

## **DIRECTORS' REPORT**

### **TAURUS ASSET MANAGEMENT COMPANY LIMITED**

**Dear members,**

The Directors have pleasure in presenting the 14<sup>th</sup> Annual Report of your Company together with Audited Statement of Accounts for the financial year ended March 31, 2007.

#### **BACKGROUND**

The Company acts as the Investment Manager to Taurus Mutual Fund (“the Fund”). The Investment Manager was approved by SEBI to act as the Asset Management Company (“the AMC”) for the Fund vide letter no. IIMARP/22714/93 dt. 21.09.1993.

#### **SCHEME PERFORMANCE**

At present Taurus Mutual Fund is managing following eight open-end schemes:

##### **Equity Oriented Schemes**

- Taurus the Starshare
- Discovery Stock Fund
- Bonanza Exclusive Growth Scheme -Open.
- Taurus Infra-Tips

##### **Equity Linked Saving Schemes**

- Libra Tax Shield

##### **Income Schemes**

- Libra Bond Fund
- Libra Gilt Fund
- Taurus Liquid Fund

The AMC is required to manage the Schemes of the Fund in accordance with the provisions of the Investment Management Agreement, Trust Deed, the Regulations and the objectives of each scheme.

As on March 31, 2007, the performance of these schemes was as under:-

Name of the Scheme	NAV on 31.03.2006	NAV on 31.03.2007	%age of Change
Taurus the Starshare	34.17	37.28	9.10
Discovery Stock Fund	15.52	14.50	(6.57)
Bonanza Exclusive Growth Scheme – open	35.61	32.27	*(2.36)
Taurus Infra-Tips	-	10.07	-
Libra Tax Shield	18.64	15.80	(15.24)
Libra Gilt Fund	12.5445	12.8761	2.64
Libra Bond Fund	13.2356	14.2309	7.52
Taurus Liquid Fund	-	10.3472	-

\* (2.36) is a compounded return after taking into consideration of dividend of 25%

## FINANCIAL RESULTS

The performance of the Company during the Financial Year 2006-2007 is given as follows:

Particulars	FY 2005 – 2006 (Rs. Lacs)	FY 2006 – 2007 (Rs. Lacs)
Management Fees	228.93	276.47
Other income	275.12	371.69
Gross Income	504.05	648.16
Employee cost	66.53	127.09
Other Expenses	168.52	461.54
Net operating profit (Loss)	269.00	59.53
Provisions for tax	(9.50)	-
Provision for Deferred Tax	(8.04)	(24.68)
Provision for Fringe Benefit Tax	(2.19)	(2.90)
Profit after tax	249.27	31.92
Profit (loss) brought forward	59.46	308.73
Balance available for Appropriation	308.73	340.65
Dividend	-	-
Balance carried to Balance Sheet	308.73	340.65

## **NEW INITIATIVE**

- Dividend of 25% was announced in Bonanza Exclusive Growth Scheme – Open.
- Taurus Liquid Fund was launched and an amount of Rs.115.68crores was mobilized during the NFO period.
- Taurus INFRA-TIPS, an open-ended equity thematic scheme was launched and an amount of Rs. 43.39crores was mobilized during the NFO period.
- Branches at Chandigarh, Kolkata and Madurai were opened during the period.

## **DIVIDEND**

In order to expand the business of the Company, your directors do not recommend any dividend for the year.

## **FIXED DEPOSITS**

During the year under review, the company has not accepted or renewed any deposit under section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

## **BOARD OF DIRECTORS**

The Company has non-executive Chairman and more than 50% Directors are Independent Directors in compliance with the SEBI Regulations. Mr. Lalit Bhasin and Mr. P Murari, Directors of the Company retire by rotation pursuant to section 255 of the Companies Act, 1956 at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Mr. Vijay Sood, was appointed as an additional director of the Company w.e.f. 26.04.2007. Mr. Sood was also appointed as member of the Investment and Audit Committee of the Company. Appointment of Mr. Vijay Sood as a Director, liable to be retired by rotation in the ensuing Annual General Meeting, is being proposed for your approval.

## **AUDIT COMMITTEE**

Pursuant to section 292A of the Companies Act, 1956, an Audit Committee was constituted. The Committee is comprised of two independent directors and two non-independent directors including one managing director.

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 control 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 consider appropriate to be present at the meetings of the committee. The Company Secretary cum Compliance Officer acts as the secretary to the Committee.

## **INVESTMENT COMMITTEE**

The investment committee comprises three independent directors and two non-independent directors including one managing director.

Investment Committee meets every month and reviews the following areas of operations of the Fund;

- Movement in NAV of each schemes vis-à-vis the benchmark index.
- Analysis of new scrips added in the portfolio of each scheme.
- Investment Pattern
- Review of outstanding corporate benefits and bad delivery cases.
- Status of thinly traded, non-traded and bad delivery cases.
- Portfolio of equity schemes
- Marketing Strategy &
- Activities of the Fund during the month.

## **DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.**

Information required to be disclosed under section 217(1)(e) of the Companies Act, 1956 is not applicable to the company, as no such activity is being carried out by the company.

## **PARTICULARS OF EMPLOYEES**

Particulars of employees pursuant to section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable as there was no employee of the company drawing remuneration in excess of the limits specified therein.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under section 217(2AA) of the Companies Act, 1956 your directors make the following statements:-

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2006 and its profit or loss for the year ended on that date;
3. that the directors have taken proper and sufficient care 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 fraud and other irregularities;
4. that the directors have prepared the annual accounts on a going concern basis.

## **AUDITORS AND THEIR QUALIFICATIONS**

M/s Walker Chandiook & Co., Chartered Accountants, New Delhi, auditors of the company retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment as auditors of the company.

In view of point no. 4 of the Auditors Report, the Board explains that the erstwhile HB Asset Management Company 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. However, on July 30, 2004 the company has applied for the registration of the office under the "Amnesty Scheme 2004" announced by the Government of Maharashtra and the amount of registration charges and/or penalty, if any, are subject to assessment there under.

## **ACKNOWLEDGEMENT**

The directors wish to place on record their appreciation of employees at all levels for their dedication and commitment and also of the investor service centers, distributors and other service providers for their commitment and look forward to their continued support and above all for the faith imposed by the investors in the various schemes of the Fund.

The directors acknowledge the valuable assistance, support and guidance given by Board of Trustees, the Securities and Exchange Board of India, Reserve Bank of India, Unit holders and Bankers. Finally, the directors would like to convey their gratitude to the members and look forward to their continued support.

**New Delhi**  
**Date: 29.08.2007**

**For and on behalf of the Board**

**J.P. Kundra**  
**Chairman**

## **Auditors' Report**

**To**

**The Members of Taurus Asset Management Company Limited  
(Previously known as Creditcapital Asset Management Company Limited)**

1. We have audited the attached Balance Sheet of Taurus Asset Management Company Limited, (the 'Company') as at 31 March 2007, and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As stated in note 2 on schedule 17, fixed asset, interalia, includes Rs. 19,800,020 the gross book value of a building, the title of which has not been transferred in the name of the Company. Further, the registration cost of the same, which is not ascertainable has not been provided in the books.*
5. *Subject to our comments in paragraph 4 above and further to our comments in the Annexure referred to above, we report that:*
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 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 those books;
  - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d. In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with the notes thereon, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
    - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2007 and
    - ii) the Profit and Loss Account, of the profit for the year ended on that date.

- e. On the basis of written representations received from the directors, as on 31 March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For Walker, Chandiok & Co**  
**Chartered Accountants**

**B P Singh**  
**Partner**  
Membership No. 70116

**Place:** New Delhi  
**Date:** 29 August 2007

**Annexure to the auditors' report of even date to the members of Taurus Asset Management Company Limited (Previously known as Creditcapital Asset Management Company Limited), on the financial statements for the year ended 31 March 2007**

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and in terms of the information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) In our opinion, a substantial part of fixed assets have not been disposed off during the year.
- (ii) The Company does not have any tangible inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii) of the Order are not applicable to the Company.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable to the Company. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (v) The Company has not entered into contracts or arrangements referred to in section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of income-tax, wealth-tax, service-tax, sales-tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) There are no amounts in respect of sales-tax, income-tax, customs duty, wealth-tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.

**Annexure to the auditors' report of even date to the members of Taurus Asset Management Company Limited (Previously known as Creditcapital Asset Management Company Limited), on the financial statements for the year ended 31 March 2007 (Contd.)**

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to a bank during the year. The Company has no dues to a financial institution and debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (xiii) The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) The Company did not have any term loan outstanding during the year. Accordingly, the provisions of clause 4 (xvi) of the Order are not applicable to the Company.
- (xvii) Based on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment (excludes permanent working capital).
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

**For Walker, Chandiok & Co  
Chartered Accountants**

**B P Singh**  
**Partner**  
Membership No. 70116

**Place:** New Delhi  
**Date:** 29 August 2007

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

**Balance Sheet as at 31 March 2007**

	Schedule	2007 Rs.	2006 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	125,500,000	125,500,000
Reserves and surplus	2	36,165,321	32,973,246
Secured loan	3	262,077	454,426
Deferred tax liabilities (net)	4	2,107,267	-
		<b>164,034,665</b>	<b>158,927,672</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	27,994,624	27,152,742
Less: depreciation		8,528,794	7,665,344
Net block		19,465,830	19,487,398
<b>Investments</b>	<b>6</b>	145,312,030	114,517,711
<b>Deferred tax asset (net)</b>	<b>4</b>	-	360,431
<b>Current assets, loans and advances</b>			
Interest accrued on investments	7	345,589	95,606
Sundry debtors	8	2,377,905	3,521,377
Cash and bank balances	9	15,006,811	17,704,391
Loans and advances	10	8,354,677	9,204,926
		26,084,982	30,526,300
<b>Less: Current liabilities and provisions</b>			
Current liabilities	11	23,425,054	3,070,145
Provisions	12	3,403,123	2,894,023
		26,828,177	5,964,168
<b>Net current assets</b>		(743,195)	24,562,132
		<b>164,034,665</b>	<b>158,927,672</b>
<b>Significant accounting policies</b>	<b>16</b>		
<b>Notes to the financial statements</b>	<b>17</b>		

The schedules referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

Sangeeta Verma Company Secretary	Deepa Varshnei Vice President (Accounts)	R.K Gupta Managing Director	J.P.Kundra Director	M.G.Gupta Director
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This is the Balance Sheet referred to in our report of even date.

**For Walker, Chandio & Co**  
**Chartered Accountants**

**Place:** New Delhi  
**Date:** 29 August 2007

**B.P.Singh**  
**Partner**  
Membership No. 70116

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

**Profit and Loss Account for the year ended 31 March 2007**

	Schedule	2007 Rs.	2006 Rs.
<b>INCOME</b>			
Investment management and advisory fees (Tax deducted at source Rs.1,740,863 ) previous year Rs.1,415,306 )		27,647,455	22,893,236
Profit on sale/ switch over of investments, non-trade (net)		29,720,469	25,407,751
Diminution in value of long term investments written back		332,603	-
Other income	13	7,115,876	2,103,888
		<b>64,816,403</b>	<b>50,404,875</b>
<b>EXPENDITURE</b>			
Personnel cost	14	12,709,437	6,653,025
Administration and other expenses	15	45,255,424	13,506,855
Depreciation	5	865,164	933,944
Interest to bank		32,640	31,875
Provision for diminution in value of long-term investments		-	99,600
Diminution in value of current investments		-	2,279,225
		<b>58,862,665</b>	<b>23,504,524</b>
Profit before tax		5,953,738	26,900,351
Provision for tax			
-Current		-	(950,000)
-Deferred		(2,467,698)	(804,246)
-Fringe benefit		(289,688)	(219,153)
-Fringe benefit for earlier years		(4,277)	-
Profit after tax		3,192,075	24,926,952
Profit brought forward from previous year		30,873,246	5,946,294
<b>Balance carried over to balance sheet</b>		<b>34,065,321</b>	<b>30,873,246</b>
<b>Earnings per share - basic and diluted</b> (Refer note 10 on Schedule 17)		0.25	1.99
<b>Significant accounting policies</b>	16		
<b>Notes to the financial statements</b>	17		

The schedules referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

Sangeeta Verma  
Company Secretary

Deepa Varshnei  
Vice President (Accounts)

R.K Gupta  
Managing Director

J.P.Kundra  
Director

M.G.Gupta  
Director

This is the Profit & Loss account referred to in our report of even date.

**For Walker, Chandio & Co**  
Chartered Accountants

Place: New Delhi  
Date: 29 August 2007

**B.P.Singh**  
Partner  
Membership No. 70116

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 1**

	2007 Rs.	2006 Rs.
<b>Share capital</b>		
<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>
	<b><u>160,000,000</u></b>	<b><u>160,000,000</u></b>
<b>Issued</b>		
12,550,003 (previous year 12,550,003) equity shares of Rs. 10 each fully paid up	125,500,030	125,500,030
	<u>125,500,030</u>	<u>125,500,030</u>
<b>Subscribed and paid up</b>		
12,550,000 (previous year 12,550,000) equity shares of Rs. 10 each fully paid up	125,500,000	125,500,000
	<u>125,500,000</u>	<u>125,500,000</u>

Note:

Out 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.

**SCHEDULE - 2**

<b>Reserves and surplus</b>		
Amalgamation reserve	2,100,000	2,100,000
Profit and loss account	<u>34,065,321</u>	<u>30,873,246</u>
	<b><u>36,165,321</u></b>	<b><u>32,973,246</u></b>

**SCHEDULE - 3**

<b>Secured loan</b>		
Vehicle loan from bank	262,077	454,426
(Secured by hypothecation of specific vehicle)		
(Amount due within one year Rs.211,067, previous year Rs.192,451)		

**SCHEDULE - 4**

**Deferred tax asset (net)**

<b>Deferred tax liability</b>		
On fiscal allowances on fixed assets	(2,633,689)	(2,304,757)
<b>Deferred tax asset</b>		
On brought forward business losses	-	1,811,760
On employees' separation and retirement	480,706	309,343
Other timing differences	<u>45,716</u>	<u>544,085</u>
	<b><u>(2,107,267)</u></b>	<b><u>360,431</u></b>

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 5**

**Fixed assets**

(Figures in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2006	Additions	Deletions	As at 31 March 2007	As at 1 April 2006	During the year	Adjustments	As at 31 March 2007	As at 31 March 2007	As at 31 March 2006
Building	19,968,720	-	-	19,968,720	3,383,450	325,490	-	3,708,940	16,259,780	16,585,270
Data processing equipment	4,279,405	614,054	-	4,893,459	3,284,762	310,534	-	3,595,296	1,298,163	994,643
Office equipment	1,485,856	189,980	6,500	1,669,336	544,464	80,797	1,714	623,547	1,045,789	941,392
Furniture and fixtures	697,996	44,348	-	742,344	402,581	79,870	-	482,451	259,893	295,415
Vehicles	720,765	-	-	720,765	50,087	68,473	-	118,560	602,205	670,678
	<b>27,152,742</b>	<b>848,382</b>	<b>6,500</b>	<b>27,994,624</b>	<b>7,665,344</b>	<b>865,164</b>	<b>1,714</b>	<b>8,528,794</b>	<b>19,465,830</b>	<b>19,487,398</b>
Previous year	26,385,608	1,567,351	800,217	27,152,742	7,283,810	933,944	552,410	7,665,344	19,487,398	

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 6**

**Investments**

**Long term, non- trade, fully paid up**

	No. of shares/ units	2007 Rs.	No. of shares/ units	2006 Rs.
<b>Unquoted</b>				
<u>Non -Cumulative Preference Shares</u>				
12.50% CFL Securities Limited Face value Rs.100 each	\$ 250,000	25,010,000	250,000	25,010,000
<u>Bonds</u>				
7.90% HUDCO Bonds of face value of Rs.1,000,000 each	2	2,074,600	2	2,074,600
<u>Equity shares of Rs. 10 each</u>				
<u>(a) Listed but not quoted</u>				
ADS Diagnostics Limited	# 25,000	110,825	25,000	110,825
Aditya Aquaculture Limited	# * 350,100	3,501	350,100	3,501
Agri Marine Exports Limited	# * 73,300	733	73,300	733
Asian Vegpro Industries Limited	# * 100,000	1,000	100,000	1,000
Auroma Coke Limited	# * 250,000	2,500	250,000	2,500
Consolidated Containers Limited	# * 12,500	125	12,500	125
Deep Diamond India Limited	# 100,000	3,500	100,000	3,500
Flora Textiles Limited	# * 300,100	3,001	300,100	3,001
Gujarat Chemical Plasto Limited	# * 25,000	250	25,000	250
Gummadi Industries Limited	# * 100,100	1,001	100,100	1,001
Hindustan Domestic Oil Limited	# * 42,400	424	42,400	424
Hytasun Magnetics Limited	# * 35,500	355	35,500	355
Jaswal Granites Limited	# * 150,000	1,500	150,000	1,500
Kumars Kotex Limited	# * 300,100	3,001	300,100	3,001
LD Textiles Limited	# * 225	2	225	2
Manav Pharma Limited	# * 24,900	249	24,900	249
Manjushree Extrusion Limited	# 50,000	4,250	50,000	4,250
Maya Agro Limited	# * 99,000	990	99,000	990

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 6 (contd.)**

Long term, non- trade, fully paid up		No. of shares/ units	2007 Rs.	No. of shares/ units	2006 Rs.
Megamarkets Share Resources Limited	# *	61,000	610	61,000	610
Montana International Limited	# *	148,800	1,488	148,800	1,488
M S Securities Limited	# *	100,000	1,000	100,000	1,000
Naraingarh Sugar Mills Limited	#	250,000	2,500	250,000	2,500
Noel Agritech Limited	#	165,200	1,652	165,200	1,652
Nortech India Limited	# *	200,000	2,000	200,000	2,000
Nutech Organic Chemicals Limited	# *	200,000	2,000	200,000	2,000
Omtex Limited	# *	50,000	500	50,000	500
Pan Asia Global Limited	# *	3,100	31	3,100	31
P G Industries Limited	# *	50,000	500	50,000	500
Pilani Investment Limited	#	11,975	1,196,422	11,975	1,196,422
Premier Aqua Limited	# *	175,000	1,750	175,000	1,750
Premier Polyfilms Limited	# *	170,800	1,708	170,800	1,708
Premier Vinyl Flooring Limited	# *	50	-	50	-
Presidency Shoes Limited	# *	87,100	871	87,100	871
Prime Solvent Extractions Limited	# *	14,400	144	14,400	144
Punjab Wireless Limited	#	10,500	-	10,500	-
Raghuvendra Spinners Limited	# *	30,000	300	30,000	300
Rajendra Mining Spares Limited	# *	250,000	2,500	250,000	2,500
Ravi Spinning Limited	# *	180,000	1,800	180,000	1,800
Sandur Laminates Limited	# *	100,000	1,000	100,000	1,000
Sangam Healthcare Products Limited	# *	97,700	977	97,700	977
Seax Leather Exports Limited	#	200,000	2,000	200,000	2,000

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 6 (contd.)**

Long term, non- trade, fully paid up	No. of shares/ units	2007 Rs.	No. of shares/ units	2006 Rs.
Shoppers Investments Limited	# *	50	1	50
Shree Karthik Papers Limited	# *	95,100	951	95,100
SKR Chemicals Limited	# *	199,800	1,998	199,800
Sonal Cosmetics Limited	# *	7,500	75	7,500
Southern Fuels Limited	# *	162,000	1,620	162,000
Sudev Industries Limited	#	124,900	1,249	124,900
Superior Sox Limited	# *	100,000	1,000	100,000
Suppliment Foods Limited	# *	20,000	200	20,000
Suryo Foods and Industries Limited	# *	77,700	777	77,700
Usha Ispat Limited	#	23,000	230	23,000
Viral Filaments Limited	# *	107,100	1,071	107,100
Viral Syntex Limited	#	115,900	1,159	115,900
Western Foods Limited	# *	84,800	848	84,800
Western Orissa Sugar Limited	# *	2,950	30	2,950
<b><u>(b) Unquoted</u></b>				
Akshay software Limited	#	300,000	4,218,000	300,000
Associated Infotech Limited	#	400,000	4,000	400,000
Nahar Capital Limited	#	11,948	1,323,697	-
Sovika Infotek Limited	#	200,000	1,091,430	200,000
Teamasia Semiconductors Limited	#	250,000	2,500	250,000
<b>Sub total ( A )</b>		<b>35,094,396</b>		<b>33,770,699</b>

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 6 (contd.)**

Long term, non- trade, fully paid up	No. of shares/ units	2007 Rs.	No. of shares/ units	2006 Rs.
<u>Units of Mutual Funds of Rs.10 each</u>				
Bonanza Exclusive Growth Scheme - Open	516,192.90	14,697,563	716,192.90	20,392,164
Discovery Stock Fund	567,754.35	7,500,000	567,754.35	7,500,000
Taurus the Starshare	256,266.18	10,000,000	326,542.58	6,824,014
Taurus Infra Tips	995,024.88	10,000,000	-	-
<b>Quoted</b>				
<u>Equity shares of Rs. 10 each unless otherwise stated</u>				
Ahluwalia Contracts Limited	#	931,140	960,000	5,760,000
Cipla Limited (Rs.2 each)	#	20,120	12,848	3,611,130
Essar Oil Limited	#	20,000	-	-
Foursoft Limited (Rs.5 each)	#	50,988	60,000	3,561,000
Infrastructure Development Finance Company Limited	#	30,000	-	-
Industrial Finance Corporation of India Limited.	#	150,000	40,000	1,211,400
Industrial Development Bank of India Limited	#	95,000	50,000	3,915,000
J K Paper Limited	#	38,801	40,000	1,913,300
Nahar Exports Limited	#	1,400	-	-
Nahar Spinning Limited	#	13,048	25,081	5,557,355
Polar Pharma Limited	#	50,000	50,000	1,080,000
Spice Jet Limited	#	45,000	10,000	718,500
Satnam Overseas Limited	#	57,051	25,846	2,226,632
Southern Iron Limited	#	78,575	104,000	2,168,400
Usha International Limited	#	11,500	11,500	1,133,900
<b>Sub total ( B )</b>		<b>78,634,508</b>		<b>67,572,795</b>
<b>Total ( A + B )</b>		113,728,904		101,343,493
Less: Provision for diminution in value of investments		(446,397)		(779,000)
<b>Sub total ( C )</b>		<b>113,282,507</b>		<b>100,564,493</b>

\$ Listed but not quoted.

# Reclassified from current investments to long term investments

\* Not held in the name of the Company.

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 6 (contd.)**

Current investments, non- trade, fully paid up	No. of shares/ units	2007 Rs.	No. of shares/ units	2006 Rs.
<b>Unquoted</b>				
<u>Units of Mutual Funds of Rs.10 each</u>				
Taurus Liquid Fund	2,048,157.28	21,108,590	-	-
Libra Gilt Fund	275,104.64	3,500,000	-	-
Libra Bond Fund	530,729.61	7,420,934	-	-
<b>Quoted</b>				
<u>Equity shares of Rs. 10 each unless otherwise stated</u>				
Bajaj Hindustan Limited (Rs.1 each)	-	-	11,309	1,665,265
Escorts Limited	-	-	65,000	5,921,500
Gujrat Alkalies & Chemicals Limited	-	-	10,000	1,531,000
International Travel House Limited	-	-	10,000	1,398,589
Steel Authority of India Limited	-	-	60,000	3,436,863
<b>Sub total (D)</b>		<b>32,029,523</b>		<b>13,953,218</b>
<b>Total investments (C) + (D)</b>		<b>145,312,030</b>		<b>114,517,711</b>
Aggregate cost of unquoted investments		67,541,454		67,116,707
Aggregate cost of quoted investments		84,523,584		52,607,872
Market value of quoted equity shares		474,939,295		61,745,046
Net asset value of units of mutual funds		76,749,059		45,473,137

**SCHEDULE - 7**

**Interest accrued on investments**

Interest accrued on investments				
- Considered good		345,589		95,606
- Considered doubtful		133,916		133,916
		479,505		229,522
Less: provision for interest doubtful of recovery		(133,916)		(133,916)
		<b>345,589</b>		<b>95,606</b>

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

	2007 Rs.	2006 Rs.
<b>SCHEDULE - 8</b>		
<b>Sundry debtors</b>		
<b>(Unsecured, considered good)</b>		
Debtors outstanding for less than six months	2,377,905	3,521,377
	<b>2,377,905</b>	<b>3,521,377</b>
<b>SCHEDULE - 9</b>		
<b>Cash and bank balances</b>		
Cash in hand	12,650	5,329
Balances with scheduled banks		
-in current accounts	4,994,161	2,699,062
-in fixed deposit accounts	10,000,000	15,000,000
	<b>15,006,811</b>	<b>17,704,391</b>
<b>SCHEDULE - 10</b>		
<b>Loans and advances</b>		
<b>(Unsecured, considered good)</b>		
Advance given to HUDA	-	2,625,000
Advances recoverable in cash or in kind or for value to be received	3,407,943	3,541,753
Prepaid taxes	4,946,734	3,038,173
	<b>8,354,677</b>	<b>9,204,926</b>
<b>SCHEDULE - 11</b>		
<b>Current liabilities</b>		
Sundry creditors	20,225,003	2,540,590
Other liabilities	3,197,988	525,981
Interest accrued but not due on loan	2,063	3,574
	<b>23,425,054</b>	<b>3,070,145</b>
<b>SCHEDULE - 12</b>		
<b>Provisions</b>		
Retirement benefits	1,428,123	919,023
Provision for tax	1,975,000	1,975,000
	<b>3,403,123</b>	<b>2,894,023</b>

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

	2007 Rs.	2006 Rs.
<b>SCHEDULE - 13</b>		
<b>Other income</b>		
Dividend income, non-trade	5,653,104	939,245
Interest		
- on inter corporate deposit (Tax deducted at source Rs. Nil, previous year Rs.149,623)	-	673,973
- on Investments, non trade (Tax deducted at source Rs.35,460, previous year Rs.35,455)	157,567	158,000
- on fixed deposits (Tax deducted at source Rs. 131,333, previous year Rs.74,152)	585,265	323,691
	<u>742,832</u>	<u>1,155,664</u>
Provision written back	-	8,979
Bad debts recovered	719,940	-
	<u><u>7,115,876</u></u>	<u><u>2,103,888</u></u>
<b>SCHEDULE - 14</b>		
<b>Personnel cost</b>		
Salaries and allowances	11,310,593	5,967,145
Contribution to provident fund and other funds	1,303,187	659,730
Staff welfare	95,657	26,150
	<u><u>12,709,437</u></u>	<u><u>6,653,025</u></u>
<b>SCHEDULE - 15</b>		
<b>Administration and other expenses</b>		
Advertisement and business promotion	6,211,617	4,310,432
Legal and professional	1,498,691	1,208,994
Director's sitting fees	500,000	469,000
Electricity	420,324	335,677
Travelling and conveyance	2,097,537	1,114,084
Repair and maintenance		
- building	68,049	205,296
- others	1,086,638	833,969
Office expenses	229,416	106,318
Insurance	23,588	12,495
Printing and stationery	570,175	274,160
Subscription and membership	1,795,266	1,286,423
Communication	1,882,652	884,186
Rent	2,194,483	1,709,368
Loss on sale of assets	4,586	110,208
Rates and taxes	8,886	4,269
Advances written off	128,246	-
Securities transaction tax	137,140	162,348
Mutual fund expenses	26,148,451	464,512
Miscellaneous expenses	249,679	15,117
	<u><u>45,255,424</u></u>	<u><u>13,506,855</u></u>

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**Schedule 16**

**Significant accounting policies**

**1. Basis of preparation**

The financial statements have been prepared to comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 (“the Act”). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2. Use of estimates**

In preparing the Company’s financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period; actual results could differ from those estimates.

**3. Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**4. Depreciation**

Depreciation is provided on straight line method on fixed assets at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, on pro rata basis from the date of addition. The rates are indicative of the useful life of the respective assets.

Assets costing less than Rs.5,000 per unit are depreciated at the rate of 100% p.a.

**5. Investments**

Long term investments are stated at cost. Provision for diminution in value, other than temporary, is made in the accounts.

Current investments are valued at the lower of cost and fair value determined on individual investment basis.

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**Schedule 16**

**Significant accounting policies (contd.)**

**6. Retirement benefits**

(i) Gratuity

The liability towards gratuity is determined on the basis of actuarial valuation as at the date of the Balance Sheet. In respect of Mumbai office employees, this liability is funded with Life Insurance Corporation of India and administered through a separate trust set up by the Company. Provision for gratuity liability is made for all other employees. The Company's contribution is charged to the Profit and Loss account.

(ii) Leave Encashment

Liability for leave encashment is provided on the basis of actuarial valuation as at the Balance Sheet date.

(iii) Superannuation

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

**7. Revenue recognition**

(i) Management fees are accounted for on an accrual basis at the agreed upon rates with the schemes with reference to their average weekly net assets.

(ii) Interest income is accounted for on an accrual basis.

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

**8. Operating leases**

Lease rentals in respect of assets taken under an operating lease are charged to the profit and loss account on straight line basis over the period of the lease.

**9. Income-taxes**

Income-tax expenses comprise of current, deferred and fringe benefit tax.

Provision for income-tax is made for current taxes, based on assessable income and the tax rate applicable to the relevant assessment year.

Deferred income-taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**Taurus Asset Management Company Limited**  
**(Previously known as Creditcapital Asset Management Company Limited)**

Schedules forming part of the financial statements for the year ended 31 March 2007

**Schedule 16**

**Significant accounting policies (contd.)**

The Company has made provision for Fringe Benefit Tax (FBT) in accordance with applicable Income- tax laws.

**10. Earnings per share**

Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**11. Contingent liabilities**

The Company makes a provision when there is present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. The disclosure is made for possible or present obligations that may, but probably will not, require outflow of resources as contingent liability in the financial statements.

*[The space has intentionally been left blank]*

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 17**

**Notes to the financial statements**

1. The name of the Company has been changed from Creditcapital Asset Management Company Limited to Taurus Asset Management Company Limited with effect from 21 April 2006.
2. The erstwhile HB Asset Management Company 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. However on July 30 2004 the Company had applied for the registration of the office under the "Amnesty Scheme 2004" announced by the Government of Maharashtra and the amount of registration charges and/or penalty, if any are subject to assessment thereunder. Pending the disposal of company's application, during the current year, a demand of Rs.5,653,650 has been raised on the Company by the Office of the Collector of Stamps (Enforcement-1) Mumbai for stamp duty and penalty thereon. In the opinion of the management this demand is not sustainable and no provision has been made in these financial statements
3. a) The mutual fund expenses include Rs.153,523 (Previous year Rs.456,946) being expenses of the schemes in excess of the limits specified in SEBI regulations which are borne by the Company.  
b) The mutual fund expenses also include Rs 25,952,064 incurred in connection with Taurus Liquid Fund and Taurus Infratips schemes launched during the year. These expenses have been borne by the company as per SEBI guidelines whereby the entire initial issue expenses over and above the entry load collected in open-end schemes are required to be borne by the Asset Management Company.

4. Detail of Managerial Remuneration is as follows:	<b>2007</b>	<b>2006</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries and allowances	1,738,000	1,102,000
Contribution to provident fund & other funds	259,200	162,000
Perquisites	44,028	38,290
<b>Total</b>	<b>2,041,228</b>	<b>1,302,290</b>

Notes:

The Company determines liability towards gratuity and leave encashment based on an actuarial valuation carried out by an independent actuary at the Balance Sheet date. Accordingly, it is not possible to determine the amount of gratuity and leave encashment by a managerial person individually, and hence has not been included in the disclosure above.

5. Auditors' remuneration:	<b>2007</b>	<b>2006</b>
	<b>Rs.</b>	<b>Rs.</b>
Statutory audit fees	175,000	175,000
Tax audit fees	25,000	25,000
Service tax	24,720	24,480
<b>Total</b>	<b>224,720</b>	<b>224,480</b>

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 17**

**Notes to the financial statements (contd.)**

6. Included in the investments are securities amounting to Rs 46,381 which have been acquired at book value from Taurus Investment Trust Company, the trustee of Taurus Mutual fund in the previous year. The Company is in the process of getting these investments transferred in their name.

7. During the year certain investments which had been previously classified as current have been reclassified as long term. This has been done on the basis of the Company's intention to hold these investments for a longer period of time.

This transfer has been done at lower of cost or fair value in accordance with the Accounting Standard-13, Accounting for Investments, issued by the Institute of Chartered Accountants of India.

Loss on reclassification of current to long term investments amounting to Rs.2,710,112 has been netted off with the profit on sale/ switch over of investments, non-trade (net).

9. Securities transaction tax

Securities transaction tax paid on the purchase of securities has been charged to the profit and loss account, which should have other wise been included in the cost of securities. This has no material impact on the current year's profit.

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

Particulars	Purchase (Nos.)	Sale (Nos.)
Ahluwalia Contracts Limited	-	28,860
Allahabad Bank	35,000	35,000
Bajaj Hindustan Limited		11,309
Cipla Limited	19,272	12,000
Escorts Limited	-	65,000
Essar Oil Limited	65,000	45,000
Foursoft Limited	12,988	22,000
Gujrat Alkalies and Chemicals Limited	-	10,000
Infrastructure Development Finance Company Limited	30,000	-
Industrial Development Bank of India Limited	45,000	-
Industrial Finance Corporation of India Limited	160,000	50,000
International Travel House Limited	-	10,000
JK Paper Limited	-	1,199
Nahar Capital Limited	11,948	-
Nahar Exports Limited	10,000	8,600
Nahar Spinning Limited	1,100	13,133

**Taurus Asset Management Company Limited**  
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 17**

**Notes to the financial statements (contd.)**

Particulars	Purchase (Nos.)	Sale (Nos.)
Steel Authority of India Limited	-	60,000
Satnam Overseas Limited	32,705	1,500
Southern Iron Limited	24,575	50,000
Spice Jet Limited	35,000	-
Taurus the Starshare	256,266.18	326,542.58
Bonanza Exclusive Growth Scheme	-	200,000
Taurus Infra Tips	995,024.88	-
Libra Bond Fund	1,959,493.32	1,428,763.71
Libra Gilt Fund	585,914.61	310,809.97
Taurus Liquid Fund (Growth)	3,183,514.56	1,135,357.28
Taurus Liquid Fund (Dividend)	2,108,611.42	2,108,611.42

11. Earnings per share:	2007 Rs.	2006 Rs.
Weighted average number of equity shares outstanding (Nos.)	12,550,000	12,550,000
Net profit after tax available for equity shareholders (Rs.)	3,192,075	24,926,952
Nominal value per share (Rs.)	10	10
Earnings per share (Rs.)	0.25	1.99

12. In the opinion of Board of Directors, current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet and provision for all known liabilities have been made.
13. There are no small scale industries to which the Company owes any sum (previous year- Nil) on the basis of information available with the Company.
14. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the balance sheet date.  
The Micro, Small and Medium Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
15. No deferred tax asset has been recognised for timing difference on account of accumulated losses and brought forward depreciation in view of the uncertainty as to its realization in the foreseeable future.

**Taurus Asset Management Company Limited**  
**(Previously known as Creditcapital Asset Management Company Limited)**

Schedules forming part of the financial statements for the year ended 31 March 2007

**SCHEDULE - 17**

**Notes to the financial statements (contd.)**

16. Previous year figures have been regrouped / recast wherever considered necessary to make them comparable to those of current year.

**For and on behalf of the board of directors**

Sangeeta Verma	Deepa Varshnei	R K Gupta	J.P.Kundra	M.G.Gupta
Company Secretary	Vice President (Accounts)	Managing Director	Director	Director

**Place:** New Delhi

**Date:** 29 August 2007