investments | 13 | 548,200,000 | 265,000,000 |
| (b) Trade receivables | 14 | 31,821,194 | 45,195,702 |
| (c) Cash and cash equivalent | 15 | 50,511,196 | 289,610,616 |
| (d) Short-term loans and advances | 16 | 3,587,089 | 3,969,217 |
| (e) Other current assets | 17 & 22.1 | 2,974,871 | 18,320,468 |
| Total | | 763,731,201 | 720,679,915 |

See accompanying notes to the financial statements.

In terms of our report attached.

For Khimji Kunverji & Co
Chartered Accountants
Reg. No. 105146W

Asst. Secy DRB

Hasmukh B. Dedhia
Partner
Membership No. 33494

Mumbai
24-Apr-2019

For and on behalf of the Board of Directors
Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)



Anthony Heredia
Anthony Heredia
Whole-time Director &
Chief Executive Officer
DIN - 02205628

Kiran Deshpande
Kiran Deshpande
Chief Operating Officer &
Chief Financial Officer

Mumbai
24-Apr-2019

Vikramaditya Singh Khichi
Vikramaditya Singh Khichi
Director
DIN - 08317894

Farhana Mansoor
Farhana Mansoor
Company Secretary

Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Statement of profit and loss
for the year ended 31 March 2019

(Currency: Indian rupees)

| Particulars | Note No | 31-Mar-19 | 31-Mar-18 |
|--|---------|--------------------|--------------------|
| Revenue from operations | 18 | 473,313,869 | 436,926,033 |
| Other income | 19 | 28,579,406 | 37,988,236 |
| Total Revenue | | 501,893,275 | 474,914,269 |
| Expenditure | | | |
| Employee benefit expenses | 20 | 207,756,917 | 187,986,987 |
| Depreciation and amortisation expense | 10 | 5,699,391 | 1,304,706 |
| Other Expenses | 21 | 232,275,693 | 253,874,439 |
| Total Expenses | | 445,732,001 | 443,166,132 |
| Profit before tax | | 56,161,274 | 31,748,137 |
| Provision for taxation | | 7,500,000 | - |
| - Income tax | | | |
| Profit for the year | | 48,661,274 | 31,748,137 |
| Earning per equity share (Face value Rs. 10) Basic and Diluted | 22.4 | 0.51 | 0.34 |

See accompanying notes to the financial statements.

In terms of our report attached.

For Khimji Kunverji & Co
Chartered Accountants
Reg. No. 105146W

Reshma

DRB

Hasmukh B. Dedhia
Partner
Membership No. 33494

Mumbai
24-Apr-2019

For and on behalf of the Board of Directors
Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Anthony Heredia
Anthony Heredia
Whole-time Director &
Chief Executive Officer
DIN - 02205628

Kiran Deshpande
Kiran Deshpande
Chief Operating Officer &
Chief Financial Officer

Mumbai
24-Apr-2019

Vikramaditya Singh Khichi
Vikramaditya Singh Khichi
Director
DIN - 08317894

Farnana Mansoor
Farnana Mansoor
Company Secretary



Baroda Asset Management India Limited

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Cash Flow Statement for year ended 31st March, 2019

| | March 2019 | March 2018 |
|--|----------------------|---------------------|
| <u>Cash Flow from Operating Activities</u> | | |
| Net Profit before taxation : | 56,161,274 | 31,748,137 |
| Adjustments for : | | |
| Depreciation | 5,699,391 | 1,304,706 |
| Fixed Assets Write off | 28,614 | - |
| Profit on sale of investments | (22,671,028) | (16,614,440) |
| Interest on Bank Deposits | (5,901,163) | (20,617,333) |
| Operating Profit / (Loss) before working capital Changes : | 33,317,088 | (4,178,930) |
| Decrease / (Increase) in Current Assets and Non-Current Assets | 13,222,936 | (19,186,208) |
| Increase / (Decrease) in Current and Non-Current Liabilities | (5,609,988) | 4,951,502 |
| Cash used in Operations | 40,930,036 | (18,413,637) |
| Refund / (Payout) of Taxes | (17,558,596) | (5,135,652) |
| Cash used in Operating Activities | 23,371,440 | (23,549,289) |
| <u>Cash used in / generated from Investing activities</u> | | |
| Interest on Bank Deposits | 21,246,760 | 19,766,177 |
| Purchase of Investments | (4,422,272,596) | (3,399,700,000) |
| Proceeds from Sale of Investments | 4,150,117,280 | 3,399,414,440 |
| Purchase of Fixed Assets | (11,562,304) | (3,149,485) |
| Advance for Fixed Assets (Capital work-in-progress) | - | (3,861,400) |
| Net cash used in / generated from Investing activities | (262,470,860) | 12,469,732 |
| <u>Cash generated from Financing activities</u> | | |
| Proceeds from issue of share capital | - | 69,000,000 |
| Net cash generated from Financing activities | - | 69,000,000 |
| Net Increase / (decrease) in cash and cash equivalents | (239,099,420) | 57,920,443 |
| Cash and Cash equivalents at the beginning of the year as per note 15 | 289,610,616 | 231,690,173 |
| Cash and Cash equivalents at the end of the year as per note 15 | 50,511,196 | 289,610,616 |
| <u>Components of Cash and Cash Equivalents</u> | | |
| Cash in hand | 96,008 | 45,214 |
| Balance with banks | 415,188 | 220,402 |
| Short term bank deposits | 50,000,000 | 289,345,000 |
| Total Cash & Cash Equivalent per note 15 | 50,511,196 | 289,610,616 |

In terms of our report attached.

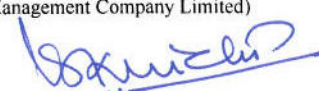
For Khimji Kunverji & Co
Chartered Accountants
Reg. No. 105146W

 DRB
Hasmukh B. Dedhia
Partner
Membership No. 33494


Anthony Heredia
Whole-time Director &
Chief Executive Officer
DIN - 02205628


Kiran Deshpande
Chief Operating Officer &
Chief Financial Officer

For and on behalf of the Board of Directors
Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)


Vikramaditya Singh Khichi
Director
DIN - 08317894


Farhana Mansoor
Company Secretary



Baroda Asset Management India Limited

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

1 Background

Baroda Asset Management India Limited (Formerly known as Baroda Pioneer Asset Management Company Limited) (the 'Company') was incorporated on 5 November 1992 as a public limited company.

On 27 June 2008, Pioneer Global Asset Management S.p.A (PGAM), a Company incorporated in Italy, acquired 51% stake in the Company. Post the acquisition, the Company became a subsidiary of PGAM.

Effective November 1, 2017, Pioneer Global Asset Management (PGAM) has been merged into its controlling company, UniCredit S.p.A. (UniCredit) As a consequence, the shareholding of PGAM in the Company stood transferred to UniCredit S.p.A.

Further, by virtue of a Share Purchase Agreement executed between Bank of Baroda and UniCredit on Dec 28, 2017, Bank of Baroda acquired the shares held by UniCredit in the Company on Sep 28, 2018 post obtaining necessary approvals. Accordingly the Company has now become wholly owned subsidiary of Bank of Baroda (BOB).

The principal activity of the Company is to act as an investment manager to Baroda Mutual Fund. During the Financial Year 2011-12, pursuant to the No Objection Certificate dated 29 June 2011 received from the regulator, Securities Exchange Board of India (SEBI), the Company commenced the activity of rendering non-binding investment advisory services to Pioneer Investment Management Limited (a wholly owned subsidiary of erstwhile PGAM) as per the agreement dated 1 July 2011, signed between the two parties. The said advisory services have since been discontinued effective 30th June 2017 as per letter received from Pioneer Investments Management Limited.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules 2006, amended and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Company was a Small and Medium Sized Company in previous year as defined in the General Instructions in respect of Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules 2006, amended and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") but after acquisition of shares by BOB company cease to be a SMC.



Baroda Asset Management India Limited

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

2. Significant accounting policies (Continued)

2.2 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term deposits with banks with original maturities of three months or less from the date of acquisition and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Property, Plant and Equipment

- a) Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and impairment. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the assets.
- b) Intangible assets comprising of computer software are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated amortisation. Any technology support cost or annual maintenance cost of such software is charged annually to the Statement of Profit and Loss.
- c) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.



Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees)

2. Significant accounting policies (Continued)

- d) The Company provides pro-rata depreciation under straight line method from the date the asset is put to use and for any asset sold, until the last date of sale.

Depreciation is calculated considering the useful life of asset as per schedule II of the Companies Act 2013 or any shorter useful life as estimated by the management in the table given below.

| Class of asset | Rate of depreciation | Useful life |
|---------------------------------------|---|-------------|
| Furniture and fixtures | 20% | 5 years |
| Office equipment | 20% | 5 years |
| Computers including computer software | 33.33% | 3 years |
| Leasehold improvements | Over the period of lease or useful life, whichever is shorter | |

- e) Fixed assets individually costing Rs.5,000 or less and mobile phones are fully depreciated in the year of purchase / acquisition.
- f) The Computers and Computer Software are depreciated / amortised on straight line basis over the useful life and leasehold improvements are depreciated over the period of lease or useful life, whichever is shorter.



Baroda Asset Management India Limited

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

2. Significant accounting policies (Continued)

2.5 Revenue Recognition

Investment management fees

Investment management fees are recognised net of service tax / GST (Service tax till 30th June 2017 and GST w.e.f. 01st July 2017) on an accrual basis as a percentage of the average daily net assets of the schemes of Baroda Mutual Fund (excluding on investments made by the Company in the schemes, intra-scheme investments and schemes investment in fixed deposit for certain category of schemes), such that it does not exceed the expense limit prescribed by the Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 and any further amendments (the 'Regulations') or offer document of the respective schemes.

Investment advisory & research fees

Investment advisory & research fees are recognised in accordance with the respective terms of contract with counter parties.

Other income

Interest income is accounted on accrual basis.

Purchase and sale of investments is recorded on the trade date. The profit / loss on sale of investments is recognised in the Statement of profit and loss on the trade date. Profit or loss on sale of investments is determined using simple average cost method.

2.6 Scheme related expenses

Annual recurring expenses relating to schemes of the Fund which are in excess of internal expense limits are borne by the Company. The internal expense limits are within the overall expense limits prescribed by the Regulations or offer document of the respective schemes.

Expenses incurred directly by the Company for schemes are recognised in statement of Profit and Loss under respective heads.

Effective from October 22, 2018, as per SEBI circular SEBI/HO/IMD/DF2/CIR/P/2018/137 certain scheme related expenses which are directly allocable to the schemes like Custody fees, RTA fees etc. have been charged to the schemes.

2.7 Investments

Investments are classified as Current or Non-current based on intention of the management at the time of purchase.

Long term investments are carried at carrying cost less diminution in value other than temporary in nature, determined separately for each individual investment.

Current investments are carried at the lower of cost and market value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit and loss. The comparison of cost and market value is done separately for each individual investment.



Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.8 Earning per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

2.9 Employee benefits

Employee benefits include provident fund, gratuity fund, and compensated absences.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability valued by actuary at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.



Baroda Asset Management India Limited

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

2. Significant accounting policies (Continued)

2.10 Taxation

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred Tax

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.11 Transactions in foreign currency

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. Exchange difference, if any, arising out of foreign exchange transactions settled during the year are recognised as income or expense in the Statement of profit and loss.

Monetary assets and liabilities, denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the Statement of profit and loss.



Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees)

2. Significant accounting policies (Continued)

2.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.13 Goods and Service Tax Input Credit

Goods and Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.14 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.15 Operating lease

Lease expenses on operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.16 Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

The recoverable amount is greater of net selling price and their value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discounting factor.



Baroda Asset Management India Limited
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Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2019

As at
31 March 2018

3 Share capital

| | | |
|--|--|--|
| Authorised 100,000,000 (Previous year : 100,000,000) equity shares of Rs.10/- each | <u>1,000,000,000</u> <u>1,000,000,000</u> | <u>1,000,000,000</u> <u>1,000,000,000</u> |
| Issued, subscribed and paid-up 94,944,064 (Previous year : 94,944,064) equity shares of Rs.10/- each fully paid up | <u>949,440,640</u> <u>949,440,640</u> | <u>949,440,640</u> <u>949,440,640</u> |

3.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Name of Share Holders | As at 31 March, 2019 | | As at 31 March, 2018 | |
|--|----------------------|-------------|----------------------|-------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Outstanding at the beginning of the year | 94,944,064 | 949,440,640 | 88,044,064 | 880,440,640 |
| No. of Shares allotted during the year | | | 6,900,000 | 69,000,000 |
| Outstanding at the end of the year | 94,944,064 | 949,440,640 | 94,944,064 | 949,440,640 |

3.2 The details of Shareholder's holding more than 5% of Equity Shares is set out below:

| Name of Share Holders | As at 31 March, 2019 | | As at 31 March, 2018 | |
|---------------------------------|----------------------|--------|----------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| UniCredit S.p.A. | - | | 48,421,473 | 51% |
| Bank of Baroda and its nominees | 94,944,064 | 100% | 46,522,591 | 49% |
| Total | 94,944,064 | | 94,944,064 | |

3.3 Detail of shares held by holding company.

| Name of Share Holders | As at 31 March, 2019 | | As at 31 March, 2018 | |
|---------------------------------|----------------------|--------|----------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| UniCredit S.p.A. | - | | 48,421,473 | 51% |
| Bank of Baroda and its nominees | 94,944,064 | 100% | | |
| Total | 94,944,064 | | 48,421,473 | |

3.4 Rights, Preference, Restriction attached to Equity Shares

The Company has only one class of shares referred to as equity shares having Face Value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividend, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.5 During the period of 5 years immediately preceeding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.



Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

| | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| 4 Reserves and surplus | | |
| Securities Premium Reserve | 396,166,239 | 396,166,239 |
| Balance in the statement of Profit and Loss | | |
| Balance at the beginning of the year | (749,106,790) | (780,854,927) |
| Profit/(Loss) for the year | 48,661,274 | 31,748,137 |
| Balance at the end of the year | (700,445,516) | (749,106,790) |
| | <u>(304,279,277)</u> | <u>(352,940,551)</u> |
| 5 Other long term liabilities. | | |
| Bonus payable | 11,565,454 | 13,268,875 |
| | <u>11,565,454</u> | <u>13,268,875</u> |
| 6 Long term provisions | | |
| Provision for Employee Benefits | 17,208,609 | 15,008,964 |
| Gratuity (Refer note 20.2) | 9,396,370 | 8,559,486 |
| Compensated Absences | 26,604,979 | 23,568,450 |
| | <u>26,604,979</u> | <u>23,568,450</u> |
| 7 Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises : | 15,921,376 | 30,890,491 |
| | <u>15,921,376</u> | <u>30,890,491</u> |
| 7.1. Based on the information available with the Company, there are no dues payable to micro and small enterprises identified during the year. | | |
| 8 Other current liabilities | | |
| Statutory dues [Net of GST Input credit Rs 7,913,208 (P.Y. Rs. 7,677,472)] | 13,642,741 | 11,305,380 |
| Bonus payable | 45,238,536 | 41,304,666 |
| | <u>58,881,277</u> | <u>52,610,046</u> |
| 9 Short-term provisions | | |
| Provision for Employee Benefits | 3,125,242 | 1,888,922 |
| Gratuity (Refer note 20.2) | 2,470,405 | 1,951,937 |
| Compensated Absences | 1,105 | 1,105 |
| Provision for Tax [net of advance tax Rs. 63,800 (P.Y. Rs 63,800)] | | |
| | <u>5,596,752</u> | <u>3,841,964</u> |



Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

10 Property, Plant and Equipment

| Description | Gross block | | Depreciation | | Net block | |
|---|--------------------------------------|------------------------------------|-----------------------|--|----------------------------------|------------------------------------|
| | As at 1 April 2018 | As at 31 March 2019 | As at 1 April 2018 | For the year Deductions 31 March 2019 | As at 31 March 2019 | As at 31 March 2018 |
| Tangible | | | | | | |
| Computers | 3,27,96,799 (3,12,53,849) | 45,21,284 (15,42,950) | 6,25,395 | 3,12,97,083 (3,08,07,478) | 18,55,272 (4,89,605) | 3,25,26,960 (3,12,97,083) |
| Furniture and fixtures | 50,47,381 (50,17,229) | 86,836 (30,152) | - | 49,57,877 (48,89,952) | 49,447 (67,925) | 50,07,324 (49,57,877) |
| Office equipment | 1,39,27,323 (1,39,09,329) | 22,68,844 (17,994) | 45,41,801 | 1,37,49,568 (1,36,07,421) | 5,35,127 (1,42,147) | 97,71,508 (1,37,49,568) |
| Leaseholds improvements | 1,40,40,824 (1,40,40,824) | - | - | 1,40,40,824 (1,40,40,824) | - | 1,40,40,824 (1,40,40,824) |
| Total Tangible assets (A) | 6,58,12,327 (6,42,21,231) | 68,76,964 (15,91,096) | 51,67,196 | 6,40,45,352 (6,33,45,675) | 24,39,846 (6,99,677) | 61,75,479 (17,66,975) |
| Intangible - other than internally generated | | | | | | |
| Software | 83,29,041 (67,70,652) | 85,46,740 (15,58,389) | 6,21,184 | 64,83,093 (58,78,064) | 32,59,545 (6,05,029) | 91,21,454 (64,83,093) |
| Total Intangible assets (B) | 83,29,041 (67,70,652) | 85,46,740 (15,58,389) | 6,21,184 | 64,83,093 (58,78,064) | 32,59,545 (6,05,029) | 91,21,454 (64,83,093) |
| Total (A+B) | 7,41,41,368 (7,09,91,883) | 1,54,23,704 (31,49,485) | 57,88,380 | 7,05,28,445 (6,92,23,739) | 56,99,391 (13,04,706) | 1,33,08,622 (36,12,923) |
| Previous year | | | | | | |
| | | | | | | |

Note 1) Previous year amounts disclosed in ().

2) The Company has scrapped some of its old office equipments and handed over the same to MPCB / CPCB authorised E-waste disposable facilitator.

3) In the previous year capital work-in-progress includes advance payments for installation and implementation of

(a) IP Telephony system Rs. 1,961,400/-

(b) Front office dealing system Rs. 1,900,000/-



Baroda Asset Management India Limited
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Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2019

As at
31 March 2018

11 Non-current investments (at cost)

Mutual Fund units (Unquoted, Trade)

| | | |
|---|------------|-----------|
| 330,000.000 (Previous year: 330,000.000) Units of Baroda Credit Risk Fund- Plan B Growth of Rs. 10 each | 3,300,000 | 3,300,000 |
| 864,534.919 (Previous year: 374,736.747) Units of Baroda Dynamic Bond Fund - Plan B Growth of Rs. 10 each | 13,872,596 | 5,000,000 |
| 175,619.652 (Previous year: 175,619.652) Units of Baroda Gilt Fund- Plan B Growth of Rs. 10 each | 3,965,000 | 3,965,000 |
| Nil (Previous year: 312,972.97) Units of Baroda Income Fund- Plan B Growth of Rs. 10 each | - | 7,246,251 |
| 3,122.760 (Previous year: 3,122.760) Units of Baroda Liquid Fund- Plan B Growth of Rs. 1,000 each | 5,000,000 | 5,000,000 |
| 34,446.941 (Previous year: 34,446.941) Units of Baroda Conservative Hybrid Fund - Plan B Growth of Rs. 10 each | 650,000 | 650,000 |
| 144,357.404 (Previous year: 144,357.404) Units of Baroda Short Term Bond Fund- Plan B Growth of Rs. 10 each | 2,110,000 | 2,110,000 |
| 3,131.710(Previous year: 3,131.710) Units of Baroda Treasury Advantage Fund- Plan B Growth of Rs. 1,000 each | 5,000,000 | 5,000,000 |
| 64,135.454(Previous year: 64,135.454) Units of Baroda Multi Cap Fund - Plan B Growth of Rs. 10 each | 5,000,000 | 5,000,000 |
| 598,802.395(Previous year: 598,802.395) Units of Baroda Mid-Cap Fund - Plan B Growth of Rs. 10 each | 5,000,000 | 5,000,000 |
| 196,529.065(Previous year: 196,529.065) Units of Baroda Large Cap Fund- Plan B Growth of Rs. 10 each | 2,332,800 | 2,332,800 |
| 220,271.941(Previous year: 220,271.941) Units of Baroda Banking And Financial Services Fund - Plan B Growth of Rs. 10 each | 3,564,000 | 3,564,000 |
| 47,697.974(Previous year: 47,697.974) Units of Baroda Hybrid Equity Fund - Plan B Growth of Rs. 10 each | 2,072,000 | 2,072,000 |
| 74,602.747(Previous year: 74,602.747) Units of Baroda ELSS 96 - Plan B Growth of Rs. 10 each | 2,770,000 | 2,770,000 |
| 5,000 (Previous year: Nil) Units of Baroda Ultra Short Duration Fund - Plan B Growth of Rs. 1000 each | 5,000,000 | |
| 500,000 (Previous year: Nil) Units of Baroda Dynamic Equity Fund - Direct Growth of Rs. 10 each | 5,000,000 | |

64,636,396

53,010,051

The aggregate book value and market value of investments is as follows.

| | | |
|--------------------------------------|------------|------------|
| Unquoted investments in Mutual Funds | 64,636,396 | 53,010,051 |
| - Aggregate book value | 81,314,394 | 66,941,473 |
| - Aggregate market value | | |

11.1 Market value of investments in unquoted Mutual Funds represents Net Asset Value (NAV) of units issued by the Mutual



Baroda Asset Management India Limited
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Notes to the financial statements (Continued)

(Currency: Indian rupees)

| | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| 12 Long term loans and advances | | |
| (Unsecured, Considered good) | | |
| Security Deposits | 16,060,789 | 15,527,089 |
| Advance tax [net of provisions Rs. 9,892,800 (P.Y Rs.4,627,800)] | 32,631,044 | 22,572,448 |
| | <u>48,691,833</u> | <u>38,099,537</u> |
| 13 Current investments | | |
| Mutual Fund units (Unquoted, Non trade) | | |
| 261,069.804(Previous year: 132,896.791) units of Baroda Pioneer Liquid Fund Growth -Plan B of Rs. 1,000 each | 548,200,000 | 265,000,000 |
| | <u>548,200,000</u> | <u>265,000,000</u> |

The aggregate book value and market value of investments is as follows.

| | | |
|--------------------------------------|-------------|-------------|
| Unquoted investments in Mutual Funds | 548,200,000 | 265,000,000 |
| - Aggregate book value | 561,697,845 | 265,679,304 |
| - Aggregate market value | | |

13.1 Market value of investments in unquoted Mutual Funds represents Net Asset Value (NAV) of units issued by the Mutual



Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2019

As at
31 March 2018

14 Trade receivables

(Unsecured, considered good, outstanding for the period less than six months from the date they were due for payment)

Management fees receivable

31,821,194

45,195,702

31,821,194

45,195,702

15 Cash and cash equivalents

A- Cash and cash equivalents

Cash in hand

Balance with banks (Refer note 22.1)

Bank deposits with original maturity less than 3 months

Total cash and cash equivalents as per AS 3 Cashflow Statement

96,008

45,214

415,188

220,402

50,000,000

289,345,000

50,511,196

289,610,616

B

Other bank balance

-

-

50,511,196

289,610,616

16 Short-term loans and advances

Goods and Service Tax Input Credit

Advances to vendors

Prepaid expenses

16,936

67,049

3,570,153

3,902,168

3,587,089

3,969,217

17 Other current assets

Interest accrued but not due on bank deposits (Refer note 22.1)

2,974,871

18,320,468

2,974,871

18,320,468



Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

| | Current Year | Previous Year |
|---|--------------------|--------------------|
| 18 Revenue from operations | 473,313,869 | 434,549,396 |
| Management fee | | 2,376,637 |
| Investment advisory and research fee (Refer Note 22.1 and 22.7) | <u>473,313,869</u> | <u>436,926,033</u> |
| 19 Other income | 5,901,163 | 20,617,333 |
| Interest on Bank deposits (Refer note 22.1) | 22,671,028 | 16,614,440 |
| Profit on sale of current investment | - | 718,830 |
| Interest on income tax refund | 285 | 32,583 |
| Exchange gain | 6,930 | 5,050 |
| Other Non operating Income | <u>28,579,406</u> | <u>37,988,236</u> |
| 20 Employee benefit expenses | 189,082,340 | 167,827,103 |
| Salaries, bonus and allowances | 9,688,449 | 9,402,510 |
| Contribution to provident fund | 4,504,791 | 5,153,356 |
| Staff welfare | 4,481,337 | 5,604,018 |
| Gratuity expense | <u>207,756,917</u> | <u>187,986,987</u> |

The following disclosures have been set out in accordance with the requirement of Accounting Standard 15 on "Employee Benefits" as specified under Section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules 2006, amended.

20.1 Defined Contribution Plan - Provident Fund, Superannuation Fund and National Pension Scheme

The Company has recognised the following amounts in the Statement of Profit and Loss, which are included under Contributions to Provident fund,

| | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Particulars | | |
| Employer's contribution to Provident Fund, | 9,283,418 | 8,921,520 |

20.2 Defined Benefit Plan - Gratuity.

20.2.1 Reconciliation of opening and closing balance of the present value of defined benefit obligation for gratuity benefits is given below:

| | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Particulars | | |
| Present Value of Obligation as at the beginning | 17,406,857 | 12,390,067 |
| Interest Cost | 1,356,770 | 879,071 |
| Past Service Cost (Vested Employees) | - | 1,152,879 |
| Past Service Cost (Un-vested Employees) | - | 511,070 |
| Current Service Cost | 2,766,182 | 1,824,609 |
| Benefits Paid | (1,045,372) | (1,096,199) |
| Actuarial (Gain) / Loss on the Obligation | 102,850 | 1,745,360 |
| Present Value of Obligation as at the end | 20,587,287 | 17,406,857 |

20.2.2 Reconciliation of opening and closing Balance of Fair Value of Plan

| | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Particulars | | |
| Fair Value of Plan Assets as at the beginning | - | - |
| Acquisition Adjustment | - | - |
| Expected Return on Plan Assets | - | - |
| Employer's Contributions | - | - |
| Employee's Contributions | - | - |
| Benefits Paid | - | - |
| Actuarial Gain / (Loss) on the Plan Assets | - | - |
| Fair Value of Plan Assets as at the end | - | - |

20.2.3 Reconciliation of Fair Value of Assets and Obligations

| | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|------------------------|------------------------|
| Particulars | | |
| Present Value of Obligation | 20,587,287 | 17,406,857 |
| Fair Value of Plan Assets | 253,436 | 508,971 |
| Unrecognized Past Service Cost | (20,333,851) | (16,897,886) |
| Net Asset / (Liability) | - | - |



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Notes to the financial statements (Continued)

(Currency: Indian rupees)

20.2.4 Expense recognized during the year (Under the head "Employee Benefits Expense"-Refer notes to financial statements 20)

| | Current Year | Previous Year |
|--|------------------|------------------|
| Particulars | | |
| Current Service Cost | 2,766,182 | 1,824,609 |
| Past Service Cost (Vested Employees) | 255,535 | 1,152,879 |
| Past Service Cost (Un-vested Employees) | | 2,099 |
| Interest Cost | 1,356,770 | 879,071 |
| Expected Return on Plan Assets | | |
| Net Actuarial (Gain) / Loss recognised in the period | 102,850 | 1,745,360 |
| Expenses Recognised in statement of Profit and Loss | 4,481,337 | 5,604,018 |

20.2.5 Experience Adjustments

| | For the period ending | | | | |
|-----------------------------------|-----------------------|-----------|-----------|-----------|-----------|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 |
| Particulars | | | | | |
| (Gain) / Loss on Plan Liabilities | 179,278 | 335,840 | (1,020) | 729,946 | (273,454) |
| % of Opening Plan Liabilities | 1.00% | 2.70% | 0.00% | 9.70% | - |
| Gain / (Loss) on Plan Assets | - | - | - | - | - |
| % of Opening Plan Assets | - | - | - | - | - |

20.3 Other Employee Benefits

Provision toward liability for Leave encashment made on the basis of actuarial valuation as per Accounting Standards 15. Actuarial value of liability is Rs. 11,866,775 (P.Y. Rs. 10,511,423) based upon following assumptions.

The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment. Actuarial assumptions used are:-

| | 31 March 2019 | 31 March 2018 |
|-----------------------|--|--|
| Valuation method | Projected unit credit method | Projected unit credit method |
| Discount rate | 7.20% | 7.80% |
| Salary growth rate | 6.00% | 7.00% |
| Normal retirement age | 60 years | 60 years |
| Attrition rate | 14.00% | 12.00% |
| Mortality rate | Indian Assured Lives Mortality (2006-08) Ult table | Indian Assured Lives Mortality (2006-08) Ult table |

Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.



Baroda Asset Management India Limited
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Notes to the financial statements (Continued)

(Currency: Indian rupees)

21 Other expenses

Rent
Legal and professional fees (Refer note 22.1 and 22.8)
Outsource scheme related expenses
Travelling and conveyance (Refer note 22.8)
Printing and stationery
Contract staff charges
Repairs and maintenance - others
Communication
Electricity charges
Advertisement and publicity
Information technology
Membership and registration fees
Director sitting fees
Marketing expenses
Brokerage (Refer note 22.8)
Insurance expenses
Fund accounting expenses
Scheme related expenses
Postage, Freight, Couriers
SEBI and other fees
Recruitment and consultancy charges
Auditors Remuneration
-Statutory audit fees
-Tax audit fees
-For reimbursement of expenses
-Swachh bharat cess
Miscellaneous expenses (Refer note 22.8)

Current Year

Previous Year

| | |
|--------------------|--------------------|
| 19,728,630 | 18,952,830 |
| 8,538,975 | 4,329,502 |
| 44,927,076 | 67,713,193 |
| 6,668,582 | 7,268,096 |
| 12,386,422 | 7,000,708 |
| 65,815,064 | 52,371,848 |
| 3,269,150 | 2,714,930 |
| 5,761,007 | 5,429,980 |
| 4,000,726 | 3,644,604 |
| 2,649,538 | 1,324,238 |
| 15,395,593 | 19,880,198 |
| 5,532,379 | 6,097,155 |
| 360,000 | 250,425 |
| 8,505,737 | 20,448,186 |
| 1,309,326 | 13,248,642 |
| 580,454 | 632,471 |
| 5,846,295 | 5,527,696 |
| 4,444,768 | 6,475,831 |
| 8,894,787 | 3,962,385 |
| 2,642,328 | 2,440,737 |
| 400,524 | 271,978 |
| 950,000 | 830,500 |
| 400,000 | 400,000 |
| 1,033 | 7,593 |
| | 4,152 |
| 3,267,299 | 2,646,561 |
| <u>232,275,693</u> | <u>253,874,439</u> |



Baroda Asset Management India Limited

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Notes to the financial statement (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

22 Notes to accounts

22.1 Related party disclosures

(A) Names of related parties by whom control is exercised

| Name of the related party | Relationship |
|--|--|
| Pioneer Global Asset Management Limited S.p.A (PGAM) | Holding company (Till 31st October 2017) |
| UniCredit S.p.A | Ultimate holding company (From 1st November 2017 till 27th September 2018) |
| UniCredit S.p.A | Holding company (w.e.f. 1st November 2017 till 27th September 2018) |
| Bank of Baroda | Holding company (w.e.f. 28th September 2018) |
| Baroda Trustee India Private Limited | Fellow subsidiary |

(B) Parties under common control

Fellow subsidiaries / associate companies with whom transactions have taken place during the year

| Name of the related party | Relationship |
|---------------------------------------|---|
| Pioneer Investment Management Limited | Fellow subsidiary (Till 30th June 2017) |

(C) Parties with significant influence

| Name of the related party | Relationship |
|---------------------------|---|
| Bank of Baroda | 49% shareholder in the Company till 27th September 2018 |
| Bank of Baroda | 100 % shareholder in the Company effective from 28th September 2018 |

(D) Key management personnel

Mr. Anthony Heredia – CEO & Director



Baroda Asset Management India Limited
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Notes to the financial statement (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees)

22 Notes to accounts (Continued)

(E) Transactions with related parties

| Particulars | For the year ended 31/03/2019 | For the year ended 31/03/2018 |
|--|----------------------------------|----------------------------------|
| Income | | |
| 1. Pioneer Investment Management Limited - Investment advisory & research income | - | 2,376,637 |
| 2. Bank of Baroda - Interest on Fixed deposits | 5,901,163 | - |
| Expense | | |
| 1. Pioneer Global Asset Management S.p.A - Recovery of Professional fees (allocated support charge) (Refer note 22.2) | - | (538,890) |
| 2. Key management personnel | | |
| Anthony Heredia | | |
| - Salary, bonus and allowances | 22,307,000 | 24,420,021 |
| - Perquisites | 24,000 | 24,000 |

(F) Balances with related parties

| Particulars | As at 31/03/2019 | As at 31/03/2018 |
|--------------------------------------|---------------------|---------------------|
| Assets | | |
| Bank of Baroda | | |
| - Bank balance | 120,500 | 59,547 |
| - Fixed deposits | 50,000,000 | 289,345,000 |
| - Interest accrued on fixed deposits | 2,974,871 | 18,320,468 |
| Liabilities | | |
| Bank of Baroda | - | - |

(G) There are no provisions for doubtful debt / advances or amounts written off or written back for doubtful dues from / due to related parties

(H) Related parties are identified by Management and relied upon by Auditors



Baroda Asset Management India Limited

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Notes to the financial statement (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

22 Notes to accounts (Continued)

22.2 Professional fees

Professional fees in note 21 includes business level strategic and supervisory support, Information technology and other infrastructure support received from Pioneer Global Asset Management S.p.A. These have been accounted in accordance with the service level agreement.

22.3 Deferred taxation

| Particulars | As at 31/03/2019 | As at 31/03/2018 |
|--|---------------------|---------------------|
| Deferred tax assets | | |
| Provision for gratuity | 5,656,877 | 4,655,790 |
| Provision for leave encashment | 3,301,337 | 2,896,160 |
| Provision for bonus | 3,217,507 | 2,711,132 |
| Carried forward loss as per the Income-tax Act | - | 204,849,131 |
| Unabsorbed Depreciation on fixed assets | - | 9,690,219 |
| Total (A) | 12,175,721 | 224,802,431 |
| Deferred tax liability | | |
| Depreciation on fixed assets | (611,723) | - |
| Deferred tax assets (net) | 11,563,998 | 224,802,431 |
| Deferred tax assets recognised in the balance sheet | Nil | Nil |

Company has earned profit during the year and has unabsorbed depreciation under taxation laws which has been fully set off against the current year profits. Deferred tax assets are not recognised as there is no virtual certainty to continue to be in profits in the immediate future and convincing evidence of realisation of such asset.

22.4 Earnings per share

In accordance with Accounting Standard 20 on Earnings Per Share, the computation of earnings per share is set out below:

| | As at 31/03/2019 | As at 31/03/2018 |
|---|---------------------|---------------------|
| Earning per share | | |
| Net Profit after tax attributable to equity shareholders (A) - Rs. | 48,661,274 | 31,748,137 |
| Weighted average number of shares of face value Rs. 10 each (B) | 94,944,064 | 94,301,324 |
| Basic / Diluted Earning per share of face value of Rs.10 for the year (A) / (B)- Rs. | 0.51 | 0.34 |



Baroda Asset Management India Limited

(Formerly known as Baroda Pioneer Asset Management Company Limited)

Notes to the financial statement (Continued)

for the year ended 31 March 2019

(Currency: Indian rupees)

22 Notes to accounts (Continued)

22.5 Unhedged foreign currency exposure

There is no unhedged foreign currency exposure as on 31 March 2019 (Previous year Nil)

22.6 Transfer pricing

The Company has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income tax Act, 1961. The management is of the opinion that all international transactions are at arm's length so that the above legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxes. However, during the Current year, there is not international transaction falling within the ambit of transfer pricing legislation.

22.7 Earnings in foreign exchange (on accrual basis)

| Particulars | For the year ended 31/03/2019 | For the year ended 31/03/2018 |
|--------------------------------------|----------------------------------|----------------------------------|
| Investment advisory and research fee | - | 2,376,637 |

22.8 Expenditure in foreign exchange (on accrual basis)

| Particulars | For the year ended 31/03/2019 | For the year ended 31/03/2018 |
|--|----------------------------------|----------------------------------|
| Travelling and conveyance | - | 22,552 |
| Recovery of Professional fees (allocated support charge) | - | (538,890) |
| Brokerage (Event expenses) | 125,425 | 76,255 |
| Miscellaneous expenses (Storage expenses) | 417,515 | - |
| Total | 542,940 | (440,083) |

22.9 Capital commitments and contingent liabilities

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to Rs.24,90,918/- (previous year: 20,38,600).

There are no pending litigations by and on the Company as on the balance sheet date.

22.10 Segment reporting

The main business of the Company to manage Mutual Fund. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standards on Segment Reporting (AS-17) prescribe under section 133 of the Companies Act, 2013.



Baroda Asset Management India Limited
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Notes to the financial statement (Continued)
for the year ended 31 March 2019

(Currency: Indian rupees)

22 Notes to accounts (Continued)

22.11 Leases as Lessee

The company has entered into cancellable operating leases arrangements for offices. Lease rentals paid for the same are charged to the Statement of Profit and Loss.


| Particulars | Year ended 31.03.2019 | Year ended 31.03.2018 |
|---|--------------------------|--------------------------|
| Lease expense for the year | 19,728,630 | 18,952,830 |
| Minimum Lease Payments: | | |
| Not later than one year | 20,922,251 | 19,159,797 |
| Later than one year but not later than five years | 20,340,927 | 5,270,028 |
| Later than five years | 28,958 | 770,637 |

23 Prior year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors
Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Limited)


Anthony Heredia
Whole-time Director &
Chief Executive Officer
DIN - 02205628


Kiran Deshpande
Chief Operating Officer &
Chief Financial Officer


Vikramaditya Singh Khichi
Director
DIN - 08317894


Farhana Mansoor
Company Secretary



Mumbai
24-Apr-2019