

DIRECTORS' REPORT
TAURUS ASSET MANAGEMENT COMPANY LIMITED

Dear members,

The Directors have pleasure in presenting the 15th Annual Report of your Company together with Audited Statement of Accounts for the financial year ended March 31, 2008.

BACKGROUND

The Company has been permitted by SEBI to act as the Investment Manager of Taurus Mutual Fund vide their letter no. IIMARP/22714/93 dt. 21.09.1993.

SCHEME PERFORMANCE

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

Equity Oriented Schemes

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

Equity Linked Saving Schemes

- Libra Tax Shield

Income Schemes

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

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

As on March 31, 2008, the performance of these schemes was as under:-

| Name of the Scheme | NAV on | NAV on |
|--------------------|--------|--------|
|--------------------|--------|--------|

| | 31.03.2007 | 31.03.2008 |
|--|------------|------------|
| Taurus the Starshare | 37.28 | 51.94 |
| Discovery Stock Fund | 14.50 | 21.25 |
| Bonanza Exclusive Growth Scheme - open | 32.27 | 40.96 |
| Taurus Infra-Tips | 10.07 | 11.57 |
| Libra Tax Shield | 15.80 | 24.05 |
| Libra Gilt Fund | 12.8761 | 13.4091 |
| Libra Bond Fund | 14.2309 | 14.7965 |
| Taurus Liquid Fund | 10.3472 | 10.9581 |

FINANCIAL RESULTS

The performance of the Company during the Financial Year 2007-2008 is given as follows:

| Particulars | FY 2006 - 2007 (Rs. Lacs) | FY 2007 - 2008 (Rs. Lacs) |
|-------------------------------------|------------------------------|------------------------------|
| Management Fees | 276.47 | 380.13 |
| Other income | 371.69 | 583.18 |
| Gross Income | 648.16 | 963.31 |
| Employee cost | 127.09 | 205.27 |
| Other Expenses | 461.54 | 399.29 |
| Net operating profit (Loss) | 59.53 | 358.75 |
| Provisions for tax | - | (37.65) |
| Provision for Deferred Tax | (24.68) | 1.69 |
| Provision for Fringe Benefit Tax | (2.90) | (3.88) |
| Profit after tax | 31.92 | 318.91 |
| Profit (loss) brought forward | 308.73 | 340.65 |
| Balance available for Appropriation | 340.65 | 659.56 |
| Dividend/Adjustments | - | 0.12 |
| Balance carried to Balance Sheet | 340.65 | 659.68 |

DIVIDEND

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

FUTURE PLAN

Company has taken an aggressive expansion plan to increase the AUM. Accordingly, various areas of operations including marketing, fund management, accounts etc. are being strengthened by appointing many new senior level officials. Besides this, number of branches are also being increased to improve the Fund's reach amongst the investors. Many new schemes both equity as well as income schemes are likely to be launched shortly. During the current year, Company also submitted documents for India's first Shariah Compliant Islamic Fund with SEBI. Being a new concept, Government of India has given its approval in principle for launch of such scheme. It is expected that this innovative scheme will be launched shortly. The Company is also planning to start Portfolio Management Services this year after getting the certificate renewal.

ACHIEVEMENT AND AWARDS

The Members will be pleased to know that company has received the following awards in the year 2007-2008:

- a) TAMCO has been given 2 awards by Asian Investor Honkong for One Year and 3 years equity performance in India.
- b) Taurus the Starshare scheme has been awarded by Lipper as the Best Fund over 3 years as Equities India
- c) Excellence award in productivity, quality and innovation by Institute of Economic Studies (IES)

FIXED DEPOSITS

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

BOARD OF DIRECTORS

The Company has non-executive Chairman and more than 50% Directors are Independent Directors in compliance with the SEBI Regulations. Mr. J P Kundra and Mr. Lalit Bhasin, Directors of the Company retire by rotation pursuant to section 255

of the Companies Act, 1956 at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Re-appointment of Managing Director

Mr. R K Gupta was appointed as the Managing Director of Taurus Asset Management Company Ltd. for a period of five years w.e.f. October 01, 2003. Mr. Gupta has got over 40 years of rich experience. He is an Engineer and has worked with DCM Ltd. and Punjab National Bank at various levels.

The term of Mr. R K Gupta as the Managing Director is now expiring on September 30, 2008 and therefore needs re-appointment. The Board hereby recommends re-appointment of Mr. R K Gupta as Managing Director of the Company for a period of 5 years w.e.f. 01st October, 2008 on the existing terms and conditions. The approval of Members is hereby sought for his re-appointment at the ensuing Annual General Meeting.

AUDIT COMMITTEE

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

The terms of reference of the audit committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures.

The Committee reviews the reports of the internal auditors and statutory auditors alongwith the comments and action taken reports of the management. The audit committee also invites senior executives, as it considers appropriate to be present at the meetings of the committee. The Company Secretary cum Compliance Officer acts as the secretary to the Committee.

INVESTMENT COMMITTEE

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

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

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

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

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

PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are applicable and details of employees of the company drawing remuneration in excess of the limits specified therein is attached to the Directors' Report as *annexure I*. The members can avail the information in this regards after giving written request to the company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and its profit or loss for the year ended on that date;

3. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the directors have prepared the annual accounts on a going concern basis.

AUDITORS AND THEIR QUALIFICATIONS

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

In view of point no. 4 of the Auditors Report, the Board explains that the erstwhile HB Asset Management Company purchased an office in Mumbai in earlier years for Rs. 19,800,020, the title to which is yet to be transferred in the name of the Company. However, on July 30, 2004 the company had applied for the registration of the office under the "Amnesty Scheme 2004" announced by the Government of Maharashtra and the amount of registration charges and/or penalty, if any, are subject to assessment there under.

ACKNOWLEDGEMENT

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

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

New Delhi
Date: 28.08.2008

For and on behalf of the Board

Chairman

Annexure to Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 as amended read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2008.

| Name of the Employee | Designation /Nature of Duties | Remuneration Received | | Qualification | Exp. Years | Date of Joining | Age Years | Last Employment |
|----------------------|-------------------------------|-----------------------|----------|-------------------|------------|-----------------|-----------|-------------------|
| | | Gross Rs. | Net Rs. | | | | | |
| Mr. Waqar Naqvi | Chief Executive Officer | 5,44,130 | 2,79,605 | B.Com, MBA, ICWAI | 16 | 01.02.2008 | 40 | Birla Sunlife AMC |
| Mr. Sanjay Parikh | Chief Operation Officer | 3,41,736 | 2,00,805 | B.Com, CA, CFA | 17 | 03.03.2008 | 37 | Birla Sunlife AMC |

Auditor's Report

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

1. We have audited the attached Balance Sheet of **Taurus Asset Management Company Limited**, (the 'Company') as at 31 March 2008, and also the Profit and Loss Account for the year ended on that date annexed thereto (collectively referred as the 'Financial Statements'). These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. *As stated in note 3 on schedule 17, fixed asset, interalia, includes Rs. 19,800,020 the gross book value of a building, the title of which has not been transferred in the name of the Company. Further, the registration cost of the same, which is not ascertainable has not been provided in the books.*
5. *Subject to our comments in paragraph 4 above* and further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.;
 - c. The Financial Statements dealt with by this report are in agreement with the books of account;
 - d. On the basis of written representations received from the directors, as on 31 March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

- e. In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
- i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2008; and
 - ii) the Profit and Loss Account, of the profit for the year ended on that date.

For Walker, Chandiook & Co
Chartered Accountants

Per Rajesh Jain
Partner
Membership No. 81203

Place: New Delhi

Date: 28th August 2008

Annexure to the Auditors' Report of even date to the members of Taurus Asset Management Company Limited, on the Financial Statements for the year ended March 31, 2008.

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) 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 (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 sells any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the aforesaid internal control system.
- (v) The Company has not entered into contracts or arrangements referred to in section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (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.

Annexure to the Auditors' Report of even date to the members of Taurus Asset Management Company Limited, on the Financial Statements for the year ended March 31, 2008.

- (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 the services rendered by the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.

- (ix) (a) The Company is regular in depositing the 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 has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

- (xi) In our opinion, the Company has not defaulted in repayment of dues to a bank during the year. Further, the company has no dues payable to a financial institution or debenture holders during the year.

- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

- (xiv) In our opinion, the Company is not dealing in 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.

Annexure to the Auditors' Report of even date to the members of Taurus Asset Management Company Limited, on the Financial Statements for the year ended March 31, 2008.

- (xvi) The Company did not have any term loan outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker, Chandiook & Co
Chartered Accountants

Per Rajesh Jain
Partner
Membership No. 81203

Place: New Delhi
Date: 28th August 2008

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

Balance Sheet as at 31 March 2008

| | Schedule | 2008 Rs. | 2007 Rs. |
|---|----------|--------------------|--------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' funds | | | |
| Share capital | 1 | 125,500,000 | 125,500,000 |
| Reserves and surplus | 2 | 68,067,803 | 36,165,321 |
| Loan funds | | | |
| Secured Loan | 3 | 51,191 | 262,077 |
| Deferred tax liabilities (net) | 4 | 1,938,603 | 2,107,267 |
| | | 195,557,597 | 164,034,665 |
| APPLICATION OF FUNDS | | | |
| Fixed assets | | | |
| Gross block | 5 | 26,975,929 | 27,994,624 |
| Less: Accumulated depreciation | | 7,837,498 | 8,528,794 |
| Net block | | 19,138,431 | 19,465,830 |
| Investments | | | |
| | 6 | 133,726,140 | 145,312,030 |
| Current assets, loans and advances | | | |
| Sundry debtors | 7 | 2,716,606 | 2,377,905 |
| Cash and bank balances | 8 | 39,542,845 | 15,006,811 |
| Other current assets | 9 | 576,963 | 345,589 |
| Loans and advances | 10 | 14,432,051 | 8,354,677 |
| | | 57,268,465 | 26,084,982 |
| Less: Current liabilities and provisions | | | |
| Current liabilities | 11 | 7,239,621 | 23,425,054 |
| Provisions | 12 | 7,335,818 | 3,403,123 |
| | | 14,575,439 | 26,828,177 |
| Net current assets/(liabilities) | | 42,693,026 | (743,195) |
| | | 195,557,597 | 164,034,665 |
| Significant accounting policies | 16 | | |
| Notes to the financial statements | 17 | | |

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

For and on behalf of the Board of Directors

| | | | | |
|-------------------------------------|--|--------------------------------|-----------------------|------------------------|
| Sangeeta Verma Company Secretary | Deepa Varshnei Executive Vice President | R.K Gupta Managing Director | M G Gupta Director | J P Kundra Director |
|-------------------------------------|--|--------------------------------|-----------------------|------------------------|

This is the Balance Sheet referred to in our report of even date.

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

Place: New Delhi
Date: 28th August 2008

Per **Rajesh Jain**
Partner
Membership No. 81203

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

Profit and Loss Account for the year ended 31 March 2008

| | Schedule | 2008 Rs. | 2007 Rs. |
|--|----------|-------------------|-------------------|
| INCOME | | | |
| Investment management and advisory fees (Tax deducted at source Rs. 4,487,714 previous year Rs. 1,740,863) | | 38,012,663 | 27,647,455 |
| Profit on sale/ switch over of investments, non-trade (net) | | 53,726,828 | 29,720,469 |
| Reversal of provision for diminution in value of long term investments | | - | 332,603 |
| Other income | 13 | 4,725,209 | 7,115,876 |
| | | 96,464,700 | 64,816,403 |
| EXPENDITURE | | | |
| Personnel cost | 14 | 20,526,989 | 12,709,437 |
| Administration and other expenses | 15 | 21,088,725 | 45,255,424 |
| Depreciation | 5 | 877,581 | 865,164 |
| Interest to bank | | 13,961 | 32,640 |
| Provision for diminution in value of long-term investments | | 18,082,579 | - |
| | | 60,589,835 | 58,862,665 |
| Profit before tax | | 35,874,865 | 5,953,738 |
| Provision for tax | | | |
| -Current | | (3,765,000) | - |
| -Deferred tax credit/(expense) | | 168,664 | (2,467,698) |
| -Fringe benefit | | (388,319) | (289,688) |
| -Tax Adjustments for earlier years | | 215 | (4,277) |
| Profit after tax | | 31,890,425 | 3,192,075 |
| Profit brought forward from previous year | | 34,065,321 | 30,873,246 |
| -Transitional adjustment on adoption of Accounting Standard 15- Employee Benefits (Revised) (Refer note 8 on Schedule 17) | | 12,057 | - |
| Balance carried over to balance sheet | | 65,967,803 | 34,065,321 |
| Earnings per share - basic (Refer note 12 on Schedule 17) | | 2.54 | 0.25 |
| Significant accounting policies | 16 | | |
| Notes to the financial statements | 17 | | |

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

For and on behalf of the Board of Directors

Sangeeta Verma
Company Secretary

Deepa Varshnei
Executive Vice President

R.K Gupta
Managing Director

M G Gupta
Director

J P Kundra
Director

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

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

Place: New Delhi
Date: 28th August 2008

Per **Rajesh Jain**
Partner
Membership No. 8120:

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

Schedules forming part of the financial statements for the year ended 31 March 2008

SCHEDULE - 1

| | 2008 Rs. | 2007 Rs. |
|--|--------------------|--------------------|
| Share capital | | |
| Authorised | | |
| 13,000,000 equity shares of Rs. 10 each | 130,000,000 | 130,000,000 |
| 3,000,000 6% Non -cumulative redeemable preference shares of Rs. 10 each | <u>30,000,000</u> | <u>30,000,000</u> |
| | <u>160,000,000</u> | <u>160,000,000</u> |
| Issued | | |
| 12,550,003 (previous year 12,550,003) equity shares of Rs. 10 each fully paid up | <u>125,500,030</u> | <u>125,500,030</u> |
| Subscribed and paid up | | |
| 12,550,000 (previous year 12,550,000) equity shares of Rs. 10 each fully paid up | <u>125,500,000</u> | <u>125,500,000</u> |

Note:

Out of the above, 5,040,000 equity shares of Rs. 10 each have been allotted as fully paid up, pursuant to the Scheme of Amalgamation, for consideration other than cash.

SCHEDULE - 2

| | | |
|-----------------------------|-------------------|-------------------|
| Reserves and surplus | | |
| Amalgamation reserve | 2,100,000 | 2,100,000 |
| Profit and loss account | <u>65,967,803</u> | <u>34,065,321</u> |
| | <u>68,067,803</u> | <u>36,165,321</u> |

SCHEDULE - 3

| | | |
|--|---------------|----------------|
| Secured loan | | |
| Vehicle loan from bank | <u>51,191</u> | <u>262,077</u> |
| (Secured by hypothecation of specific vehicle) | | |
| (Amount due within one year Rs. 51,191, previous year Rs. 210,886) | | |

SCHEDULE - 4

Deferred tax liabilities (net)

| | | |
|--|------------------|------------------|
| Deferred tax liability | | |
| On fiscal allowances on fixed assets | 2,850,946 | 2,633,689 |
| Deferred tax asset | | |
| On employees' separation and retirement cost | (882,167) | (480,706) |
| Other timing differences | <u>(30,176)</u> | <u>(45,716)</u> |
| | <u>1,938,603</u> | <u>2,107,267</u> |

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

Schedules forming part of the financial statements for the year ended 31 March 2008

SCHEDULE - 5

Fixed assets

(Figures in Rs.)

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|---------------------------|-------------------|----------------|------------------|-------------------|------------------|-----------------|------------------|------------------|-------------------|-------------------|
| | 2007 | Additions | Deletions | 2008 | 2007 | During the year | Adjustments | 2008 | 2008 | 2007 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Building | 19,968,720 | - | - | 19,968,720 | 3,708,940 | 325,490 | - | 4,034,430 | 15,934,290 | 16,259,780 |
| Data processing equipment | 4,893,459 | 647,042 | 1,366,300 | 4,174,201 | 3,595,296 | 338,526 | 1,366,300 | 2,567,522 | 1,606,679 | 1,298,163 |
| Office equipment | 1,669,336 | 70,807 | 370,244 | 1,369,899 | 623,547 | 87,088 | 202,577 | 508,058 | 861,841 | 1,045,789 |
| Furniture and fixtures | 742,344 | - | - | 742,344 | 482,451 | 58,004 | - | 540,455 | 201,889 | 259,893 |
| Vehicles | 720,765 | - | - | 720,765 | 118,560 | 68,473 | - | 187,033 | 533,732 | 602,205 |
| | 27,994,624 | 717,849 | 1,736,544 | 26,975,929 | 8,528,794 | 877,581 | 1,568,877 | 7,837,498 | 19,138,431 | 19,465,830 |
| Previous year | 27,152,742 | 848,382 | 6,500 | 27,994,624 | 7,665,344 | 865,164 | 1,714 | 8,528,794 | 19,465,830 | |

SCHEDULE - 6

| Investments Long term, non- trade, fully paid up | 2008 | | 2007 | |
|--|-------------------------|-----------|-------------------------|------------|
| | No. of shares/ units | Rs. | No. of shares/ units | Rs. |
| Unquoted | | | | |
| <u>Non -Cumulative Preference Shares</u> | | | | |
| 12.50% CFL Securities Limited Face value Rs.100 each | \$ - | - | 250,000 | 25,010,000 |
| Bonds | | | | |
| 7.90% HUDCO Bonds of face value of Rs.1,000,000 each | 2 | 2,074,600 | 2 | 2,074,600 |
| <u>Equity shares of Rs. 10 each</u> | | | | |
| <u>(a) Listed but not quoted</u> | | | | |
| ADS Diagnostics Limited | 25,000 | 110,825 | 25,000 | 110,825 |
| Aditya Aquaculture Limited | * | 350,100 | 350,100 | 3,501 |
| Agri Marine Exports Limited | * | 73,300 | 73,300 | 733 |
| Asian Vegpro Industries Limited | * | 100,000 | 100,000 | 1,000 |
| Auroma Coke Limited | * | 250,000 | 250,000 | 2,500 |
| Consolidated Containers Limited | * | 12,500 | 12,500 | 125 |
| Deep Diamond India Limited | | 100,000 | 100,000 | 3,500 |
| Flora Textiles Limited | * | 300,100 | 300,100 | 3,001 |
| Gujarat Chemical Plasto Limited | * | 25,000 | 25,000 | 250 |
| Gummadi Industries Limited | * | 100,100 | 100,100 | 1,001 |
| Hindustan Domestic Oil Limited | * | 42,400 | 42,400 | 424 |
| Hytasun Magnetics Limited | * | 35,500 | 35,500 | 355 |
| Jaswal Granites Limited | * | 150,000 | 150,000 | 1,500 |
| Kumars Kotex Limited | * | 300,100 | 300,100 | 3,001 |
| LD Textiles Limited | * | 225 | 225 | 2 |
| Manav Pharma Limited | * | 24,900 | 24,900 | 249 |
| Maya Agro Limited | * | 99,000 | 99,000 | 990 |

SCHEDULE - 6 (contd.)

| Long term, non- trade, fully paid up | | 2008 | | 2007 | |
|--------------------------------------|---|-------------------------|-----------|----------------------------|-----------|
| | | No. of shares/ units | Rs. | No. of shares/ units | Rs. |
| Megamarkets Share Resources Limited | * | 61,000 | 610 | 61,000 | 610 |
| Montana International Limited | * | 148,800 | 1,488 | 148,800 | 1,488 |
| M S Securities Limited | * | 100,000 | 1,000 | 100,000 | 1,000 |
| Naraingarh Sugar Mills Limited | | 250,000 | 2,500 | 250,000 | 2,500 |
| Noel Agritech Limited | | 165,200 | 1,652 | 165,200 | 1,652 |
| Nortech India Limited | * | 200,000 | 2,000 | 200,000 | 2,000 |
| Nutech Organic Chemicals Limited | * | 200,000 | 2,000 | 200,000 | 2,000 |
| Omtex Limited | * | 50,000 | 500 | 50,000 | 500 |
| Pan Asia Global Limited | * | 3,100 | 31 | 3,100 | 31 |
| P G Industries Limited | * | 50,000 | 500 | 50,000 | 500 |
| Pilani Investment Limited | | 11,975 | 1,196,422 | 11,975 | 1,196,422 |
| Premier Aqua Limited | * | 175,000 | 1,750 | 175,000 | 1,750 |
| Premier Polyfilms Limited | * | 170,800 | 1,708 | 170,800 | 1,708 |
| Premier Vinyl Flooring Limited | * | 50 | - | 50 | - |
| Presidency Shoes Limited | * | 87,100 | 871 | 87,100 | 871 |
| Prime Solvent Extractions Limited | * | 14,400 | 144 | 14,400 | 144 |
| Punjab Wireless Limited | | 10,500 | - | 10,500 | - |
| Raghuvendra Spinners Limited | * | 30,000 | 300 | 30,000 | 300 |
| Rajendra Mining Spares Limited | * | 250,000 | 2,500 | 250,000 | 2,500 |
| Ravi Spinning Limited | * | 180,000 | 1,800 | 180,000 | 1,800 |
| Sandur Laminates Limited | * | 100,000 | 1,000 | 100,000 | 1,000 |
| Sangam Healthcare Products Limited | * | 97,700 | 977 | 97,700 | 977 |
| Seax Leather Exports Limited | | 200,000 | 2,000 | 200,000 | 2,000 |

SCHEDULE - 6 (contd.)

| Long term, non- trade, fully paid up | | 2008 | | 2007 | |
|--------------------------------------|---|-------------------------|------------------|-------------------------|-------------------|
| | | No. of shares/ units | Rs. | No. of shares/ units | Rs. |
| 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 |
| <u>(b) Unquoted</u> | | | | | |
| Akshay software Limited | | 300,000 | 4,218,000 | 300,000 | 4,218,000 |
| Associated Infotech Limited | | 400,000 | 4,000 | 400,000 | 4,000 |
| Sovika Infotek Limited | | 350,000 | 1,780,560 | 200,000 | 1,091,430 |
| Teamasia Semiconductors Limited | | 250,000 | 2,500 | 250,000 | 2,500 |
| Sub total (A) | | | 9,445,579 | | 33,766,449 |

SCHEDULE - 6 (contd.)

| Long term, non- trade, fully paid up | 2008 | | 2007 | |
|---|-------------------------|---------------------|-------------------------|--------------------|
| | No. of shares/ units | Rs. | No. of shares/ units | Rs. |
| <u>Units of Mutual Funds of Rs.10 each</u> | | | | |
| Bonanza Exclusive Growth Scheme - Open | 530,229.65 | 19,135,988 | 516,192.90 | 14,697,563 |
| Discovery Stock Fund | - | - | 567,754.35 | 7,500,000 |
| Taurus the Starshare | 256,266.18 | 10,000,000 | 256,266.18 | 10,000,000 |
| Taurus Infra Tips | 3,685,033.81 | 50,207,870 | 995,024.88 | 10,000,000 |
| Quoted | | | | |
| <u>Equity shares of Rs. 10 each unless otherwise stated</u> | | | | |
| Ahluwalia Contracts Limited (Rs.2 each, Previous year Rs. 10) | 4,503,054 | 5,403,665 | 931,140 | 5,586,840 |
| Cipla Limited (Rs.2 each) | - | - | 20,120 | 2,262,015 |
| Essar Oil Limited | - | - | 20,000 | 1,035,000 |
| Foursoft Limited (Rs.5 each) | 68,031 | 4,024,627 | 50,988 | 3,079,675 |
| Greaves Cotton Limited | 11,226 | 3,567,706 | - | - |
| Infrastructure Development Finance Company Limited | 30,000 | 2,395,287 | 30,000 | 2,395,287 |
| Industrial Finance Corporation of India Limited. | 79,900 | 2,690,122 | 150,000 | 2,298,974 |
| Industrial Development Bank of India Limited | 95,000 | 7,367,250 | 95,000 | 7,367,250 |
| Jaypee Hotels Limited | 48,637 | 11,628,104 | - | - |
| J K Paper Limited | 29,801 | 1,195,020 | 38,801 | 1,555,920 |
| JSW Steel Limited | 3,571 | 1,631,218 | - | - |
| Manjushree Extrusion Limited | 100,000 | 1,504,250 | 50,000 | 4,250 |
| Nahar Capital & Finance Limited | 11,948 | 1,323,697 | 11,948 | 1,323,697 |
| Nahar Investments Limited (formerly Nahar Exports Ltd.) | 1,400 | 45,290 | 1,400 | 45,290 |
| Nahar Spinning Limited | 11,523 | 1,265,979 | 13,048 | 1,433,524 |
| Polar Pharma Limited | 50,000 | 679,500 | 50,000 | 679,500 |
| Reliance Petroleum Limited | 25,000 | 5,015,453 | - | - |
| Spicejet Limited | 36,000 | 1,706,446 | 45,000 | 2,016,000 |
| Kohinoor Foods Limited (formerly Satnam Overseas Limited) | 12,973 | 888,165 | 57,051 | 3,916,551 |
| Southern Iron Limited | - | - | 78,575 | 1,631,218 |
| Usha International Limited | 11,500 | 1,133,900 | 11,500 | 1,133,900 |
| Sub total (B) | | 132,809,537 | | 79,962,454 |
| Total (A + B) | | 142,255,116 | | 113,728,903 |
| Less: Provision for diminution in value of investments | | (18,528,976) | | (446,397) |
| Sub total (C) | | 123,726,140 | | 113,282,506 |

\$ Listed but not quoted

* Not held in the name of the Company

SCHEDULE - 6 (contd.)

| Current investments, non- trade, fully paid up | No. of shares/ units | 2008 Rs. | No. of shares/ units | 2007 Rs. |
|--|-------------------------|--------------------|-------------------------|--------------------|
| Unquoted | | | | |
| <u>Units of Mutual Funds of Rs.10 each</u> | | | | |
| Taurus Liquid Fund | 915,667 | 10,000,000 | 2,048,157 | 21,108,590 |
| Libra Gilt Fund | - | - | 275,105 | 3,500,000 |
| Libra Bond Fund | - | - | 530,730 | 7,420,934 |
| Sub total (D) | | 10,000,000 | | 32,029,524 |
| Total investments (C) + (D) | | 133,726,140 | | 145,312,030 |
| Aggregate cost of unquoted investments | | 98,789,437 | | 109,739,017 |
| Aggregate cost of quoted investments | | 53,465,294 | | 42,326,021 |
| Market value of quoted equity shares | | 939,437,541 | | 474,939,295 |
| Net asset value of units of mutual funds | | 87,698,484 | | 76,749,059 |

SCHEDULE - 7

| | | | | |
|--|--|------------------|--|------------------|
| Sundry debtors | | | | |
| (Unsecured, considered good) | | | | |
| Debtors outstanding for less than six months | | 2,716,606 | | 2,377,905 |
| | | 2,716,606 | | 2,377,905 |

SCHEDULE - 8

| | | | | |
|-------------------------------|--|-------------------|--|-------------------|
| Cash and bank balances | | | | |
| Cash in hand | | 23,994 | | 12,650 |
| Balances with scheduled banks | | | | |
| -in current accounts | | 39,518,851 | | 4,994,161 |
| -in fixed deposit accounts | | - | | 10,000,000 |
| | | 39,542,845 | | 15,006,811 |

SCHEDULE - 9

| | | | | |
|---|--|----------------|--|----------------|
| Other current assets | | | | |
| Interest accrued on investments | | | | |
| - Considered good | | 576,963 | | 345,589 |
| - Considered doubtful | | | | 133,916 |
| | | 576,963 | | 479,505 |
| Less: provision for interest doubtful of recovery | | - | | (133,916) |
| | | 576,963 | | 345,589 |

| | 2008 Rs. | 2007 Rs. |
|---|-------------------|------------------|
| SCHEDULE - 10 | | |
| Loans and advances | | |
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 6,170,830 | 3,407,943 |
| Income tax paid | 8,261,221 | 4,946,734 |
| | <u>14,432,051</u> | <u>8,354,677</u> |

SCHEDULE - 11

| | | |
|--------------------------------------|------------------|-------------------|
| Current liabilities | | |
| Sundry creditors | 5,191,586 | 20,225,003 |
| Other liabilities | 2,048,035 | 3,197,988 |
| Interest accrued but not due on loan | - | 2,063 |
| | <u>7,239,621</u> | <u>23,425,054</u> |

SCHEDULE - 12

| | | |
|-------------------|------------------|------------------|
| Provisions | | |
| Employee benefits | 2,620,818 | 1,428,123 |
| Provision for tax | 4,715,000 | 1,975,000 |
| | <u>7,335,818</u> | <u>3,403,123</u> |

SCHEDULE - 13

| | | |
|---|------------------|------------------|
| Other income | | |
| Dividend income, non-trade | 2,262,913 | 5,653,104 |
| Interest | | |
| - on Investments, non trade (Tax deducted at source Rs. 35,800, previous year Rs. 35,460) | 158,433 | 157,567 |
| - on fixed deposits (Tax deducted at source Rs. 7,506, previous year Rs. 131,333) | 33,448 | 585,265 |
| - on inter corporate deposits (Tax deducted at source Rs. 147,104, previous year Rs. Nil) | 649,180 | - |
| - on income tax refunds | 47,439 | 888,500 |
| | <u>888,500</u> | <u>-</u> |
| Bad debts recovered | 1,439,880 | 719,940 |
| Provision written back | 133,916 | - |
| | <u>4,725,209</u> | <u>7,115,876</u> |

| SCHEDULE - 14 | 2008 Rs. | 2007 Rs. |
|--|-------------------|-------------------|
| Personnel cost | | |
| Salaries and allowances | 17,907,986 | 11,310,593 |
| Contribution to provident fund and other funds | 2,482,057 | 1,303,187 |
| Staff welfare | 136,946 | 95,657 |
| | <u>20,526,989</u> | <u>12,709,437</u> |

SCHEDULE - 15

| | | |
|--|-------------------|-------------------|
| Administration and other expenses | | |
| Advertisement and business promotion | 2,645,174 | 6,211,617 |
| Legal and professional | 1,572,460 | 1,498,691 |
| Recruitment charges | 1,179,590 | 206,992 |
| Director's sitting fees | 795,000 | 500,000 |
| Electricity | 522,706 | 420,324 |
| Travelling and conveyance | 2,385,212 | 2,097,537 |
| Repair and maintenance | | |
| - building | 66,547 | 68,049 |
| - others | 1,249,820 | 1,086,638 |
| Office expenses | 247,915 | 229,416 |
| Insurance | 18,285 | 23,588 |
| Printing and stationery | 502,805 | 570,175 |
| Subscription and membership | 3,183,442 | 1,795,266 |
| Communication | 1,562,034 | 1,882,652 |
| Rent | 3,258,482 | 2,194,483 |
| Loss on sale of assets | 155,165 | 4,586 |
| Rates and taxes | 188,927 | 8,886 |
| Advances written off | - | 128,246 |
| Securities transaction tax | 176,590 | 137,140 |
| Mutual fund expenses | 1,236,605 | 26,148,451 |
| Interest Accrued on Debentures written off | 133,916 | |
| Miscellaneous expenses | 8,050 | 42,687 |
| | <u>21,088,725</u> | <u>45,255,424</u> |

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

Schedules forming part of the financial statements for the year ended 31 March 2008

Schedule 16

Significant accounting policies

1. Basis of preparation

The financial statements are prepared on an accrual basis under the historical cost convention, in accordance with the generally accepted accounting principles applicable in India, the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and the Rules framed thereunder.

2. Use of estimates

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

3. Fixed Assets

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

4. Depreciation

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

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

5. Investments

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

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

6. 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.

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

Schedules forming part of the financial statements for the year ended 31 March 2008

The Company has three post employment benefit plans in operation viz. Gratuity, Leave encashment and Provident Fund.

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into a fund established under Employees Provident Fund and Miscellaneous Provision Act, 1953. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets 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 retirement, 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 DBO is calculated annually by independent actuaries using the projected unit credit method.

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 projected unit method at the balance sheet date.

Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary as at the balance sheet date. Actuarial gains or losses are recognised immediately in the profit and loss account. Contribution towards defined contribution plans are recognised in the profit and loss account on an accrual basis.

7. Revenue recognition

- (i) Management fees are accounted for on an accrual basis at the agreed upon rates with the schemes with reference to their average daily net assets.
- (ii) Interest income is accounted for on an accrual basis.
- (iii) Dividend income is accounted for as income when the Company's right to receive it is established.

8. Operating leases

Lease rentals in respect of assets taken under an operating lease are recorded as expense on straight line basis over the period of the lease.

9. Income-taxes

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

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

Schedules forming part of the financial statements for the year ended 31 March 2008

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

Deferred income-taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

10. Impairment of assets

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. 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 by treating the difference between them as impairment loss and is charged to profit and loss account.

11. Earnings per share

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

12. Contingent liabilities

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

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

Schedules forming part of the financial statements for the year ended 31 March 2008
SCHEDULE - 17

Notes to the financial statements

1. The name of the Company was changed from Creditcapital Asset Management Company Limited to Taurus Asset Management Company Limited with effect from 21 April 2006.
2. The company is a Small and Medium sized company (SMC) as defined in the general instructions in respect of Accounting Standard notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting Standards as applicable to a SMC.
3. The erstwhile HB Asset Management Company purchased an office in Mumbai in earlier years for Rs.19,800,020, the title to which is yet to be transferred in the name of the Company. However on July 30 2004 the Company had applied for the registration of the office under the "Amnesty Scheme 2004" announced by the Government of Maharashtra and the amount of registration charges and/or penalty, if any are subject to assessment thereunder. Pending the disposal of company's application, during the earlier years, a demand of Rs.5,653,650 has been raised on the Company by the Office of the Collector of Stamps (Enforcement-1) Mumbai for stamp duty and penalty thereon. In the opinion of the management this demand is not sustainable and no provision for the same has been made in these financial statements
4. a) The mutual fund expenses include Rs. 1,142,583 (Previous year Rs. 153,523) being expenses of the mutual fund schemes managed by the Company in excess of the limits specified in SEBI regulations which are borne by the Company.
b) The mutual fund expenses for the previous year also include Rs 25,994,928 incurred in connection with Taurus Liquid Fund and Taurus Infratips schemes launched during that year. These expenses were borne by the Company as per SEBI guidelines whereby the entire initial issue expenses over and above the entry load collected in open-end schemes are required to be borne by the Asset Management Company.

| | | |
|---|------------------|------------------|
| 5. Detail of Managerial Remuneration is as follows: | 2008 | 2007 |
| | Rs. | Rs. |
| Salaries and allowances | 2,420,000 | 1,738,000 |
| Contribution to provident fund and other funds | 372,600 | 259,200 |
| Perquisites | 39,945 | 44,028 |
| Total | 2,832,545 | 2,041,228 |

Notes:

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

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

Schedules forming part of the financial statements for the year ended 31 March 2008

| | | |
|----------------------------|----------------|----------------|
| 6. Auditors' remuneration: | 2008 | 2007 |
| | Rs. | Rs. |
| Statutory audit fees | 300,000 | 175,000 |
| Tax audit fees | 25,000 | 25,000 |
| Company law matters | 50,000 | - |
| Service tax | 46,350 | 24,720 |
| Total | 421,350 | 224,720 |

7. Included in the investments are securities amounting to Rs 46,381 acquired in the earlier years, at book value from Taurus Investment Trust Company, the trustee of Taurus Mutual fund. The Company is in the process of getting these investments transferred in their name.

8. Employee Benefit

During the year, the Company has adopted Accounting Standard – 15 “Employee Benefits”, (Revised AS 15) which supersedes previous Accounting Standard –15 “Accounting for Retirement Benefits in the Financial Statement” (Pre-revised AS 15) in respect of compensated absences and gratuity. As per the transitional provision of Revised AS 15, the impact of change in accounting policy amounting to Rs. 12,057/- as at April 1, 2007, i.e. beginning of the accounting year, is recorded as an adjustment to the opening balance of profit and loss account.

For the below mentioned defined benefit schemes

- a. Compensated absences
- b. Gratuity

Actuarial valuation has been done with the following assumptions:

| Particulars | Leave encashment (Unfunded) | Gratuity (Funded) |
|---|--------------------------------|----------------------|
| Discount rate | 8% | 8% |
| Rate of increase in compensation levels | 5.5% | 5.5% |
| Rate of return on plan assets | N.A. | 9% |

9. Securities transaction tax

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

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

| Particulars | Purchase (Nos.) | Sale (Nos.) |
|-----------------------------|--------------------|----------------|
| Ahluwalia Contracts Limited | - | 128,646 |
| Cipla Limited | - | 20,120 |

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

Schedules forming part of the financial statements for the year ended 31 March 2008

| Particulars | Purchase (Nos.) | Sale (Nos.) |
|--|--------------------|----------------|
| Essar Oil Limited | - | 20,000 |
| Foursoft Limited | 17,043 | - |
| Greaves Cotton Limited | 11,226 | - |
| Industrial Finance Corporation of India Limited | 70,000 | 140,100 |
| Jaypee Hotels Limited | 48,637 | - |
| JK Paper Limited | - | 9,000 |
| Manjushree Extrusions Limited | 50,000 | - |
| Nahar Spinning Limited | - | 1,525 |
| Reliance Petroleum Limited | 25,000 | - |
| Kohinoor Foods Limited | 1,940 | 46,018 |
| Sovika Infotech Limited | 150,000 | - |
| Spicejet Limited | 10,000 | 19,000 |
| 12.50% CFL Securities Limited | - | 250,000 |
| Bonanza Exclusive Growth Scheme | 530,229.65 | 516,192.90 |
| Discovery Stock Fund | - | 567,754.35 |
| Taurus Infra Tips | 2,690,008.94 | - |
| Libra Bond Fund | 1,334,169.14 | 1,864,898.75 |
| Libra Gilt Fund | 378,968.38 | 654,073.02 |
| Taurus Liquid Fund (Growth) | 6,299,907.96 | 7,432,398.18 |

11. Related party disclosures

a) Associate Companies:-

i) HB Securities Ltd.

b) Key Managerial Personnel

i) Mr. R.K Gupta, Managing Director

Transactions undertaken/ balances outstanding with related parties: -

| Particulars | Key Management Personnel (KMP) | Entities over which KMP is able to exercise significant influence |
|--|-----------------------------------|--|
| | | |
| Transactions during the year | | |
| Remuneration paid | 2,420,000 | - |
| Custody charges | - | 7,752 |
| Balances at the end of the period | 333,716 | 1,153 |

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

Schedules forming part of the financial statements for the year ended 31 March 2008

| 12. Earnings per share: | 2008 | 2007 |
|--|------------|------------|
| | Rs. | Rs. |
| Weighted average number of equity shares outstanding (Nos.) | 12,550,000 | 12,550,000 |
| Net profit after tax available for equity shareholders (Rs.) | 31,890,426 | 3,192,075 |
| Nominal value per share (Rs.) | 10 | 10 |
| Earnings per share (Rs.) | 2.54 | 0.25 |

13. In the opinion of Board of Directors, current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet and provision for all known liabilities have been made.
14. The Company has identified the micro and small enterprises based upon the information available and confirmations sent to all the suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006). Based on the information available with the company and the confirmations received, there are no dues outstanding to these micro and small enterprises as at March 31, 2008 (previous year Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.
15. No deferred tax asset has been recognised for timing difference on account of accumulated losses and brought forward depreciation in view of the uncertainty as to its realization in the foreseeable future.
16. Previous year figures have been regrouped / recast wherever considered necessary to make them comparable to those of current year.

For and on behalf of the board of directors

| | | | | |
|-------------------|--------------------------|-------------------|-----------|------------|
| Sangeeta Verma | Deepa Varshnei | R K Gupta | M G Gupta | J P Kundra |
| Company Secretary | Executive Vice President | Managing Director | Director | Director |

Place: New Delhi

Date: 28th August 2008