

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

## Independent Auditor's Report

To the Members of Taurus Asset Management Company Limited

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## 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 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22 August 2017 as per Annexure II expressed unmodified opinion; and





# Walker Chandiook & Co LLP

- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigation which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. the Company has provided disclosures in Note 31 to the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the Company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between Specified Bank Notes and other denomination notes of 'Permitted receipts', 'Permitted payments' and 'Amount deposited in banks' as disclosed under such Note.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rajni Mundra

per Rajni Mundra

Partner

Membership No.: 058644



Place: New Delhi

Date: 22 August 2017

# Walker Chandiook & Co LLP

## Annexure I to the Independent Auditor's Report to the members of Taurus Asset Management Company Limited on the financial statements for the year ended 31 March 2017

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, and to the best of our knowledge and belief, 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) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to 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, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.



# Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report to the members of Taurus Asset Management Company Limited on the financial statements for the year ended 31 March 2017 (Cont'd)

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid (and)/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rajni Mundra

per Rajni Mundra

Partner

Membership No.: 058644



Place: New Delhi

Date: 22 August 2017



# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Taurus Asset Management Company Limited on the financial statements for the year ended 31 March 2017

## Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the financial statements of Taurus Asset Management Company Limited (the 'Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Taurus Asset Management Company Limited on the financial statements for the year ended 31 March 2017  
(Cont'd)

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandiook & Co LLP  
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rajni Mundra  
per Rajni Mundra  
Partner  
Membership No.: 058644



Place: New Delhi  
Date: 22 August 2017



Taurus Asset Management Company Limited  
Balance sheet as at 31 March 2017

	Notes	As at 31 March 2017	Amount in ₹ As at 31 March 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	4	169,312,360	147,375,000
Reserves and surplus	5	<u>332,275,388</u>	<u>183,380,498</u>
		<u>501,587,748</u>	<u>330,755,498</u>
<b>Non-current liabilities</b>			
Long-term borrowings	6	278,680	1,362,079
Long-term provisions	7	<u>10,468,840</u>	<u>9,440,093</u>
		<u>10,747,520</u>	<u>10,802,172</u>
<b>Current liabilities</b>			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and			
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,930,600	3,807,850
Other current liabilities	8	7,288,320	14,455,112
Short-term provisions	7	<u>1,103,553</u>	<u>3,944,913</u>
		<u>14,322,473</u>	<u>22,207,875</u>
<b>TOTAL</b>		<u><b>526,657,741</b></u>	<u><b>363,765,545</b></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Property, plant and equipments		21,343,709	22,012,463
Intangible assets		521,334	496,834
Non-current investments	10	53,128,595	71,292,246
Deferred tax assets (net)	11	315,416	119,123
Long-term loans and advances	12	<u>6,299,321</u>	<u>6,631,844</u>
		<u>81,608,375</u>	<u>100,552,510</u>
<b>Current assets</b>			
Current investments	13	121,069,573	72,388,402
Trade receivables	14	13,190,942	21,819,779
Cash and bank balances	15	26,556,567	4,201,340
Short-term loans and advances	12	280,066,298	161,781,996
Other current assets	16	<u>4,165,986</u>	<u>3,021,518</u>
		<u>445,049,366</u>	<u>263,213,035</u>
<b>TOTAL</b>		<u><b>526,657,741</b></u>	<u><b>363,765,545</b></u>

Notes 1 to 32 are 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  
Chartered Accountants

*Rajni Mundra*  
per Rajni Mundra  
Partner



For and on behalf of the Board of Directors

*J.P. Kundra*  
J.P. Kundra  
Chairman  
DIN: 00004228

*R.K. Gupta*  
R.K. Gupta  
Managing Director  
DIN: 00021659

*Waqar Naqvi*  
Waqar Naqvi  
Chief Executive Officer

*Amarjeet Singh*  
Amarjeet Singh  
Chief Financial Officer

*Anu Suri*  
Anu Suri  
Company Secretary  
Membership No. 27744

Place : New Delhi  
Date : 22 August 2017



Taurus Asset Management Company Limited  
Statement of profit and loss for the year ended 31 March 2017

		Amount in ₹	
	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Revenue</b>			
Revenue from management fee		123,729,123	215,408,589
Other income	17	116,762,351	102,558,602
		240,491,474	317,967,191
<b>Expenses</b>			
Employee benefits expense	18	89,310,848	93,165,648
Finance costs	19	298,769	907,185
Depreciation and amortisation expense	9	2,171,691	1,974,758
Other expenses	20	74,541,087	60,712,290
		166,322,395	156,759,881
<b>Profit before tax</b>		74,169,079	161,207,310
<b>Tax expense</b>			
Current year		15,738,630	31,698,130
Deferred tax credit		(196,293)	(281,092)
<b>Profit for the year</b>		58,626,742	129,790,272
<b>Earnings per share - (nominal value of share ₹ 10 each) - Basic</b>	21	3.95	8.81

Notes 1 to 32 are an integral part of these financial statements.

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

Walker Chandniok & Co LLP  
For Walker Chandniok & Co LLP  
Chartered Accountants

Rajni Mundra  
per Rajni Mundra  
Partner



Waqar Naqvi  
Chief Executive Officer

For and on behalf of the Board of Directors

J.P. Kundra  
Chairman  
DIN: 00004228

R.K. Gupta  
Managing Director  
DIN: 00021659

Amarjeet Singh  
Chief Financial Officer

Anu Suri  
Company Secretary  
Membership No. 27744

Place : New Delhi  
Date : 22 August 2017

	Amount in ₹	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>A. Cash flow from operating activities :</b>		
Net profit before tax	74,169,079	161,207,310
<b>Adjustment for:</b>		
Depreciation and amortisation expense	2,171,691	1,974,758
Interest expense on vehicle loans	200,104	324,541
Loss on disposal of fixed assets	21,819	48,660
Provision for diminution in value of long-term investments written back	(1,906,005)	(11,393,200)
Diminution in value of current investments	4,683,751	-
Interest income	(25,862,751)	(17,052,737)
Dividend income	(968,625)	(2,735,068)
Net gain on sale of investments	(88,022,920)	(71,322,356)
<b>Operating profit before working capital changes</b>	<b>(35,513,857)</b>	<b>61,051,908</b>
<b>Adjustment for changes in working capital :</b>		
- Movement in trade receivables	8,628,836	(4,295,192)
- Movement in loans and advances	(123,259,372)	(102,247,960)
- Movement in trade payables	2,122,750	1,055,811
- Movement in other current liabilities	(6,961,551)	(33,793)
- Movement in provisions	1,134,181	1,357,164
<b>Gross cash flow (used in) operations</b>	<b>(153,849,013)</b>	<b>(43,112,062)</b>
Less: income-tax paid	(12,422,462)	(30,744,645)
<b>Net cash flow(used in) operating activities</b>	<b>(166,271,475)</b>	<b>(73,856,707)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(1,576,722)	(1,029,626)
Sale proceeds from fixed assets	27,467	31,271
Sale proceeds from investments	366,077,652	476,461,826
Purchase of investments	(311,350,000)	(415,769,491)
Purchase of deposits having original maturity of more than 12 months	(19,800,000)	-
Interest received	23,762,916	13,632,756
Dividend received	968,625	2,735,068
<b>Net cash flow generated from investing activities</b>	<b>58,109,938</b>	<b>76,061,804</b>
<b>C. Cash flow from financing activities:</b>		
Call money received on equity shares	3,125,000	-
Proceeds from issue of shares	109,080,508	-
Repayment of long-term borrowings	(1,279,637)	(1,156,071)
Interest paid on borrowings	(209,107)	(332,674)
<b>Net cash flow generated from / (used in) financing activities</b>	<b>110,716,764</b>	<b>(1,488,745)</b>
Net increase in cash and cash equivalents (A+B+C)	2,555,227	716,352
Cash and cash equivalents at the beginning of the year	4,201,340	3,484,988
<b>Cash and cash equivalents at the end of the year (refer note 15)</b>	<b>6,756,567</b>	<b>4,201,340</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	18,451	20,105
Balances with banks	6,738,116	4,181,235
- in current accounts	6,756,567	4,201,340

Notes 1 to 32 are an integral part of these financial statements.

This is the cash flow statement referred to in our report of even date.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Rajni Mundra

per Rajni Mundra  
Partner



Waqar Naqvi  
Chief Executive Officer

Place : New Delhi  
Date : 22 August 2017

For and on behalf of the Board of Directors

J.P. Kundra  
Chairman  
DIN: 00004228

R.K. Gupta  
Managing Director  
DIN: 00021659

Amarjeet Singh  
Chief Financial Officer

Amr Suri  
Company Secretary  
Membership No.27744



**Taurus Asset Management Company Limited**

**Summary of significant accounting policies and other explanatory information to the financial statement for the year ended 31 March 2017**

**1. Basis of Preparation**

The financial statements have been prepared to comply with the generally accepted accounting principles in India (Indian GAAP) comprising mandatory accounting standards specified under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Company (Accounts) Rules 2014 and relevant provision of 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.

2. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to a SMC. Pursuant to exemptions/ relaxations applicable to a SMC, Accounting Standard 17 – Segment Reporting is not applicable to the Company. Further, certain disclosure requirements in terms of Accounting Standard 15 (R) – Employee Benefits, Accounting Standard 19 – Leases, Accounting Standard 20 – Earnings per Share and Accounting Standard 29 - Contingent Liabilities and Contingent Assets are also not applicable to the Company.

**3. Significant accounting policies**

**a) 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.

**b) Fixed assets and intangibles**

**Property, plant and equipments**

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.

**c) Depreciation and amortisation**

Depreciation on property, plant and equipments is provided on straight line method as per useful life specified in Schedule II of the Act.

Depreciation on additions is charged proportionately from the date of acquisition/ installation. Depreciation on deletions is charged till the date of disposal of asset.

Intangible assets are amortized on a straight line basis over the estimated useful life of the asset



Handwritten signatures and initials in blue ink.

**Taurus Asset Management Company Limited**

**Summary of significant accounting policies and other explanatory information to the financial statement for the year ended 31 March 2017**

**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. Interest income is accounted for on an accrual basis on time proportionate basis at the applicable rates.
- iii. Dividend income is accounted for as income when the Company's right to receive it is established.
- iv. 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.

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.



Four handwritten signatures in blue ink, arranged horizontally. The first signature is on the left, followed by three more signatures to its right.



**Taurus Asset Management Company Limited**

**Summary of significant accounting policies and other explanatory information to the financial statement for the year ended 31 March 2017**

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 comprise 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) Scheme Expenses**

Expenses incurred on behalf of the schemes of Taurus Mutual Fund are recognized in the statement of profit and loss under the head Mutual fund expenses.

**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.

**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



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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 31 March 2017**

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.

**n) 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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**Taurus Asset Management Company Limited**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017

	Amount in ₹			
	As at 31 March 2017		As at 31 March 2016	
	Number	Amounts	Number	Amounts
<b>4 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 per share	17,000,000	170,000,000	16,000,000	160,000,000
Redeemable preference shares of ₹ 10 per share	3,000,000	30,000,000	3,000,000	30,000,000
	<b>20,000,000</b>	<b>200,000,000</b>	<b>19,000,000</b>	<b>190,000,000</b>
<b>Issued</b>				
Equity shares of ₹ 10 per share	16,941,252	169,412,520	15,060,003	150,600,030
<b>Subscribed and fully paid up</b>				
Equity shares of ₹ 10 per share	16,931,236	169,312,360	13,800,000	138,000,000
<b>Subscribed and not fully paid up</b>				
Equity shares of ₹ 10 each paid up of ₹ 7.50 per share	-	-	1,250,000	9,375,000
	<b>16,931,236</b>	<b>169,312,360</b>	<b>15,050,000</b>	<b>147,375,000</b>

**a) Reconciliation of equity share capital as at the beginning and at the end of the year**

Balance at the beginning/end of the year	15,050,000	147,375,000	15,050,000	147,375,000
Add : Shares issued during the year	1,881,236	18,812,360	-	-
Add : Balance amount received pertaining to partly paid up shares, now fully paid up	-	3,125,000	-	-
Balance at the end of the year	<b>16,931,236</b>	<b>169,312,360</b>	<b>15,050,000</b>	<b>147,375,000</b>

**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	8,465,618	50.00%	7,525,000	50.00%
RRB Securities Ltd	5,059,058	29.88%	4,496,940	29.88%
HB Stockholdings Ltd	3,406,500	20.12%	3,028,000	20.12%

\* As per records of the Company, including its register of members/ shareholders and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- c) The Company has issued 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 the remaining assets of the Company after settlement of all the liabilities, in proportion to the number of equity shares held by the shareholders.
- d) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid up bonus shares and brought back in the current reporting period and in last five years immediately preceding the current reporting year.

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	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
<b>5 Reserves and surplus</b>		
<b>Amalgamation reserve</b>		
Balance at the beginning/end of the year	2,100,000	2,100,000
<b>Securities premium reserve</b>		
Balance at the beginning of the year	65,625,000	65,625,000
Add: Additions during the year	90,268,148	-
Balance at the end of the year	<u>155,893,148</u>	<u>65,625,000</u>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	115,655,498	(14,134,774)
Add : Profit for the year	58,626,742	129,790,272
Balance at the end of the year	<u>174,282,240</u>	<u>115,655,498</u>
	<u><u>332,275,388</u></u>	<u><u>183,380,498</u></u>
<b>6 Long-term borrowings</b>		
<b>Secured</b>		
Vehicle loans from banks*	278,680	1,362,079
	<u>278,680</u>	<u>1,362,079</u>

\* These loans carry interest ranging from 9.83 percent to 10.51 percent, repayable in 36 to 60 equal monthly instalments and are due for repayment by July 2018. These loans are secured by hypothecation of the respective vehicles.

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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 2017

**7 Provisions**

	Amount in ₹			
	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Provisions for employee benefits (also refer note (a) below)				
- Gratuity	5,087,654	61,625	4,674,315	61,200
- Compensated absences	5,381,186	50,368	4,765,778	44,024
Provision for income-tax	-	991,560	-	3,839,689
	<b>10,468,840</b>	<b>1,103,553</b>	<b>9,440,093</b>	<b>3,944,913</b>

\* Net of prepaid taxes of ₹ 14,845,736 (previous year ₹ 28,441,084).

**a) Employee benefits**

Actuarial valuation has been done with the following assumptions

Particulars	As at 31 March 2017		As at 31 March 2016	
	Gratuity (Partly funded)	Compensated absences (unfunded)	Gratuity (Partly funded)	Compensated absences (unfunded)
<b>Assumptions used</b>				
Discount rate	7.50%	7.50%	7.50%	7.50%
Long-term rate of compensation increase	5.25%	5.25%	5.25%	5.25%
Rate of return on plan assets	8.25%	-	8.35%	-

**Note:**

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

**8 Other current liabilities**

	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term borrowings	1,083,399	1,279,637
Interest accrued but not due on long-term borrowings	8,834	17,837
Statutory dues	3,328,018	2,243,406
Employee related payables	997,147	8,942,224
Other liabilities	1,870,922	1,972,008
	<b>7,288,320</b>	<b>14,455,112</b>

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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 2017

9 Fixed assets	Property, plant and equipments							Intangible assets	
	Buildings	Computers	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total	Computer software	Total
Balance as at 31 March 2015	21,853,270	7,451,220	1,464,003	6,903,830	3,054,444	1,634,801	42,361,568	3,576,528	3,576,528
Additions	-	385,770	7,313	-	225,369	-	618,452	411,174	411,174
Disposals	-	(483,514)	-	-	(291,513)	-	(775,027)	-	-
Balance as at 31 March 2016	21,853,270	7,353,476	1,471,316	6,903,830	2,988,300	1,634,801	42,204,993	3,987,702	3,987,702
Additions	-	1,176,803	36,500	57,989	162,632	-	1,433,924	142,798	142,798
Disposals	-	(198,629)	-	-	(85,479)	-	(284,108)	-	-
Balance as at 31 March 2017	21,853,270	8,331,650	1,507,816	6,961,819	3,065,453	1,634,801	43,354,809	4,130,500	4,130,500
<b>Accumulated depreciation and amortisation</b>									
Balance as at 31 March 2015	6,500,329	6,490,820	985,111	1,083,589	2,476,882	1,553,060	19,089,791	3,313,945	3,313,945
Charge for the year	342,716	334,401	89,193	831,954	199,571	-	1,797,835	176,923	176,923
Reversal on disposal of assets	-	(464,031)	-	-	(231,065)	-	(695,096)	-	-
Balance as at 31 March 2016	6,843,045	6,361,190	1,074,304	1,915,543	2,445,388	1,553,060	20,192,530	3,490,868	3,490,868
Charge for the year	341,780	643,346	87,111	836,481	144,675	-	2,053,393	118,298	118,298
Reversal on disposal of assets	-	(190,351)	-	-	(44,472)	-	(234,823)	-	-
Balance as at 31 March 2017	7,184,825	6,814,185	1,161,415	2,752,024	2,545,591	1,553,060	22,011,100	3,609,166	3,609,166
<b>Net block</b>									
Balance as at 31 March 2016	15,010,225	992,286	397,012	4,988,287	542,912	81,741	22,012,463	496,834	496,834
Balance as at 31 March 2017	14,668,445	1,517,465	346,401	4,209,795	519,862	81,741	21,343,709	521,334	521,334

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	As at 31 March 2017		As at 31 March 2016	
	No. of shares/units	Amount in ₹	No of shares/units	Amount in ₹
<b>10 Non-current investments</b>				
<b>Long term, non- trade, fully paid up Investments in bonds</b>				
<b>Unquoted</b>				
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
<b>Investments in mutual funds</b>				
<b>Unquoted</b>				
Taurus Starshare - Direct Plan - Growth	55,078.211	5,000,000	55,078.211	5,000,000
Taurus Discovery Fund - Direct Plan - Growth	76,033.058	2,300,000	76,033.058	2,300,000
Taurus Bonanza Fund - Direct Plan - Growth	35,093.316	2,200,000	35,093.316	2,200,000
Taurus Infrastructure Fund - Direct Plan - Growth	38,335.159	700,000	38,335.159	700,000
Taurus Tax Shield - Direct Plan - Growth	93,075.205	5,000,000	93,075.205	5,000,000
Taurus Ethical Fund - Direct Plan - Growth	45,971.449	1,900,000	45,971.449	1,900,000
Taurus Nifty Index Fund - Direct Plan - Growth	3,224.018	50,000	3,224.018	50,000
Taurus Banking and Financial Services Fund - Direct Plan - Growth	42,444.822	750,000	42,444.822	750,000
Taurus Short Term Income Fund - Direct Plan - Growth	2,019.438	5,000,000	2,019.438	5,000,000
Taurus Ultra Short Term Bond Fund - Direct Plan - Super Institutional Growth	2,942.190	5,000,000	2,942.190	5,000,000
Taurus Liquid Fund - Direct Plan - Super Institutional Growth	3,280.235	5,000,000	3,280.235	5,000,000
Taurus Dynamic Income Fund - Direct Plan - Growth	142,721.557	2,000,000	142,721.557	2,000,000
Taurus MIP Advantage Fund - Direct Plan - Growth	-	-	142,419.228	2,100,000
<b>Investments in equity instruments</b>				
Equity shares of ₹ 10 each unless stated otherwise				
<b>(a) Listed but not quoted</b>				
ADS Diagnostic Limited	25,000	110,825	25,000	110,825
Aditya Aquaculture Limited	350,100	3,501	350,100	3,501
Agr -Marine Exports Limited	73,300	733	73,300	733
Asian Vegpro Industries Limited	100,000	1,000	100,000	1,000
Auroma Coke Limited	250,000	2,500	250,000	2,500
Consolidated Containers Limited	12,500	125	12,500	125
Deep Diamond India Limited	100,000	3,500	100,000	3,500



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	As at 31 March 2017		As at 31 March 2016	
	No. of shares/units	Amount in ₹	No of shares/units	Amount in ₹
Flora Textiles Limited *	300,100	3,001	300,100	3,001
Gujarat Chemical Plasto Limited *	25,000	250	25,000	250
Gummadi Industries Limited *	100,100	1,001	100,100	1,001
Hindustan Domestic Oil Limited *	42,400	424	42,400	424
Hytasun Magnetics Limited *	35,500	355	35,500	355
Jaswal Granites Limited *	150,000	1,500	150,000	1,500
Kumars Kotex Limited *	300,100	3,001	300,100	3,001
LD Textiles Limited *	225	2	225	2
Manav Pharma Limited *	24,900	249	24,900	249
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 Agritech Limited	165,200	1,652	165,200	1,652
Nortech India Limited *	200,000	2,000	200,000	2,000
Nutech Organic Chemicals Limited *	200,000	2,000	200,000	2,000
Omtex Limited *	50,000	500	50,000	500
Pan Asia Global Limited *	3,100	31	3,100	31
P G Industries Limited *	50,000	500	50,000	500
Premier Aqua Limited *	175,000	1,750	175,000	1,750
Premier Polyfilm 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





	As at 31 March 2017		As at 31 March 2016	
	No. of shares/units	Amount in ₹	No of shares/units	Amount in ₹
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 Fuel Limited *	162,000	1,620	162,000	1,620
Sudev Industries Limited	124,900	1,249	124,900	1,249
Superior Sox Limited *	100,000	1,000	100,000	1,000
Suppliment Foods Limited *	20,000	200	20,000	200
Suryo Foods and Industries Limited *	77,700	777	77,700	777
Usha Ispat Limited	23,000	230	23,000	230
Viral Filaments Limited *	107,100	1,071	107,100	1,071
Viral Syntex Limited	115,900	1,159	115,900	1,159
Western Foods Limited *	84,800	848	84,800	848
Western Orissa Sugar Limited *	2,950	30	2,950	30
<b>(b) Unquoted</b>				
Akshay Software Technologies Limited	300,000	4,218,000	300,000	4,218,000
Associated Infotech Limited	400,000	4,000	400,000	4,000
MF Utilities (₹ 1 each)	500,000	500,000	500,000	500,000
Sovika Airline Services Limited	350,000	1,780,560	350,000	1,780,560
Teamasia Semiconductors Limited	250,000	2,500	250,000	2,500
<b>Sub-total ( A )</b>		<b>52,759,447</b>		<b>54,859,447</b>

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	As at 31 March 2017		As at 31 March 2016	
	No. of shares/units	Amount in ₹	No of shares/units	Amount in ₹
<b>Quoted</b>				
Equity shares of ₹ 10 each unless otherwise stated				
Ahluwalia Contracts (India) Limited (₹ 2 each)	307,623	369,148	582,964	699,557
Pilani Investment & Industries Corporation Limited	-	-	1,345	134,379
Rashtriya Chemicals & Fertilizers Limited	-	-	9,000	1,026,775
Reliance Industries Limited	-	-	15,917	16,478,093
<b>Sub-total ( B )</b>		<u>369,148</u>		<u>18,338,804</u>
<b>Total (A + B)</b>		<u>53,128,595</u>		<u>73,198,251</u>
Less: Provision for diminution in value of investments		-		1,906,005
		<u>53,128,595</u>		<u>71,292,246</u>
* Not held in the name of the Company (refer note 25).				
Aggregate amount of				
Book value of quoted investments		369,148		18,338,804
Market value of quoted investments		95,886,089		190,946,392
Book value of unquoted investments		17,859,447		17,859,447
Book value of unquoted investments in mutual funds		34,900,000		37,000,000
Net asset value of investments in mutual funds		38,526,235		37,205,144

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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 2017

	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
<b>11 Deferred taxes assets (net)</b>		
<b>Deferred tax assets comprises of:</b>		
Provision for employee benefits	3,498,341	3,303,443
Others	149,655	173,468
	<u>3,647,996</u>	<u>3,476,911</u>
<b>Deferred tax liability comprises of:</b>		
Timing difference on depreciation and amortisation of tangible assets	3,332,580	3,357,788
	<u>3,332,580</u>	<u>3,357,788</u>
<b>Deferred taxes assets (net)</b>	<u><u>315,416</u></u>	<u><u>119,123</u></u>

12 Loans and advances	Amount in ₹			
	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
<i>(Unsecured, considered good)</i>				
Security deposits	5,218,235	-	5,313,122	-
Inter corporate deposits (refer note 28)	-	270,000,000	-	145,000,000
Other loans and advances				
Prepaid expenses	871,086	2,741,001	997,722	3,265,206
Balance with government authorities	-	930,127	-	653,089
Receivables against sale of investments	-	6,081,707	-	6,385,713
Other advances	210,000	313,463	321,000	1,170,395
Prepaid taxes	-	-	-	5,307,593
	<u>6,299,321</u>	<u>280,066,298</u>	<u>6,631,844</u>	<u>161,781,996</u>

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	As at 31 March 2017		As at 31 March 2016	
	No. of shares/units	Amount in ₹	No of shares/unit	Amount in ₹
<b>13 Current investments</b>				
<b>(Non-trade investments)</b>				
<b>Investments in mutual funds - unquoted</b>				
<b>(valued at lower of net realisable value and cost)</b>				
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Option	20,625	81,519,658	-	-
Taurus Ultra Short Term Bond Fund - Direct Plan - Super Institutional Growth	20,321	35,611,146	39,737	71,470,971
Taurus Liquid Fund - Direct Plan - Super Institutional Growth	2,344	3,831,112	494	802,988
Taurus Dynamic Income Fund - Direct Plan - Growth	7,638	107,657	7,638	114,443
		<u>121,069,573</u>		<u>72,388,402</u>
Aggregate amount of				
Book value of unquoted investments in mutual funds		121,069,573		72,388,402
Net asset value of investments in mutual funds		121,378,294		74,151,230

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	Amount in ₹	
	As at 31 March 2017	As at 31 March 2016
<b>14 Trade receivables</b>		
<i>(Unsecured and considered good)</i>		
Outstanding for a period less than six months from the date they are due for payment	13,190,942	21,819,779
	<u>13,190,942</u>	<u>21,819,779</u>
<b>15 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	18,451	20,105
Balances with banks		
- in current accounts	6,738,116	4,181,235
<b>Other bank balances</b>		
- Deposits with original maturity of more than twelve months*	19,800,000	
	<u>26,556,567</u>	<u>4,201,340</u>
* <i>having remaining maturity of less than 12 months.</i>		
<b>16 Other current assets</b>		
Interest accrued on		
Non-current investments	367,374	368,972
Fixed deposits with bank/inter corporate deposits	3,798,612	1,697,178
Income-tax refund	-	955,368
	<u>4,165,986</u>	<u>3,021,518</u>

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	Amount in ₹	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>17 Other income</b>		
Interest income on:		
- non-current investments in bonds	1,132,649	1,136,379
- inter-corporate deposits	23,861,636	14,002,191
- fixed deposits with banks	866,521	-
- income-tax refund	-	1,912,298
- others	1,945	1,869
Dividend income on equity instruments	968,625	2,735,068
Net gain on sale of investments	88,022,920	71,322,356
Other non-operating income		
- Provision for diminution in value of long-term investments written back	1,906,005	11,393,200
- Miscellaneous income	2,050	55,241
	<u>116,762,351</u>	<u>102,558,602</u>
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	80,728,853	85,462,147
Contribution to gratuity	1,770,051	1,626,350
Contribution to provident and other defined contribution funds	5,403,826	4,457,596
Staff welfare expenses	1,408,118	1,619,555
	<u>89,310,848</u>	<u>93,165,648</u>
<b>19 Finance costs</b>		
Interest expenses		
- on vehicle loans	200,104	324,541
- others	98,665	582,644
	<u>298,769</u>	<u>907,185</u>

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	Amount in ₹	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>20 Other expenses</b>		
Rent	12,240,453	11,612,081
Advertisement and business promotion	5,598,160	7,212,809
Legal and professional fees (refer note 24)	2,471,025	2,362,977
Recruitment charges	22,202	604,353
Director's sitting fees	1,524,103	921,750
Electricity charges	2,200,121	2,155,691
Travelling and conveyance	5,099,708	5,263,887
Repairs and maintenance		
- Buildings	167,451	170,760
- Others	2,318,232	2,495,367
Office expenses	1,018,586	733,157
Outsourced professional service costs *	5,805,666	7,773,209
Insurance	606,060	519,231
Printing and stationery	568,873	542,954
Subscription and membership	8,854,807	8,329,458
Communication	2,646,901	2,571,187
Loss on disposal of assets	21,819	48,660
Brokerage on rented premises	-	70,000
Rates and taxes	336,545	209,834
Mutual fund expenses (refer note 27)	17,492,779	7,100,488
Diminution in value of current investments	4,683,751	-
Corporate social responsibility expenditure	750,000	-
Miscellaneous expenses	113,845	14,437
	<b>74,541,087</b>	<b>60,712,290</b>

**21 Earning per equity share - basic**

Net profit for the year	58,626,742	129,790,272
Weighted average number of shares (no.)	14,857,619	14,737,500
Opening number of equity shares (no.)	15,050,000	15,050,000
Closing number of equity shares (no.)	16,931,236	15,050,000
Nominal value of shares (₹)	10.00	10.00
Earnings per equity share - basic (₹)	3.95	8.81

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22 Related party transactions

Related party disclosures, as required by the notified Accounting Standard 18 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</u> <u>31 March 2017</u>	<u>Amount in ₹</u> <u>For the year ended</u> <u>31 March 2016</u>
<b>(ii) Transactions with related parties during the year</b>		
<i>Salary</i>		
Mr R. K. Gupta	4,889,140	4,549,200
<i>Depository Charges</i>		
HB Securities Limited	13,407	10,945
<i>Amount received against right issue including share premium</i>		
HB Portfolio Limited	62,352,754	-
RRB Securities Limited	29,792,254	-
HB Stockholdings Limited	20,060,500	-
<b>(iii) Closing balances with related parties as at the year end</b>		
<i>Share capital including share premium</i>		
HB Portfolio Limited	162,602,754	100,250,000
RRB Securities Limited	97,171,654	67,379,400
HB Stockholdings Limited	65,430,500	45,370,000

23 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.

	<u>For the year ended</u> <u>31 March 2017</u>	<u>Amount in ₹</u> <u>For the year ended</u> <u>31 March 2016</u>
<b>24 Payments to auditors (exclusive of service tax)</b>		
<i>As auditors</i>		
Statutory audit	700,000	825,000
for other services	40,000	-
Towards reimbursement of expenses	16,070	11,500
	<u>756,070</u>	<u>836,500</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 its name.

26 The Company has leased certain office premises under cancellable operating lease arrangements. The rent expense under these agreements is ₹ 12,240,453 (previous year ₹ 11,431,781). These are cancellable leases entered for a period of 11 months to 3 years. There is no escalation clause provided within the lock in period in these contracts.



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27 Mutual fund expenses

Mutual fund expenses, inter alia, include;

- a) ₹ 863,403 (previous year ₹ 2,543,366) 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) ₹ 736,022 (previous year ₹ 1,250,158) 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 1 April 2010.
  - c) Expenses related to schemes of Taurus Mutual fund other than commission expenses, fund marketing expenses, bank charges, contribution to investor education fund and trusteeship fees have been borne by the Company with effect from 1 October 2016.
- 28 The Company has given inter corporate loans to Gemini Portfolios Private Limited ₹ 150,000,000 (previous year ₹ 75,000,000) and ₹ 120,000,000 to Venus Portfolios Private Limited (previous year ₹ 70,000,000) for business purposes.
- 29 Information as required to be furnished as per section 22 of the Micro, small and medium Enterprises Development (MSMED) Act, 2006 for the year ended 31 March 2017 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Amount in ₹	
For the year ended 31 March 2017	For the year ended 31 March 2016

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:

Principal

Interest

ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.

iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.

v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006

The total dues of micro and small and medium enterprises which were outstanding for more than stipulated period are ₹ nil (previous year ₹ nil) as on the balance sheet date.

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- 30 In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. Below are the disclosures with respect to the CSR

Gross amount to be spent during the year ₹ 746,113

Amount spent during the year			Amount in ₹
	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	750,000	-	750,000

- 31 During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated 31st March 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

			Amount in ₹
	SBNs*	Other denomination notes	Total
Closing cash on hand as on 8 November 2016	13,000	46,553	59,553
(+) Permitted receipts	-	395,258	395,258
(-) Permitted payments	-	367,947	367,947
(-) Amount deposited in banks	13,000	-	13,000
Closing cash on hand as on 30 December 2016	-	73,864	73,864

\* For the purpose of this clause "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E). Dated the 8th November, 2016.

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

Walker Chandniok & Co LLP  
For Walker Chandniok & Co LLP  
Chartered Accountants

Rajni Mundry  
per Rajni Mundry  
Partner



Place : New Delhi  
Date : 22 August 2017

For and on behalf of the Board of Directors

J.P. Kundra  
Chairman  
DIN: 00004228

R.K. Gupta  
Managing Director  
DIN: 00021659

Waqar Naqvi  
Chief Executive Officer

Amarjeet Singh  
Chief Financial Officer

Anu Suri  
Company Secretary  
Membership No.277