

L 41 Connaught Circus  
New Delhi 110001  
India

## Auditors' Report

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To the Members of Taurus Asset Management Company Limited

1. We have audited the attached Balance Sheet of Taurus Asset Management Company Limited, (the Company), as at March 31, 2012, and also the Statement of Profit and Loss for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). 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 (the Order) (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. 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 financial statements dealt with by this report are in agreement with the books of account;
  - (d) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;



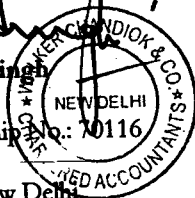
# Walker, Chandiook & Co

- (e) In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act and 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 March 31, 2012;
  - (ii) the Statement of Profit and Loss, of the profit for the year ended on that date;

*Walker, Chandiook & Co*

For Walker, Chandiook & Co  
Chartered Accountants  
Firm Registration No. 001076N

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



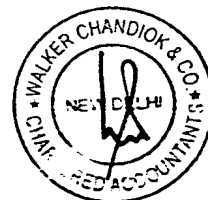
Place: New Delhi  
Date: August 22, 2012

# Walker, Chandiook & Co

Annexure to the Independent Auditors' Report of even date to the members of Taurus Asset Management Company Limited, on the financial statements for the year ended March 31, 2012

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sells any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system 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 control system in respect of these areas.
- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.



# Walker, Chandiook & Co

Annexure to the Independent Auditors' Report of even date to the members of Taurus Asset Management Company Limited, on the financial statements for the year ended March 31, 2012

- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. Further, the Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (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.
- (xiii) In our opinion, 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.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties 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.



# Walker, Chandiook & Co

Annexure to the Independent Auditors' Report of even date to the members of Taurus Asset Management Company Limited, on the financial statements for the year ended March 31, 2012

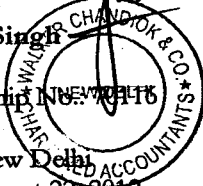
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker, Chandiook & Co*

For Walker, Chandiook & Co  
Chartered Accountants  
Firm Registration No. 001076N

*B.P. Singh*

per B.P. Singh  
Partner  
Membership No. 70116




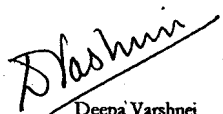
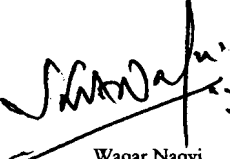


Place: New Delhi  
Date: August 22, 2012

**Taurus Asset Management Company Limited**  
**Balance sheet as at March 31, 2012**

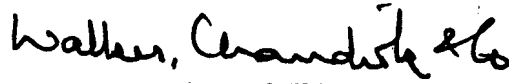
	Notes	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	135,500,000	135,500,000
Reserves and surplus	4	(9,307,871)	(9,649,394)
		<u>126,192,129</u>	<u>125,850,606</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	134,497	890,770
Deferred tax liabilities (net)	6	1,215,923	1,828,733
Long-term provisions	7	7,384,513	7,083,415
		<u>8,734,933</u>	<u>9,802,918</u>
<b>Current liabilities</b>			
Trade payables	8	11,774,832	35,141,718
Other current liabilities	9	5,957,006	6,980,887
Short-term provisions	7	4,268,572	274,652
		<u>22,000,410</u>	<u>42,397,257</u>
<b>Total</b>		<u><b>156,927,472</b></u>	<u><b>178,050,781</b></u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	27,113,259	28,560,239
Intangible assets		1,200,552	1,642,948
Non-current investments	11	64,790,776	66,121,273
Long-term loans and advances	12	9,409,420	8,839,235
		<u>102,514,007</u>	<u>105,163,695</u>
<b>Current assets</b>			
Current investments	11	805,033	38,601,913
Trade receivables	13	17,108,944	5,935,818
Cash and bank balances	14	3,790,038	2,766,855
Short-term loans and advances	12	32,167,534	25,166,747
Other current assets	15	541,916	415,753
		<u>54,413,465</u>	<u>72,887,086</u>
<b>Total</b>		<u><b>156,927,472</b></u>	<u><b>178,050,781</b></u>

Notes 1 to 31 form an integral part of these financial statements

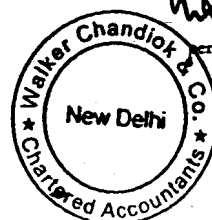
For and on behalf of the Board of Directors

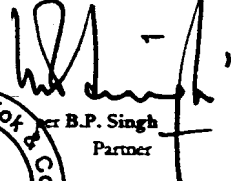
 Sangeeta Verma Company Secretary	 Deepa Varshnei Executive Vice President	 Waqar Naqvi Chief Executive Officer	 J. P. Kundra Chairman	 R.K. Gupta Managing Director
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This is the balance sheet referred to in our report of even date

  
for Walker, Chandiook & Co  
Chartered Accountants

Place : New Delhi  
Date: August 22, 2012



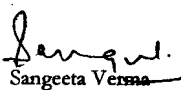
  
B.P. Singh  
Partner


**Taurus Asset Management Company Limited**  
**Statement of profit and loss for the year ended March 31, 2012**

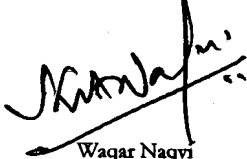
	Notes	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
<b>Revenue</b>			
Revenue from operations		195,649,847	59,742,167
Other income	16	69,616,987	184,897,234
<b>Total revenue</b>		<b>265,266,834</b>	<b>244,639,401</b>
<b>Expenses</b>			
Employee benefit expenses	17	140,239,283	104,552,363
Finance costs	18	136,042	305,799
Depreciation and amortisation expense	10	3,060,084	2,868,865
Provision for diminution in value of long-term investments		10,694,874	2,997,320
Other expenses	19	109,142,044	131,555,787
<b>Total expenses</b>		<b>263,272,327</b>	<b>242,280,134</b>
<b>Profit before tax</b>		<b>1,994,507</b>	<b>2,359,267</b>
<b>Tax expense</b>			
Current tax		2,265,794	173,795
Deferred tax		(612,810)	(689,262)
Tax earlier years		-	2,510,384
<b>Profit for the year</b>		<b>341,523</b>	<b>364,350</b>
<b>Basic earnings per equity share</b>	20	0.03	0.03

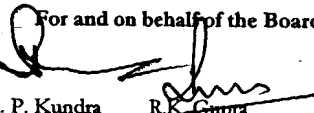
**Notes 1 to 31 form an integral part of these financial statements**


For and on behalf of the Board of Directors

  
 Sangeeta Verma  
 Company Secretary

  
 Deepa Varshnei  
 Executive Vice President

  
 Waqar Naqvi  
 Chief Executive Officer

  
 J. P. Kundra  
 Chairman

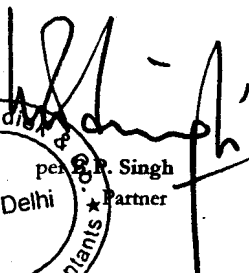
  
 R.K. Gupta  
 Managing Director

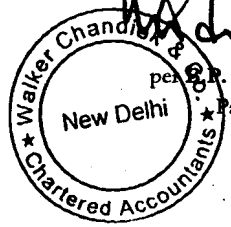
This is the statement of profit and loss referred to in our report of even date

*Walker Chandok & Co*

for Walker, Chandok & Co  
 Chartered Accountants

Place : New Delhi  
 Date: August 22, 2012

  
 per R. Singh  
 Partner



# Taurus Asset Management Company Limited

## Notes to the financial statements for the year ended March 31, 2012

### 1. Basis of Preparation

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

#### 1.1 Significant accounting policies

a) During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of the revised schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the presentation and disclosure requirements applicable in the current year.

#### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### c) Fixed assets and intangibles

##### Tangibles

Fixed assets are stated at cost (gross block) less accumulated depreciation. The cost of fixed assets comprises its purchase price and any cost attributable to bringing the assets to its working condition and intended use.

##### Intangibles

Intangible assets comprise softwares and licenses which are stated at cost less accumulated amortisation. These are recognised as assets if it is probable that future economic benefits attributable to such assets will flow to the Company and the cost of the assets can be measured reliably.

#### d) Depreciation and amortisation

Depreciation is provided on straight line method on fixed assets at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 on the prorata 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 are depreciated at the rate of 100% per annum.

*SR*  
*g*  
*Sharma*





## Taurus Asset Management Company Limited

### Notes to the financial statements for the year ended March 31, 2012

Leasehold improvements are amortised over the lease period or the estimated useful life, whichever is shorter. Amortisation of intangibles is based on the estimated useful life, as estimated by management, being five years.

#### e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

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

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of the long term investments.

#### f) 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 daily net assets.
- ii. Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective client.
- iii. Interest income is accounted for on an accrual basis on time proportionate basis at the applicable rates.
- iv. Dividend income is accounted for as income when the Company's right to receive it is established.
- v. The gains/ losses on sale of investments are recognised in the Statement of profit and loss on the trade day. Profit or loss on sale of investments is determined on average cost basis.

#### g) Leases

- a) Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the of the lease term.
- b) Assets acquired on lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The resultant interest cost is charged to statement of profit and loss on accrual basis

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**Taurus Asset Management Company Limited**

**Notes to the financial statements for the year ended March 31, 2012**

**h) Employee benefits**

Wages, salaries, bonuses and sick leave are accrued in the year in which the associated services are rendered by employees of the Company.

The Company has two post employment benefit plans in operation viz. Gratuity and Leave encashment and one defined contribution plan viz. Provident Fund.

Provident fund benefit is a defined contribution plan under which the Company pays fixed contribution into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

The Company provides for gratuity, a defined benefit plan, which defines an amount of benefit that an employee will receive on separation from the Company, usually dependent on one or more factors such as age, years of service and remuneration. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation ('DBO') at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The present value of DBO is calculated annually by an independent actuary using the projected unit credit method at the balance sheet date.

The Company also provides benefit of compensated absences under which un-availed leaves are allowed to be accumulated to be availed in future. The scheme is considered as a long term benefit. The compensated absences comprises of vesting as well as non vesting benefit and the liability is determined in accordance with the rules of the Company and is based on actuarial valuations made using the projected unit credit method at the balance sheet date.

**i) Foreign exchange transactions**

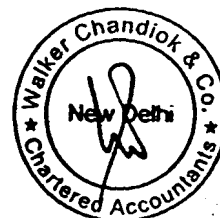
Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date.

Exchange differences arising on the settlement/ restatement of monetary items at the rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

**j) Earnings per share**

Basic earning per share is 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.

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**k) Impairment of assets**

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of asset. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**l) Taxes on income**

Tax expenses comprises of current and deferred tax.

Current tax is determined as higher of the amount of tax payable calculated at the tax rates applicable to the relevant assessment year on the assessable income of the respective year or tax payable on book profit computed in accordance with the provisions of section 115JB of the Income tax Act, 1961.

Deferred income-tax 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. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognized only to the extent that there is virtual certainty of realization based on convincing evidence, as evaluated on a case to case basis.

Minimum Alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

**m) Provisions and contingencies**

The Company makes a provision when there is a 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 the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- present obligation, where a reliable estimate cannot be made.

*[Handwritten signatures]*



**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	Number	Amounts ₹	Number	Amounts ₹
<b>3 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	13,000,000	130,000,000	13,000,000	130,000,000
8% non redeemable, non-cumulative, non-convertible Preference shares of ₹ 10 each.	3,000,000	30,000,000	3,000,000	30,000,000
	<u>16,000,000</u>	<u>160,000,000</u>	<u>16,000,000</u>	<u>160,000,000</u>
<b>Issued</b>				
Equity shares of ₹ 10 each	12,550,033	125,500,030	12,550,033	125,500,030
8% non redeemable, non-cumulative, non-convertible Preference shares of ₹ 10 each.	1,000,000	10,000,000	1,000,000	10,000,000
	<u>13,550,033</u>	<u>135,500,030</u>	<u>13,550,033</u>	<u>135,500,030</u>
<b>Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	12,550,000	125,500,000	12,550,000	125,500,000
8% non redeemable, non-cumulative, non-convertible Preference shares of ₹ 10 each.	1,000,000	10,000,000	1,000,000	10,000,000
	<u>13,550,000</u>	<u>135,500,000</u>	<u>13,550,000</u>	<u>135,500,000</u>
	<u><b>13,550,000</b></u>	<u><b>135,500,000</b></u>	<u><b>13,550,000</b></u>	<u><b>135,500,000</b></u>

**a) Reconciliation of equity share capital**

Balance at the beginning/end of the year	12,550,000	125,500,000	12,550,000	125,500,000
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**Reconciliation of Preference share capital**

Balance at the beginning/end of the year	1,000,000	10,000,000	1,000,000	10,000,000
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**b) Shareholding structure**

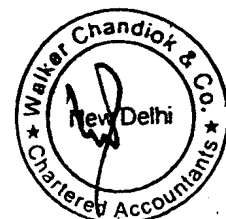
**Shareholders holding more than 5% of the shares of the company**

	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 10 each				
HB Portfolio Ltd	6,275,000	50%	6,275,000	50%
RRB Securities Ltd	3,749,940	30%	3,749,940	30%
HB Stockholdings Ltd	2,525,000	20%	2,525,000	20%
	<u>12,549,940</u>		<u>12,549,940</u>	
Preference shares of ₹ 10 each				
Pisces Portfolio Pvt Ltd	1,000,000	100%	1,000,000	100%
	<u>1,000,000</u>		<u>1,000,000</u>	

c) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) The company has issued 1,000,000 preference shares on 31st March, 2009. The above Preference shares are redeemable on or before March 31, 2014. On a distribution of assets of the Company, on a winding-up or other return of capital (subject to certain exceptions), the holders of Redeemable Preference Shares have priority over the holders of Ordinary Shares to receive the capital paid up on those shares. Subject to the provisions of the Companies Act 1956, the Company has the right to redeem the Redeemable Preference Shares at any time on giving not less than seven days' written notice.

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**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<b>4 Reserves and surplus</b>		
<b>Amagamation reserve</b>		
Balance at the beginning of the year	2,100,000	2,100,000
Balance at the end of the year	<u>2,100,000</u>	<u>2,100,000</u>
<b>Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(11,749,394)	(12,113,744)
Add : Transferred from statement of profit and loss	341,523	364,350
Balance at the end of the year	<u>(11,407,871)</u>	<u>(11,749,394)</u>
	<u>(9,307,871)</u>	<u>(9,649,394)</u>

	As at March 31, 2012		As at March 31, 2011	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
<b>5 Borrowings</b>				
<b>Secured</b>				
Vehicle loans from banks*	134,497	#	890,770	#
	<u>134,497</u>	-	<u>890,770</u>	-

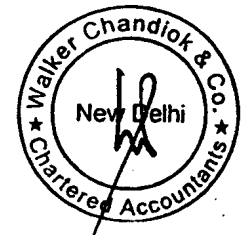
# Disclosed under Note 9 Other current liabilities as 'current maturities of vehicle loans'.

**a) Details of security for each type of borrowings**

\* Secured by first charge on respective assets financed out of proceeds of loan

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<b>6 Deferred taxes</b>		
<b>Deferred tax liability</b>		
Timing difference on depreciation of tangible assets	4,150,793	4,125,202
	<u>4,150,793</u>	<u>4,125,202</u>
<b>Deferred tax asset</b>		
Provision for employee benefits	(2,846,970)	(2,219,940)
Others	- (87,900)	(76,529)
<b>Total</b>	<u>(2,934,870)</u>	<u>(2,296,469)</u>
<b>Deferred tax liability, net</b>	<u>1,215,923</u>	<u>1,828,733</u>

*[Handwritten signatures]*



**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
<b>7 Provisions</b>				
Provisions for employee benefits (Also refer note (a) below)				
- Gratuity	2,752,853	1,662,396	3,334,028	53,136
- Compensates absences	4,631,660	166,587	3,749,387	47,721
Provision for taxation	-	2,439,589	-	173,795
	<b>7,384,513</b>	<b>4,268,572</b>	<b>7,083,415</b>	<b>274,652</b>

**a) Employee benefits**

Actuarial Valuation has been done with the following assumptions

Particulars	As at March 31, 2012		As at March 31, 2011	
	Gratuity (Partly funded)	Compensated absences (unfunded)	Gratuity (Partly funded)	Compensated absences (unfunded)
<b>Assumptions used</b>				
Discount rate	8.50%	8.50%	8.00%	8.00%
Long-term rate of compensation increase	5.50%	5.50%	5.50%	5.50%
Rate of return on plan assets	8.50%	N.A	8.50%	N.A

**Note:**

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

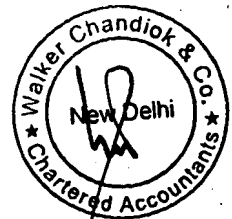
	As at	As at
	March 31, 2012	March 31, 2012
	₹	₹
<b>8 Trade payables</b>		
Dues to micro and small enterprises (Also, refer note (a) below)		
Dues to others	11,774,832	35,141,718
	<b>11,774,832</b>	<b>35,141,718</b>

(a) The Company has identified the micro, small and medium enterprises under the Micro Small Medium Enterprise Development Act, 2006 (MSMEDA) based upon the information available and confirmations sent to all the suppliers. Based on the information available with the Company and the confirmations received, there are no dues outstanding to these micro and small enterprises as at March 31, 2012. Further, no interest during the year has been paid or payable under the terms of the MSMEDA.

**9 Other current liabilities**

Current maturities of vehicle loans	756,270	708,842
Interest accrued but not due on vehicle loan	8,368	14,971
Statutory dues	3,743,605	4,386,294
Employee related payables	1,448,763	1,870,780
	<b>5,957,006</b>	<b>6,980,887</b>

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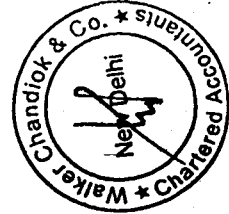


Taurus Asset Management Company Limited  
Notes to the financial statements for the year ended March 31, 2012

10 Fixed assets	Tangible assets						Intangible assets		Total
	Gross block	Buildings	Data processing equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer Software	
Balance as at April 01, 2010	21,853,270	7,278,542	1,450,607	6,015,093	2,836,764	1,634,801	41,069,077	2,132,143	2,132,143
Additions	-	880,066	37,957	292,008	41,646	-	1,251,677	1,330,154	1,330,154
Disposals	-	42,290	70,787	-	-	-	1,363,077	-	-
Balance as at March 31, 2011	21,853,270	8,116,318	1,488,564	4,765,093	3,057,985	1,676,447	40,957,677	3,462,297	3,462,297
Additions	-	952,608	31,807	-	378,525	-	1,362,940	-	-
Disposals	-	167,360	-	-	412,460	-	579,820	16,200	16,200
Balance as at March 31, 2012	21,853,270	8,901,566	1,520,371	4,765,093	3,024,050	1,676,447	41,740,797	3,446,097	3,446,097
<b>Accumulated depreciation</b>									
Balance as at April 01, 2010	4,733,717	3,108,790	615,888	1,084,302	627,583	28,349	10,198,629	1,496,959	1,496,959
Depreciation charge	356,208	4,104,375	105,245	521,006	169,898	289,743	2,546,475	322,390	322,390
Reversal on disposal of assets	-	22,611	-	286,952	38,103	-	347,666	-	-
Balance as at March 31, 2011	5,089,925	4,190,554	721,133	1,318,356	759,378	318,092	12,397,438	1,819,349	1,819,349
Depreciation charge	356,208	1,200,803	103,985	452,684	199,507	304,501	2,617,688	442,396	442,396
Reversal on disposal of assets	-	115,458	-	-	272,130	-	387,588	16,200	16,200
Balance as at March 31, 2012	5,446,133	5,275,899	825,118	1,771,040	686,755	622,593	14,627,538	2,245,545	2,245,545
<b>Net block</b>									
Balance as at March 31, 2011	16,763,345	3,925,764	767,431	3,446,737	2,298,607	1,358,355	28,560,239	1,642,948	1,642,948
Balance as at March 31, 2012	16,407,137	3,625,667	695,253	2,994,053	2,337,295	1,053,854	27,113,259	1,200,552	1,200,552

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**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	No. of shares/units	₹	No of shares/units	₹
<b>11 Non-current investments</b>				
<b>Long term, non- trade, fully paid up</b>				
<b>Investments in debentures or bonds</b>				
<b>Unquoted</b>				
7.90% HUDCO Bonds of face value ₹ 1,000,000 each	2	2,074,600	2	2,074,600
10.75% Shriram Transport Co. Bonds of face value ₹ 100,000 each	35	3,500,000	25	2,500,000
10.90% Tata Motor Finance Bonds of face value ₹ 500,000 each	5	2,627,500	5	2,627,500
9.65% IDBI Bank Ltd. Bonds of face value ₹ 1,000,000 each	2	2,060,000	2	2,060,000
9.75% IFCI Ltd. Bonds of face value ₹ 1,000,000 each	3	3,000,000	3	3,000,000
9.95% SBI Bonds of face value ₹ 10,000 each	100	1,010,000	-	-
<b>Investments in equity instruments</b>				
<b>Equity shares of ₹ 10 each</b>				
<b>(a) Listed but not quoted</b>				
ADS Diagnostics Limited	25,000	110,825	25,000	110,825
Aditya Aquaculture Limited	*	350,100	350,100	3,501
Agni Marine Exports Limited	*	73,300	73,300	733
Asian Vegpro Industries Limited	*	100,000	100,000	1,000
Auroma Coke Limited	*	250,000	250,000	2,500
Consolidated Containers Limited	*	12,500	12,500	125
Deep Diamond India Limited		100,000	100,000	3,500
Flora Textiles Limited	*	300,100	300,100	3,001
Gujarat Chemical Plasto Limited	*	25,000	25,000	250
Gummadi Industries Limited	*	100,100	100,100	1,001
Hindustan Domestic Oil Limited	*	42,400	42,400	424
Hytasun Magnetics Limited	*	35,500	35,500	355
Jaswal Granites Limited	*	150,000	150,000	1,500
Kumars Kotex Limited	*	300,100	300,100	3,001
LD Textiles Limited	*	225	225	2
Manav Pharma Limited	*	24,900	24,900	249
Maya Agro Limited	*	99,000	99,000	990
Montana International Limited	*	148,800	148,800	1,488
M S Securities Limited	*	100,000	100,000	1,000
Naraingarh Sugar Mills Limited		250,000	250,000	2,500
Noel Agritech Limited		165,200	165,200	1,652
Nortech India Limited	*	200,000	200,000	2,000
Nutech Organic Chemicals Limited	*	200,000	200,000	2,000

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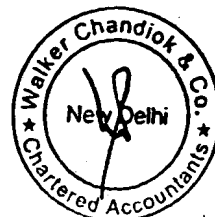




**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

	As at March 31, 2012		As at March 31, 2011		
	No. of shares/units	₹	No of shares/units	₹	
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
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
Shoppers Investments Limited	*	50	1	50	1
Shree Karthik Papers Limited	*	95,100	951	95,100	951
SKR Chemicals Limited	*	199,800	1,998	199,800	1,998
Sonal Cosmetics Limited	*	7,500	75	7,500	75
Southern Fuels Limited	*	162,000	1,620	162,000	1,620
Sudev Industries Limited		124,900	1,249	124,900	1,249
Superior Sox Limited	*	100,000	1,000	100,000	1,000
Suppliment Foods Limited	*	20,000	200	20,000	200
Suryo Foods and Industries Limited	*	77,700	777	77,700	777
Usha Ispat Limited		23,000	230	23,000	230
Viral Filaments Limited	*	107,100	1,071	107,100	1,071
Viral Syntex Limited		115,900	1,159	115,900	1,159
Western Foods Limited	*	84,800	848	84,800	848
Western Orissa Sugar Limited	*	2,950	30	2,950	30
<b>(b) Unquoted</b>					
Akshay Software Limited		300,000	4,218,000	300,000	4,218,000
Associated Infotech Limited		400,000	4,000	400,000	4,000
Sovika Airline Services Limited		350,000	1,780,560	350,000	1,780,560
Teamasia Semiconductors Limited		250,000	2,500	250,000	2,500
<b>Sub-total (A)</b>			<u>20,444,047</u>		<u>18,434,047</u>

*[Handwritten signatures and initials]*



**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	No. of shares/units	₹	No. of shares/units	₹
<b>Quoted</b>				
<b>Equity shares of ₹ 10 each unless otherwise stated</b>				
Ahluwalia Contracts India Limited (₹ 2 each)	1,226,537	1,471,844	1,759,185	2,111,022
Ganesh Ecosphere Limited	139,890	6,857,563	139,890	6,857,563
Jaiprakash Associates Limited (₹ 2 each)	89,255	11,732,371	79,255	11,020,434
Pilani Investment Limited	11,174	1,116,394	11,975	1,196,422
Rashtriya Chemical Fertilizers Limited	25,000	2,852,152	25,000	2,852,152
Reliance Industries Limited	35,017	36,251,391	26,917	28,889,745
<b>Sub-total ( B )</b>		<b>60,281,715</b>		<b>52,927,338</b>
<b>Total (A + B)</b>		<b>80,725,762</b>		<b>71,361,385</b>
Less: Provision for diminution in value of investments		15,934,986		5,240,112
		<b>64,790,776</b>		<b>66,121,273</b>

\* Not held in the name of the Company.

<b>Aggregate amount of</b>			
Quoted investments	60,281,715		51,730,916
Market value of quoted investments	144,807,997		240,101,467
Unquoted investments	20,444,047		19,630,468

	As at March 31, 2012		As at March 31, 2011	
	No. of shares/units	₹	No. of shares/units	₹
<b>Current investments</b>				
<b>(Non-trade, fully paid up)</b>				
<b>Investments in mutual funds - Unquoted</b>				
Taurus Ultra Short Term Bond Fund -Super Institutional Growth	83	103,914	30,245	34,385,524
Taurus Ultra Short Term Bond Fund -Retail Growth	73	89,200	3,210	3,665,456
Taurus Gilt Fund - Growth	1,762	25,000	1,762	25,000
Taurus Liquid Fund - Growth	44	60,986		
Taurus Liquid Fund - Institutional Growth	526	525,933	526	525,933
<b>Total</b>		<b>805,033</b>		<b>38,601,913</b>
<b>Aggregate amount of</b>				
Unquoted investments		805,033		38,601,913
Net asset value of units of mutual funds		945,787		39,157,581

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**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

	For the year ended March 31, 2012	For the year ended March 31, 2011
	₹	₹
<b>16 Other income</b>		
Interest income		
- from non-current investments	1,282,157	576,337
- from income-tax refund	283,087	701,881
- from others	1,811	889
Dividend income, non trade	1,364,803	2,477,577
Net gain on sale of investments	66,643,060	181,094,239
Miscellaneous income	42,069	46,311
	<u>69,616,987</u>	<u>184,897,234</u>
<b>17 Employee benefit expense</b>		
Salaries, wages and bonus	130,036,491	96,070,838
Contribution to gratuity (Also, refer note 7(a))	1,028,085	785,445
Contribution to provident and other defined contribution funds	7,142,522	5,598,514
Staff welfare expenses	2,032,185	2,097,566
	<u>140,239,283</u>	<u>104,552,363</u>
<b>18 Finance costs</b>		
Interest expenses	136,042	305,799
	<u>136,042</u>	<u>305,799</u>
<b>19 Other expenses</b>		
Advertisement and business promotion	10,700,524	4,257,034
Legal and professional	4,608,543	3,785,702
Payments to auditors	447,500	427,000
Recruitment charges	1,236,308	1,236,337
Director's sitting fees	880,000	760,000
Electricity	2,306,984	2,270,649
Travelling and conveyance	7,145,054	6,500,738
Repairs and maintenance		
- Buildings	100,383	76,412
- Others	3,193,742	2,411,059
Office expenses	594,563	527,696
Outsourced professional service cost	10,278,711	6,536,478
Insurance	129,280	127,326
Printing and stationery	1,065,819	1,262,257
Subscription and membership	8,862,106	7,819,642
Communication	4,351,983	3,250,706
Rent	22,357,454	21,775,208
Loss on sale of assets	138,389	296,950
Brokerage on rented premises	19,500	55,000
Rates and taxes	125,227	68,903
Mutual fund expenses	30,565,117	67,985,620
Miscellaneous expenses	34,857	125,070
	<u>109,142,044</u>	<u>131,555,787</u>
<b>20 Earning per share</b>		
a) Computation of profit for computing		
Net profit for the year	341,523	364,350
b) Computation of weighted average number of shares	12,550,000	12,550,000
c) Nominal value of shares	10	10
d) Earning per share	0.03	0.03

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**Taurus Asset Management Company Limited**  
**Notes to the financial statements for the year ended March 31, 2012**

**21 Related party transactions**

Related party disclosures, as required by Accounting Standard 18 - Related Party Disclosures, notified under the Companies Act, 1956 are given below:

(i) Key management personnel

Mr R. K. Gupta                      Managing Director

(ii) Transactions with related parties during the year

	For the year ended March 31, 2012	For the year ended March 31, 2011
Key management personnel		
Mr R. K. Gupta		
Salary	4,276,805	3,600,798

22 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. Further, owing to lack of convincing evidence of utilisation of the MAT credit entitlement within the time stipulated by the Income-tax Act, 1961, no credit entitlement on the MAT has been created in the financial statement.

23 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.

	For the year ended March 31, 2012	For the year ended March 31, 2011
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**24 Expenditure in foreign currency (accrual basis)**

Subscription and membership	66,126	56,985
	<u>66,126</u>	<u>56,985</u>

**25 Payments to auditors**

As auditor		
Statutory audit	400,000	400,000
Tax audit	40,000	25,000
	<u>440,000</u>	<u>425,000</u>
Reimbursement of expenses	7,500	2,000
Service tax	50,213	41,406
	<u>497,713</u>	<u>468,406</u>

26 Included in the investments are securities amounting to ₹ 45,771 (previous year ₹ 45,771) acquired in the earlier years, at book value from Taurus Investment Trust Company, the trustee of Taurus Mutual fund. The Company is in the process of getting these investments transferred in their name.

27 The Company leases certain office premises under cancellable operating lease arrangements. The rent expense under these agreements is ₹ 22,163,235 (previous year - ₹ 21,559,458).

*[Handwritten signatures]*



28 Mutual fund expenses

- a) The mutual fund expenses include ₹ 5,876,735 (previous year ₹ 27,259,587) being expenses of the mutual fund schemes managed by the Company in excess of the limits specified in SEBI regulations which are borne by the Company.
- b) The mutual fund expenses for the year includes ₹ 961,309 incurred in connection with Taurus FMP -91 Days Series – F, H, I, J, K, L, N, Q & R, Taurus FMP -369 Days Series –P, Taurus FMP -370 Days Series –G & M and Taurus FMP -397 Days Series –O launched during that year. These expenses were borne by the Company as per SEBI guidelines / Scheme offer document whereby the new fund offer (NFO) expenses are required to be borne by the Asset Management Company. An amount of ₹ 20,366,342 was incurred in the previous year for schemes launched during the financial year 2010-11.
- c) The mutual fund expenses for the year includes ₹ 21,224,988 (previous year ₹ 19,264,479) being expenses towards upfront distributors/agent's commission fees paid on mobilization of funds in mutual fund schemes. These expenses were borne by the Company as per SEBI clarification vide email dated March 29, 2010 and March 30, 2010 and subsequent email dated October 18, 2010 on compliance with SEBI Guidelines on "No upfront commission from scheme" whereby exit load or past load balance could not be utilized by the scheme(s) for paying upfront distributors/agent's commission referred to in Regulation 52(4) (b) (i) of SEBI (Mutual Fund) Regulations, 1996, effective April 01, 2010.


29 The Company has entered into finance lease arrangements towards vehicles purchased on finance leases and are secured by first charge over those assets.


30 The Company is a Small and Medium Sized Company (SMC) as defined in the general instructions in respect of accounting standards notified under the companies act, 1956. Accordingly, the Company has complied with the accounting standards as applicable to a SMC.

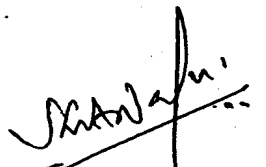
31 Reclassifications


Previous year figures have been regrouped/rearranged wherever considered necessary to comply with the requirements of revised Schedule VI to make them comparable with those of the current year.

For and on behalf of the Board of Directors

  
Sangeeta Verma  
Company Secretary

  
Deepa Varshnei  
Executive Vice President

  
Waqar Naqvi  
Chief Executive Officer

  
J. P. Kamra  
Chairman

  
R.K. Gupta  
Managing Director

Place: New Delhi  
Date: August 22, 2012

