

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

Independent Auditors' Report

T +91 124 462 8000
F +91 124 462 8001

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 31 March 2014 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014; and
 - ii) in the case of Statement of Profit and Loss, of the loss for the year ended on that date.

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:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
 - e. on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Walker Chandiook & Co LLP

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajesh Jain

per **Rajesh Jain**
Partner
Membership No.: 081203



Place: Gurgaon
Date: 29 August 2014

Walker Chandiook & Co LLP

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 31 March 2014

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.
 - (e) 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 sell 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.
- (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.



Walker Chandiook & Co LLP

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 31 March 2014 (cont'd)

- (ix) (a) The Company is regular in depositing 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, with the appropriate authorities. 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 become 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 percent of its net worth. *The Company has incurred cash losses in the current year and immediately preceding financial year.*
- (xi) The Company has not defaulted in repayment of dues to any bank. The Company has no dues payable to any financial Institution or debenture holders during the year. Accordingly, the provisions of clause 4(xi) of the order are not applicable with respect to financial Institutions or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, 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 by the Company.
- (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.



Walker Chandiok & Co LLP

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 31 March 2014 (cont'd)

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Rajesh Jain

per **Rajesh Jain**

Partner

Membership No.: 081203



Place: Gurgaon

Date: 29 August 2014

Taurus Asset Management Company Limited
Balance sheet as at 31 March 2014

	Notes	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	147,375,000	144,250,000
Reserves and surplus	4	(20,310,090)	(17,827,457)
		<u>127,064,910</u>	<u>126,422,543</u>
Non-current liabilities			
Long-term borrowings	5	2,811,039	-
Deferred tax liabilities (net)	6	1,037,979	1,094,120
Long-term provisions	7	8,114,135	8,919,001
		<u>11,963,153</u>	<u>10,013,121</u>
Current liabilities			
Trade payables	8	10,730,204	8,421,258
Other current liabilities	9	3,713,013	3,620,022
Short-term provisions	7	100,474	102,014
		<u>14,543,691</u>	<u>12,143,294</u>
		<u>153,571,754</u>	<u>148,578,958</u>
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		25,806,438	24,674,250
Intangible assets		498,771	793,868
Non-current investments	11	63,297,510	59,531,971
Long-term loans and advances	12	6,736,721	8,117,756
		<u>96,339,440</u>	<u>93,117,845</u>
Current assets			
Current investments	11	12,430,118	1,789,007
Trade receivables	13	17,475,125	16,729,896
Cash and bank balances	14	2,900,395	4,562,968
Short-term loans and advances	12	23,781,905	31,433,102
Other current assets	15	644,771	946,140
		<u>57,232,314</u>	<u>55,461,113</u>
		<u>153,571,754</u>	<u>148,578,958</u>

Notes 1 to 29 form an integral part of these financial statements.

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

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants

Rajesh Jain

per Rajesh Jain
Partner



Place: Gurgaon
Date: 29 August 2014

For and on behalf of the Board of Directors

J.P. Kundra
J.P. Kundra
Chairman

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

Waqar Naqvi
Waqar Naqvi
Chief Executive Officer

Deepa Varshnei
Deepa Varshnei
Executive Vice President

Niti Biyala Dwivedi
Niti Biyala Dwivedi
Company Secretary

Taurus Asset Management Company Limited
Statement of profit and loss for the year ended 31 March 2014

	Notes	For the year ended 31 March 2014 ₹	For the year ended 31 March 2013 ₹
Revenue			
Revenue from management fee		144,349,005	135,954,681
Other income	16	10,513,709	20,146,903
		<u>154,862,714</u>	<u>156,101,584</u>
Expenses			
Employee benefit expenses	17	94,636,659	120,508,980
Finance costs	18	226,802	55,025
Depreciation and amortisation expense	10	2,844,670	2,948,393
Other expenses	19	68,727,417	97,480,576
		<u>166,435,548</u>	<u>220,992,974</u>
Loss before tax		(11,572,834)	(64,891,390)
Tax expense			
Deferred tax		(56,141)	(121,804)
Tax earlier years		340,940	-
Loss for the year		(11,857,633)	(64,769,586)
Earnings per equity share - basic	20	(0.82)	(4.46)

Notes 1 to 29 form an integral part of these financial statements.

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

Walker Chandiook & Co

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants

Rajesh Jain
per Rajesh Jain
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

Deepa Varshnei
Deepa Varshnei
Executive Vice President

Niti Biyala Dwivedi
Niti Biyala Dwivedi
Company Secretary

Place: Gurgaon
Date: 29 August 2014

Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

1. Basis of preparation

The financial statements have been prepared to comply with the Accounting standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and relevant provisions of the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

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.

2. Significant accounting policies

a) Use of estimates

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

b) Fixed assets and intangibles

Tangibles

Fixed assets are stated at cost (gross block) less accumulated depreciation and amortisation. The cost of fixed assets comprises its purchase price and any cost attributable to bringing the assets to its working condition and intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under fixed assets.

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.

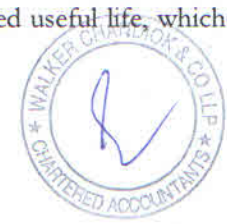
c) Depreciation and amortisation

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.

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

Amortisation of intangibles is based on the estimated useful life, as estimated by management, being five years.

d) 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.

e) 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.

f) Leases

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.

g) 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.

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

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.

h) 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.

i) 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.

j) 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.

k) 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.

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

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.

l) 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.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

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	As at 31 March 2014		As at 31 March 2013	
	Number	Amounts ₹	Number	Amounts ₹
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	16,000,000	160,000,000	16,000,000	160,000,000
Redeemable 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>19,000,000</u>	<u>190,000,000</u>
Issued				
Equity shares of ₹ 10 each	15,060,003	150,600,030	15,060,003	150,600,030
Subscribed and fully paid up				
Equity shares of ₹ 10 each	13,800,000	138,000,000	12,550,000	125,500,000
Subscribed and not fully paid up				
Equity shares of ₹ 10 each	1,250,000	9,375,000	2,500,000	18,750,000
	<u>15,050,000</u>	<u>147,375,000</u>	<u>15,050,000</u>	<u>144,250,000</u>

a) Reconciliation of equity share capital

Balance at the beginning of the year	15,050,000	144,250,000	12,550,000	125,500,000
Movement during the year	-	3,125,000	2,500,000	18,750,000
Balance at the end of the year	<u>15,050,000</u>	<u>147,375,000</u>	<u>15,050,000</u>	<u>144,250,000</u>

Reconciliation of preference share capital

Balance at the beginning of the year	-	-	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>-</u>	<u>-</u>

b) 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	50.00%	7,525,000	50.00%
RRB Securities Ltd	4,496,940	29.88%	4,496,940	29.88%
HB Stockholdings Ltd	3,028,000	20.12%	3,028,000	20.12%
	<u>15,049,940</u>		<u>15,049,940</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) 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.

Dr *VB* *de*

Suresh



	As at 31 March 2014 ₹	As at 31 March 2013 ₹
4 Reserves and surplus		
Amalgamation reserve		
Balance at the end of the year	2,100,000	2,100,000
Securities premium reserve		
Balance at the beginning of the year	56,250,000	-
Additions made during the year	9,375,000	56,250,000
Balance at the end of the year	<u>65,625,000</u>	<u>56,250,000</u>
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(76,177,457)	(11,407,871)
Add : loss transferred from statement of profit and loss	(11,857,633)	(64,769,586)
Balance at the end of the year	<u>(88,035,090)</u>	<u>(76,177,457)</u>
	<u>(20,310,090)</u>	<u>(17,827,457)</u>
5 Long-term borrowings		
Secured		
Vehicle loans from banks*	2,811,039	-
	<u>2,811,039</u>	<u>-</u>
* carry interest rate ranging from 9.83 percent to 10.20 percent, repayable in 60 equal monthly instalments during the tenure of the loans and are due for repayment in July 2018. These loans are secured by hypothecation of the respective vehicle.		
6 Deferred taxes		
Deferred tax liability		
Timing difference on depreciation of tangible assets	3,615,990	3,945,439
	<u>3,615,990</u>	<u>3,945,439</u>
Deferred tax asset		
Provision for employee benefits	(2,538,314)	(2,787,494)
Others	(39,697)	(63,825)
Total	<u>(2,578,011)</u>	<u>(2,851,319)</u>
Deferred tax liability (net)	<u>1,037,979</u>	<u>1,094,120</u>

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	31 March 2014		31 March 2013	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
7 Provisions				
Provisions for employee benefits (Also refer note (a) below)				
- Gratuity	3,954,327	58,700	4,432,740	54,345
- Compensated absences	4,159,808	41,774	4,486,261	47,669
	<u>8,114,135</u>	<u>100,474</u>	<u>8,919,001</u>	<u>102,014</u>

a) Employee benefits

Actuarial valuation has been done with the following assumptions

Particulars	31 March 2014		31 March 2013	
	Gratuity (Partly funded)	Compensated absences (unfunded)	Gratuity (Partly funded)	Compensated absences (unfunded)
Assumptions used				
Discount rate	8.75%	8.75%	8.50%	8.50%
Long-term rate of compensation increase	6.25%	6.25%	5.50%	5.50%
Rate of return on plan assets	6.75%	-	8.50%	-

Note:

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

	As at	As at
	31 March 2014	31 March 2013
	₹	₹
8 Trade payables		
Dues to -		
Micro, small and medium enterprises (Also, refer note (a) below)	-	-
Others	10,730,204	8,421,258
	<u>10,730,204</u>	<u>8,421,258</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, small and medium enterprises as at 31 March 2014. 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	688,936	134,497
Interest accrued but not due on vehicle loan	22,067	1,263
Statutory dues	2,397,655	2,721,369
Employee related payables	604,355	762,893
	<u>3,713,013</u>	<u>3,620,022</u>

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Taurus Asset Management Company Limited
 Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

10 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 01 April 2012	21,853,270	8,901,566	1,520,371	4,765,093	3,024,050	1,676,447			41,740,797
Additions	-	290,328	36,767	-	108,423	-			435,518
Disposals	-	(887,981)	(123,273)	-	(195,225)	(41,646)			(1,248,125)
Balance as at 31 March 2013	21,853,270	8,303,913	1,433,865	4,765,093	2,937,248	1,634,801			40,928,190
Additions	-	98,790	30,138	5,241,023	135,989	-			5,505,940
Disposals	-	(185,279)	-	(3,559,033)	(114,690)	-			(3,859,002)
Balance as at 31 March 2014	21,853,270	8,217,424	1,464,003	6,447,083	2,958,547	1,634,801			42,575,128
Accumulated depreciation and amortisation									
Balance as at 01 April 2012	5,446,133	5,275,899	825,118	1,771,040	686,755	622,593			14,627,538
Charge for the year	356,208	1,166,847	67,464	452,684	160,882	296,461			2,500,546
Reversal on disposal of assets	-	(723,839)	(61,981)	-	(60,693)	(27,631)			(874,144)
Balance as at 31 March 2013	5,802,341	5,718,907	830,601	2,223,724	786,944	891,423			16,253,940
Charge for the year	356,208	1,045,851	63,163	564,072	155,970	287,429			2,472,693
Reversal on disposal of assets	-	(148,074)	-	(1,786,396)	(23,473)	-			(1,957,943)
Balance as at 31 March 2014	6,158,549	6,616,684	893,764	1,001,400	919,441	1,178,852			16,768,690
Net block									
Balance as at 31 March 2013	16,050,929	2,585,006	603,264	2,541,369	2,150,304	743,378			24,674,250
Balance as at 31 March 2014	15,694,721	1,600,740	570,239	5,445,683	2,039,106	455,949			25,806,438


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	As at 31 March 2014		As at 31 March 2013	
	No. of shares/units	₹	No of shares/units	₹
11 Non-current investments				
Long term, non- trade, fully paid up				
Investments in bonds				
Unquoted				
10.75% Shriram Transport Finance Company Limited Bonds of face value ₹ 100,000 each	35	3,500,000	35	3,500,000
10.90% Tata Motors Finance Limited Bonds of face value ₹ 500,000 each	5	2,627,500	5	2,627,500
9.65% IDBI Bank Limited Bonds of face value ₹ 1,000,000 each	2	2,060,000	2	2,060,000
9.75% IFCI Limited Bonds of face value ₹ 1,000,000 each	3	3,000,000	3	3,000,000
9.95% State Bank of India Bonds of face value ₹ 10,000 each	-	-	100	1,010,000
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	350,100	3,501
Agri Marine Exports Limited	*	73,300	73,300	733
Astan 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









	As at 31 March 2014		As at 31 March 2013		
	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) Unquoted					
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
Teamasia Semiconductors Limited		250,000	2,500	250,000	2,500
Sub-total (A)			17,359,447		18,369,447









Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

	As at 31 March 2014		As at 31 March 2013	
	No. of shares/units	₹	No. of shares/units	₹
Quoted				
<u>Equity shares of ₹ 10 each unless otherwise stated</u>				
Ahluwalia Contracts India Limited (2 each)	1,131,319	1,357,583	1,131,319	1,357,583
Ganesh Ecosphere Limited	124,890	6,122,246	139,890	6,857,563
Jaiprakash Associates Limited (2 each)	89,255	11,732,371	89,255	11,732,371
Pilani Investment Limited	2,897	289,439	2,998	299,530
Rashtriya 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
Sub-total (B)		58,605,182		59,350,590
Total (A + B)		75,964,629		77,720,037
Less: Provision for diminution in value of investments		12,667,119		18,188,066
		63,297,510		59,531,971

* Not held in the name of the Company.

Aggregate amount of			
Book value of quoted investments		58,605,182	59,350,590
Market value of quoted investments		93,815,394	68,451,569
Book value of unquoted investments		17,359,447	18,369,447

	As at 31 March 2014		As at 31 March 2013	
	No. of shares/units	₹	No. of shares/units	₹
Current investments				
(Non-trade, fully paid up)				
Investments in mutual funds - Unquoted				
(Valued at lower of net realisable value or cost)				
Taurus Ultra Short Term Bond Fund, Super Institutional Growth	6,102	9,228,125	-	-
Taurus Liquid Fund, Direct Plan - Super Institutional Growth	2,308	3,186,134	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	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 Fund, Direct Plan - Growth	-	-	1,198	14,491
Taurus MIP Advantage Fund Fund, Direct Plan - Dividend	-	-	2,404	24,952
		12,430,118		1,789,007
Aggregate amount of				
Book value of unquoted investments in mutual funds		12,430,118		1,789,007
Net asset value of investments in mutual funds		13,209,768		1,799,337

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

	As at 31 March 2014		As at 31 March 2013	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
12 Loans and advances				
Unsecured, considered good				
Security deposits	5,362,533	-	6,259,394	-
Inter-corporate deposit	-	10,000,000	-	-
Other loans and advances				
Prepaid expenses	1,099,188	2,720,126	1,365,362	2,785,567
Balance with government authorities	-	198,628	-	362,280
Other advances	275,000	1,338,128	493,000	548,097
Prepaid taxes*	-	9,525,023	-	27,737,158
	6,736,721	23,781,905	8,117,756	31,433,102

* Net of provision of ₹ 340,940 pertaining to previous year's tax demand provided in the current year (previous year nil)

	As at	As at
	31 March 2014	31 March 2013
	₹	₹
13 Trade receivables		
(Unsecured, considered good)		
Management fee receivable	17,475,125	16,729,896
	17,475,125	16,729,896

14 Cash and bank balances

Cash and cash equivalents

	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Cash in hand	19,855	33,609
Balance in current accounts	2,880,540	4,529,359
	2,900,395	4,562,968

15 Other current assets

	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Interest accrued on		
Income tax refund	-	479,540
Non-current investments	367,374	466,600
Inter-corporate deposit	277,397	-
	644,771	946,140

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
16 Other income		
Interest income on:		
-non-current investments	1,179,371	1,391,226
-inter-corporate deposits	523,972	-
-income-tax refund	1,175,336	533,620
-others	2,352	4,138
Dividend income, non trade	878,671	881,486
Net gain on sale of investments	1,230,822	17,326,361
Other non operating other income		
- Provision for diminution in value of long-term investments written back	5,520,947	-
- Miscellaneous income	2,238	10,072
	<u>10,513,709</u>	<u>20,146,903</u>
17 Employee benefit expense		
Salaries, wages and bonus	87,480,244	111,868,804
Contribution to gratuity	790,216	372,128
Contribution to provident and other defined contribution funds	4,832,866	6,214,656
Staff welfare expenses	1,533,333	2,053,392
	<u>94,636,659</u>	<u>120,508,980</u>
18 Finance costs		
Interest expense	226,802	55,025
	<u>226,802</u>	<u>55,025</u>
19 Other expenses		
Advertisement and business promotion	2,444,934	3,771,580
Legal and professional	2,091,589	2,257,196
Payments to auditors	407,330	420,000
Recruitment charges	135,779	269,813
Director's sitting fees	820,000	770,000
Electricity	2,388,917	2,438,076
Travelling and conveyance	3,756,160	4,269,337
Repairs and maintenance		
- Buildings	138,276	218,578
- Others	2,663,653	3,304,695
Office expenses	632,095	637,165
Outsourced professional service cost	7,825,816	8,707,110
Insurance	553,136	366,161
Printing and stationery	625,065	773,956
Subscription and membership	11,558,163	11,444,088
Communication	2,406,097	3,388,049
Rent	13,532,308	17,373,469
Loss on sale of assets	666,647	234,712
Brokerage on rented premises	-	325,999
Rates and taxes	144,912	448,044
Mutual fund expenses (refer note 28)	15,914,574	33,757,700
Provision for diminution in value of long-term investments	-	2,255,318
Miscellaneous expenses	21,966	49,530
	<u>68,727,417</u>	<u>97,480,576</u>
20 Earnings per equity share - basic		
Net loss for the year	(11,857,633)	(64,769,586)
Weighted average number of shares	14,524,616	14,513,771
Nominal value of shares	10	10
Earnings per equity share - basic	(0.82)	(4.46)

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

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) List of related parties and relationships (with whom there were transactions during the year)

Key management personnel	Mr R. K. Gupta (Managing Director)
Investing parties of reporting enterprise	HB Portfolio Limited RRB Securities Limited HB Stockholdings Limited
Enterprises over which Directors exercise significant influence.	HB Securities Limited

	<u>For the year ended 31 March 2014</u>	<u>For the year ended 31 March 2013</u>
	₹	₹
(ii) Transactions with related parties during the year		
<i>Salary</i>		
Mr R. K. Gupta	4,249,200	4,249,200
<i>Depository Charges</i>		
HB Securities Limited	730	2,678
<i>Amount received against right issue including share premium</i>		
HB Portfolio Limited	-	37,500,000
RRB Securities Limited	7,470,000	22,410,000
HB Stockholdings Limited	5,030,000	15,090,000
<i>Amount received against issue of preference shares</i>		
HB Portfolio Limited	-	20,000,000
<i>Amount paid for redemption of preference shares</i>		
HB Portfolio Limited	-	20,000,000
(iii) Closing balances with related parties as at the year end		
<i>Share capital including share premium</i>		
HB Portfolio Limited	100,250,000	100,250,000
RRB Securities Limited	67,379,400	59,909,400
HB Stockholdings Limited	45,370,000	40,340,000

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.

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

23 Unhedged foreign currency exposure

Foreign currency exposures which are not hedged as at the Balance Sheet date are as per following:

Particulars	Currency	As at 31 March 2014	As at 31 March 2013
Trade payables	USD	5,000	-
	INR	300,450	-

Conversion rate applied is 1 USD = ₹ 60.09 (previous year ₹ 54.39)

	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
24 Expenditure in foreign currency		
Subscription and membership	382,097	66,300
	<u>382,097</u>	<u>66,300</u>
25 Payments to auditors		
As auditor		
Statutory audit	400,000	400,000
Tax audit	40,000	40,000
	<u>440,000</u>	<u>440,000</u>
Out of pocket expenses	7,330	20,000
Service tax	50,347	51,912
	<u>497,677</u>	<u>511,912</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 it's name.

27 The Company has leased certain office premises under cancellable operating lease arrangements. The rent expense under these agreements is ₹ 13,352,308 (previous year - ₹ 17,178,498).

28 Mutual fund expenses

Mutual fund expenses, inter alia, include;

- ₹ 11,450,206 (previous year ₹ 4,421,783) 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.
- ₹ 2,820 incurred in connection with Taurus FMP -91 Days Series – AA and FMP-369 Days Series -AB 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 ₹ 4,727,780 was incurred in the previous year for schemes launched during the financial year 2012-13.
- ₹ 2,096,013 (previous year ₹ 22,306,405) 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 29 March 2010 and 30 March 2010 and subsequent email dated 18 October 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 01 April 2010.

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Taurus Asset Management Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2014

29 Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

Walker Chandiook & Co.

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

Rajesh Jain

per Rajesh Jain

Partner

Place: Gurgaon

Date: 29 August 2014



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

Deepa Varshnei

Deepa Varshnei
Executive Vice President

Niti Biyala Dwivedi

Niti Biyala Dwivedi
Company Secretary