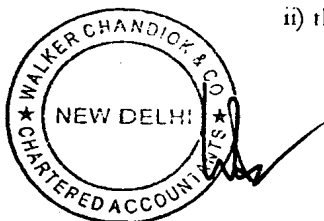


Auditors' Report


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 2006, and also the Profit and Loss Account for the year ended on that date annexed thereto. 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As stated in note 4 on schedule 16, fixed asset, inter alia, 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 Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with the notes thereon, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, 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 31 March 2006 and
 - ii) the Profit and Loss Account, of the profit for the year ended on that date.



- c. On the basis of written representations received from the directors, as on 31 March 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Walker, Chandio & Co
Chartered Accountants



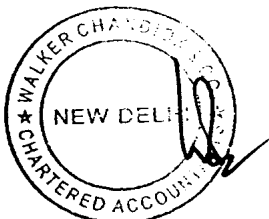
B P Singh
B P Singh
Partner
Membership No. 70116

Place: New Delhi
Date: 23 August 2006

Annexure to the auditors' report of even date to the members of Taurus Asset Management Company Limited (Previously known as Creditcapital Asset Management Company Limited), on the financial statements for the year ended 31 March 2006

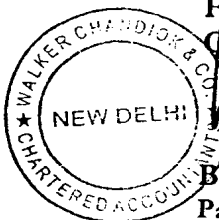
Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and in terms of the information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) In our opinion, a substantial part of fixed assets have not been disposed off during the year.
- (ii) The Company does not have any tangible inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b), 4(iii)(c), 4(iii)(d), 4(iii)(e), 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable to the Company. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (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 to the Company.
- (vi) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education 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. No undisputed amounts payable in respect of income-tax, wealth-tax, service-tax, sales-tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) There are no amounts in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.



Annexure to the auditors' report of even date to the members of Taurus Asset Management Company Limited (Previously known as Creditcapital Asset Management Company Limited), on the financial statements for the year ended 31 March 2006 (Contd.)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to a financial institution, bank or to 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 to the Company.
- (xiii) 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 to the Company.
- (xiv) 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 to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (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 to the Company.
- (xvii) Based on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment (excludes permanent working capital).
- (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 to the Company.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (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 to the Company.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.



For Walker, Chandio & Co
Chartered Accountants

B P Singh
Partner
Membership No. 70116

Place: New Delhi
Date: 23 August 2006

TAURUS ASSET MANAGEMENT COMPANY LIMITED
(Previously known as Creditcapital Asset Management Company Limited)

BALANCE SHEET AS AT 31 MARCH 2006

	Schedule	2006 Rs.	2005 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	125,500,000	125,500,000
Reserves and surplus	2	32,973,246	8,046,294
Secured loan	3	454,426	-
Total		158,927,672	133,546,294
APPLICATION OF FUNDS			
Fixed assets			
Gross block	4	27,152,742	26,385,608
Less: depreciation		7,665,344	7,283,810
Net block		19,487,398	19,101,798
Investments	5	114,517,711	84,342,586
Deferred tax asset (net)		360,431	1,164,677
Current assets, loans and advances			
Interest accrued on investments	6	95,606	191,911
Sundry debtors	7	3,521,377	6,922,289
Cash and bank balances	8	17,704,391	9,873,916
Loans and advances	9	9,204,926	15,054,824
		30,526,300	32,042,940
Less: Current liabilities and provisions			
-Current liabilities	10	3,070,145	1,296,764
-Provisions	11	2,894,023	1,808,943
		5,964,168	3,105,707
Net current assets		24,562,132	28,937,233
Total		158,927,672	133,546,294
Significant accounting policies	15		
Notes to the financial statements	16		

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

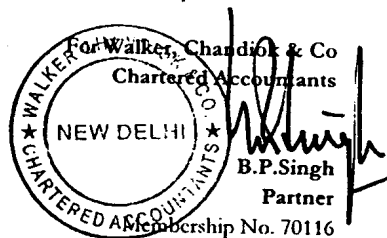
For and on behalf of the Board of Directors

 Sangeeta Verma Company Secretary	 Deepa Varshnei Vice-President (Accounts)	 R.K. Gupta Managing Director	 Director	 Director
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This is the Balance Sheet referred to in our report of even date.

Place : New Delhi

Date : 23 August 2006

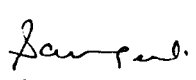
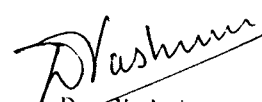





TAURUS ASSET MANAGEMENT COMPANY LIMITED
(Previously known as Creditcapital Asset Management Company Limited)
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Schedule	2006 Rs.	2005 Rs.
INCOME			
Investment management and advisory fees (Tax deducted at source Rs. 1,415,306 previous year Rs. 1,022,547)		22,893,236	17,892,844
Profit on sale/ switch over of investments, non-trade (net)		25,407,751	15,049,796
Other income	12	<u>2,103,888</u>	<u>4,599,245</u>
		<u>50,404,875</u>	<u>37,541,885</u>
EXPENDITURE			
Personnel cost	13	6,676,605	5,825,960
Administration and other expenses	14	13,483,275	8,105,809
Depreciation		933,944	951,063
Interest		31,875	-
Provision for diminution in value of long-term investments		99,600	-
Diminution in value of current investments		<u>2,279,225</u>	<u>1,842,959</u>
		<u>23,504,524</u>	<u>16,725,791</u>
Profit before tax		26,900,351	20,816,094
Income tax earlier years		-	(6,086)
Prior period adjustments - Depreciation		-	106,344
Provision for tax - Current - Deferred - Fringe benefit		(950,000) (804,246) (219,153)	(1,025,000) 2,680,701 -
Profit after tax		<u>24,926,952</u>	<u>22,572,053</u>
Profit/ (loss) brought forward from previous year		5,946,294	(16,625,759)
Balance carried over to balance sheet		<u>30,873,246</u>	<u>5,946,294</u>
Earnings per share (basic and diluted)		1.99	1.99
Significant accounting policies	15		
Notes to the financial statements	16		

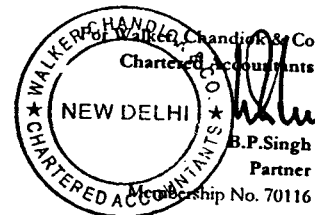
The schedules referred to above form an integral part of the financial statements

For and on behalf of the Board of Directors

 Sangeta Verma Company Secretary	 Deepa Varshnei Vice President (Accounts)	 R.K. Gupta Managing Director	 Director	 Director
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This is the Profit & Loss Account referred to in our report of even date.

Place : New Delhi
Date : 23 August 2006



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 2006

SCHEDULE - 1

Share capital	2006	2005
Authorised	Rs.	Rs.
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	125,500,030	125,500,030
	<u>125,500,030</u>	<u>125,500,030</u>
Subscribed		
12,550,000 (previous year 12,550,000) equity shares of Rs. 10 each fully paid up	125,500,000	125,500,000
	<u>125,500,000</u>	<u>125,500,000</u>

Note:

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>30,873,246</u>	<u>5,946,294</u>
	<u>32,973,246</u>	<u>8,046,294</u>

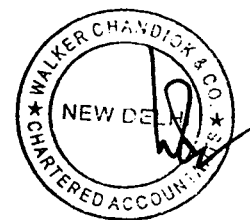
SCHEDULE - 3

Secured loan

Vehicle loan
(Secured by hypothecation of specific vehicle)
(Amount due within one year -Rs.192,451, previous year- Rs. nil)

454,426

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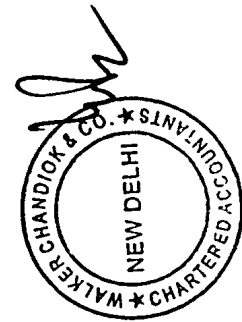
TAURUS ASSET MANAGEMENT COMPANY LIMITED
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2006

SCHEDULE 4 : Fixed assets

Particulars	Gross Block					Depreciation			Net Block	
	As at 1 April 2005	Additions	Deletions	As at 31 March 2006	As at 1 April 2006	Charge for the Year	Adjustment	As at 31 March 2006	As at 31 March 2005	
Building	19,943,120	25,600	-	19,968,720	3,058,230	325,220	-	3,383,450	16,585,270	16,884,890
Data processing equipment	3,841,635	679,570	241,800	4,279,405	3,118,739	407,823	241,800	3,284,762	994,643	722,896
Office equipment	1,394,637	101,214	9,995	1,485,856	471,042	77,057	3,635	544,464	941,392	923,595
Furniture and fixtures	682,414	40,202	24,620	697,996	361,274	55,897	14,590	402,581	295,415	321,140
Vehicles	523,802	720,765	523,802	720,765	274,525	67,947	292,385	50,087	670,678	249,277
Total	26,385,608	1,567,351	800,217	27,152,742	7,283,810	933,944	552,410	7,665,344	19,487,398	19,101,798
Previous year	26,041,388	344,220	-	26,385,608	6,439,091	951,063	(106,344)	7,283,810	19,101,798	-

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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 2006

SCHEDULE - 5

Investments

Long term, non- trade, fully paid up

	No. of shares/ units	2006 Rs.	No. of shares/ units	2005 Rs.
Unquoted				
<u>Non-Cumulative Preference Shares #</u>				
12.50% CFI Securities Ltd. Face value Rs. 100 each	250,000	25,010,000	250,000	25,010,000
Sub-Total (A)		25,010,000		25,010,000
<u>Units of Mutual Funds of Rs. 10 each</u>				
Bonanza Exclusive Growth- Open	716,193	20,392,164	1,010,364	17,106,353
Discovery Stock Fund	367,754	7,500,000	653,452	5,000,000
Starshare	326,543	6,824,014	153,374	2,500,000
Quoted				
<u>Equity Shares of Rs. 10 each</u>				
Industrial Finance Corporation of India Ltd	40,000	1,211,400	40,000	1,211,400
Sub-Total (B)		35,927,578		25,817,753
Total (A + B)		60,937,578		50,827,753
Less: Provision for diminution in value of investments		(779,000)		(679,400)
Sub-Total (C)		60,158,578		50,148,353

Listed but not quoted.

Current Investments, non- trade, fully paid up

Unquoted

Bonds

7.90% HUDCO Bonds of face value of Rs.10,00,000 each

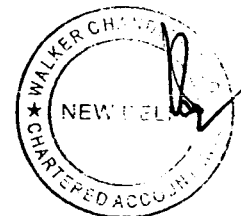
Equity Shares of Rs. 10 each unless otherwise stated

Akshay Software Ltd

300,000 4,218,000

Sovika Infotek Ltd.

200,000 1,091,430 200,000 1,091,430



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 2006

SCHEDULE - 5 (contd.)

Current Investments, non- trade, fully paid up	No. of shares/ units	2006 Rs.	No. of shares/ units	2005 Rs.
Quoted				
<u>Equity Shares of Rs. 10 each unless otherwise stated</u>				
ADIS Diagnostics Ltd.	# 25,000	110,825		
Abluaha Contracts Ltd.	# 960,000	5,760,000		
Bajaj Hindustan Ltd. (Rs. 1 each)	11,309	1,665,265	11,309	1,775,634
Balaji Telefilms Ltd. (Rs. 2 each)			25,441	2,241,605
Cipla Ltd. (Rs. 2 each)	12,848	3,611,130	17,848	5,016,457
Escorts Ltd.	65,000	5,921,500		
Essar Oil Ltd.			61,000	1,553,182
Four Soft Ltd. (Rs. 5 each)	60,000	3,561,000		
GIC Housing Finance Ltd.			40,000	1,458,000
Gujarat Alkalies and Chemicals Ltd.	10,000	1,531,000		
Hindustan Lever Ltd. (Rs. 1 each)			16,000	2,108,000
Industrial Development Bank of India Ltd.	50,000	3,915,000	35,000	2,428,612
International Travel House Ltd.	10,000	1,398,589		
HEC Software Ltd.			20,644	101,362
J K Paper Ltd.	40,000	1,913,300	40,000	1,913,300
Nahar Spinning Ltd.	25,081	5,557,355	16,081	3,256,403
Pilani Investment Ltd.	# 11,975	1,196,422	1,975	614,857
Polar Pharma Ltd.	50,000	1,080,000		
Punjab Wireless Ltd.	10,500			
Steel Authority of India Ltd.	60,000	3,436,863	70,000	4,009,674
Samam Overseas Ltd.	25,846	2,226,632	11,846	1,115,301
Southern Iron Ltd.	104,000	2,168,400		
Spice Jet Ltd.	10,000	718,500		
Tata Steel Ltd.			5,000	1,500,166
Usha International Ltd.	11,500	1,133,900	11,500	1,133,900
Videocon International Ltd.			15,000	801,750
Sub-Total (D)		54,289,711	34,194,233	

Listed but not quoted.

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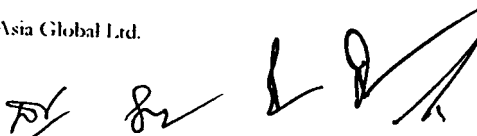


TAURUS ASSET MANAGEMENT COMPANY LIMITED
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2006

SCHEDULE - 5 (contd.)

Current Investments, non- trade, fully paid up	No. of shares/ units	2006 Rs.	No. of shares/ units	2005 Rs.
Others				
<u>Equity Shares of Rs. 10 each unless otherwise stated</u>				
Aditya Aquaculture Ltd.	350,100	3,501	-	-
Agri Marine Exports Ltd.	73,300	733	-	-
Asian Vegpro Industries Ltd.	100,000	1,000	-	-
Associated Infotech Ltd.	400,000	4,000	-	-
Auroma/Coke Ltd.	250,000	2,500	-	-
Consolidated Containers Ltd.	12,500	125	-	-
Deep Diamond India Ltd.	100,000	3,500	-	-
Flora Textiles Ltd.	300,100	3,001	-	-
Gujarat Chemical Plasto Ltd.	25,000	250	-	-
Gummadi Industries Ltd.	100,100	1,001	-	-
Hindustan Domestic Oil Ltd.	42,400	424	-	-
Hytasun Magnetics Ltd.	35,500	355	-	-
Jaswal Granites Ltd.	150,000	1,500	-	-
Kumars Kotex Ltd.	300,100	3,001	-	-
LJ Textiles Ltd.	225	2	-	-
Manav Pharma Ltd.	24,900	249	-	-
Manjushree Extrusion Ltd.	50,000	4,250	-	-
Maya Agro Ltd.	99,000	990	-	-
Megamarkets Share Resources Ltd.	61,000	610	-	-
Montana International Ltd.	148,800	1,488	-	-
M S Securities Ltd.	100,000	1,000	-	-
Naraingarh Sugar Mills Ltd.	250,000	2,500	-	-
Noel Agritech Ltd.	165,200	1,652	-	-
Nortech India Ltd.	200,000	2,000	-	-
Nutech Organic Chemicals Ltd.	200,000	2,000	-	-
Omtex Ltd.	50,000	500	-	-
Pan Asia Global Ltd.	3,100	31	-	-



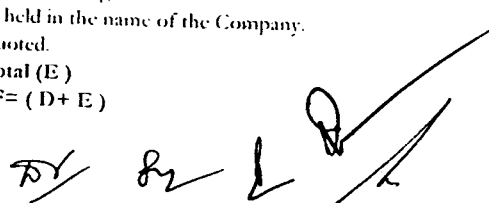


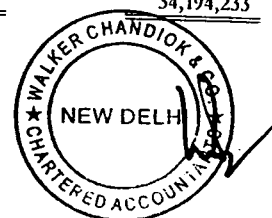
TAURUS ASSET MANAGEMENT COMPANY LIMITED
(Previously known as Creditcapital Asset Management Company Limited)

Schedules forming part of the financial statements for the year ended 31 March 2006

SCHEDULE - 5 (contd.)

Current Investments, non- trade, fully paid up	No. of shares/ units	2006 Rs.	No. of shares/ units	2005 Rs.
Quoted				
<i>Equity Shares of Rs. 10 each unless otherwise stated</i>				
P G Industries Ltd.	50,000	500		
Premier Aqua Ltd.	175,000	1,750		
Premier Polyfilms Ltd.	170,800	1,708		
Premier Vinyl Flooring Ltd.	50	0		
Presidency Shoes Ltd.	87,100	871		
Prime Solvent Extractions Ltd.	14,400	144		
Raghuvendra Spinners Ltd.	30,000	300		
Rajendra Mining Spares Ltd.	250,000	2,500		
Ravi Spinning Ltd.	180,000	1,800		
Sandur Laminates Ltd.	100,000	1,000		
Sangam Healthcare Products Ltd.	97,700	977		
Seax Global Ventures Ltd.	200,000	2,000		
Shoppers Investments Ltd.	50	1		
Shree Karthik Papers Ltd.	95,100	951		
SKR Chemicals Ltd.	199,800	1,998		
Sonal Cosmetics Ltd.	7,500	75		
Southern Fuels Ltd.	162,000	1,620		
Sudev Industries Ltd.	124,900	1,249		
Superior Sox Ltd.	100,000	1,000		
Suppliment Foods Ltd.	20,000	200		
Suryo Foods and Industries Ltd.	77,700	777		
Teamasia Semiconductors Ltd.	S 250,000	2,500		
Usha Ispat Ltd.	23,000	230		
Viral Filaments Ltd.	107,100	1,071		
Viral Syntex Ltd.	115,900	1,159		
Western Foods Ltd.	84,800	848		
Western Orissa Sugar Ltd.	2,950	30		
* Not held in the name of the Company.				
S Unquoted.				
Sub-Total (E)		<u>69,422</u>		
Total F= (D+ E)		<u>54,359,133</u>		<u>34,194,233</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 2006

SCHEDULE - 5 (contd.)

	2006 Rs.	2005 Rs.
Current Investments, non- trade, fully paid up		
Total investments (F) + (C)	114,517,711	84,342,586
Aggregate Cost of unquoted Investments	67,116,708	52,782,383
Aggregate Cost of quoted equity shares	52,607,871	34,388,246
Market Value of quoted equity shares	61,745,046	33,925,891
Net asset value of units of mutual funds	45,473,137	27,582,355

SCHEDULE - 6

Interest accrued on investments		
Interest accrued on investments		
- Considered good	95,606	191,911
- Considered doubtful	<u>133,916</u>	<u>133,916</u>
	229,522	325,827
Less: provision for interest doubtful of recovery	<u>(133,916)</u>	<u>(133,916)</u>
	<u><u>95,606</u></u>	<u><u>191,911</u></u>

SCHEDULE - 7

Sundry debtors		
(Unsecured, considered good)		
Other debts	<u>3,521,377</u>	<u>6,922,289</u>
	<u><u>3,521,377</u></u>	<u><u>6,922,289</u></u>

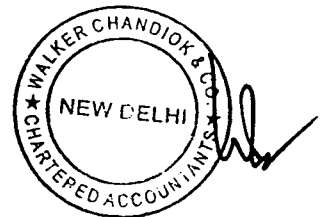
SCHEDULE - 8

Cash and bank balances		
Cash in hand		
Balances with scheduled banks	5,329	1,401
-in current account	2,699,062	4,756,496
-in fixed deposit account	<u>15,000,000</u>	<u>5,116,018</u>
	<u><u>17,704,391</u></u>	<u><u>9,873,916</u></u>

SCHEDULE - 9

Loans and advances		
(Unsecured, considered good)		
Inter corporate loan		
Advance given to HUDA		10,000,000
Advances recoverable in cash or in kind or for value to be received	2,625,000	
Prepaid taxes	3,541,753	3,691,187
	<u>3,038,173</u>	<u>1,363,637</u>
	<u><u>9,204,926</u></u>	<u><u>15,054,824</u></u>

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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 2006

SCHEDULE - 10

Current liabilities

Sundry creditors		
Other liabilities	2,540,590	1,106,770
Interest accrued but not due on loan	525,981	189,994
	<u>3,574</u>	
	<u><u>3,070,145</u></u>	<u><u>1,296,764</u></u>

SCHEDULE - 11

	2006	2005
	Rs.	Rs.
Provisions		
Retirement benefits	919,023	783,943
Provision for tax	1,975,000	1,025,000
	<u><u>2,894,023</u></u>	<u><u>1,808,943</u></u>

SCHEDULE - 12

Other income

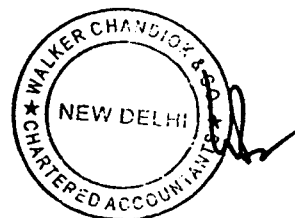
Dividend income, non trade		
Interest	939,245	1,136,475
- on inter corporate deposit		
(Tax deducted at source Rs. 149,623, previous year Rs. 189,074)	673,973	904,657
- on Investments, non trade		
(Tax deducted at source Rs. 35,455, previous year Rs. 64,160)	158,000	270,447
- on fixed deposits		
(Tax deducted at source Rs. 74,152, previous year Rs. 87,856)	323,691	421,668
- on income tax refunds	-	116,248
	<u>1,155,664</u>	<u>1,713,020</u>
Profit on redemption of debentures, non-trade (net)	-	120,339
Provision written back	8,979	1,433,728
Miscellaneous income	-	195,683
	<u><u>2,103,888</u></u>	<u><u>4,599,245</u></u>

SCHEDULE - 13

Personnel cost

Salaries and allowances	5,955,595	5,017,800
Contribution to provident fund and other funds	671,280	676,286
Staff welfare	49,730	131,874
	<u><u>6,676,605</u></u>	<u><u>5,825,960</u></u>

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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 2006

SCHEDULE - 14

	2006	2005
	Rs.	Rs.
Administration and other expenses		
Advertisement and business promotion	4,310,432	132,602
Legal and professional	1,208,994	801,370
Board meeting	63,500	40,000
Director's sitting fees	469,000	425,000
Electricity	335,677	298,581
Travelling and conveyance	1,050,584	727,325
Repair and maintenance		
- building	205,296	126,176
- others	924,206	915,046
Insurance	12,495	14,712
Printing and stationery	274,160	312,914
Subscription and membership	1,286,423	1,067,013
Communication	884,186	560,049
Rent	1,709,368	1,538,200
Loss on sale of assets	110,208	-
Rates and taxes	4,269	58,523
Securities transaction tax	162,348	76,467
Excess expenses of schemes borne by the Company	456,946	30,370
Scheme management expenses	7,566	968,272
Miscellaneous expenses	7,617	13,189
	<u>13,483,275</u>	<u>8,105,809</u>

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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 2006

Schedule 15

Significant accounting policies

1. Basis of preparation

The financial statements have been prepared to comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 ("the Act"). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Use of estimates

In preparing the Company's financial statements in conformity with 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 assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period; actual results could differ from those estimates.

3. Operating leases

Lease rentals in respect of assets taken under an operating lease are charged to the profit and loss account on an accrual basis.

4. 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.

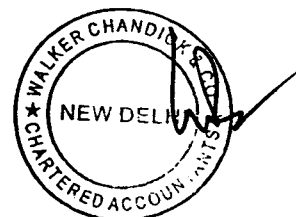
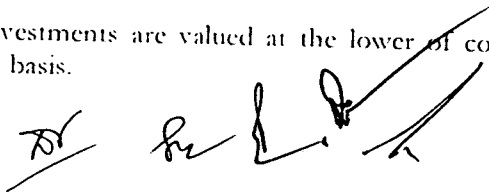
5. Depreciation

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.

6. 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.



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 2006

Schedule 15

Significant accounting policies (contd.)

7. Retirement benefits

(i) **Gratuity**

The liability towards gratuity is determined on the basis of actuarial valuation as at the Balance Sheet date. In respect of Mumbai office employees, this liability is funded with Life Insurance Corporation of India and administered through a separate trust set up by the Company. Provision for gratuity liability is made for all other employees. The Company's contribution is charged to the Profit and loss account.

(ii) **Leave Encashment**

The liability towards unavailed encashable leave is determined and provided for in the financial statements on the basis of actuarial valuation as at the Balance Sheet date.

(iii) **Superannuation**

Contributions are made to Life Insurance Corporation of India in the form of premium under the Superannuation Scheme. All contributions are charged to Profit and Loss Account as they become due.

8. 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 weekly net asset values.

(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.

9. Income-taxes

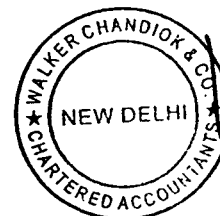
Income-tax expenses comprise of current, deferred and fringe benefit tax.

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.

Consequent to the introduction of Fringe Benefit Tax (FBT) effective 1 April 2005, the Company has made provision for FBT in accordance with applicable Income-tax laws.

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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 2006

Schedule 15

Significant accounting policies (contd.)

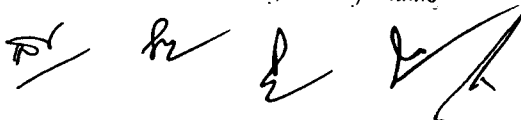
10. Earnings per share

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.

11. Contingent liabilities

Depending on the facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are provided or disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are provided or disclosed only for those demands that are contested by the Company.

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TAURUS ASSET MANAGEMENT COMPANY LIMITED
(Previously known as Creditcapital Asset Management Company Limited)

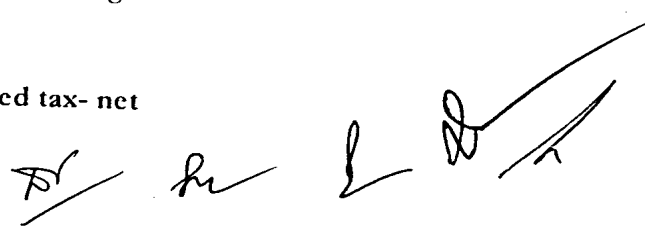
Schedules forming part of the financial statements for the year ended 31 March 2006

SCHEDULE - 16

Notes to the financial statements

1. The name of the Company has been changed from Creditcapital Asset Management Company Limited to Taurus Asset Management Company Limited with effect from 21 April 2006.
2. Advances recoverable in cash or in kind or for value to be received, include
 - a) Rs. 9,647 (Previous year Rs.30,974) towards one time registration charges of the schemes of the erstwhile HB Mutual Fund with the Securities and Exchange Board of India (SEBI), which is being recovered annually over the period of the schemes on the basis of higher of 0.05% of the corpus of each scheme or 1/10th of such expenses.
 - b) Brand Image Expenses incurred by the Company for Discovery Stock Fund Scheme of Taurus Mutual Fund, which were to be reimbursed by the scheme over the period of five years with effect from 31 March 1995, subject to the expenditure limit of 2.5% of average net asset value of the scheme. The period had been extended to 10 years in March 2001. However the amount could not be charged to the scheme as the prescribed expense limit of 2.5% was exceeding in the financial years 2002 to 2004. The period was further extended by 5 years i.e. upto 31 March 2009 and an amount of Rs 509,819 were recovered from the scheme in the previous year. A balance of Rs 4,19,686 is recoverable from the scheme as on 31 March 2006 on account of availability of balance within the 2.5% expenses limit in the scheme. The balance amount of Rs. 93,246 (Previous year Rs. 5,12,931) will be accounted for by the scheme in the remaining period subject to the expenditure limit of 2.5% of average net asset value of the scheme.
3. Included in loans and advances is an amount of Rs.2,625,000 which has been paid as application money to HUDA for a plot of land.
4. 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 30 July 2004 the Company has 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.
5. Expenses of the schemes in excess of the limits specified in SEBI regulations amounting to Rs. 4,56,946 (Previous year Rs. 30,370) are being borne by the Company.
6. Deferred tax (net)-

	2006	2005
	Rs.	Rs.
Deferred tax liability		
On fiscal allowances on fixed assets	(2,304,757)	(2,048,199)
Deferred tax asset		
On brought forward business losses	1,811,760	2,658,621
On employees' separation and retirement	309,343	263,875
Other timing differences	544,085	290,380
	2,665,188	3,212,876
Deferred tax- net	360,431	1,164,677





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 2006

SCHEDULE - 16

Notes to the financial statements (contd.)

7. Detail of Managerial Remuneration is as follows:

	2006 Rs.	2005 Rs.
Salaries and Allowances	1,102,000	1,102,000
Contribution to Provident fund & other funds	162,000	162,000
Perquisites	38,290	57,127
Total	1,302,290	1,321,127

Notes:

The remuneration does not include contribution towards gratuity fund and leave encashment as the same is made on an overall valuation basis for all eligible employees.

8. Auditors' remuneration:

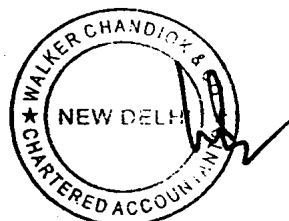
	2006 Rs.	2005 Rs.
Statutory Audit Fees	175,000	175,000
Tax Audit Fees	25,000	25,000
Out of pocket expenses	-	13,170 *
Service tax	24,480	20,400
Total	224,480	233,570

* Paid to the previous auditors.

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

Particulars	Purchase (Nos.)	Sale (Nos.)
ADS Diagnostics Ltd.	25,000	-
Ahluwalia Contracts Ltd.	240,000	-
Akshay Software Ltd.	300,000	-
Aptech Training Ltd.	62,517	62,517
Bajaj Hindustan Ltd.	18,000	21,000
Balaji Telefilms Ltd.	-	25,441
Cholamandalam DBS Finance Ltd.	10,000	10,000
Cipla Ltd.	-	5,000
Escorts Ltd.	70,000	5,000
Essar Oil Ltd.	-	61,000
Four Soft Ltd.	60,000	-
GIC Housing Finance Ltd.	-	40,000
Gujarat Alkalies and Chemicals Ltd.	10,000	-
Hindustan Lever Ltd.	-	16,000

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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 2006

SCHEDULE - 16

Notes to the financial statements (contd.)

Particulars	Purchase (Nos.)	Sale (Nos.)
Industrial Development Bank of India Ltd.	50,000	35,000
IEC Software Ltd.	-	20,644
International Travel House Ltd.	16,000	6,000
Nahar Spinning Ltd.	11,000	2,000
Pilani Investment Ltd.	10,000	-
Polar Pharma Ltd.	50,000	-
Punjab Tractors Ltd.	14,000	14,000
Radico Khaitan Ltd.	10,000	10,000
Steel Authority of India Ltd.	-	10,000
Satnam Overseas Ltd.	19,000	5,000
Southern Iron Ltd.	104,000	-
Spice Jet Ltd.	10,000	-
Tata Steel Ltd.	5,000	10,000
TV Today Network Ltd.	10,000	10,000
Videocon International Ltd.	14,000	29,000
Starshare	173,168.35	-
Bonanza Exclusive Growth- Open	716,192.90	1,010,364.31
Discovery Stock Fund	567,754.35	653,481.51
Libra Bond Fund	2,336,150.28	2,336,150.28

10. Included in the investments are securities amounting to Rs.69,422. These securities have been acquired 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.

11. 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.

12. Earnings per share:

	2006 Rs.	2005 Rs.
Weighted average number of equity shares outstanding (Nos.)	12,550,000	11,319,068
Net profit after tax available for equity shareholders (Rs.)	24,926,952	22,572,053
Nominal value per share (Rs.)	10	10
Earnings per share (Rs.)	1.99	1.99

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

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TAURUS ASSET MANAGEMENT COMPANY LIMITED
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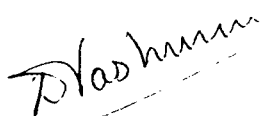
Schedules forming part of the financial statements for the year ended 31 March 2006

SCHEDULE - 16

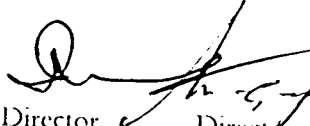


Notes to the financial statements (contd.)

14. On the basis of information available with the Company, there are no small scale industries to which the Company owes any sum (previous year- Nil).
15. Previous year figures have been regrouped/recast wherever considered necessary to make them comparable to those of current year.


Sangeeta Verma
Company Secretary


Deepa Varshnei
Vice President (Accounts)

For and on behalf of the board of directors

 Director
 Director
 Managing Director

Place: New Delhi

Date: 23 August 2006

