

## Board of Directors

Mr. Deepak S. Parekh  
Chairman

### Directors

Mr. Alexander Maxwell Crombie  
Mr. P. M. Thampi  
Mr. Hoshang Billimoria  
Dr. Deepak B. Phatak  
Mr. Humayun Dhanrajgir  
Ms. Renu S. Karnad

Mr. Milind Barve  
Managing Director

### Auditors

Haribhakti & Co.  
Chartered Accountants

### Bankers

HDFC Bank Ltd.

Registered Office  
Ramon House, 3rd Floor,  
H. T. Parekh Marg,  
169, Backbay Reclamation,  
Churchgate, Mumbai 400 020  
Tel. Nos. : 2202 9111  
Fax : 22-2202 8862

## Directors' Report

### TO THE MEMBERS

Your directors have pleasure in presenting the Fifth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2004.

Financial Results	For the year ended March 31, 2004 (Rs. in crores)	For the year ended March 31, 2003 (Rs. in crores)
Profit before Tax	44.42	22.45
Provision for Tax	15.88	8.28
Profit after Tax	28.54	14.17
Balance brought forward from previous year	11.01	0.93
Profit available for appropriation	39.55	15.10
General Reserve	2.85	0.71
Proposed Equity Dividend	10.06	3.00
Preference Dividend (Interim)	3.93	—
Tax on Proposed Equity Dividend	1.29	0.38
Tax on Preference Dividend (Interim)	0.50	—
Balance carried to Balance Sheet	<u>20.90</u>	<u>11.01</u>

### Dividend

Your directors recommend payment of dividend of Rs. 4 per equity share for the financial year ended March 31, 2004 as against Rs. 1.50 per equity share for the previous year.

Your directors confirm payment of pro-rata interim dividend of 10% on Redeemable Preference Shares from June 18, 2003 (being the date of allotment) up to March 31, 2004.

### Review of Operations

Your directors are pleased to report that during the year under review, HDFC Mutual Fund has achieved a significant growth in assets under management and investor accounts. The assets under management has increased from Rs. 6,481.67 crore as at March 31, 2003 to Rs. 15,024.90 crore as at March 31, 2004 and the investor accounts have increased from 2,83,533 as at March 31, 2003 to 6,71,729 as at March 31, 2004.

During the year, HDFC Mutual Fund launched one open-ended scheme viz.

HDFC MF Monthly Income Plan. The Fund also launched 5 Plans under the HDFC Fixed Investment Plan, a close ended income scheme. As on date the Fund manages 20 schemes.

As at March 31, 2004, the Company had Investor Service Centres in 29 cities. Housing Development Finance Corporation Limited (HDFC) continues to distribute products and performs client services functions at select locations for the mutual fund on a fee basis.

In order to facilitate better customer service the Company has opened dedicated Investor Service Centres at Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Vadodara, Surat, Pune and Jaipur.

Your Company also provides investment management / advisory services under its portfolio management services division.

### Awards

Your directors are pleased to inform that at the CNBC – TV 18 BNP Paribas

Mutual Fund Awards 2004 rated by Moody's Investors Service, held in Mumbai in February 2004,

- HDFC Mutual Fund was adjudged the Fund House of the Year (over three years).
- HDFC Prudence Fund (Growth), was awarded the Best Performing Open-ended Balanced Fund (over both one and three years category).

#### Acquisition

Zurich Insurance Company (ZIC), the sponsor of Zurich India Mutual Fund, following a review of its overall strategy, had decided to divest its asset management business in India. Your Company had entered into an agreement with ZIC to acquire the said business, subject to necessary regulatory approvals.

#### Amalgamation

Consequent to acquisition, Zurich Asset Management Company (India) Private Limited and Zurich Finance (Mauritius) Limited were renamed as HDFC AMC Services Company Private Limited and HDFC AMC Mauritius Limited respectively. On March 4, 2004, the Honorable Judge of the High Court of Judicature at Bombay Court passed an order sanctioning the scheme of arrangement for the amalgamation of the aforesaid companies and your Company. Pursuant to the aforesaid order, the assets and liabilities of both the aforesaid companies stand transferred to your Company with effect from June 19, 2003 (appointed date). Accordingly the scheme of amalgamation has been given effect to in these accounts.

On obtaining the regulatory approvals, the following Schemes of erstwhile Zurich India Mutual Fund migrated to HDFC Mutual Fund on June 19, 2003. These Schemes were renamed as under:

Former Name	New Name
Zurich India Equity Fund	HDFC Equity Fund
Zurich India Prudence Fund	HDFC Prudence Fund
Zurich India Capital Builder Fund	HDFC Capital Builder Fund
Zurich India TaxSaver Fund	HDFC TaxSaver
Zurich India Top 200 Fund	HDFC Top 200 Fund
Zurich India High Interest Fund	HDFC High Interest Fund
Zurich India Liquidity Fund	HDFC Cash Management Fund
Zurich India Sovereign Gilt Fund	HDFC Sovereign Gilt Fund

#### Change in the Shareholding Pattern

Standard Life Investments Limited increased its shareholding in the Company from 39.90% to 49.90% on receipt of necessary regulatory approvals. On acquisition of the said shares from HDFC, Standard Life Investments Limited has become a co-sponsor of HDFC Mutual Fund. Presently, HDFC and Standard Life Investments hold 50.10% and 49.90% respectively of the paid up equity share capital of your Company.

#### Share Capital

During the year under review, the Company issued further shares to its existing shareholders as under:

- 25,85,661 Equity shares of Rs. 10 each at a premium of Rs. 160 per share to HDFC
- 25,75,339 Equity shares of Rs. 10 each at a premium of Rs. 160 per share to Standard Life Investments Limited
- 2,50,50,000 Redeemable Preference Shares of Rs. 10 each at par to HDFC
- 2,49,50,000 Redeemable Preference Shares of Rs. 10 each at par to Standard Life Investments Limited.

#### Directors

Mr. Alexander Maxwell Crombie was appointed as an additional director of

the Company with effect from February 3, 2004. Mr. Iain Lumsden resigned as a director of the Company with effect from February 3, 2004. The board wishes to place on record their appreciation for the services rendered by Mr. Iain Lumsden during his tenure as a director of the Company.

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Deepak Phatak, Ms. Renu S. Karnad and Mr. Deepak S. Parekh, directors retire by rotation at the ensuing annual general meeting. They are eligible for re-appointment.

Necessary resolutions for the appointment / re-appointment of the aforesaid directors have been included in the notice convening the annual general meeting.

None of the directors of the Company are disqualified for being appointed as directors as specified in Section 274 of the Companies Act, 1956.

#### Board Meetings

The meetings of the Board of Directors are held at the Company's registered office in Mumbai.

Seven board meetings were held during the year under review – on April

22, 2003, June 20, 2003, July 25, 2003, October 17, 2003, December 9, 2003, February 3, 2004 and March 26, 2004.

The attendance of each director at the meetings of the Board of Directors is as under:

Directors	Number of Board Meetings Attended
Mr. Deepak S. Parekh (Chairman)	7
Mr. Alexander Maxwell Crombie *	1
Mr. Iain Lumsden **	1
Mr. P. M. Thampi	7
Mr. Hoshang Billimoria	6
Dr. Deepak B. Phatak	6
Mr. Humayun Dhanrajgir	6
Ms. Renu S. Karnad	7
Mr. Milind Barve (Managing Director)	7

\*Appointed with effect from February 3, 2004

\*\*Resigned with effect from February 3, 2004

#### Board Committees

To enable better and more focused attention on the affairs of the Company, the board has constituted committees of the board to which specific matters have been delegated. The specialist committees prepare the groundwork for decision-making and report at the subsequent board meeting.

#### Audit Committee

The members of the Audit Committee are Mr. Hoshang Billimoria (Chairman), Mr. P. M. Thampi and Mr. Humayun Dhanrajgir. The Audit Committee is constituted and consists entirely of independent directors. The quorum for the Audit Committee is two members.

The terms of reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and procedures.

The committee reviews the reports of the internal auditors and statutory auditors alongwith the comments and action taken reports of the management. The Audit Committee also invites senior executives as it considers appropriate to be present at the meetings of the committee. The Company Secretary and Compliance Officer act as the secretary to the committee.

The committee met 4 times during the year under review. The Audit Committee met prior to the finalisation of the accounts for the year ended March 31, 2004.

#### Remuneration Committee

The members of the Remuneration Committee are Mr. P. M. Thampi (Chairman), Mr. Hoshang Billimoria and Mr. Humayun Dhanrajgir. The Remuneration Committee is constituted and consists entirely of independent directors.

The role of the Remuneration Committee is to review and recommend compensation payable to the managing director and review compensation policy of the Company. The compensation committee would also administer the Company's stock option plans. The committee met twice during the year under review.

#### Risk Management Committee

Securities & Exchange Board of India (Mutual Funds) Regulations, 1996 has

assigned responsibility on the Board of Directors of the Asset Management Company to monitor and review the Risk Management Systems so as to render at all times high standards of service and exercise due diligence and ensure proper care in their operations, particularly to protect the interests of investors.

The internal auditors review the adequacy of risk management systems. Their reports are placed before the Boards of the Company and the Trustee Company for their consideration.

The Board constituted a Risk Management Committee on October 17, 2003 to review the risk management practices of the Company.

The members of the Risk Management Committee are Mr. Deepak Parekh (Chairman), Mr. Hoshang Billimoria, Dr. Deepak Phatak and Ms. Renu S. Karnad. The committee met twice during the year under review.

#### Customer Services Committee

As per Regulation 18(21) of the Securities & Exchange Board of India (Mutual Funds) Regulations, 1996, the Trustees are required to periodically review the investor complaints received and the redressal of the same by the Asset Management Company.

The board constituted a Customer Services Committee on October 17, 2003 to review the customer service standards including investor complaints.

The members of the Customer Services Committee are Ms. Renu S. Karnad (Chairperson), Mr. Deepak Parekh, Mr. P. M. Thampi and Mr. Humayun Dhanrajgir. The committee met twice during the year under review.

### Public Deposits

During the year under review, the Company has not accepted any deposits from the public.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

(a) Since the Company does not carry out any manufacturing activities, particulars required to be disclosed with respect to the conservation of energy and technology absorption in terms Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

(b) Foreign Exchange, earnings and expenditure during the year. -

Foreign exchange earnings	: Rs. 86,58,988
	(previous year; Rs. 50,05,708)
Foreign exchange expenditure (including Dividend)	: Rs. 3,29,11,454
	(previous year; Rs. 86,00,437)

### Particulars of Employees

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in the annex to the Directors' Report. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to the shareholders

of the Company excluding annex. Any shareholder interested in obtaining a copy of the said annex may write to the company secretary at the registered office of the Company.

### Auditors

M/s. Haribhakti & Co, Chartered Accountants, Statutory Auditors of your Company hold office until the conclusion of the ensuing annual general meeting and are eligible for re-appointment. The Company has received a certificate from them to effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1)(B) of the Companies Act, 1956.

### Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your directors state that:

(i) In the preparation of accounts, the applicable accounting standards have been followed.

(ii) Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of March 31, 2004 and of the profit of the Company for year ended on that date.

(iii) Proper and sufficient care has been taken 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 preventing and detecting frauds and other irregularities.

(iv) The annual accounts of the Company have been prepared on a going concern basis.

### Acknowledgements

The directors acknowledge the valuable assistance, support and guidance given by the Securities and Exchange Board of India, Reserve Bank of India, bankers, distributors, key partners, investor service centres and other service providers. The directors would like to convey their gratitude to HDFC and Standard Life Investments Limited and look forward to their continued support.

The directors wish to place on record their appreciation to employees at all levels for their dedication and commitment.

The directors also acknowledge the faith reposed in HDFC Mutual Fund by its investors and look forward to their continued support.

On behalf of the Board of Directors

MUMBAI  
April 23, 2004

DEEPAK S. PAREKH  
Chairman

## Auditors' Report

TO THE MEMBERS OF HDFC ASSET MANAGEMENT COMPANY LIMITED.

We have audited the attached Balance Sheet of HDFC ASSET MANAGEMENT COMPANY LIMITED as at 31st March, 2004, the related Profit and Loss Account for the year ended on that date annexed there to and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. 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 presentation of the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

1 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks of the books and records

as we considered appropriate and the information and explanations given to us during the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent they are applicable to the Company.

2 Further to our comments in the Annexure referred to in paragraph (1) above, we report as under:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) 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 such books;

(c) the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company;

(e) on the basis of the written representations received from the directors of the Company as on 31st March, 2004 and taken on record by the Board of Directors of the Company, we report that none of the directors is

disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(f) in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with Notes thereon 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:

(i) in so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004 and

(ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

(iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Haribhakti & Co.  
Chartered Accountants

MUMBAI.  
April 23, 2004.

Chetan Desai  
Partner  
(Membership No. 17000)

## Annexure to the Auditors' Report

Annexure referred to in paragraph 1 of our report of even date to the members of HDFC ASSET MANAGEMENT COMPANY LIMITED on the accounts for the year ended 31st March, 2004.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The Company has physically verified the fixed assets in accordance with a programme of verification, which in our opinion provides for physical verification of all fixed assets at reasonable intervals. It was explained to us that there were no material discrepancies noticed on physical verification.
3. During the year, the Company has not disposed off a major part of the fixed assets.
4. The Company has neither granted nor taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets.
6. 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 Company has not entered into any transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
7. The Company has not accepted any deposits from the public.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
9. We are informed that no cost records are required to be maintained by the Company under Section 209(1)(d) of the Companies Act, 1956.
10. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
11. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty were outstanding, as at 31st March, 2004 for a period of more than six months from the date they became payable.
12. According to the information and explanations given to us by the Company, there are no disputed amounts payable in respect of sales-tax, income-tax, custom tax (duty), wealth-tax, excise duty and cess as at 31st March, 2004.
13. The Company has neither accumulated losses as at 31st March, 2004 nor it has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
14. The Company has not taken any loan from Financial Institution, Bank and the Company has not issued any Debentures.
15. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
16. The Company has not dealt or traded in shares, securities, debentures and other investments during the year.
17. The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
18. The Company has not taken any term loans during the year.
19. According to the 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. However, funds raised/generated on long-term basis to the extent of Rs. 26,14,38,025/- have been used for the purpose of short term investments.
20. During the year, the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
21. The Company has not issued any Debentures during the year.
22. The Company has not raised any money by public issue during the year.
23. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the course of our audit.

For Haribhakti & Co.  
Chartered Accountants

Chetan Desai  
Partner

MUMBAI.  
April 23, 2004.

(Membership No. 17000)

## Balance Sheet as at March 31, 2004

	Schedule	Rupees	Rupees	As at March 31, 2003 Rupees
<b>FUNDS EMPLOYED</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Share Capital	1		75,16,10,000	20,00,00,000
Reserves and Surplus	2		24,45,80,841	11,71,96,650
			<u>99,61,90,841</u>	<u>31,71,96,650</u>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	3	75,18,90,040		4,44,37,140
Less: Depreciation		<u>6,74,53,765</u>		<u>2,02,02,626</u>
Net Block		68,44,36,275		2,42,34,514
Capital Advances		<u>68,99,924</u>		—
			69,13,36,199	2,42,34,514
<b>INVESTMENTS</b>	4		40,52,22,975	31,18,40,263
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Sundry Debtors	5	1,58,73,566		81,19,677
Cash and Bank Balances	6	83,77,054		48,69,058
Other Current Assets	7	7,172		36,772
Loans and Advances	8	39,82,18,092		15,27,21,108
Deferred Tax Asset (see note 3)	9	<u>1,45,33,401</u>		<u>3,38,866</u>
		43,70,09,285		16,60,85,481
Less: <b>CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	10	13,42,68,755		5,56,46,703
Provisions	11	<u>40,31,08,863</u>		<u>12,95,24,750</u>
		53,73,77,618		18,51,71,453
<b>NET CURRENT ASSETS</b>			(10,03,68,333)	(1,90,85,972)
<b>MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED</b>	12		—	2,07,846
			<u>99,61,90,841</u>	<u>31,71,96,650</u>
Significant Accounting Policies and Notes to Accounts	18			

As per our report attached

For Haribhakti & Co.  
Chartered Accountants

Deepak S. Parekh  
Chairman

Chetan Desai  
Partner

Directors  
Humayun Dhanrajgir  
Renu S. Karnad  
P. M. Thampi  
Hoshang S. Billimoria  
Dr. Deepak B. Phatak

MUMBAI, April 23, 2004

Milind Barve  
Managing Director

Rahul Bhandari  
Chief Financial  
Officer

Sonal Barot  
Company Secretary  
& Compliance Officer

## Profit and Loss Account for the year ended March 31, 2004

	Schedule	Rupees	Previous Year Rupees
<b>INCOME</b>			
Management Fee	13	93,85,33,655	44,17,19,915
Interest	14	4,03,152	11,80,293
Dividend		1,29,00,244	4,00,969
Other Income	15	3,09,03,894	64,92,582
		<u>98,27,40,945</u>	<u>44,97,93,759</u>
<b>EXPENDITURE</b>			
Staff Expenses	16	17,49,36,240	6,19,10,588
Administrative and Other Expenses	17	31,09,60,764	15,20,17,042
Preliminary Expenses written off		2,07,846	2,07,846
Depreciation	3	5,24,57,768	1,11,26,374
		<u>53,85,62,618</u>	<u>22,52,61,850</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>		44,41,78,327	22,45,31,909
Provision for Tax (see note 3)		15,88,05,465	8,28,29,411
<b>PROFIT/(LOSS) AFTER TAX</b>		28,53,72,862	14,17,02,498
Balance brought forward from Previous year		11,01,11,525	93,37,902
<b>Profit Available for Appropriation</b>		<u>39,54,84,387</u>	<u>15,10,40,400</u>
<b>Appropriations:</b>			
Short provision of Income Tax for earlier years (net)		64,412	—
General Reserve		2,85,37,286	70,85,125
Preference Dividend		3,93,44,262	—
Tax on Preference Dividend		50,40,984	—
Proposed Equity Dividend		10,06,44,000	3,00,00,000
Tax on Proposed Equity Dividend		1,28,95,013	38,43,750
Balance carried forward to the Balance Sheet		<u>20,89,58,430</u>	<u>11,01,11,525</u>
Earnings Per Share (see note 4)		10.02	7.09
Significant Accounting Policies and Notes to Accounts	18		

As per our report attached

For Haribhakti & Co.  
Chartered AccountantsDeepak S. Parekh  
ChairmanChetan Desai  
PartnerDirectors  
Humayun Dhanrajgir  
Renu S. Karnad  
P. M. Thampi  
Hoshang S. Billimoria  
Dr. Deepak B. Phatak

MUMBAI, April 23, 2004

Milind Barve  
Managing DirectorRahul Bhandari  
Chief Financial  
OfficerSonal Barot  
Company Secretary  
& Compliance Officer

## Cash Flow Statement for the year ended March 31, 2004

	Rupees	Previous Year Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation and extraordinary items	44,41,78,327	22,45,31,909
Add / (Less): Adjustment for		
Depreciation	5,24,57,768	1,11,26,374
Profit on sale of investment (net)	(2,50,78,727)	(31,22,477)
Loss on sale of fixed assets (net)	15,92,214	1,47,830
Investment Income (dividend)	(1,29,00,244)	(4,00,969)
Provision for gratuity	(1,25,000)	(69,364)
Provision for wealth tax	28,850	33,000
Preliminary expenses written off	2,07,846	2,07,846
Operating Profit before working capital changes	46,03,61,034	23,24,54,149
(Increase) / Decrease in Loans and Advances	(6,37,02,525)	(3,06,35,253)
(Increase) / Decrease in Other Current Assets	29,600	26,512
(Increase) / Decrease in Sundry Debtors	(77,53,889)	(32,93,153)
Increase / (Decrease) in Current Liabilities	11,11,22,052	1,03,99,906
Cash generated from Operations	50,00,56,272	20,89,52,161
Income tax paid	(19,33,73,871)	(7,71,82,596)
Net cash from operating activities	30,66,82,401	13,17,69,565
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Goodwill (see note 5)	(66,83,08,050)	—
Purchase of fixed assets	(5,38,01,289)	(1,59,86,176)
Proceeds from sale of fixed assets	9,57,674	7,88,631
Purchase of investments	(172,65,10,897)	(42,45,00,000)
Proceeds from sale of investments	167,11,07,153	32,47,73,591
Net cash used in investing activities	(77,65,55,409)	(11,49,23,954)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital — Equity	5,16,10,000	—
Share Capital — Preference	50,00,00,000	—
Dividend paid	(6,93,44,262)	(2,00,00,000)
Tax paid on Dividend	(88,84,734)	—
Net cash from financing activities	47,33,81,004	(2,00,00,000)
Net Increase / (Decrease) in cash and cash equivalents	35,07,996	(31,54,389)
Cash and cash equivalents at the beginning of the year	48,69,058	80,23,447
Cash and cash equivalents at the end of the year	83,77,054	48,69,058
	35,07,996	(31,54,389)

As per our report attached

For Haribhakti & Co.  
Chartered Accountants

Chetan Desai  
Partner

MUMBAI, April 23, 2004

Deepak S. Parekh  
Chairman

Milind Barve  
Managing Director

Rahul Bhandari  
Chief Financial  
Officer

Directors  
Humayun Dhanrajgir  
Renu S. Karnad  
P. M. Thampi  
Hoshang S. Billimoria  
Dr. Deepak B. Phatak

Sonal Barot  
Company Secretary  
& Compliance Officer

## Schedules

Annexed to and forming part of the Accounts

### Schedule 1

#### SHARE CAPITAL

	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
<b>AUTHORISED</b>		
3,00,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs.10 each	30,00,00,000	20,00,00,000
5,00,00,000 (Previous Year Nil) Redeemable, Cumulative Non-convertible Preference Shares of Rs.10 each	50,00,00,000	—
	<u>80,00,00,000</u>	<u>20,00,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
2,51,61,000 (Previous Year 2,00,00,000) Equity Shares of Rs.10 each, fully paid up [Of the above 1,26,05,661 (Previous Year 1,20,20,000) Equity Shares are held by Housing Development Finance Corporation Limited, the Holding Company and its nominees]	25,16,10,000	20,00,00,000
5,00,00,000 (Previous Year Nil) 10% Redeemable, Cumulative Non-convertible Preference Shares of Rs. 10 each, redeemable in 5 equal annual instalments starting from June 18, 2005 [Of the above 2,50,50,000 (Previous Year Nil) Preference Shares are held by Housing Development Finance Corporation Limited, the Holding Company]	50,00,00,000	—
	<u>75,16,10,000</u>	<u>20,00,00,000</u>
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
<b>General Reserve</b>		
Opening Balance	70,85,125	—
Add: Transfer from Profit and Loss Account	2,85,37,286	70,85,125
	<u>3,56,22,411</u>	<u>70,85,125</u>
<b>Share Premium</b>	82,57,60,000	—
Less: Adjusted against Goodwill Account (see note 5)	82,57,60,000	—
	<u>—</u>	<u>—</u>
<b>Balance in Profit and Loss Account</b>	20,89,58,430	11,01,11,525
	<u>24,45,80,841</u>	<u>11,71,96,650</u>

Schedule 3  
FIXED ASSETS

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at March 31, 2003	Additions	Acquired on Amalgama- tion	Deductions	As at March 31, 2004	As at March 31, 2003	Acquired on Amalgama- tion	For the Year	Deductions	As at March 31, 2004	As at March 31, 2004	As at March 31, 2003
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Goodwill* (see note 5)	—	66,83,08,050	—	—	66,83,08,050	—	—	3,34,15,402	—	3,34,15,402	63,48,92,648	—
Improvement of Rented Premises	1,04,70,216	2,38,48,772	2,54,90,790	2,78,55,196	3,19,54,582	45,82,181	2,46,51,684	68,79,865	2,62,84,343	98,29,387	2,21,25,195	58,88,035
Computer Equipment	1,38,02,939	1,08,84,110	2,56,02,877	2,65,29,398	2,37,60,528	73,13,430	2,51,33,798	55,20,253	2,64,81,617	1,14,85,864	1,22,74,664	64,89,509
Office Equipment	69,87,292	65,08,341	65,11,327	69,30,022	1,30,76,938	17,78,477	62,28,572	21,42,255	67,16,243	34,33,061	96,43,877	52,08,815
Furniture & Fixtures	42,94,020	26,22,741	56,74,772	66,78,300	59,13,233	16,38,352	54,38,580	18,79,379	60,86,580	28,69,731	30,43,502	26,55,668
Electrical Installations	24,250	2,700	—	—	26,950	9,642	—	6,175	—	15,817	11,133	14,608
Vehicles	88,58,423	12,07,569	—	12,16,233	88,49,759	48,80,544	—	26,14,439	10,90,480	64,04,503	24,45,256	39,77,879
	4,44,37,140	71,33,82,283	6,32,79,766	6,92,09,149	75,18,90,040	2,02,02,626	6,14,52,634	5,24,57,768	6,66,59,263	6,74,53,765	68,44,36,275	2,42,34,514
Previous Year	2,92,70,433	1,64,69,132	—	13,02,425	4,44,37,140	94,42,216	—	1,11,26,374	3,65,964	2,02,02,626	2,42,34,514	

\* Goodwill being amortised equally over a period of 20 years, commencing from the current year.

Schedule 4  
INVESTMENTS

	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
CURRENT INVESTMENTS (Valued at Cost and Net Asset Value, whichever is lower)		
35,68,727 Units (Previous Year 1,61,22,506 Units) of Rs. 10 each in HDFC Income Fund (Growth Plan) (Purchased Nil Units and Redeemed 1,25,53,779 Units during the year)	4,59,56,114	20,76,16,837
Nil Units (Previous Year 71,33,541 Units) of Rs. 10 each in HDFC Short Term Plan (Growth Plan) (Purchased Nil Units and Redeemed 71,33,541 Units during the year)	—	7,66,59,403
Nil Units (Previous Year 22,95,403 Units) of Rs. 10 each in HDFC Liquid Fund (Growth Plan) (Purchased 43,84,754 Units and Redeemed 66,80,157 Units during the year)	—	2,75,64,023
1,67,17,965 Units (Previous Year Nil) of Rs.10 each in HDFC Liquid Fund - Premium Plus Plan (Dividend Plan) (Purchased 2,15,74,038 Units and Redeemed 48,56,073 Units during the year)	20,05,06,153	—
61,07,937 Units (Previous Year Nil) of Rs.10 each in HDFC Liquid Fund - Premium Plan (Dividend Plan) (Purchased 61,07,937 Units and Redeemed Nil Units during the year)	7,33,23,925	—
Carried forward	31,97,86,192	31,18,40,263

## Schedule 4 (Continued)

CURRENT INVESTMENTS (Valued at Cost  
and Net Asset Value, whichever is lower)

	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Brought forward	31,97,86,192	31,18,40,263
34,77,484 Units (Previous Year Nil) of Rs. 10 each in HDFC Liquid Fund (Dividend Plan) (Purchased 39,74,453 Units and Redeemed 4,96,969 Units during the year)	3,50,25,540	—
48,58,025 Units (Previous Year Nil) of Rs. 10 each in HDFC Monthly Income Plan Long Term Plan (Dividend Plan) (Purchased 48,58,025 Units and Redeemed Nil Units during the year)	5,04,11,243	—
	<u>40,52,22,975</u>	<u>31,18,40,263</u>
Repurchase Price of the above	<u>41,56,46,573</u>	<u>33,79,49,356</u>

## Schedule 5

## SUNDRY DEBTORS

(Unsecured, Considered good, less than six months)

	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Management Fee Receivable	1,58,73,566	81,19,677
	<u>1,58,73,566</u>	<u>81,19,677</u>

## Schedule 6

## CASH AND BANK BALANCES

	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Balance with Scheduled Bank:		
In Current Account	58,77,054	23,69,058
In Deposit Account	25,00,000	25,00,000
	<u>83,77,054</u>	<u>48,69,058</u>

## Schedule 7

## OTHER CURRENT ASSETS

	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Interest Accrued but Not Due	7,172	36,772
	<u>7,172</u>	<u>36,772</u>

Schedule 8		
LOANS AND ADVANCES		
(Unsecured, considered good)	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Sundry Deposits	2,88,83,216	2,94,80,366
Advance Payment of Taxes	27,87,88,961	9,69,94,502
Advances recoverable in cash or in kind or for value to be received	9,05,45,915	2,62,46,240
	<u>39,82,18,092</u>	<u>15,27,21,108</u>
Schedule 9		
DEFERRED TAX		
	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Deferred Tax Asset	1,49,81,838	14,98,810
Deferred Tax Liability	(4,48,437)	(11,59,944)
	<u>1,45,33,401</u>	<u>3,38,866</u>
Schedule 10		
CURRENT LIABILITIES		
	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Sundry Creditors	12,11,44,225	5,12,33,177
Other Liabilities	1,31,24,530	44,13,526
	<u>13,42,68,755</u>	<u>5,56,46,703</u>
Schedule 11		
PROVISIONS		
	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
For Taxation	25,70,69,850	9,55,56,000
For Gratuity	—	1,25,000
For Others	3,25,00,000	—
Proposed Dividend	10,06,44,000	3,00,00,000
Income-tax on Proposed Dividend	1,28,95,013	38,43,750
	<u>40,31,08,863</u>	<u>12,95,24,750</u>

## Schedule 12

MISCELLANEOUS EXPENDITURE  
(to the extent not written off or adjusted)

Preliminary Expenses

	As at March 31, 2004 Rupees	As at March 31, 2003 Rupees
Preliminary Expenses	—	2,07,846
	—	2,07,846

## Schedule 13

## MANAGEMENT FEE

Investment Management Fee  
(Tax Deducted at Source Rs. 5,05,36,109;  
Previous Year Rs. 1,50,10,471)

Portfolio Management Fee  
(Tax Deducted at Source Rs. 5,66,810;  
Previous Year Rs. 3,874)

	For the year ended March 31, 2004 Rupees	Previour Year Rupees
Investment Management Fee (Tax Deducted at Source Rs. 5,05,36,109; Previous Year Rs. 1,50,10,471)	91,46,83,895	43,18,95,710
Portfolio Management Fee (Tax Deducted at Source Rs. 5,66,810; Previous Year Rs. 3,874)	2,38,49,760	98,24,205
	93,85,33,655	44,17,19,915

## Schedule 14

## INTEREST

On Fixed Deposit with a Bank  
(Tax Deducted at Source Rs. 28,022;  
Previous Year Rs. 39,099)

On Income Tax Refund

	For the year ended March 31, 2004 Rupees	Previour Year Rupees
On Fixed Deposit with a Bank (Tax Deducted at Source Rs. 28,022; Previous Year Rs. 39,099)	1,38,165	1,86,187
On Income Tax Refund	2,64,987	9,94,106
	4,03,152	11,80,293

## Schedule 15

## OTHER INCOME

Profit on Sale of Current Investments (Net)

Miscellaneous Income

	For the year ended March 31, 2004 Rupees	Previour Year Rupees
Profit on Sale of Current Investments (Net)	2,50,78,727	31,22,477
Miscellaneous Income	58,25,167	33,70,105
	3,09,03,894	64,92,582

Schedule 16  
STAFF EXPENSES

	For the year ended March 31, 2004 Rupees	Previour Year Rupees
Salaries, Allowances and Bonus	15,87,91,317	5,63,50,911
Contribution to Provident and Other Funds	48,55,078	24,58,891
Staff Welfare and Training Expenses	99,36,677	27,80,293
Recruitment Expenses	13,53,168	3,20,493
	<u>17,49,36,240</u>	<u>6,19,10,588</u>

Schedule 17  
ADMINISTRATIVE AND OTHER EXPENSES

	For the year ended March 31, 2004 Rupees	Previour Year Rupees
Special Brokerage / Incentives	4,65,20,334	49,78,199
Scheme Launch Expenses	3,09,04,580	1,09,69,193
Advertisement	2,18,89,542	2,19,74,014
Business Promotion	1,44,59,205	98,74,465
Rent (Net) (Tax Deducted at Source Rs.5,64,960; Previous Year Rs. 6,94,486)	4,87,25,742	3,27,88,754
Printing and Courier	3,46,23,949	92,51,677
Travel and Conveyance	1,50,50,339	1,02,16,651
Communication Expenses	91,21,290	44,51,657
Establishment Expenses	95,21,676	64,49,028
Subscription and Membership Fees	51,30,087	33,04,406
Professional and Legal Fees	1,96,37,374	1,23,46,036
Repair and Maintenance	1,67,87,365	59,99,242
Insurance Expenses	55,02,252	18,85,290
Auditors Remuneration:		
Statutory Audit Fee	1,89,000	1,05,000
Tax Audit Fee	33,150	26,250
Taxation Matters	2,15,390	1,36,250
Other Services	1,75,000	94,939
	<u>6,12,540</u>	<u>3,62,439</u>
Directors Sitting Fee	11,15,000	2,10,000
Loss on Sale/Discard of Fixed Assets	15,92,214	1,47,830
Donations	5,00,000	—
Wealth Tax	28,850	33,000
Rates and Taxes	11,500	7,500
Miscellaneous Expenses	2,92,26,925	1,67,67,661
	<u>31,09,60,764</u>	<u>15,20,17,042</u>

## Schedule 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
MARCH 31, 2004

## 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1 Accounting Convention

The financial statements have been prepared in accordance with historical cost convention, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

## 1.2 Income Recognition

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

## 1.3 Fixed Assets

Fixed Assets are stated at cost of acquisition, including incidental expenses.

## 1.4 Depreciation

Depreciation on Fixed Assets is provided on straight line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except for certain assets, where based on the Management's estimate of the useful lives of the assets, higher depreciation has been provided at the following rates:

CLASS OF FIXED ASSET	RATE OF DEPRECIATION (%)
Building	2.00
Computer Equipment	33.33
Furniture & Fixtures	14.29
Electrical Installations	14.29
Office Equipment	20.00
Vehicles	25.00
Improvement of Rented Premises	Over the primary period of the lease.

Assets individually costing less than Rupees Five Thousand are fully depreciated in the year of purchase/acquisition.

## 1.5 Investments

Current investments are valued at lower of cost and net asset value.

## 1.6 Transaction in Foreign Currency

Transactions in foreign currency are accounted for at the rates prevailing at the date of the transaction. Current assets and liabilities are translated at the ruling rate of exchange at year-end and the resultant exchange gains or losses are reflected in the profit and loss account.

## 1.7 Retirement Benefits

The Company contributes to the recognised Provident Fund for its employees. Company's contribution in the case of gratuity is funded annually with the Life Insurance Corporation of India, as determined by the corporation, based on actuarial valuation.

## 1.8 Miscellaneous Expenditure

Preliminary Expenses are being written off over a period of 5 years in accordance with the provisions of Section 35D of the Income-tax Act, 1961.

## 2. Sundry Creditors

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

## 3. Provision for Taxation

In compliance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India, the Company has taken credit of Rs. 1,41,94,535 (Previous Year Rs. 12,11,589) in the Profit and Loss Account towards deferred tax asset (net) for the year, arising on account of timing difference of certain items of income and expense. This consists of deferred tax asset of Rs. 1,34,83,028 (Previous Year Rs. 12,16,869) mainly

Schedule 18 (Continued)

SIGNIFICANT ACCOUNTING POLICIES

comprising of depreciation on fixed assets, income from investments and certain other expense provisions and reversal of excess deferred tax liability of Rs. 7,11,507 (Previous Year: Rs. 5,280).

4. Earnings per Share

Earnings per Share has been computed as under:

	Current Year Rupees	Previous Year Rupees
(a) Profit after Taxation	28,53,72,862	14,17,02,498
Less: Preference Dividend and Tax thereon	4,43,85,246	Nil
	<u>24,09,87,616</u>	<u>14,17,02,498</u>
(b) Weighted Average Number of Equity Shares Outstanding	2,40,61,115	2,00,00,000
(c) Earnings per Share (Face Value Rs.10 per Share) (a)/(b) (Basic and Diluted)	10.02	7.09

5. Amalgamation

Amalgamation of HDFC AMC Services Company Private Limited (formerly known as Zurich Asset Management Company (India) Private Limited) and HDFC AMC Mauritius Limited (formerly known as Zurich Finance (Mauritius) Limited) with the Company:

- Pursuant to the Scheme of Amalgamation of the erstwhile HDFC AMC Services Company Private Limited (HASCPL) and HDFC AMC Mauritius Limited (HAML) with the Company, as approved by the shareholders in the Court-convened meeting held on 29th December 2003, and subsequently sanctioned by the Hon'ble High Court of Mumbai on 4th March, 2004, gross assets amounting to Rs. 15,03,95,770 and gross liabilities amounting to Rs. 3,23,78,960 of the erstwhile HASCPL and HAML were transferred to and vested in the Company with retrospective effect from 19th June, 2003 (Appointed Date). The Scheme of Amalgamation has accordingly, been given effect to in these accounts.
- HASCPL was primarily in the business of asset management and managing the schemes of erstwhile Zurich India Mutual Fund. HAML was the holding company of HASCPL.
- The amalgamation has been accounted for under the "Purchase" method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India. Accordingly, the assets and the liabilities of the erstwhile HASCPL and HAML as at 19th June, 2003 have been taken over at their book values.
- As provided in the Scheme of Amalgamation, 2,43,24,000 shares of Rs. 10 each of HASCPL and 14,75,252 shares of USD 1 each of HAML held directly/indirectly by the Company stand cancelled. Consequently, an amount of Rs. 1,49,40,68,050 was debited to Goodwill Account, which has subsequently been adjusted to the extent of Rs. 82,57,60,000 against the balance in Share Premium Account as per the Scheme of Amalgamation. Though the benefit of acquisition is perpetual, based on the management's estimate, the balance in Goodwill Account is being amortised equally over a period of 20 years, commencing from the current year.

6. Upfront Brokerage

In respect of upfront brokerage paid on sale of units of HDFC Income Fund, upto preceding year, it was accounted for as an expense of the Company as and when paid, subject to expense limits prescribed by the Securities and Exchange Board of India for the scheme. From the current year, such brokerage is booked as an expense spread over a period of 12 months or the period of investment, whichever is earlier. Had there been no such change, the special brokerage would have been higher by Rs. 1,51,92,561 and the profit for the year and the prepaid expenses would have been lower by the same amount.

7. Scheme Expenses

Recurring expenses of schemes of HDFC Mutual Fund in excess of limits prescribed by the Securities and Exchange Board of India are accounted under the respective expense heads in the Profit and Loss Account.

## Schedule 18 (Continued)

## SIGNIFICANT ACCOUNTING POLICIES

## 8. Operating Leases

The company has entered into non-cancellable leasing arrangements for certain official and residential premises generally for a period of 36 months. The total lease payments recognised in the Profit and Loss Account towards the said leases amount to Rs. 2,30,73,449.

The future lease payments in respect of the above are as follows:

	Current Year Rupees
Not later than one year	3,76,51,954
Later than one year but not later than five years	4,38,90,470
Later than five years	Nil

## 9. Income in Foreign Currency

	Current Year Rupees	Previous Year Rupees
Investment Advisory Fee	86,58,988	50,05,708

## 10. Payments in Foreign Currency

## A) Expenditure

	Current Year Rupees	Previous Year Rupees
i) Travelling Expenses	3,08,391	6,20,437
ii) Professional Fees	10,00,276	Nil

## B) Dividend

	Current Year Rupees	Previous Year Rupees
i) Dividend on Equity Shares		
(a) Year to which the dividend relates	2002-03	2001-02
(b) Number of non-resident shareholders	1	1
(c) Number of Shares held	79,80,000	79,80,000
(d) Amount Remitted (Gross)	1,19,70,000	79,80,000
ii) Dividend on Preference Shares		
(a) Year to which the dividend relates	2003-04	N.A.
(b) Number of non-resident shareholders	1	N.A.
(c) Number of Shares held	2,49,50,000	N.A.
(d) Amount Remitted (Gross)	1,96,32,787	N.A.

## 11. Managerial Remuneration

Remuneration to Managing Director:

	Current Year Rupees	Previous Year Rupees
Salary & Allowances (incl. Perquisites)	82,53,724	66,06,459
Contribution to Retirement benefits	3,05,000	1,83,000

Computation of net profits in accordance with Section 309(5) of the Companies Act, 1956 has not been given since no commission is payable.

## 12. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 33,67,973 (Previous Year Rs. 32,494).



Schedule 18 (Continued)  
SIGNIFICANT ACCOUNTING POLICIES

15. Prior Year Comparatives

In view of the amalgamation of the Company with HDFC AMC Services Company Private Limited and HDFC AMC Mauritius Limited, figures for the current year are not comparable with those of the previous year. The figures for the previous year have been regrouped/rearranged, wherever necessary.

16. Part IV to the Schedule VI of the Companies Act, 1956

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

Deepak S. Parekh  
Chairman

Directors  
Humayun Dhanrajgir  
Renu S. Karnad  
P. M.Thampi  
Hoshang S. Billimoria  
Dr. Deepak B. Phatak

MUMBAI, April 23, 2004

Milind Barve  
Managing Director

Rahul Bhandari  
Chief Financial  
Officer

Sonal Barot  
Company Secretary  
& Compliance Officer

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Submitted in terms of Part IV of Schedule VI to the Companies Act, 1956)

### I. Registration Details

Registration No.

1 2 3 0 2 7

State Code

1 1

Balance Sheet Date

3 1 3 2 0 0 4

### II. Capital raised during the year (Amount in Rs. '000)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

5 5 1 6 1 0

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities

1 5 3 3 5 6 8

Total Assets

1 5 3 3 5 6 8

#### SOURCES OF FUNDS

Paid-up Capital

7 5 1 6 1 0

Reserves and Surplus

2 4 4 5 8 1

Secured Loans

N I L

Unsecured Loans

N I L

#### APPLICATION OF FUNDS

Net Fixed Assets

6 9 1 3 3 6

Investments

4 0 5 2 2 3

Net Current Assets

(-) 1 0 0 3 6 8

Miscellaneous Expenditure

N I L

Accumulated Losses

N I L

### IV. Performance of the Company (Amount in Rs. '000)

Total Income

9 8 2 7 4 1

Total Expenditure

5 3 8 5 6 3

Profit Before Tax

4 4 4 1 7 8

Profit After Tax

2 8 5 3 7 3

Earnings per Share (in Rs.)

1 0 . 0 2

Dividend (%)

4 0

### V. Generic Names of Principal Services of the Company (as per monetary terms)

Item Code No. (ITC Code)

N I L

Product Description

A S S E T M A N A G E M E N T

Item Code No. (ITC Code)

N I L

Product Description

I N V E S T M E N T A D V I S O R Y S E R V I C E S