

Dear Unit Holder,

We thank you for reposing your confidence in our funds.

We are enclosing the abridged account statement for the Financial Year ended on March 31, 2008, of our various schemes for your perusal.

We would also like to take an advantage of this opportunity to intimate you of all the changes/additions/improvements happening at the Company, the Investment Manager of Taurus Mutual Fund

We have inducted a host of senior level professionals in the company. Their details are available in the list of key personnel and also mentioned in the CEO's blog on our website.

We are strengthening our position by opening branches to be closer to our investors in several locations and more importantly by adding senior fund management professionals for Fixed Income as well as Equity Investments Management.

We look forward to have your inputs on any aspect where we can provide better service to you.

Please do visit our updated and revamped website "[www.taurusmutualfund.com](http://www.taurusmutualfund.com)" to keep yourself abreast of the changes at our end. You can also read my blog and post your comments at [www.ceoinsight.in](http://www.ceoinsight.in) I will be glad to respond to your comments.

With warm regards,

Yours truly,



Waqar Abbas Naqvi  
Chief Executive



## TRUSTEES REPORT FOR THE FINANCIAL YEAR 2007-08

Dear Unit Holders,

We take pleasure in presenting the 14th Annual Report and Audited Accounts of various schemes of Taurus Mutual Fund for the year ended March 31, 2008.

### Economic Scenario

The financial year 2007-08 has behaved in a very different manner. On one side, the first nine months had been very good for the market when the Sensex moved up by almost 7900 points mainly on account of good corporate results, improved macro economic indicators and heavy inflow of money from the FII's. However, the sub prime crisis in the U.S market followed by unprecedented increase in the crude price, put pressure on the capital market that resulted in steep decline in the Sensex from a high of 21206 on January 10, 2008 to 15644 on March 31, 2008. As such, the first half of calendar year 2008 will probably be counted amongst the worst phase of Indian equity market. The Sensex lost almost one third of its value in this period. The fall was even severe in the broader markets. Inflation, industrial slowdown and global risk aversion dominated the scene. Macro environment, global markets, commodity prices, currency fluctuations, FII's outflow, etc. i.e. whatever could go wrong, seems to be going wrong at the present juncture.

Rising fuel, fertilizer and food subsidies, farm loan waiver and pay commission award have put the fiscal position in a perilous situation. RBI had to intervene and many monetary measures were taken to curb inflation. At present, things may prima facie look pessimistic, mainly on account of rise in inflation, political uncertainty and increase in crude price. However, future depends on the oil price of and further measures to be taken by RBI to control inflation.

### Awards

During the financial year 2007-2008, the Fund has received following awards:-

- (i) Excellence award in Productivity, Quality, Innovation & Management by Institute of Economic Studies (IES), New Delhi.
- (ii) Taurus the Starshare has been awarded by Lipper as "Best Fund over Three Years Equity India."
- (iii) Taurus Asset Management Company Limited has been given 2 awards by Asian Investor Magazine, Hongkong, for Best Indian Equity: -
  - \* For one year performance; and
  - \* For three years performance

### Taurus Mutual Fund – at a glance

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

#### Equity oriented schemes

- The Starshare
- Discovery Stock Fund
- Bonanza Exclusive Growth Scheme - open
- Taurus Infra-Tips

#### Equity Linked Saving Scheme

- Libra Tax Shield

#### Income Schemes

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

### Scheme investment objective, performance, future outlook and operations of the schemes

Details of each Scheme managed by Taurus Mutual Fund covering their investment objective, past performance as well as future outlook are as under;

#### Taurus The Starshare

This is an open-end equity growth scheme with objective to provide long term capital appreciation by investing in equity and equity related securities. During the year under review, efforts were made to reduce over concentration in the holdings of some stocks. The cash so released from sale of these shares has been used for diversifying the portfolio which now comprises of large cap, mid cap and small cap stocks. This strategy has helped in reducing the volatility to a large extent.

The investment style continues to be a combination of long term investment which provides stability and short-term investment which is being used for getting better returns. The performance of the scheme in the last 1 year, 3 years, 5 years as well as since inception in comparison to the BSE-200, the benchmark index, is given below:

Period	Returns (%)	
	NAV	BSE 200
1 year	39.32	24.13
3 years	40.17	30.60
5 years	57.11	39.99
Since Inception	12.32	10.01

Being a well diversified Scheme, performance had been satisfactory in the past, as evident from the above.

### **Discovery Stock Fund**

This is an open-end equity growth scheme. The investment objective of the scheme is to identify and select low priced stocks through price discovery mechanism. In other words, the investment strategy for this scheme is to invest pre-dominantly in midcap/small cap stocks only. The performance of the scheme in the last 1 year, 3 years, 5 years as well as since inception in comparison to BSE-200, the benchmark index, is given below:

Period	Returns (%)	
	NAV	BSE 200
1 year	46.55	24.13
3 years	30.55	30.60
5 years	44.16	39.99
Since Inception	05.71	10.17

### **Bonanza Exclusive Growth Scheme – open**

This is an open-end equity growth scheme with investment objective to provide long-term capital appreciation by investing in equity and equity related instruments. The portfolio of the scheme is well diversified under various sectors and pre-dominantly in the large cap stocks only. Most of the investment in this scheme comprises of shares whose market capitalization is about Rs.10,000 Crs. & above. As such, scheme is highly liquid with zero per cent illiquid securities. During the year under review, the Fund has introduced dividend plan in the scheme. The performance of the scheme in the last 1 year, 3 years, 5 years as well as since inception in comparison to BSE-200, the benchmark index, is given below:

Period	Returns (%)	
	NAV	BSE 200
1 year	26.93	24.13
3 years	34.60	30.60
5 years	43.83	39.99
Since Inception	14.57	13.25

*Bonus in the ratio of 1:3 in October 2003  
Dividend – 25% in July 2006.*

### **Libra Tax Shield**

This is an open-end equity linked tax saving scheme with endeavour to provide tax benefit and long term capital appreciation by investing in a portfolio of equity and equity-linked securities. Being a tax saving scheme, there is a lock-in period of 3 years from the date of allotment. Further, investment upto Rs.1 lac in Libra Tax Shield scheme is eligible for deduction U/s 80 C of I.T Act. During the year under review, the Fund has introduced dividend plan in the scheme. The performance of the scheme in the last 1 year, 3 years, 5 years as well as since inception in comparison to BSE-200, the benchmark index, is given below:

Period	Returns (%)	
	NAV	BSE 200
1 year	52.22	24.13
3 years	22.29	30.60
5 years	36.47	39.99
Since Inception	11.39	15.42

- 11% dividend in September, 2003.
- 16% dividend in February, 2004.
- 35% dividend in December, 2005.

Performance of the scheme has improved considerably in the last one year after changes in the portfolio. Being a tax saving scheme, investors can also take the benefit of Systematic Investment Plan (SIP), wherein unit holder can invest fixed sum every month or every quarter by purchasing additional units of the scheme at the applicable NAV and can get the tax benefit U/s 80C of IT Act etc.

### **Taurus Infra Tips**

This is an open-end equity growth scheme with Infrastructure as the basic theme, wherein investments are made in the Infrastructure sector viz. Transport, Telecom, Industrial Manufacturing - Engineering, Power, Petroleum, Shipping, Steel etc. This Scheme was launched in the month of February / March 2007 and became open end w.e.f April 2, 2007. As such performance since launch which is almost equal to one year is given below

NAV on 31.03.2007	NAV on 31.03.2008	%age change	BSE 200 on 31.03.2007	BSE 200 on 31.03.2008	%age change
10.00*	11.57	15.70	1556.72	1932.41	24.13

Initially, performance of this scheme was quite satisfactory and NAV touched a high of Rs.18.21 in January 2008. Thereafter, the entire Infrastructure sector was under heavy pressure and prices declined steeply. Accordingly, NAV of the Scheme is also adversely affected.

### **Libra Bond Fund**

The scheme was launched in July, 2001 as an open-end bond scheme with investment objective to maximize income through a basket of debt, bonds, debentures, government securities and money market instruments etc. of varying maturities while maintaining safety and liquidity. The initial investment strategy for the scheme adopted was to invest in securities of long-term maturity, which was later reduced to medium term maturity securities. The performance of the scheme in last in the last 1 year, 3 years, 5 years as well as since inception is given below:-

Period	Returns (%)	
	NAV	Crisil Composite Bond Fund Index
1 year	4.02	8.25
3 years	3.37	5.07
5 years	5.47	4.81
Since Inception	6.10	5.79

*Rs.0.30 per unit dividend declared in the scheme in February 2002.*

Performance of the scheme is not in comparison with the benchmark index in last one year mainly on account of low corpus. Now Bond market is reviving and we expect that corpus will grow in the near future.

### **Libra Gilt Fund**

The scheme was launched in July 2001 as an open-end gilt scheme with investment objective to provide risk free returns to investors through investment in securities issued by Central Government or State Governments or any security unconditionally guaranteed by Government of India. In this scheme, there are two options for the investors (a) Growth Option and (b) Dividend option. The performance of the scheme in the last 1 year, 3 years, 5 years as well as since inception is given below:-

Period	Returns (%)	
	NAV	I - Sec Composite Index
1 year	4.19	9.19
3 years	1.18	6.38
5 years	3.05	6.11
Since Inception	4.53	7.16

*Rs.0.30 per unit dividend declared in the scheme in February 2002.*

### **Taurus Liquid Fund**

Taurus Liquid Fund was launched in August 2006, with an investment objective to generate steady and reasonable income, with low risk and high level of liquidity from a portfolio of money market securities and high quality debt.

The performance of the scheme in last one year as well as since inception is given below:-

Period	Returns (%)	
	NAV	Crisil Liquid Fund Index
1 year	5.90	7.54
Since Inception	5.95	7.13

During the period under review, performance of this scheme was not comparable with the benchmark index due to no statistics.

### **Brief background of sponsors, trustee company and AMC**

#### **a. Taurus Mutual Fund**

Taurus Mutual Fund (TMF) was set up as a Trust by the then Settlers, Creditcapital Finance Limited (CFC), & now HB Portfolio Limited on 20.08.1993 with Taurus Investment Trust Company Limited (the Trustee Company) as a Trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated 20.08.1993 with Taurus Asset Management Company Limited (the AMC) to function as the Investment Manager for all the Schemes of TMF. TMF was registered with SEBI on 21.09.1993 vide Registration no. MF/002/93.

#### **b. Taurus Investment Trust Company Limited (TITCO)**

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies

#### **c. Taurus Asset Management Company Limited (TAMCO)**

TAMCO has been appointed as the Investment Manager of Taurus Mutual Fund by the Trustees in terms of SEBI Regulations for Mutual Funds. As such, TAMCO is responsible for managing the schemes on day-to-day basis and is required to take all reasonable steps and exercise due diligence and care in all its investment decisions. The Trustees liability is discharged on TAMCO's performing its duties in good faith and after due diligence and care.

The company has in place an adequate system of internal controls which provide reasonable assurance with regard to maintaining proper financial records, preserving economy and efficiency of operations, safe-guarding assets against unauthorized uses or losses and compliance with applicable laws and regulations etc. External Auditors also advise on these system aspects.

### Significance Accounting Policies

Accounting policies are in accordance with Securities Exchange Board of India (Mutual Fund) Regulations 1996.

### Unclaimed Dividends & Redemptions

Schemes	Unclaimed Dividends		Unclaimed Redemptions	
	Amount (Rs.)	No. of Investors	Amount (Rs.)	No. of Investors
Libra Leap	1010.00*	1	1095243.27	140
Bonanza Tax Saving Scheme	108360.00**	120	4735330.50	1555
Bonanza Tax Saving Scheme	187200.00***	144		--
Genshare	-	-	3027136.00	210
Bonanza Exclusive Growth open	2752620.64	1260		

\* Year - Feb', 2000

\*\* Year - July', 1994

\*\*\* Year - June', 1995

- The unclaimed amount has been transferred to Investor Education Fund.
- Genshare Scheme was redeemed on 7.3.2000. Libra Leap and Bonanza Tax Saving Schemes were redeemed on 16.10.2002.

### Statutory Information

- The Sponsors are not responsible or liable for any loss resulting from the operation of the schemes of the fund beyond their initial contribution (to the extent contributed) of Rs.2 lacs for setting up the fund, and such other accretions / additions to the same.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- Full Annual Report shall be disclosed on the website ([www.taurusmutualfund.com](http://www.taurusmutualfund.com)) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

### ACKNOWLEDGEMENT

For the continued help, assistance and co-operation, the Trustees express their gratitude to the Securities and Exchange Board of India, AMFI, Registrar & Transfer Agent, Custodians, Banks and the Board of Directors and employees and staff of Taurus Asset Management Co. Ltd.

FOR & ON BEHALF OF BOARD OF TAURUS INVESTMENT TRUST CO. LTD.

CHAIRMAN

Date : June 21, 2008

Place : New Delhi

## AUDIT REPORT

### Taurus the Starshare

To,  
 The Board of Directors  
 Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund - Taurus the Starshare Scheme as at March 31, 2008 and the Revenue Account of the scheme for the year ended on that date annexed thereto both of which we have signed under reference to this report. 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 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 misstatements. 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit, ***except in respect of items referred to in para 6 below.***
4. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of Taurus Mutual Fund Taurus the Starshare Scheme.
5. The accounts have been prepared in accordance with accounting policies approved by the Directors, which are principally in accordance with the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto.
6. The methods used to value:
  - Thinly traded/non-traded securities in accordance with the guidelines for valuation of securities by SEBI,
  - Unlisted securities in accordance with the guidelines for valuation of investments in unlisted equity shares by SEBI,
  - as on 31<sup>st</sup> March 2008 as determined by the Taurus Asset Management Company Limited as per the policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.

***An account is pending reconciliation at the year end. (Refer Note No. 15 of Notes on Accounts) Impact, if any, of the above, on the financial statements is not presently ascertainable.***
7. In our opinion and to the best of our information and according to the explanations given to us and ***subject to our comments in para 6 above,*** the said accounts read together with the notes forming part of accounts thereon, give a true and fair view:
  - i in the case of the Balance Sheet of the state of affairs of Taurus Mutual Fund - Taurus The Starshare Scheme as at March 31, 2008, and
  - ii in the case of Revenue Account of the excess of income over expenditure of Taurus Mutual Fund - Taurus The Starshare Scheme for the year ended March 31, 2008.

For N.M. Raiji & Co.  
 Chartered Accountants

Place: New Delhi  
 Dated: June 21, 2008

S.N. Shivakumar  
 Partner

## AUDIT REPORT

### Discovery Stock Fund

To,  
 The Board of Directors  
 Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund - Discovery Stock Fund Scheme as at March 31, 2008 and the Revenue Account of the scheme for the year ended on that date annexed thereto both of which we have signed under reference to this report. 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 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 misstatements. 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit, **except in respect of items referred to in para 6 below.**
4. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of Taurus Mutual Fund Discovery Stock Fund Scheme.
5. The accounts have been prepared in accordance with accounting policies approved by the Directors, which are principally in accordance with the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto.
6. The methods used to value:
  - Thinly traded/non-traded securities in accordance with the guidelines for valuation of securities by SEBI, Unlisted securities in accordance with the guidelines for valuation of investments in unlisted equity shares by SEBI, as on 31<sup>st</sup> March 2008 as determined by the Taurus Asset Management Company Limited as per the policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.
  - An account is pending reconciliation at the year-end. (Refer Note No. 15 of Notes on Accounts) Impact, if any, of the above, on the financial statements is not presently ascertainable.**
7. In our opinion and to the best of our information and according to the explanations given to us and **subject to our comments in para 6 above**, the said accounts read together with the notes forming part of the accounts thereon, give a true and fair view:
  - i. in the case of the Balance Sheet of the state of affairs of Taurus Mutual Fund - Discovery Stock Fund Scheme as at March 31, 2008, and
  - ii. in the case of Revenue Account of the excess of expenditure over income of Taurus Mutual Fund - Discovery Stock Fund Scheme for the year ended March 31, 2008.

For N.M. Raiji & Co.  
 Chartered Accountants

S.N. Shivakumar  
 Partner

Place: New Delhi  
 Dated: June 21, 2008



## AUDIT REPORT

### Libra Tax Shield

To,  
The Board of Trustees  
Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund – Libra Tax Shield Scheme as at 31st March 2008 and the Revenue Account for the year ended 31st March 2008 annexed thereto. These financial statements are the responsibility of the Board of Trustees of Taurus Mutual Fund and management of Taurus Asset Management Company Ltd (the “management”). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 disclosure 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the scheme.

2. In our opinion and to the best of our information and according to the explanations given to us;
  - i. The Balance Sheet and the Revenue Account together with the notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable, and give respectively a true and fair view of the state of affairs of Taurus Mutual Fund-Libra Tax Shield Scheme as on 31st March 2008 and its net Surplus for the year ended on that date.
  - ii. The Balance Sheet as on 31st March 2008 and the Revenue Account for the year ended on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
  - iii. The methods used to value
    - a) Thinly traded/non traded securities in accordance with the guidelines for valuation of securities for Mutual Funds issued by SEBI
    - b) Unlisted equity shares in accordance with the guidelines for valuation of unlisted equity shares for Mutual Funds issued by SEBI as on March 31, 2008 as determined by Taurus Asset Management Company Ltd as per policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.

For and on behalf of P. Bholusaria & Co.  
Chartered Accountants

Place: New Delhi  
Dated: June 21, 2008

Amit Goel  
Partner

## AUDIT REPORT

### Bonanza Exclusive Growth

To,  
The Board of Trustees  
Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund –Bonanza Exclusive Growth Scheme-Open as at 31st March 2008 and the Revenue Account for the year ended 31st March 2008 annexed thereto. These financial statements are the responsibility of the Board of Trustees of Taurus Mutual Fund and management of Taurus Asset Management Company Ltd (the “management”). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 disclosure 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the scheme.

2. In our opinion and to the best of our information and according to the explanations given to us;
  - i. The Balance Sheet and the Revenue Account together with the notes thereon (particularly item no 19 of Annexure - I) give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and give respectively a true and fair view of the state of affairs of Taurus Mutual Fund-Bonanza Exclusive Growth Scheme-Open as on 31st March 2008 and its net surplus for the year ended on that date.
  - ii. The Balance Sheet as on 31st March 2008 and the Revenue Account for the year ended on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
  - iii. The methods used to value
    - a) Thinly traded/non traded securities in accordance with the guidelines for valuation of securities for Mutual Funds issued by SEBI
    - b) Unlisted equity shares in accordance with the guidelines for valuation of unlisted equity shares for Mutual Funds issued by SEBI as on March 31, 2008 as determined by Taurus Asset Management Company Ltd as per policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.

For and on behalf of P. Bholusaria & Co.  
Chartered Accountants

Amit Goel  
Partner

Place: New Delhi  
Dated: June 21, 2008

## AUDIT REPORT

### Taurus Infra - Tips

To,  
The Board of Trustees  
Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund Taurus Infra-Tips as at 31st March 2008 and the Revenue Account for the year ended 31st March 2008 annexed thereto. These financial statements are the responsibility of the Board of Trustees of Taurus Mutual Fund and management of Taurus Asset Management Company Ltd (the "management"). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 disclosure 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the scheme.

2. In our opinion and to the best of our information and according to the explanations given to us;
  - i. The Balance Sheet and the Revenue Account together with the notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and give respectively a true and fair view of the state of affairs of Taurus Mutual Fund-Taurus Infra-Tips as on 31st March 2008 and its net Surplus for the year ended on that date.
  - ii. The Balance Sheet as on 31st March 2008 and the Revenue Account for the period ended on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
  - iii. The methods used to
    - a) Thinly traded/non traded securities in accordance with the guidelines for valuation of securities for Mutual Funds issued by SEBI
    - b) Unlisted equity shares in accordance with the guidelines for valuation of unlisted equity shares for Mutual Funds issued by SEBI as on March 31, 2008 as determined by Taurus Asset Management Company Ltd as per policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.

For and on behalf of P. Bholusaria & Co.  
Chartered Accountants

Place: New Delhi  
Dated: June 21, 2008

Amit Goel  
Partner

## AUDIT REPORT

### Libra Bond Fund

To,  
The Board of Directors  
Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund - Libra Bond Fund Scheme as at March 31, 2008 and the revenue account of the scheme for the year ended on that date annexed thereto both of which we have signed under reference to this report. 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 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 misstatements. 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of Taurus Mutual Fund Libra Bond Fund Scheme.
5. The accounts have been prepared in accordance with accounting policies approved by the Directors, which are principally in accordance with the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto.
6. The methods used to value thinly traded/non-traded securities as on 31<sup>st</sup> March 2008 in accordance with the guidelines for valuation of securities by SEBI as determined by the Taurus Asset Management Company Limited as per the policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.
7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes forming part of the accounts thereon, give a true and fair view:
  - i. in the case of the Balance Sheet of the state of affairs of Taurus Mutual Fund - Libra Bond Fund Scheme as at March 31, 2008, and
  - ii. in the case of Revenue Account of the excess of income over expenditure of Taurus Mutual Fund - Libra Bond Fund Scheme for the year ended March 31, 2008.

For N.M. Rajji & Co.  
Chartered Accountants

S.N. Shivakumar  
Partner

Place: New Delhi  
Dated: June 21, 2008

## AUDIT REPORT

### Libra Gilt Fund

To,  
The Board of Directors  
Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund - Libra Gilt Fund Scheme as at March 31, 2008 and the revenue account of the scheme for the year ended on that date annexed thereto both of which we have signed under reference to this report. 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 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 misstatements. 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of Taurus Mutual Fund Libra Gilt Fund Scheme.
5. The accounts have been prepared in accordance with accounting policies approved by the Directors, which are principally in accordance with the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto.
6. The methods used to value thinly traded/non-traded securities as on 31<sup>st</sup> March 2008 in accordance with the guidelines for valuation of securities by SEBI as determined by the Taurus Asset Management Company Limited as per the policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.
7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes forming part of accounts thereon, give a true and fair view:
  - i in the case of the Balance Sheet of the state of affairs of Taurus Mutual Fund - Libra Gilt Fund Scheme as at March 31, 2008, and
  - ii in the case of Revenue Account of the excess of income over expenditure of Taurus Mutual Fund - Libra Gilt Fund Scheme for the year ended March 31, 2008.

For N.M. Raiji & Co.  
Chartered Accountants

Place: New Delhi  
Dated: June 21, 2008

S.N. Shivakumar  
Partner

## AUDIT REPORT

### Taurus Liquid Fund

To,  
The Board of Trustees  
Taurus Investment Trust Company Limited

1. We have audited the attached Balance Sheet of Taurus Mutual Fund - Taurus Liquid Fund as at 31st March 2008 and the Revenue Account for the year ended 31st March 2008 annexed thereto. These financial statements are the responsibility of the Board of Trustees of Taurus Mutual Fund and management of Taurus Asset Management Company Ltd (the "management"). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 disclosure 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. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet and the Revenue Account referred to above are in agreement with the books of account of the scheme.

2. In our opinion and to the best of our information and according to the explanations given to us;
  - i. The Balance Sheet and the Revenue Account together with the notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and give respectively a true and fair view of the state of affairs of Taurus Mutual Fund-Taurus Liquid Fund as on 31st March 2008 and its net Surplus for the year ended on that date.
  - ii. The Balance Sheet as on 31st March 2008 and the Revenue Account for the year ended on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
  - iii. The methods used to value Thinly traded/non traded securities in accordance with the guidelines for valuation of securities for Mutual Funds issued by SEBI as on March 31, 2008 as determined by Taurus Asset Management Company Ltd as per policies approved by the Board of Trustees of Taurus Mutual Fund are fair and reasonable.

For and on behalf of P. Bholusaria & Co.  
Chartered Accountants

Place: New Delhi  
Dated: June 21, 2008

Amit Goel  
Partner

### Abridged Balance Sheet as at 31st March, 2008

TAURUS MUTUAL FUND

	(Rupees in Lakhs)															
	Taurus the Starshare		Discovery Stock Fund		Libra Tax Shield		Bonanza Exclusive Growth		Taurus Infra Tips		Libra Bond Fund		Libra Gift Fund		Taurus Liquid Fund	
	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07
<b>LIABILITIES</b>																
1 Unit Capital	3,787.74	3,927.52	1,912.75	1,472.11	503.73	276.56	1,082.06	1,266.11	1,518.63	4,329.87	367.01	146.36	6.40	142.02	148.50	1,746.58
2 Reserves & Surplus																
2.1 Unit Premium	(1,182.53)	(854.33)	1,514.84	533.98	444.41	95.02	(1,387.32)	(1,071.50)	(433.48)	-	58.25	25.81	(0.15)	10.24	3.15	(9.67)
2.2 Unrealised	12,342.44	9,507.71	1,344.01	899.29	178.57	112.70	2,574.17	2,133.89	348.72	14.44	-	-	-	-	-	-
2.3 Other Reserves	4,732.54	2,062.62	(705.11)	(769.90)	84.71	(47.39)	2,164.54	1,757.29	323.06	17.48	117.48	35.99	2.31	30.53	10.43	19.03
3 Loans & Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Current Liabilities & Provisions																
4.1 Provision for doubtful Income/Deposits	894.57	1,072.69	-	178.17	-	-	292.89	292.89	-	-	-	-	-	-	-	-
4.2 Other Current Liabilities & Provisions	70.17	27.86	24.50	13.40	29.96	0.82	52.14	51.48	103.73	69.43	9.90	8.62	4.74	5.06	0.14	1.02
<b>TOTAL</b>	<b>20,644.93</b>	<b>15,744.07</b>	<b>4,090.99</b>	<b>2,327.05</b>	<b>1,241.38</b>	<b>437.71</b>	<b>4,778.48</b>	<b>4,430.16</b>	<b>1,860.66</b>	<b>4,431.22</b>	<b>552.64</b>	<b>216.78</b>	<b>13.30</b>	<b>187.85</b>	<b>162.22</b>	<b>1,756.96</b>
<b>ASSETS</b>																
1 Investments																
1.1 Listed Securities:																
1.1.1 Equity Shares	18,160.74	13,857.03	3,135.20	1,936.67	917.93	420.70	4,143.42	3,849.48	1,710.10	530.07	-	-	-	-	-	-
1.1.2 Preference Shares	95.63	-	-	-	-	-	53.13	-	6.65	-	-	-	-	-	-	-
1.1.3 Equity Linked Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.1.4 Other Debentures & Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.1.5 Securitised Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Securities Awaited Listing:																
1.2.1 Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2.2 Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2.3 Equity Linked Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2.4 Other Debentures & Bonds	112.33	105.42	-	-	-	-	39.25	38.64	-	-	-	10.00	-	-	-	-
1.2.5 Securitised Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Unlisted Securities																
1.3.1 Equity Shares	-	-	-	6.56	-	-	-	-	-	-	-	-	-	-	-	-
1.3.2 Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.3 Equity Linked Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.4 Other Debentures & Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.5 Securitised Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Government Securities	111.86	111.70	24.16	23.86	-	-	41.64	40.89	-	-	-	-	-	-	-	-
1.5 Treasury Bills	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Certificate of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.8 Bill Re-discounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## Abridged Balance Sheet as at 31st March, 2008

(Rupees in Lakhs)

	Taurus the Starshare		Discovery Stock Fund		Libra Tax Shield Growth		Bonanza Exclusive		Taurus Infra Tips		Libra Bond Fund		Libra Gilt Fund		Taurus Liquid Fund	
	as at 31-Mar-08	As at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08	as at 31-Mar-07
1.9 Units of Domestic Mutual Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.10 Foreign Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL INVESTMENTS</b>	<b>18,480.56</b>	<b>14,074.15</b>	<b>3,159.36</b>	<b>1,967.09</b>	<b>917.93</b>	<b>420.70</b>	<b>4,277.44</b>	<b>3,929.01</b>	<b>1,716.75</b>	<b>530.07</b>	<b>10.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2 Deposits	-	-	-	-	-	-	-	-	800.00	-	-	-	-	-	-	100.00
3 Other Current Assets	122.58	123.54	56.41	42.80	42.69	15.77	77.34	87.63	30.82	77.08	19.77	17.51	7.30	4.05	4.86	10.12
3.1 Cash & Bank Balance																
3.2 CBLO/ Reverse Repo Lending	1,018.76	278.69	870.80	99.89	273.93	-	74.98	11.99	90.98	3,010.70	184.80	533.87	6.00	183.80	154.96	1,644.20
3.3 Others	1,023.03	1,267.69	4.42	217.27	6.83	1.24	348.72	401.53	22.11	13.37	2.21	1.26	-	-	2.40	2.64
4 Deferred Revenue Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(to the extent not written off)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>20,644.93</b>	<b>15,744.07</b>	<b>4,090.99</b>	<b>2,327.05</b>	<b>1,241.38</b>	<b>437.71</b>	<b>4,778.48</b>	<b>4,430.16</b>	<b>1,860.66</b>	<b>4,431.22</b>	<b>216.78</b>	<b>552.64</b>	<b>13.30</b>	<b>187.85</b>	<b>162.22</b>	<b>1,756.96</b>

Note to Accounts - Annexure I



**Abridged Revenue Account for the year ended 31st, March 2008**

TAURUS MUTUAL FUND

(Rupees in Lakhs)

	Taurus the Starshare		Discovery Stock Fund		Libra Tax Shield		Bonanza Exclusive Growth		Taurus Infra Tips		Libra Bond Fund		Libra Gilt Fund		Taurus Liquid Fund	
	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current period ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07
<b>1 Income</b>																
1.1 Dividend	114.85	151.88	19.21	27.65	7.59	7.59	41.23	71.90	19.18	0.55	-	-	-	-	-	-
1.2 Interest	71.96	44.00	26.88	10.18	1.90	1.90	14.60	18.37	58.54	24.34	12.28	25.45	4.29	2.66	49.38	66.40
1.3 Realised Gain/(Loss) on Foreign Exchange Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Realised Gains/(Losses) on Interscheme sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Realised Gains/(Losses) on External sale/redemption of investments	3,376.02	2,956.62	327.01	406.80	(16.43)	(16.43)	755.92	1,039.06	510.67	1.80	-	0.16	-	-	6.64	(7.25)
1.6 Realised Gains/(Losses) on Derivative Transactions	(1.96)	-	-	-	-	-	2.58	-	-	-	-	-	-	-	-	-
1.7 Other Income	178.18	46.19	75.00	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(A)</b>	<b>3,739.05</b>	<b>3,198.69</b>	<b>448.10</b>	<b>444.63</b>	<b>(6.94)</b>	<b>(6.94)</b>	<b>814.33</b>	<b>1,129.33</b>	<b>588.39</b>	<b>26.69</b>	<b>12.28</b>	<b>25.61</b>	<b>4.29</b>	<b>2.66</b>	<b>56.02</b>	<b>59.15</b>
<b>2 Expenses</b>																
2.1 Management fees	233.16	178.72	41.18	26.82	5.90	5.90	59.18	56.37	33.88	3.73	1.29	2.60	0.32	0.42	1.56	1.92
2.2 Service tax on Management fees	28.80	21.87	5.09	3.28	0.72	0.72	7.31	6.90	4.18	0.46	0.16	0.32	0.04	0.05	0.19	0.23
2.3 Transfer agents fees and expenses	31.51	24.68	8.84	8.83	0.82	0.82	7.30	7.67	7.63	-	0.73	0.81	0.32	0.19	3.07	2.70
2.4 Custodian fees	12.07	11.46	2.46	1.76	0.35	0.35	3.05	3.45	1.79	0.10	0.02	0.26	-	-	0.38	0.20
2.5 Trusteeship fees	1.12	1.10	1.12	1.10	1.12	1.10	1.12	1.10	1.12	-	0.02	-	0.02	-	0.20	-
2.6 Commission to Agents	27.30	90.11	15.89	5.87	0.02	0.02	2.23	25.97	-	-	-	-	-	-	1.00	0.70
2.7 Marketing & Distribution expenses (Net of Load Utilised)	22.96	4.12	1.15	1.35	0.03	0.03	0.32	1.30	0.43	-	-	-	-	-	-	-
2.8 Audit fees	1.69	1.40	1.40	0.11	1.40	1.40	1.40	1.40	1.40	0.11	0.11	0.01	0.01	0.11	0.11	-
2.9 Other operating expenses (Net of Expenditure in excess of limit to be borne by AMC)	37.91	39.51	7.52	5.56	(5.56)	0.53	2.33	3.64	1.51	0.03	0.26	0.24	0.10	0.03	(1.85)	(0.76)
<b>(B)</b>	<b>396.52</b>	<b>373.26</b>	<b>84.65</b>	<b>55.97</b>	<b>9.58</b>	<b>9.58</b>	<b>84.24</b>	<b>107.80</b>	<b>51.94</b>	<b>5.72</b>	<b>2.57</b>	<b>4.34</b>	<b>0.81</b>	<b>0.70</b>	<b>4.66</b>	<b>5.10</b>
<b>3 Net Realised Gains/ (losses) For the year / period (A - B = C)</b>	<b>3,342.53</b>	<b>2,825.43</b>	<b>363.45</b>	<b>388.66</b>	<b>(16.52)</b>	<b>(16.52)</b>	<b>730.09</b>	<b>1,021.53</b>	<b>536.45</b>	<b>20.97</b>	<b>9.71</b>	<b>21.27</b>	<b>3.48</b>	<b>1.96</b>	<b>51.36</b>	<b>54.05</b>
<b>4 Change in Unrealised Depreciation in value of investments (D)</b>	515.89	160.15	231.84	(36.40)	60.85	22.60	76.75	136.12	120.15	3.49	-	-	-	-	-	-
<b>5 Net gains / (losses) for the year/period (E = C - D)</b>	<b>2,826.64</b>	<b>2,665.28</b>	<b>131.61</b>	<b>425.06</b>	<b>12.53</b>	<b>(39.12)</b>	<b>653.34</b>	<b>885.41</b>	<b>416.30</b>	<b>17.48</b>	<b>9.71</b>	<b>21.27</b>	<b>3.48</b>	<b>1.96</b>	<b>51.36</b>	<b>54.05</b>
<b>6 Change in unrealised appreciation in the value of investments (F)</b>	<b>2,834.73</b>	<b>(1,124.45)</b>	<b>444.72</b>	<b>(497.51)</b>	<b>65.87</b>	<b>(39.83)</b>	<b>440.28</b>	<b>(800.26)</b>	<b>334.28</b>	<b>14.44</b>	<b>-</b>	<b>(0.12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Abridged Revenue Account for the year ended 31st, March 2008**

(Rupees in Lakhs)

	Taurus the Starshare		Discovery Stock Fund		Libra Tax Shield		Bonanza Exclusive Growth		Taurus Infra Tips		Libra Bond Fund		Libra Gilt Fund		Taurus Liquid Fund	
	Current Year ended 31-Mar-08	Previous Year ended 31-Mar-07	Current Year ended 31-Mar-08	Previous Year ended 31-Mar-07	Current Year ended 31-Mar-08	Previous Year ended 31-Mar-07	Current Year ended 31-Mar-08	Previous Year ended 31-Mar-07	Current Period ended 31-Mar-08	Previous Year ended 31-Mar-07	Current Year ended 31-Mar-08	Previous Year ended 31-Mar-07	Current Year ended 31-Mar-08	Previous Year ended 31-Mar-07	Current Year ended 31-Mar-08	Previous Year ended 31-Mar-07
<b>7 NET SURPLUS/(DEFICIT) FOR THE YEAR/PERIOD (E + F = G)</b>	<b>5,661.37</b>	<b>1,540.83</b>	<b>576.33</b>	<b>(72.45)</b>	<b>78.40</b>	<b>(78.95)</b>	<b>1,093.62</b>	<b>85.15</b>	<b>750.58</b>	<b>31.92</b>	<b>9.71</b>	<b>21.15</b>	<b>3.48</b>	<b>1.96</b>	<b>51.36</b>	<b>54.05</b>
7.1 Add: Balance transfer from Unrealised Appreciation Reserve	-	1,124.45	-	497.51	-	39.83	-	800.26	-	-	-	0.12	-	-	-	-
7.2 Less: Balance transfer to Unrealised Appreciation Reserve	2,834.73	-	444.72	-	65.87	-	440.28	-	334.28	14.44	-	-	-	-	-	-
7.3 Add/(Less): Equalisation	(156.72)	(381.02)	(66.82)	77.13	119.57	(3.41)	(246.09)	(59.37)	(110.72)	-	71.78	11.60	(31.70)	28.40	(24.70)	(5.12)
<b>8 Total</b>	<b>2,669.92</b>	<b>2,284.26</b>	<b>64.79</b>	<b>502.19</b>	<b>132.10</b>	<b>(42.53)</b>	<b>407.25</b>	<b>826.04</b>	<b>305.58</b>	<b>17.48</b>	<b>81.49</b>	<b>32.87</b>	<b>(28.22)</b>	<b>30.36</b>	<b>26.66</b>	<b>48.93</b>
<b>9 Dividend appropriation</b>																
9.1 Income Distributed during the year/period	-	-	-	-	-	-	-	408.12	-	-	-	-	-	-	27.48	24.49
9.2 Tax on income distributed during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.78	5.41
<b>10 Retained Surplus/(Deficit) carried forward to Balance sheet</b>	<b>2,669.92</b>	<b>2,284.26</b>	<b>64.79</b>	<b>502.19</b>	<b>132.10</b>	<b>(42.53)</b>	<b>407.25</b>	<b>417.92</b>	<b>305.58</b>	<b>17.48</b>	<b>81.49</b>	<b>32.87</b>	<b>(28.22)</b>	<b>30.36</b>	<b>(8.60)</b>	<b>19.03</b>

Note to Accounts - Annexure I

**Notes to Accounts- Annexure I to the Abridged Balance Sheet and Revenue Account for the year ended 31st March 2008.**

- The Schemes hold Investments in the name of the Taurus Investment Trust Company Ltd for the benefits of the Schemes Unitholders.
- The Bonanza Exclusive Growth-Open scheme was taken over by Taurus Mutual Fund from BOI Mutual Fund w.e.f. March 25, 2002. Debt securities taken over from BOI Mutual fund and held in physical form were pending change of name from BOI Mutual Fund to Taurus Mutual fund as on 31st March 2008.
- The Open position in Stock Future Derivative as on 31st March 2008 is as under

Scheme	Name of Equity Stock Future	Outstanding Market value (Rs.)	% to Net Assets
Taurus the Starshare	MRPL April 2008	8,67,193.75	0.04

- None of the schemes holds any investments in Associates and Group Companies as on 31st March 2008.
- None of the schemes have borrowed or lent any security during the year.
- The Non Performing Investments (Debt Securities) as on 31st March, 2008 is as follows:

Scheme	as on 31st March 2008		as on 31st March 2007	
	Book Value (Amt in Lacs)	Provision (Amt in Lacs)	Book Value (Amt in Lacs)	Provision (Amt in Lacs)
Taurus the Starshare	748.50	748.50	926.63	926.63
Discovery Stock Fund	130.00	130.00	280.00	280.00
Bonanza Exclusive Growth	237.50	237.50	237.50	237.50

- Non performing investments include debentures that are overdue for redemption shown under the head Other Current Assets.
- Amount recovered against Non-performing debt securities in Taurus the Starshare Rs. 17,812,500 (Previous Year Rs 1,406,250.00) and Discovery Stock Fund Rs. 7,500,000.00 (Previous Year Rs Nil) during the year have been accounted for under Other Income.

- The Scheme wise aggregate Unrealised Gain/Loss as at 31st March 2008 as a % of Net assets is as under:

Scheme	as on 31st March 2008		as on 31st March 2007	
	Unrealised Gain / Loss (Amt in Lacs)	% of Net Assets (Amt in Lacs)	Unrealised Gain / Loss (Amt in Lacs)	% of Net Assets (Amt in Lacs)
Taurus the Starshare	10563.87	53.69	8245.03	56.30
Discovery Stock Fund	800.46	19.69	587.57	27.51
Libra Tax Shield	0.49	0.04	-4.53	-1.04
Bonanza Exclusive Growth	2311.92	52.16	1948.40	47.69
Taurus Infra Tips	225.08	12.81	10.95	0.25

- The aggregate value of purchases and sales of investments during the year expressed as a % of average daily / weekly Net assets is as under:

Scheme	as on 31st March 2008		as on 31st March 2007	
	Amount (Rs.)	% of Avg Daily Net Assets	Amount (Rs.)	% of Avg Weekly Net Assets
<b>Taurus the Starshare</b>				
• Purchase	371,987,670.51	17.53	268,700,303.20	17.26
• Sales	501,047,479.28	23.61	542,104,048.88	34.82
<b>Discovery Stock Fund</b>				
• Purchase	185,387,843.71	54.75	75,761,692.32	33.84
• Sales	120,148,284.83	35.48	123,999,822.45	55.39
<b>Bonanza Exclusive Growth</b>				
• Purchase	92,289,915.49	18.33	134,770,186.46	28.29
• Sales	169,392,562.12	33.65	198,430,720.83	41.66
<b>Libra Tax Shield</b>				
• Purchase	81,487,643.26	105.65	18,394,830.99	38.78
• Sales	40,249,257.29	52.18	18,930,906.50	39.92
<b>Taurus Infra Tips</b>				
• Purchase	1,007,042,903.39	332.12	74,602,868.88	17.18
• Sales	960,854,687.76	316.89	22,871,445.48	5.27

Scheme	as on 31st March2008		as on 31st March2007	
	Amount (Rs.)	% of Avg Daily Net Assets	Amount (Rs.)	% of Avg Weekly Net Assets
<b>Libra Bond Fund</b>				
• Purchase	Nil	-	93,167,200.00	241.73
• Sales	1,000,000.00	3.42	93,183,087.00	241.77
<b>Libra Gilt Fund</b>				
• Purchase	Nil	-	Nil	-
• Sales	Nil	-	Nil	-
<b>Taurus Liquid Fund</b>				
• Purchase	994,681,220.00	1204.70	313,477,950.00	214.20
• Sales	995,345,529.00	1205.51	312,752,896.00	213.70

9. The details of Non Traded Securities along with % of Net Assets in schemes are as under:

Scheme	as on 31st March2008		as on 31st March2007	
	Amount (In Lacs)	% of Net Assets	Amount (In Lacs)	% of Net Assets
<b>Taurus the Starshare</b>				
• Equity	5.98	0.03	49.40	0.34
• Debentures	112.33	0.57	105.42	0.72
<b>Bonanza Exclusive Growth</b>				
• Debentures	39.25	0.89	38.65	0.95
<b>Libra Bond Fund</b>				
• Debentures	-	-	10.00	4.81
<b>Discovery Stock Fund</b>				
• Equity	-	-	6.56	0.31

10. Regarding transactions with associates in terms of Regulation 25(8) of the SEBI Regulations 1996- During the period the services of the sponsor, its associates/ employees were not utilised nor any brokerage or commission paid there for. However, an amount of Rs 6,986/- (Previous year Rs. 19,722.59) was paid towards brokerage on mobilization of funds in Taurus Liquid Fund to relative/concern of relative of one of the director of the AMC. The brokerage paid was similar to those paid to other distributors of the schemes.

11. The details of holding over 25% of Net Assets in schemes are as under:

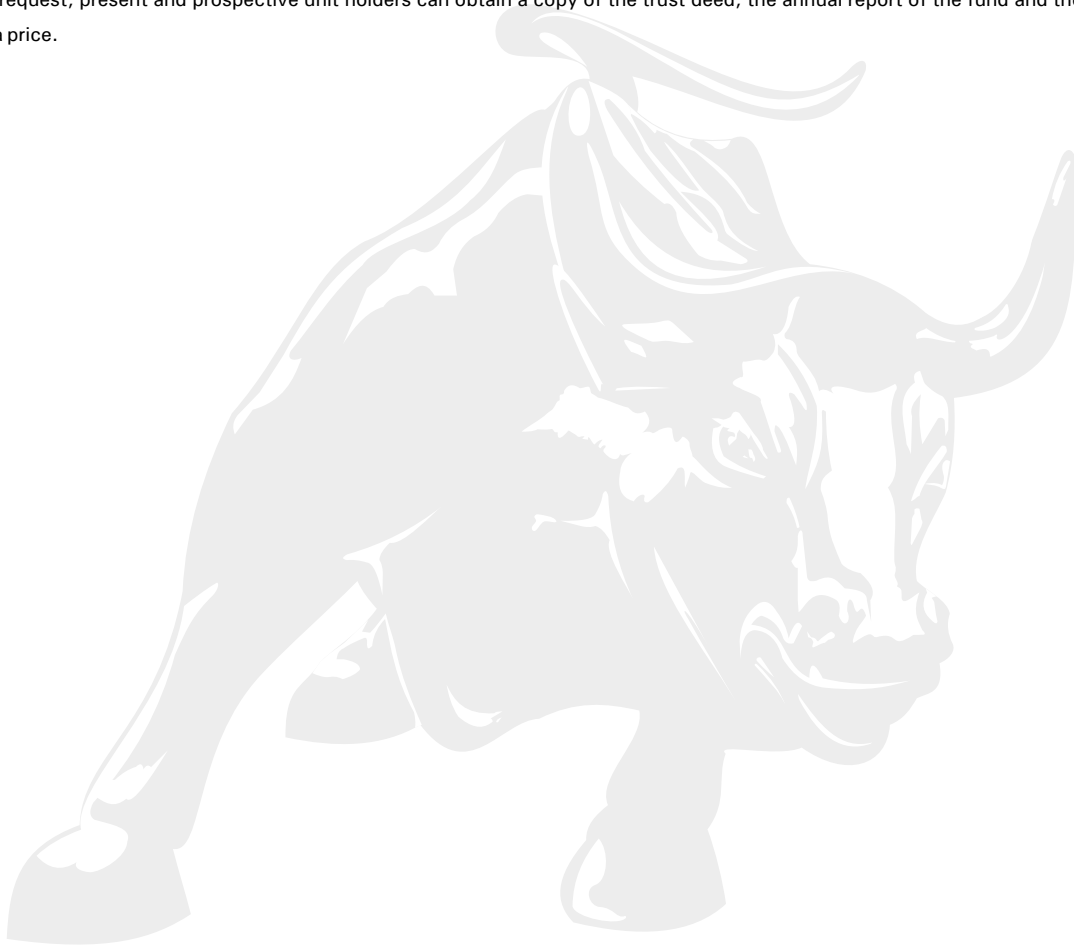
Scheme	as on 31st March2008		as on 31st March2007	
	No of Unit holders	% of Net Assets	No of Unit holders	% of Net Assets
Bonanza Exclusive Growth	1	26.17	-	-
Libra Gilt Fund	2	65.84	-	-
Libra Bond Fund	1	74.00	-	-
Taurus Liquid Fund	1	62.35	1	86.09
Taurus Infra Tips	1	26.33	-	-

12. During the earlier years, in terms of the approval by the respective Boards of Taurus Asset Management Company Ltd and Taurus Investment Trust Company Ltd (TITCO), investments in certain illiquid securities were sold to TITCO with the agreement that, profit, if any, arising in future from sale of these securities would be shared in the ratio of 4:1 between the respective scheme and TITCO. Accordingly, Rs Nil (Previous Year Rs. 3,211,936.40) has been received by Starshare from TITCO towards sale of the illiquid securities in the Financial Year 2007-2008 and grouped under the head other Income

13. The Expenses other than management fee are inclusive of service tax where applicable.

14. During the year there is change in method of calculating Management Fees from being based on average weekly Net Assets to average daily Net Assets. As a result of this, surplus for the year of the respective schemes is higher/(lower) on account of decrease/(increase) in Management Fees by the equivalent amount in Starshare – Rs 0.53 lacs, Discovery Stock fund – Rs 0.24 lacs, Libra Tax Shield – Rs (0.01) lacs, Bonanza Exclusive Growth - Rs 0.27 lacs, Libra Bond Fund – Rs (0.20) lacs, Libra Gilt Fund – Rs (0.08) lacs, Taurus Infratips – Rs 0.05 lacs and Taurus Liquid fund Rs 0.06 lacs. In the opinion of the Management, this change has been done to rationalize charging of Management Fees.

15. The old bank accounts for redemption of units are pending reconciliation in Starshare and Discovery Stock Fund. Efforts are being made to fully reconcile the account and necessary adjustments will be carried out in due course.
16. The Plan wise movement of Unit Capital during the year for the Schemes is attached herewith as Annexure II.
17. The Previous year's figures have been regrouped or rearranged wherever necessary. The previous year's figures in Taurus Liquid Fund are for the period 28th August 2006 to 31st March 2007 and in Taurus Infra Tips are for the period 05th February 2007 to 31st March 2007. Hence, they are not comparable with the figures of the current year.
18. There is no contingent liability on partly paid equity shares.
19. During the year, the investments of Bonanza Exclusive Growth Schemes in an equity share, namely State Bank of India Exceeded 10% of NAV of the scheme on account of application made on Rights Issue basis. However, the holding in scrip as a percentage of NAV was below 10% on the date of receipt of right shares.
20. On written request, present and prospective unit holders can obtain a copy of the trust deed, the annual report of the fund and the text of the relevant scheme at a price.



## Annexure - II

**Taurus The Starshare -Growth Plan**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
• Unit Capital at the beginning of the year	39,275,178.715	392,751,787.15	45,337,372.382	453,373,723.82
• Units sold during the year	20,681,405.474	206,814,054.74	24,304,764.042	243,047,640.42
• Redeemed during the year	22,079,128.703	220,791,287.03	30,366,957.709	303,669,577.09
• Balance at the end of the year	<b>37,877,455.486</b>	<b>378,774,554.86</b>	<b>39,275,178.715</b>	<b>392,751,787.15</b>

**Discovery Stock Fund -Growth Plan**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
• Unit Capital at the beginning of the year	14,721,133.359	147,211,333.59	16,448,323.789	164,483,237.89
• Units sold during the year	42,041,327.570	420,413,275.70	40,679,831.752	406,798,317.52
• Redeemed during the year	37,634,933.252	376,349,332.52	42,407,022.182	424,070,221.82
• Balance at the end of the year	<b>19,127,527.677</b>	<b>191,275,276.77</b>	<b>14,721,133.359</b>	<b>147,211,333.59</b>

**Libra Bond Fund**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
<b>Unit Capital at the beginning of the year</b>				
• Growth Plan	1,417,286.277	14,172,862.77	139,159.06	11,391,590.61
• Dividend Plan	46,278.074	462,780.74	60,302.316	603,023.16
<b>Units sold during the year</b>				
• Growth Plan	87,319,652.265	873,196,522.65	60,249,384.125	602,493,841.25
• Dividend Plan	187,461.673	1,874,616.73	7,959,643.979	79,596,439.79
<b>Redeemed during the year</b>				
• Growth Plan	85,114,198.353	851,141,983.53	58,971,256.909	589,712,569.09
• Dividend Plan	186,387.921	1,863,879.21	7,973,668.221	79,736,682.21
<b>Balance at the end of the year</b>				
• Growth Plan	<b>3,622,740.189</b>	<b>36,227,401.89</b>	<b>1,417,286.277</b>	<b>14,172,862.77</b>
• Dividend Plan	<b>47,351.826</b>	<b>473,518.26</b>	<b>46,278.074</b>	<b>462,780.74</b>

**Libra Gilt Fund**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
<b>Unit Capital at the beginning of the year</b>				
• Growth Plan	1,415,411.543	14,154,115.43	7,349.020	73,490.20
• Dividend Plan	4,778.431	47,784.31	3,854.096	38,540.96
<b>Units sold during the year</b>				
• Growth Plan	25,147,457.172	251,474,571.72	22,140,928.698	221,409,286.98
• Dividend Plan	29,451.722	294,517.22	17,517.918	175,179.18
<b>Redeemed during the year</b>				
• Growth Plan	26,504,214.502	265,042,145.02	20,732,866.175	207,328,661.75
• Dividend Plan	28,865.658	288,656.581	6,593.583	165,935.83
<b>Balance at the end of the year</b>				
• Growth Plan	<b>58,654.213</b>	<b>586,542.13</b>	<b>1,415,411.543</b>	<b>14,154,115.43</b>
• Dividend Plan	<b>5,364.495</b>	<b>53,644.95</b>	<b>4,778.431</b>	<b>47,784.31</b>

**Bonanza Exclusive Growth -Growth Plan**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
• Unit Capital at the beginning of the year	12,661,070.618	126,610,706.18	12,970,982.817	129,709,828.17
• Units sold during the year	4,055,761.008	40,557,610.08	14,997,261.345	149,972,613.45
• Redeemed during the year	5,896,185.958	58,961,859.58	15,307,173.544	153,071,735.44
• Balance at the end of the year	<b>10,820,645.668</b>	<b>108,206,456.68</b>	<b>12,661,070.618</b>	<b>126,610,706.18</b>

**Libra Taxshield -Growth Plan**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
• Unit Capital at the beginning of the year	2,765,532.393	27,655,323.93	2,896,430.135	28,964,301.35
• Units sold during the year	2,341,596.778	23,415,967.78	37,173.427	371,734.27
• Redeemed during the year	69,814.423	698,144.23	168,071.169	1,680,711.69
• Balance at the end of the year	<b>5,037,314.748</b>	<b>50,373,147.48</b>	<b>2,765,532.393</b>	<b>27,655,323.93</b>

## Annexure - II

**Taurus Liquid Fund**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
<b>Unit Capital at the beginning of the year</b>				
• Growth Plan	2,384,924.116	23,849,241.16	-	-
• Dividend Plan	15,080,848.812	150,808,488.12	-	-
<b>Units sold during the year</b>				
• Growth Plan	32,442,979.971	324,429,799.71	125,321,767.844	1,253,217,678.44
• Dividend Plan	45,639,753.479	456,397,534.79	66,661,707.303	666,617,073.03
<b>Redeemed during the year</b>				
• Growth Plan	33,410,134.546	334,101,345.46	122,936,843.728	1,229,368,437.28
• Dividend Plan	60,653,411.396	606,534,113.96	51,580,858.491	515,808,584.91
<b>Balance at the end of the year</b>				
• Growth Plan	1,417,769.541	14,177,695.41	2,384,924.116	23,849,241.16
• Dividend Plan	67,190.895	671,908.95	15,080,848.812	150,808,488.12

**Taurus Infra Tips**

	March 31, 2008		March 31, 2007	
	Units	Face Value	Units	Face Value
<b>Unit Capital at the beginning of the year</b>				
• Growth Plan	20,714,591.874	207,145,918.74	-	-
• Dividend Plan	22,584,133.902	225,841,339.02	-	-
<b>Units sold during the year</b>				
• Growth Plan	25,615,787.930	256,157,879.30	20,714,591.874	207,145,918.74
• Dividend Plan	972,833.262	9,728,332.62	22,584,133.902	225,841,339.02
<b>Redeemed during the year</b>				
• Growth Plan	38,667,272.374	386,672,723.74	-	-
• Dividend Plan	16,033,843.794	160,338,437.94	-	-
<b>Balance at the end of the year</b>				
• Growth Plan	7,663,107.430	76,631,074.30	20,714,591.874	207,145,918.74
• Dividend Plan	7,523,123.370	75,231,233.70	22,584,133.902	225,841,339.02

### Key Statistics for the year ended 31st, March 2008

TAURUS MUTUAL FUND	Taurus the Starshare		Discovery Stock Fund		Libra Tax Shield		Bonanza Exclusive Growth		Taurus Infra Tips		Libra Bond Fund		Libra Gilt Fund		Taurus Liquid Fund	
	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current period ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07	Current year ended 31-Mar-08	Previous year ended 31-Mar-07
<b>1 NAV per unit (Rs.):</b>																
Open	37.28	34.17	14.50	15.52	15.80	18.64	32.27	35.61	10.07	10.00	14.2240	13.2337	12.8696	12.5453	10.3472	10.0000
• Growth Plan	-	-	-	-	-	-	-	-	10.07	10.00	13.8423	12.8721	12.5463	12.2272	10.0070	10.0000
• Dividend Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High	83.90	43.68	32.64	17.37	36.88	21.08	61.10	39.33	18.21	10.24	14.7965	14.2240	13.4091	12.8696	10.9581	10.3472
• Growth Plan	-	-	-	-	-	-	-	-	18.21	10.24	14.3550	13.8423	13.1578	12.5463	10.0064	10.2393
• Dividend Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low	35.83	23.56	13.97	9.38	15.22	12.47	30.79	26.18	10.03	10.00	14.2448	13.2501	12.8891	12.5470	10.3578	10.0000
• Growth Plan	-	-	-	-	-	-	-	-	10.03	10.00	13.8558	10.5045	12.5630	12.2301	9.9290	9.9762
• Dividend Plan	-	-	-	-	-	-	-	-	10.03	10.00	-	-	-	-	-	-
End	51.94	37.28	21.25	14.50	24.05	15.80	40.96	32.27	11.57	10.07	14.7965	14.2240	13.4091	12.8696	10.9581	10.3472
• Growth Plan	-	-	-	-	-	-	-	-	11.57	10.07	14.3550	13.8423	13.1578	12.5463	10.0064	10.0070
• Dividend Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Closing Assets Under Management</b>																
(Rs. in Lakhs)																
End	19,674.74	14,643.52	4,064.45	2,135.49	1,211.42	436.88	4,432.45	4,085.79	1,756.68	4,361.79	542.84	208.16	8.57	182.79	162.08	1,755.94
Average (AAUM)	21,218.30	15,568.76	3,386.12	2,238.66	771.31	474.28	5,033.86	4,763.40	3,032.13	4,342.36	292.45	385.42	73.84	49.07	825.66	1,463.51
<b>3 Gross income as % of AAUM</b>	17.62	20.55	13.23	19.86	12.01	(1.46)	16.18	23.71	19.41	0.61	4.20	6.64	5.81	5.42	6.78	6.96
<b>4 Expense Ratio:</b>																
a Total Expense as % of AAUM	1.87	2.40	2.50	2.50	2.50	2.02	1.67	2.26	1.71	0.13	0.88	1.13	1.10	1.43	0.56	0.60
(i) Growth Plan	-	-	-	-	-	-	-	-	1.71	0.13	0.88	1.13	1.10	1.43	0.56	0.60
(ii) Dividend Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b Management Fee as % of AAUM	1.10	1.15	1.22	1.20	1.24	1.24	1.18	1.18	1.12	0.09	0.44	0.67	0.43	0.86	0.19	0.13
(i) Growth Plan	-	-	-	-	-	-	-	-	1.12	0.09	0.44	0.67	0.43	0.86	0.19	0.13
(ii) Dividend Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>5 Net Income as a Percentage of AAUM</b>	15.75	18.15	10.73	17.36	9.51	(3.48)	14.50	21.45	17.69	0.48	3.32	5.52	4.71	3.99	6.22	3.69
<b>6 Portfolio turnover ratio</b>	0.18	0.17	0.35	0.34	0.52	0.39	0.18	0.28	3.17	-	-	2.42	-	-	12.05	2.14
<b>7 Total Dividend per unit distributed during the year / period</b>																
(i) Growth Plan	-	-	-	-	-	-	-	2.50	-	-	-	-	-	-	-	-
(ii) Dividend Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.51	0.33
<b>8 Returns:</b>																
a Last One Year																
• Scheme	39.32	9.10	46.55	(6.57)	52.22	(15.24)	26.93	(1.49)	14.86	-	4.02	7.54	4.19	2.64	5.90	-
• Growth Plan (%)	-	-	-	-	-	-	-	-	14.86	-	3.94	7.79	5.14	2.88	5.90	-
• Dividend Plan (%)	-	-	-	-	-	-	-	-	24.13	-	8.25	3.72	9.19	5.64	7.54	-
• Benchmark (%)	24.13	10.20	24.13	10.20	24.13	10.20	24.13	10.20	24.13	-	-	-	-	-	-	-
b Since Inception																
• Scheme	12.32	10.50	5.71	3.00	11.39	8.28	14.57	13.61	14.54	0.70	6.10	6.48	4.53	4.60	5.95	3.47
• Growth	-	-	-	-	-	-	-	-	14.54	0.70	5.59	5.92	4.22	4.12	5.95	3.47
• Plan (%)	-	-	-	-	-	-	-	-	28.87	5.29	-	-	-	-	7.13	3.70
• Dividend Plan (%)	10.01	9.00	10.17	9.13	15.42	14.86	13.25	12.49	-	-	-	-	-	-	-	-
• Benchmark (%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The benchmarks for Libra Bond Fund and Libra Gilt Fund were launched on 31-3-2002 and hence comparisons since launch of scheme have not been given for these schemes.  
 Benchmark Index : a) For Equity Oriented Schemes - BSE 200, b) For Libra Bond Fund - CRISIL Composite Bond Fund Index, c) For Libra Gilt Fund - I-Sec Composite Index, d) For Taurus Liquid Fund - CRISIL Liquid Fund Index