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CREDITCAPITAL ASSET MANAGEMENT  
COMPANY LIMITED

STATEMENT OF ACCOUNTS FOR THE  
YEAR ENDED MARCH 31, 2001

## AUDITORS' REPORT

### TO THE MEMBERS OF CREDITCAPITAL ASSET MANAGEMENT COMPANY LIMITED

1. We report that we have audited the Balance Sheet of Creditcapital Asset Management Company Limited as at March 31, 2001 and the relative Profit and Loss Account for the year ended on that date both of which we have signed under reference to this report and the above mentioned accounts are in agreement with the books of account.
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes attached thereto and the Statement on Significant Accounting Policies, give in the prescribed manner the information required by The Companies Act, 1956, of India (the 'Act'), read with Note 3 and Note 6 on Schedule N regarding treatment of registration and other charges recoverable from the schemes of erstwhile HB Mutual Fund and *subject to the matters stated in paragraph 2.1 below and the related Note, with consequential effect on the Company's loss for the year and net assets*, also give respectively a true and fair view of the state of the Company's affairs as at March 31, 2001 and its loss for the year ended on that date.
  - 2.1 As explained in Note 4 on Schedule N, the title of a property, aggregating to Rs. 19, 800,020, not being held in the name of the Company and non-provision of registration costs thereof, the amount of which is currently not ascertainable.
3. *Subject to paragraph 2.1 above*, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, *subject to paragraph 2.1 above*, proper books of account have been kept as required by law, so far as appears from our examination of the books.
4. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211(3C) of the Act.
5. On the basis of written representations received from the directors as on March 31, 2001 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2001 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Act.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 dated 7<sup>th</sup> September 1988 issued by the Central Government of India and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :
  - (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
  - (b) The fixed assets of the Company have been physically verified during the year by the management and no discrepancies were observed on such verification.

  
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- (ii) The fixed assets of the Company have not been revalued during the year.
- (iii) The Company has not taken/ granted any loans, secured or unsecured, from/ to companies, firms or other parties listed in the register maintained under Section 301 of the Act.
- (iv) The parties to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts where stipulated and are also regular in payment of interest, where stipulated.
- (v) In our opinion, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of equipment and similar assets and for the sale of goods.
- (vi) The Company has neither purchased nor sold any securities aggregating Rs.50,000/- or more in value from/to any of the parties listed in the register maintained under Section 301 of the Act.
- (vii) The Company has not accepted any deposits from the public.
- (viii) In our opinion, the Company's present internal audit system is commensurate with its size and nature of business.
- (ix) The Company has generally been regular during the year in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities in India.
- (x) At the last day of the financial year, there were no amounts outstanding in respect of undisputed income tax, wealth tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
- (xi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to Profit and Loss Account, nor have we been informed of such case by the management other than those payable under contractual obligations and / or accepted business practices.

In respect of service activities:

- (xii) The nature of the services rendered is such that it does not involve consumption of materials and stores.
- (xiii) Considering the nature of services rendered, it is not necessary to have a system of allocation of man-hours utilised to the relative jobs.


In respect of finance activities:

- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in shares and other securities and timely entries have been made therein. All shares and other securities have been held by the Company in its own name except for certain securities, as detailed in Schedule E.

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- (xv) The Other clauses of the Order are either not applicable or relevant to the Company and accordingly we have not reported on the matters specified in such clauses.

Place: New Delhi  
Date: 29-09-2001

  
J.K. Jain  
Partner  
For and on behalf of  
Price Waterhouse  
Chartered Accountants

CREDITCAPITAL ASSET MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2001

	SCHEDULE	AMOUNT (RS.)	AMOUNT (RS.) As at 31-03-2001	AMOUNT (RS.) As at 31-03-2000
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' funds</b>				
Share Capital	A		125,400,000	125,400,000
Reserves and Surplus	B		2,100,000	2,100,000
Secured Loan	C		249,503	389,954
<b>Total</b>			<u>127,749,503</u>	<u>127,889,954</u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	D	25,739,802		25,323,287
Less: Depreciation		<u>3,816,716</u>		<u>2,896,141</u>
Net Block			21,923,086	22,427,146
Investments	E		45,794,827	44,954,761
<b>Current Assets, Loans and Advances</b>				
Cash and Bank Balances	F	6,654,128		9,574,245
Sundry Debtors	G	4,443,689		11,887,770
Current Assets, Loans and Advances	H	<u>45,917,460</u>		<u>37,724,796</u>
		57,015,277		59,186,811
Less: Current Liabilities & Provisions	I	<u>3,037,926</u>		<u>6,067,262</u>
Net Current Assets			53,977,351	53,119,549
Miscellaneous Expenditure (to the extent not written off or adjusted)	J			1,782,212
Profit and Loss Account			6,054,239	5,606,286
<b>Total</b>			<u>127,749,503</u>	<u>127,889,954</u>
Significant Accounting Policies and Notes to Accounts	N			

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

This is the Balance Sheet referred to in  
our report of even date

J.K. Jain  
Partner

For and on behalf of  
Price Waterhouse  
Chartered Accountants

Place : New Delhi  
Date : 29-09-2001

For and on behalf of the Board

J.P. Kundra  
Chairman

Lalit Bhasin  
Director

R.K. Gupta  
Chief Executive  
Officer

T D Suresh  
Company Secretary

*(Signature)*


CREDITCAPITAL ASSET MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2001


	SCHEDULE	AMOUNT (RS.) For the year ended 31-03-2001	AMOUNT (RS.) For the year ended 31-03-2000
<b>INCOME</b>			
Investment Management and Advisory Fees (Gross, Tax Deducted at Source Rs.1,079,780 Previous year Rs.1,455,376)		19,166,641	26,673,613
Other Income	K	<u>2,985,345</u>	<u>16,679,922</u>
		<u>22,151,986</u>	<u>43,353,535</u>
<b>EXPENDITURE</b>			
Employee Costs	L	5,083,528	4,944,590
Administrative and Other Expenses	M	14,073,257	17,467,805
Depreciation		920,575	863,438
Diminution in value of investments		<u>2,412,889</u>	<u>-</u>
		<u>22,490,249</u>	<u>23,275,833</u>
Profit/ (Loss) before taxation		(338,263)	20,077,702
Provision for taxation		<u>-</u>	<u>(1,500,000)</u>
Profit/ (Loss) After Taxation		(338,263)	18,577,702
(Short)/ Excess provision for taxation in earlier years		<u>(109,690)</u>	<u>(343,778)</u>
Profit/ (Loss) for the year		(447,953)	18,233,924
Loss Brought Forward from Previous Year		(5,606,286)	(23,840,210)
Deficit, Carried to Balance Sheet		<u>(6,054,239)</u>	<u>(5,606,286)</u>
Significant Accounting Policies and Notes to Accounts	N		


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

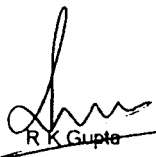
This is the Profit and Loss Account referred to in  
our report of even date

  
J.K. Jain  
Partner  
For and on behalf of  
Price Waterhouse  
Chartered Accountants

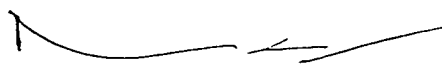
For and on behalf of the Board

 J.P. Kundra  
Chairman

 Lalit Bhasin  
Director

  
R.K. Gupta  
Chief Executive  
Officer

Place : New Delhi  
Date : 29-09-2001

  
T.D. Suresh  
Company Secretary

**CREDIT CAPITAL ASSET MANAGEMENT COMPANY LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 ,2001**

**SCHEDULE 'A' : SHARE CAPITAL**

	AMOUNT (RS.) As at 31-03-2001	AMOUNT (RS.) As at 31-03-2000
<b>Authorised</b>		
13,000,000 Equity Shares of Rs. 10 each	130,000,000	130,000,000
3,000,000 6% Non -Cumulative Redeemable Preference Shares of Rs. 10 each	<u>30,000,000</u>	<u>30,000,000</u>
	<u>160,000,000</u>	<u>160,000,000</u>
 <b>Issued and Subscribed</b>		
Equity Share Capital	100,400,000	100,400,000
10,040,000 equity shares (Previous year 10,040,000) of Rs. 10 each fully paid up		
6% Non- Cumulative Redeemable Preference Share Capital	25,000,000	25,000,000
2,500,000 preference shares (Previous year 2,500,000) of Rs. 10 each fully paid up		
	<u>125,400,000</u>	<u>125,400,000</u>

**Notes:**

1. Of the above, 5,040,000 Equity Shares of Rs. 10 each have been allotted as fully paid up, pursuant to the Scheme of Amalgamation, for consideration other than cash.
2. Non-Cumulative Redeemable Preference Shares are redeemable at par on July 6, 2004

**SCHEDULE ' B' : RESERVES AND SURPLUS**

Amalgamation Reserve	<u>2,100,000</u>	<u>2,100,000</u>
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**SCHEDULE 'C' : SECURED LOAN**

Car Loan	<u>249,503</u>	<u>389,954</u>
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**Notes:**

Secured by hypothecation of specific vehicle

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CREDIT CAPITAL ASSET MANAGEMENT COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2001

SCHEDULE 'D' : FIXED ASSETS  
(Refer note 1(b) on Schedule N)

( Figures in Rupees )

Particulars	Gross Block		As at 31/3/01	Depreciation			Net Block			
	As at 1/4/00	Additions during the year		Deductions during the year	Upto 1/4/00	For the year	On Deductions	Upto 31/3/01	As at 31/3/01	As at 31/3/00
BUILDING	19,800,020	-	-	1,443,539	322,740	-	1,766,279	18,033,741	18,366,481	
VEHICLES	923,802	-	-	25,720	87,761	-	113,481	810,321	898,082	
AIR CONDITIONERS	394,200	-	-	60,461	18,725	-	79,186	315,014	333,739	
DATA PROCESSING EQUIPMENT	2,860,860	362,165	-	978,292	416,745	-	1,395,037	1,827,988	1,882,568	
ELECTRIC INSTALLATION	193,449	-	-	31,324	9,189	-	40,513	152,936	162,125	
OFFICE EQUIPMENT	484,112	54,350	-	199,162	24,311	-	223,473	314,989	284,950	
FURNITURE AND FIXTURES	666,844	-	-	157,643	41,104	-	198,747	468,097	509,201	
TOTAL	25,323,287	416,515	-	25,739,802	920,575	-	3,816,716	21,923,086	22,427,146	
PREVIOUS YEAR	23,984,786	2,964,044	1,645,543	2,875,510	863,438	842,807	2,896,141	22,427,146	21,109,276	

Note:

1. Building is Pending registration in the name of the Company. Also refer note 4 on Schedule N
2. Vehicles having cost of Rs. 523,802 have been acquired on Hire Purchase.

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CREDIT CAPITAL ASSET MANAGEMENT COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31 ,2001

SCHEDULE 'E' : INVESTMENTS

Long Term, Non Trade, Fully Paid Up (Refer Note 1(e) and 13 of schedule N)	Face Value AMOUNT (RS.)	As at 31-03-2001 AMOUNT (RS.)	As at 31-03-2000 AMOUNT (RS.)
<b>Unquoted</b>			
<u>Non-Convertible Debentures</u> #			
26,838 (Previous Year 26,838) 13% DCM Shriram Consolidated Ltd. *	100	2,312,236	2,302,936
4,400 (Previous Year 4,400) 10.5% Jindal Iron and Steel Ltd.	334	1,065,460	1,584,000
153,587 (Previous Year 153,587) 15% Pasupathi Spinning and Weaving Mills Ltd.	17	2,665,822	3,913,627
<b>Sub-Total ( A )</b>		<u>6,043,518</u>	<u>7,800,563</u>
<u>Non -Cumulative Preference Shares</u> #			
250,000 (Previous Year 50,000) 12.50% CFL Securities Ltd.	100	25,010,000	5,000,000
Nil (Previous Year 200,000) 15 % Bombay Swadeshi Stores Ltd.	100	-	20,000,000
<b>Sub-Total ( B )</b>		<u>25,010,000</u>	<u>25,000,000</u>
<u>Units of Mutual Funds</u>			
Libra Leap 1,000,000 (Previous Year 1,000,000)	10	8,950,000	8,950,000
Discovery Stock Fund 653,451.81 (Previous Year Nil)	10	5,000,000	-
<b>Sub-Total ( C )</b>		<u>13,950,000</u>	<u>8,950,000</u>
<b>Quoted</b>			
<u>Equity Shares</u>			
15,000 (Previous Year 15,000) Federal Bank Ltd.	10	1,539,690	1,539,690
5,000 (Previous Year 5,000) State Bank Of India	10	1,622,921	1,622,921
7,500 (Previous Year 7,500) Goodlass Nerolac Paints Ltd.	10	1,622,625	1,622,625
45,000 (Previous Year 45,000) Industrial Finance Corporation of India Ltd.	10	1,362,825	1,362,825
150 (Previous Year 150) Punjab Anand Lamps	10	12,677	12,677
<b>Sub-Total ( D )</b>		<u>6,160,738</u>	<u>6,160,738</u>
<b>Total ( A + B + C + D )</b>		51,164,256	47,911,301
Less: Diminution in value of investments		(5,369,429)	(2,956,540)
		<u>45,794,827</u>	<u>44,954,761</u>

\* 1904 Pending for transfer in the name of Company

# Listed but not quoted.

Aggregate value of unquoted investments is Rs.45,003,518 (Previous year 41,750,563)

Aggregate value of Quoted investments is Rs.6,160,738 (Previous year 6,160,738)

Market Value of Quoted Equity shares is Rs. 2,618,100 (Previous year 3,278,150)

Market Value of units of Mutual fund is Rs. 14,428,051 (Previous year 30,490,000)

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CREDIT CAPITAL ASSET MANAGEMENT COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31 ,2001

SCHEDULE 'F' : CASH AND BANK BALANCES

	AMOUNT (RS.) As at 31-03-2001	AMOUNT (RS.) As at 31-03-2000
Cash in Hand	8,962	23,907
Deposit with Scheduled Bank	5,000,000	-
Balances with Scheduled Banks in Current Account	1,645,166	9,550,338
	<u>6,654,128</u>	<u>9,574,245</u>

SCHEDULE 'G' : SUNDRY DEBTORS  
(Unsecured and Considered Good)

Debts outstanding for a period exceeding six months	507,404	-
Other Debts	3,936,285	11,887,770
	<u>4,443,689</u>	<u>11,887,770</u>

SCHEDULE 'H' :CURRENT ASSETS, LOANS AND ADVANCES  
(Unsecured and Considered Good unless otherwise stated)  
(Refer Note 3 & 6 of Schedule N)

Inter Corporate Deposits	-	5,000,000
Advances recoverable in cash or in kind or for value to be received. (Considered Doubtful Rs. 1,228,696 Previous Year Nil)	42,632,683	23,310,804
Advance Income Tax	2,961,763	6,442,913
Less:Provision for Taxation	(1,500,000)	(1,677,930)
Interest Receivable (Considered Doubtful Rs. 894,398 Previous Year Nil)	2,104,449	1,734,418
Recoverable from Schemes	1,841,659	2,914,591
	<u>48,040,554</u>	<u>37,724,796</u>
Less: Provision for Doubtful Advances / Interest	(2,123,094)	-
	<u>45,917,460</u>	<u>37,724,796</u>

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CREDIT CAPITAL ASSET MANAGEMENT COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31 ,2001

SCHEDULE 'I' : CURRENT LIABILITIES AND PROVISIONS  
(Refer Note 1(f) ,1(g)and 1(h) on Schedule N)

	AMOUNT (RS.) As at 31-03-2001	AMOUNT (RS.) As at 31-03-2000
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Small Scale Industrial Undertaking	-	-
- Others	2,576,493	5,545,015
Other Liabilities	113,975	115,680
	<u>2,690,468</u>	<u>5,660,695</u>
<b>PROVISIONS</b>		
for Leave Encashment	199,290	297,561
for Gratuity	148,168	109,006
	<u>347,458</u>	<u>406,567</u>
	<u>3,037,926</u>	<u>6,067,262</u>

SCHEDULE 'J' : MISCELLANEOUS EXPENDITURE  
(to the extent not written off or adjusted)  
(Refer Note 1(c ) on Schedule N)

Deferred Revenue Expenditure	1,782,212	3,564,423
Less: written off during the year	<u>(1,782,212)</u>	<u>(1,782,211)</u>
	<u>-</u>	<u>1,782,212</u>

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Handwritten signatures and initials, including a large signature on the right and several initials or smaller signatures below it.

**CREDIT CAPITAL ASSET MANAGEMENT COMPANY LIMITED**

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31 ,2001**

**SCHEDULE 'K' : OTHER INCOMES**

(Refer Note 1(d) of Schedule N)

	For the year ended 31-03-2001	For the year ended 31-03-2000
Dividend	110,750	10,228,550
Interest Income (Gross, TDS Rs.105,677 Previous Year Rs.500,149)	2,311,876	2,793,293
Profit on sale of investments (Net)	25,000	1,807,508
Miscellaneous Income	9,553	15,093
Provision no longer required written back	84,029	355,873
Expenses written back	269,086	1,479,605
Profit on redemption of debentures (Net)	175,051	-
	<u>2,985,345</u>	<u>16,679,922</u>

**SCHEDULE 'L' : EMPLOYEE COSTS**

Salaries and Allowances	4,361,165	4,335,142
Contribution to PF and other funds	564,348	492,027
Staff Welfare	158,015	117,421
	<u>5,083,528</u>	<u>4,944,590</u>

**SCHEDULE 'M': ADMINISTRATION AND OTHER EXPENSES**

Advertisement and Business Promotion Expenses	1,087,917	732,160
Legal and Professional Charges	1,281,988	1,594,903
Board Meeting Expenses	31,000	46,475
Director's sitting fees	245,000	102,000
Electricity	344,098	359,434
Travelling and Conveyance	1,336,046	2,245,221
Repair and Maintenance - Building	-	1,450,000
- Others	889,441	847,064
Insurance	35,819	114,243
Printing and Stationary	574,547	546,233
Subscription & Membership	692,751	473,987
Communication Expenses	1,536,186	1,981,224
Rent	1,083,960	2,795,826
Rates and Taxes	28,925	171,855
Interest-others	49,118	499,722
Miscellaneous Expenses	7,829	129,275
Miscellaneous expenditure amortised	1,782,212	1,782,211
Excess Dividend Receivable written off	-	13,713
Excess of expenses of schemes borne by the Company	-	1,043,972
Net Loss on Sale of Assets	-	538,287
Balances written off	943,326	-
Provision for Doubtful Advances / Interest	2,123,094	-
	<u>14,073,257</u>	<u>17,467,805</u>

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**CREDIT CAPITAL ASSET MANAGEMENT COMPANY LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2001 AND  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2001.**

**SCHEDULE 'N' NOTES TO ACCOUNTS**

**1. Significant Accounting Policies**

**a) Basis of Accounting**

The financial statements are prepared under the historical cost convention on accrual basis and comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.

**b) Depreciation**

i) Depreciation on fixed assets located at Mumbai Office is consistently provided on the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

ii) Depreciation on fixed assets located at the Delhi Office is consistently provided on the straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

iii) Depreciation on additions / disposals of fixed assets during the year is provided on a pro-rata basis.

**c) Miscellaneous Expenditure**

Expenditure related to the amalgamation of the erstwhile HB Asset Management Company Limited (HBAMC) with the Company, is being amortized over a period of 3 years commencing from the financial year 1998-99 in which the amalgamation has been affected.

**d) Revenue Recognition**

i) Management fees, which are accounted for on an accrual basis, are calculated with reference to the average weekly net asset values of the managed schemes.

ii) Interest Income is accounted for on an accrual basis.

iii) Dividend is accounted for as income when the Company's right to receive it is established.

**e) Investments**

Long Term Investments are valued at cost. Any permanent diminution in value is recognised in the year of such diminution.

**f) Gratuity**

For employees of the Delhi Office, provision for gratuity is being made on actuarial basis. Contribution in respect of Mumbai Office employees is made to LIC in the form of premium under the Group Gratuity Scheme. All contributions are charged to profit and loss account as they become due.

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**g) Leave Encashment**

The Company allows encashment of leave at the time of retirement / resignation. Leave due to the employees at the year-end is considered encashable and provided for.

**h) Superannuation**

Contributions are made to Life Insurance Corporation of India in the form of premium under the Superannuation Scheme of LIC. All contributions are charged to Profit and Loss Account as they become due.

2. The Company is contingently liable for Rs.1,218,893 (Previous year Rs.696,422) in respect of an income tax assessment order, which has been appealed against.
3. Advances recoverable in cash or in kind or for value to be received, include Rs. 800,820 (Previous year Rs.947,697) towards one time registration charges of the schemes of the erstwhile HB Mutual Fund with the Securities and Exchange Board of India (SEBI), which is being recovered annually over the period of the schemes on the basis of higher of 0.05% of the corpus of each scheme or 1/10<sup>th</sup> of such expenses.
4. The erstwhile HBAMC purchased an office in Mumbai in earlier years for Rs. 19,800,020, the title to which is yet to be transferred in the name of the Company.
5. Expenses of the schemes in excess of the limits specified in SEBI regulations amount to Rs. Nil (Previous year Rs.1,043,972). These expenses are being borne by the Asset Management Company.
6. The amount recoverable from Schemes includes, Brand Image Expenses incurred by the Company for Discovery Stock Fund Scheme of Taurus Mutual Fund, which were to be reimbursed by the scheme over the period of five years w.e.f. March 31, 1995, subject to the expenditure limit of 2.5% of average net asset value of the scheme. The period has now been extended to ten years and an amount of Rs.1,022,750 is still due from the scheme. The above amount will be accounted for by the scheme in the remaining period subject to the expenditure limit of 2.5% of average net asset value of the scheme.
7. The Company has been advised that there will be no liability of Income Tax as per provisions of section 115JB of the Income Tax Act, 1961, and accordingly no provision has been considered in the accounts.
8. The erstwhile HBAMC has been served with a show cause notice u/s 51 of the now repealed FERA, 1973 alleging certain violations u/s 9(1)(7)(ii) of the said Act, for making payment of Rs. 450,000 for releasing an advertisement. Considering the nature of the alleged offence, the management is confident of getting the issue resolved in its favour.
9. During the year, Mr. P S Mathur resigned as the Managing Director of the Company effective 1<sup>st</sup> October 2000. The Company is in the process of appointing a new Managing Director.

PRICE WATERHOUSE

10. A) Managerial Remuneration

	2000-2001 Amount (Rs.)	1999-2000 Amount (Rs.)
Salary	Nil	2,25,000
Perquisites	Nil	1,12,500
	Nil	3,37,500

B) The computation of profits under section 309(5) of the Companies Act, 1956 has not been given, as no commission is payable to the Managing Director.

11. Payment to Auditors

	2000-2001 Amount (Rs.)	1999-2000 Amount (Rs.)
Audit Fee (incl' service tax)	1,83,750	305,000 *
Out of Pocket Exp.	3,302	3,593
	1,87,052	308,593

\*includes Rs.130,000 being Audit fees of 1998-99 not charged to Profit & Loss Account during that year.

12. Expenditure/Income in Foreign Currency

	2000-2001 Amount (Rs.)	1999-2000 Amount (Rs.)
<b>Expenditure</b>		
Travel	Nil	68,415
<b>Income</b>	Nil	1,296,914

13. Particulars of investments purchased and sold during the year:

Particulars	Nos.	Purchase (Rs.)	Nos.	Sale (Rs.)
15% Bombay Swadeshi Stores Ltd.			200,000	20,000,000
12.50% CFL Securities	200,000	20,010,000		
Taurus Discovery Stock Fund	653,451.81	5,000,000		
10.47% GOI Bonds	250,000	25,025,000	250,000	25,050,000

PRICE WAIVER

Handwritten signatures and initials are present below the table, including a large signature on the left and several smaller initials and signatures on the right.

14. Expenses of prior years included in respective heads of expenses are as follows:

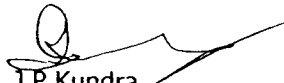
Particulars	2000-2001 Amount (Rs.)	1999-2000 Amount (Rs.)
Travelling and Conveyance	83,935	Nil
Repairs and Maintenance	12,410	Nil
Communication Expenses	36,164	Nil
Miscellaneous Expenses	<u>3,521</u>	<u>Nil</u>
<b>Total</b>	<b><u>136,030</u></b>	<b><u>NIL</u></b>

15. Information with regard to other matters specified in Part II of Schedule VI to the Companies Act, 1956 are either Nil or are not applicable to the Company for the year ended March 31, 2001.

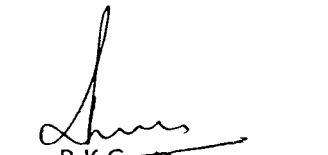
16. Previous year's figures have been reclassified and regrouped wherever necessary to conform to the current year's classification.

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For and on behalf of the Board

  
JP Kundra  
Chairman

  
Lalit Bhasin  
Director

  
R.K. Gupta  
Chief Executive Officer

  
T D Suresh  
Company Secretary

  
PRICE WATERHOUSE =

Place : New Delhi

Date : 29-09-2001



**Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.**

Balance Sheet Abstract and Company's General Business Profile.

I	Registration Details	
	Registration No.	73154 of 1993
	State Code	11
	Balance Sheet Date	31/03/2001
II	Capital raised during the year (Amount in Rs. Thousands)	
	Public Issue	Nil
	Right Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III	Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)	
	Total Liabilities	Rs. 3,287
	Total Assets	Rs. 124,733
	Sources of Funds:	
	Paid up Capital	Rs. 125,400
	Reserve and Surplus	Rs. (3,954)
	Secured Loans	Rs. 249
	Unsecured Loans	Nil
	Applications of Funds:	
	Net Fixed Assets	Rs. 21,923
	Investments	Rs. 45,795
	Net Current Assets	Rs. 53,977
	Miscellaneous Expenditure	Nil
	Accumulated Losses	Rs. 6,054
IV	Performance of the Company (Amount in Rs. Thousands)	
	Turnover	Rs. 22,152
	(Including miscellaneous income)	
	Total Expenditure	Rs. 22,490
	Profit /(Loss) before Tax	(Rs. 338 )
	Profit /(Loss) after Tax	(Rs. 338 )
	Earning per Share	Nil
	Dividend Rate %	Nil
V	Generic Names of three principal products/ services of the Company (as per monetary terms)	



Item Code No.  
(ITC Code)  
Product /Service Description:

Not Applicable  
Mutual Fund Management Services

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For and on behalf of the Board

  
J P Kundra  
Chairman

  
Lalit Bhasin  
Director

  
R K Gupta  
Chief Executive Officer

  
T D Suresh  
Company Secretary

Place: New Delhi

Date: 29-09-2001