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India

## Independent Auditors' Report

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To the Members of Taurus Asset Management Company Limited

## Report on the Financial Statements

1. We have audited the accompanying financial statements of **Taurus Asset Management Company Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and

## Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - the financial statements dealt with by this report are in agreement with the books of account;
  - in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
  - on the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

*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 31, 2013



# 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, 2013

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, 2013

- (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 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. Further, 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. The Company has not incurred cash losses in the immediately preceding financial year; however, *in the current financial year, the Company has incurred cash losses.*
- (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.





# 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, 2013

- (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.
- (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. 40116

Place: New Delhi  
Date: August 31, 2013



**Taurus Asset Management Company Limited**  
Balance sheet as at March 31, 2013

	Notes	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	144,250,000	135,500,000
Reserves and surplus	3	(17,827,457)	(9,307,871)
		<u>126,422,543</u>	<u>126,192,129</u>
<b>Non-current liabilities</b>			
Long-term borrowings	4	-	134,497
Deferred tax liabilities (net)	5	1,094,120	1,215,923
Long-term provisions	6	8,919,001	7,384,513
		<u>10,013,121</u>	<u>8,734,933</u>
<b>Current liabilities</b>			
Trade payables	7	8,421,258	11,774,832
Other current liabilities	8	3,620,022	5,957,006
Short-term provisions	6	102,014	1,828,983
		<u>12,143,294</u>	<u>19,560,821</u>
		<u>148,578,958</u>	<u>154,487,883</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	24,674,250	27,113,259
Intangible assets		793,868	1,200,552
Non-current investments	10	59,531,971	64,790,776
Long-term loans and advances	11	8,117,756	9,409,420
		<u>93,117,845</u>	<u>102,514,007</u>
<b>Current assets</b>			
Current investments	10	1,789,007	805,033
Trade receivables	12	16,729,896	17,108,944
Cash and bank balances	13	4,562,968	3,790,038
Short-term loans and advances	11	31,433,102	29,727,945
Other current assets	14	946,140	541,916
		<u>55,461,113</u>	<u>51,973,876</u>
		<u>148,578,958</u>	<u>154,487,883</u>

The accompanying notes 1 to 30 are an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

*Walker, Chandiook & Co*

For Walker, Chandiook & Co  
Chartered Accountants

*B.P. Singh*  
per B.P. Singh  
Partner



*Waqar Naqvi*  
Waqar Naqvi  
Chief Executive Officer

For and on behalf of the Board of Directors

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

*R.K. Gupta*  
R.K. Gupta  
Managing Director

*Sangeeta Verma*  
Sangeeta Verma  
Company Secretary

*Deepa Varshnei*  
Deepa Varshnei  
Executive Vice President

Place: New Delhi  
Date: August 31, 2013



Taurus Asset Management Company Limited  
Statement of profit and loss for the year ended March 31, 2013

	Notes	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
<b>Revenue</b>			
Revenue from operations		135,954,681	195,649,847
Other income	15	20,146,903	69,616,987
<b>Total revenue</b>		<b>156,101,584</b>	<b>265,266,834</b>
<b>Expenses</b>			
Employee benefit expenses	16	120,508,980	140,239,283
Finance costs	17	55,025	136,042
Depreciation and amortisation expense	9	2,948,393	3,060,084
Provision for diminution in value of long-term investments		2,255,318	10,694,874
Other expenses	18	95,225,258	109,142,044
<b>Total expenses</b>		<b>220,992,974</b>	<b>263,272,327</b>
<b>Profit/(Loss) before tax</b>		<b>(64,891,390)</b>	<b>1,994,507</b>
<b>Tax expense</b>			
Current tax		-	2,265,794
Deferred tax		(121,804)	(612,810)
Tax earlier years		-	-
<b>Profit/(Loss) for the year</b>		<b>(64,769,586)</b>	<b>341,523</b>
<b>Basic earnings per equity share</b>	19	<b>(4.46)</b>	<b>0.03</b>


The accompanying notes 1 to 30 are an integral part of the financial statements.

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

*Walker, Chandio & Co*

For Walker, Chandio & Co  
Chartered Accountants

*B.P. Singh*  
per B.P. Singh  
Partner



*Waqar Naqvi*  
Waqar Naqvi  
Chief Executive Officer

For and on behalf of the Board of Directors

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

*R.K. Gupta*  
R.K. Gupta  
Managing Director

*Sangeeta Verma*  
Sangeeta Verma  
Company Secretary

*Deepa Varshnei*  
Deepa Varshnei  
Executive Vice President

Place: New Delhi  
Date: August 31, 2013



## Taurus Asset Management Company Limited

Notes to the financial statements for the year ended March 31, 2013

### 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, 2013, 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 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 are depreciated at the rate of 100% per annum.

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.

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**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, 2013**

**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 and initials]*





	As at March 31, 2013		As at March 31, 2012	
	Number	Amounts ₹	Number	Amounts ₹
<b>2 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	16,000,000	160,000,000	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>19,000,000</u>	<u>190,000,000</u>	<u>16,000,000</u>	<u>160,000,000</u>
<b>Issued</b>				
Equity shares of ₹ 10 each	15,060,033	150,600,030	12,550,033	125,500,030
8% non redeemable, non-cumulative, non-convertible preference shares of ₹ 10 each.	-	-	1,000,000	10,000,000
	<u>15,060,033</u>	<u>150,600,030</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
	<u>12,550,000</u>	<u>125,500,000</u>	<u>13,550,000</u>	<u>135,500,000</u>
<b>Subscribed and not fully paid up</b>				
Equity shares of ₹ 10 each	2,500,000	18,750,000	-	-
8% non redeemable, non-cumulative, non-convertible preference shares of ₹ 10 each.	-	-	-	-
	<u>2,500,000</u>	<u>18,750,000</u>	<u>-</u>	<u>-</u>
	<u>15,050,000</u>	<u>144,250,000</u>	<u>13,550,000</u>	<u>135,500,000</u>

**a) Reconciliation of equity share capital**

Balance at the beginning of the year	12,550,000	125,500,000	12,550,000	125,500,000
Issued during the year	2,500,000	18,750,000	-	-
Balance at the end of the year	<u>15,050,000</u>	<u>144,250,000</u>	<u>12,550,000</u>	<u>125,500,000</u>

**Reconciliation of Preference share capital**

Balance at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Issued during the year	2,000,000	20,000,000	-	-
Redeemed during the year	(3,000,000)	(30,000,000)	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>10,000,000</u>

**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	7,525,000	50%	6,275,000	50%
RRB Securities Ltd	4,496,940	30%	3,749,940	30%
HB Stockholdings Ltd	3,028,000	20%	2,525,000	20%
	<u>15,049,940</u>		<u>12,549,940</u>	
Preference shares of ₹ 10 each				
Pisces Portfolio Pvt Ltd	-	-	1,000,000	100%
	<u>-</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.

*(Handwritten signatures)*





d) No shares have been issued for consideration other than cash or as bonus shares in the current reporting period and in last five years immediately preceding the current reporting year.

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>3 Reserves and surplus</b>		
<b>Amalgamation reserve</b>		
Balance at the beginning of the year	2,100,000	2,100,000
Balance at the end of the year	2,100,000	2,100,000
<b>Securities premium reserve</b>		
Balance at the beginning of the year	-	-
Additions made during the year	56,250,000	-
Balance at the end of the year	56,250,000	-
<b>Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(11,407,871)	(11,749,394)
Add: Transferred from statement of profit and loss	(64,769,586)	341,523
Balance at the end of the year	(76,177,457)	(11,407,871)
	<u>(17,827,457)</u>	<u>(9,307,871)</u>

	As at March 31, 2013		As at March 31, 2012	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>4 Borrowings</b>				
<b>Secured</b>				
Vehicle loans from banks*	-	Refer Note	134,497	Refer Note
	-	-	<u>134,497</u>	-

Note:

Disclosed under Note 8 Other current liabilities as 'current maturities of vehicle loans'.

\* 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, 2013 ₹	As at March 31, 2012 ₹
<b>5 Deferred taxes</b>		
<b>Deferred tax liability</b>		
Timing difference on depreciation of tangible assets	3,945,439	4,150,793
	<u>3,945,439</u>	<u>4,150,793</u>
<b>Deferred tax asset</b>		
Provision for employee benefits	(2,787,494)	(2,846,970)
Others	(63,825)	(87,900)
Total	<u>(2,851,319)</u>	<u>(2,934,870)</u>
<b>Deferred tax liability, net</b>	<u>1,094,120</u>	<u>1,215,923</u>

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	As at March 31, 2013		As at March 31, 2012	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
<b>6 Provisions</b>				
Provisions for employee benefits (Refer note (a) below)				
- Gratuity	4,432,740	54,345	2,752,853	1,662,396
- Compensated absences	4,486,261	47,669	4,631,660	166,587
	<u>8,919,001</u>	<u>102,014</u>	<u>7,384,513</u>	<u>1,828,983</u>

## a) Employee benefits

Actuarial valuation has been done with the following assumptions

Particulars	As at March 31, 2013		As at March 31, 2012	
	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 March 31, 2013	As at March 31, 2012
	₹	₹
<b>7 Trade payables</b>		
Dues to micro and small enterprises (Refer note (a) below)	-	-
Dues to others	8,421,258	11,774,832
	<u>8,421,258</u>	<u>11,774,832</u>

- (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, 2013. Further, no interest during the year has been paid or payable under the terms of the MSMEDA.

## 8 Other current liabilities

Current maturities of vehicle loans	134,497	756,270
Interest accrued but not due on vehicle loan	1,263	8,368
Statutory dues	2,721,369	3,743,605
Employee related payables	762,893	1,448,763
	<u>3,620,022</u>	<u>5,957,006</u>

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**Taurus Asset Management Company Limited**  
**Summary of significant accounting policies and other explanatory information to the financial statement for the year ended March 31, 2013**

**9 Fixed assets**

Gross block	Tangible assets							Intangible assets		Total
	Buildings	Data processing equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer Software	Total		
Balance as at April 01, 2011	21,853,270	8,116,318	1,488,564	4,765,093	3,057,985	1,676,447		3,462,297	40,957,677	3,462,297
Additions	-	952,608	31,807	-	378,525	-	-	-	1,362,940	-
Disposals	-	(167,360)	-	-	(412,460)	-	-	(16,200)	(579,820)	(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		3,446,097	41,740,797	3,446,097
Additions	-	290,328	36,767	-	108,423	-	-	41,163	435,518	41,163
Disposals	-	(887,981)	(123,273)	-	(195,225)	(41,646)	-	-	(1,248,125)	-
Balance as at March 31, 2013	21,853,270	8,303,913	1,433,865	4,765,093	2,937,248	1,634,801		3,487,260	40,928,190	3,487,260
<b>Accumulated depreciation</b>										
Balance as at April 01, 2011	5,089,925	4,190,554	721,133	1,318,356	759,378	318,092		1,819,349	12,397,438	1,819,349
Depreciation charge	356,208	1,200,803	103,985	452,684	199,507	304,501		442,396	2,617,688	442,396
Reversal on disposal of assets	-	(115,458)	-	-	(272,130)	-		(16,200)	(387,588)	(16,200)
Balance as at March 31, 2012	5,446,133	5,275,899	825,118	1,771,040	686,755	622,593		2,245,545	14,627,538	2,245,545
Depreciation charge	356,208	1,166,847	67,464	452,684	160,882	296,461		447,847	2,500,546	447,847
Reversal on disposal of assets	-	(723,839)	(61,981)	-	(60,693)	(27,631)		-	(874,144)	-
Balance as at March 31, 2013	5,802,341	5,718,907	830,601	2,223,724	786,944	891,423		2,693,392	16,253,940	2,693,392
<b>Net block</b>										
Balance as at March 31, 2012	16,407,137	3,625,667	695,253	2,994,053	2,337,295	1,053,854		1,200,552	27,113,259	1,200,552
Balance as at March 31, 2013	16,050,929	2,585,006	603,264	2,541,369	2,150,304	743,378		793,868	24,674,250	793,868



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10 Non-current investments

Long-term, non-trade, fully paid up

Investments in debentures or bonds

Unquoted

	As at March 31, 2013		As at March 31, 2012	
	No. of shares/units	Amounts ₹	No. of shares/units	Amounts ₹
7.90% HUDCO Bonds of face value ₹ 1,000,000 each	35	3,500,000	35	3,500,000
10.75% Shriram Transport Finance Co. Bonds of face value ₹ 100,000 each	5	2,627,500	5	2,627,500
10.90% Tata Motors Finance Ltd. Bonds of face value ₹ 500,000 each	2	2,060,000	2	2,060,000
9.65% IDBI Bank Ltd. Bonds of face value ₹ 1,000,000 each	3	3,000,000	3	3,000,000
9.75% IFCI Ltd. Bonds of face value ₹ 1,000,000 each	100	1,010,000	100	1,010,000
9.95% State Bank of India Bonds of face value ₹ 10,000 each				

Investments in equity instruments

Equity shares of ₹ 10 each

(a) Listed but not quoted

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
Asan Vegpro Industries Limited	100,000	1,000	100,000	1,000
Aurorea 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
Floxa 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
Maya Agro Limited	99,000	990	99,000	990
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 Agrotech 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
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 Kartik 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
Supplement Foods Limited	20,000	200	20,000	200
Suryo Foods and Industries Limited	77,700	777	77,700	777
Usha Japat 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



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	As at March 31, 2013		As at March 31, 2012	
	No. of shares/units	Amounts ₹	No. of shares/units	Amounts ₹
<b>(b) Unquoted</b>				
Akshay Software Technologies 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
Team Asia Semiconductors Limited	250,000	2,500	250,000	2,500
<b>Sub-total ( A )</b>		<b>18,369,447</b>		<b>20,444,047</b>
<b>Quoted</b>				
<b>Equity shares of ₹ 10 each unless otherwise stated</b>				
Ahlwalia Contracts India Limited ( 2 each)	1,131,319	1,357,583	1,226,537	1,471,844
Ganesh Ecosphere Limited	139,890	6,857,563	139,890	6,857,563
Jaiprakash Associates Limited ( 2 each)	89,255	11,732,371	89,255	11,732,371
Pilani Investment Limited	2,998	299,530	11,174	1,116,394
Rashtreeya Chemicals & Fertilizers Limited	25,000	2,852,152	25,000	2,852,152
Reliance Industries Limited	35,017	36,251,391	35,017	36,251,391
<b>Sub-total ( B )</b>		<b>59,350,590</b>		<b>60,281,715</b>
<b>Total ( A + B )</b>		<b>77,720,037</b>		<b>80,725,762</b>
Less: Provision for diminution in value of investments		18,188,066		15,934,986
		<b>59,531,971</b>		<b>64,790,776</b>

\* Not held in the name of the Company

Aggregate amount of:			
Quoted investments		59,350,590	60,281,715
Market value of quoted investments		68,451,569	144,807,997
Unquoted investments		18,369,447	20,444,047

**Current Investments**

(Non-trade, fully paid up)

**Investments in mutual funds - Unquoted**

Taurus Ultra Short-Term Bond Fund -Super Institutional Growth	-	-	83	103,914
Taurus Ultra Short-Term Bond Fund -Retail Growth	-	-	73	89,200
Taurus Gilt Fund - Growth	-	-	1,762	25,000
Taurus Liquid Fund - Growth	-	-	44	60,986
Taurus Liquid Fund - Institutional Growth	-	-	526	525,933
Taurus Liquid Fund - Direct Plan -Super Institutional Growth	844	1,061,121	-	-
Taurus Liquid Fund - Direct Plan -Super Institutional Daily Dividend	102	101,611	-	-
Taurus Liquid Fund - Direct Plan -Super Institutional Weekly Dividend	102	101,627	-	-
Taurus Ultra Short-Term Bond Fund -Direct Plan -Super Institutional Daily dividend	101	101,668	-	-
Taurus Ultra Short-Term Bond Fund -Direct Plan -Super Institutional Weekly dividend	101	101,628	-	-
Taurus Short-Term Income Bond Fund -Direct Plan - Growth	50	100,000	-	-
Taurus Short-Term Income Bond Fund -Direct Plan - Dividend	66	101,641	-	-
Taurus Gilt Fund -Direct Plan - Growth	762	12,092	-	-
Taurus Gilt Fund -Direct Plan - Dividend	1,022	15,859	-	-
Taurus Dynamic Income Fund -Direct Plan - Growth	2,153	26,042	-	-
Taurus Dynamic Income Fund -Direct Plan - Dividend	2,554	26,275	-	-
Taurus MIP Advantage Fund -Direct Plan - Growth	1,198	14,491	-	-
Taurus MIP Advantage Fund -Direct Plan - Dividend	2,404	24,952	-	-
<b>Total</b>		<b>1,789,007</b>		<b>805,033</b>

Aggregate amount of:

Unquoted investments	1,791,245	805,033
Net asset value of units of mutual funds	799,337	945,787

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statement for the year ended March 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
<b>11 Loans and advances</b>				
Unsecured, considered good				
Security deposits	6,259,394	-	7,478,917	-
Other loans and advances				
Prepaid expenses	1,365,362	2,785,567	1,736,502	3,149,226
Contract for sale	-	-	-	939,091
Balance with government authorities	-	362,280	-	1,155,544
Other advances	493,000	548,097	194,001	564,683
Prepaid taxes	-	27,737,158	-	23,919,401
	<u>8,117,756</u>	<u>31,433,102</u>	<u>9,409,420</u>	<u>29,727,945</u>
		As at March 31, 2013		As at March 31, 2012
		₹		₹
<b>12 Trade receivables</b>				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they are due for payment		-		-
Other debts		16,729,896		17,108,944
		<u>16,729,896</u>		<u>17,108,944</u>
<b>13 Cash and bank balances</b>				
Cash and cash equivalents				
Cash on hand		33,609		36,182
Balance in current accounts		4,529,359		3,753,856
		<u>4,562,968</u>		<u>3,790,038</u>
<b>14 Other current assets</b>				
Interest accrued on Income Tax Refund		479,540		-
Interest accrued on investments		466,600		541,916
		<u>946,140</u>		<u>541,916</u>

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	For the year ended March 31, 2013	For the year ended March 31, 2012
	₹	₹
<b>15 Other income</b>		
Interest income		
- from non-current investments	1,391,226	1,282,157
- from income-tax refund	533,620	283,087
- from others	4,138	1,811
Dividend income, non trade	881,486	1,364,803
Net gain on sale of investments	17,326,361	66,643,060
Miscellaneous income	10,072	42,069
	<u>20,146,903</u>	<u>69,616,987</u>
<b>16 Employee benefit expense</b>		
Salaries, wages and bonus	111,868,804	130,036,491
Contribution to gratuity (Refer note 6(a))	372,128	1,028,085
Contribution to provident and other defined contribution funds	6,214,656	7,142,522
Staff welfare expenses	2,053,392	2,032,185
	<u>120,508,980</u>	<u>140,239,283</u>
<b>17 Finance costs</b>		
Interest expenses	55,025	136,042
	<u>55,025</u>	<u>136,042</u>
<b>18 Other expenses</b>		
Advertisement and business promotion	3,771,580	10,700,524
Legal and professional	2,217,196	4,608,543
Payments to auditors (Refer note 24)	460,000	447,500
Recruitment charges	269,813	1,236,308
Director's sitting fees	770,000	880,000
Electricity	2,438,076	2,306,984
Travelling and conveyance	4,269,337	7,145,054
Repairs and maintenance		
- Buildings	218,578	100,383
- Others	3,304,695	3,193,742
Office expenses	637,165	594,563
Outsourced professional service cost	8,707,110	10,278,711
Insurance	366,161	129,280
Printing and stationery	773,956	1,065,819
Subscription and membership	11,444,088	8,862,106
Communication	3,388,049	4,351,983
Rent	17,373,469	22,357,454
Loss on sale of assets	234,712	138,389
Brokerage on rented premises	325,999	19,500
Rates and taxes	448,044	125,227
Mutual fund expenses	33,757,700	30,565,117
Miscellaneous expenses	49,530	34,857
	<u>95,225,258</u>	<u>109,142,044</u>
<b>19 Earning per share</b>		
a) Computation of profit for computing		
Net profit for the year	(64,769,586)	341,523
b) Computation of weighted average number of shares	14,513,771	13,333,128
c) Nominal value of shares	10	10
d) Earning per share	(4.46)	0.03









## 20 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		
	<u>For the year ended March 31, 2013</u>	<u>For the year ended March 31, 2012</u>
	₹	₹
Key management personnel		
Mr. R. K. Gupta		
Salary	4,284,375	4,276,805

21 No deferred tax asset has been recognized 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 utilization 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.

22 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.

23 Expenditure in foreign currency	<u>For the year ended March 31, 2013</u>	<u>For the year ended March 31, 2012</u>
	₹	₹
Subscription and membership	66,300	66,126
	<u>66,300</u>	<u>66,126</u>
24 Payments to auditors		
As auditor		
Statutory audit	400,000	400,000
Tax audit	40,000	40,000
	440,000	440,000
Reimbursement of expenses	20,000	7,500
Service tax	51,912	50,213
	<u>511,912</u>	<u>497,713</u>

25 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.

26 The Company leases certain office premises under cancellable operating lease arrangements. The rent expense under these agreements is ₹ 17,178,498 (previous year ₹ 22,163,235).

## 27 Mutual fund expenses

- a) The mutual fund expenses include ₹ 4,421,783 (previous year ₹ 5,876,735) 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 ₹ 4,727,780 incurred in connection with Taurus Banking & Financial Services, Taurus FMP -91 Days Series - T, Taurus FMP -369 Days Series -U & X and Taurus FMP -374 Days Series -S 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 ₹ 961,309 was incurred in the previous year for schemes launched during the financial year 2011-12.
- c) The mutual fund expenses for the year includes ₹ 22,306,405 (previous year ₹ 21,224,988) 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.

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28. The Company has entered into finance lease arrangements towards vehicles purchased on finance leases and are secured by first charge over those assets.
29. 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.
30. Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

*Walker, Chandio & Co*

For Walker, Chandio & Co  
Chartered Accountants

*B.P. Singh*  
per B.P. Singh  
Partner



*Waqar Naqvi*  
Waqar Naqvi  
Chief Executive Officer

For and on behalf of the Board of Directors

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

*R.K. Gupta*  
R.K. Gupta  
Managing Director

*Sangeeta Verma*  
Sangeeta Verma  
Company Secretary

*Deepa Varshnei*  
Deepa Varshnei  
Executive Vice President

Place: New Delhi

Date: August 31, 2013