

N. M. RAIJI & CO.
Chartered Accountants
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AUDITORS' REPORT

TO THE BOARD OF TRUSTEES TAURUS MUTUAL FUND

We have audited the attached Balance Sheet as at March 31, 2010 for the period ended on that date, annexed thereto of **Taurus Fixed Maturity Plan – 370 Days Series 3** (the scheme) of the Taurus Mutual Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit. We report that:

1. Our audit was conducted in accordance with generally accepted Standards on Auditing 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
3. The Balance Sheet is in agreement with the books of account of the Scheme.
4. In our opinion, valuation methods for Non Traded Securities, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustees.
5. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.

N. M. RAIJI & CO.

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the SEBI (Mutual Funds) Regulations, 1996 and give a true and fair view in accordance with the generally accepted accounting principles in India, in the case of Balance Sheet, of the state of affairs of the scheme as at March 31, 2010.

For N. M. Raiji & Co.
Chartered Accountants
Firm Regn. No. 108296W



Vinay D. Balse
Partner
Membership No. 39434

Place: Mumbai

Date: June 30, 2010

TAURUS MUTUAL FUND
BALANCE SHEET OF TAURUS FIXED MATURITY PLAN 370 DAYS - SERIES 3 AS AT MARCH 31, 2010

	SCHEDULE	AS AT MARCH 31, 2010 • AMOUNT (RS.)
LIABILITIES		
Unit Capital	A	27,353,000
Reserves and Surplus	B	-
Current Liabilities and Provisions	C	-
		27,353,000
ASSETS		
Investments	D	-
Other Current Assets	E	27,353,000
		27,353,000
Significant Accounting Policies and Notes to Accounts	H	

Schedules referred to above form an integral part of the Balance Sheet.

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

For and on behalf of
N.M.Rajji & Co.
 Chartered Accountants


 Vinay D. Balse
 Partner



For and on behalf of Taurus Investment Trust Company Limited

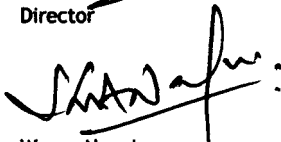

 Director


 Director

For and on behalf of Taurus Asset Management Company Limited


 Director


 Director


 Waqar Naqvi
 Chief Executive Officer


 Sanjay Parikh
 Chief Operation Officer


 Pankaj Jain
 Fund Manager

Place: Mumbai
 Date: June 30, 2010

TAURUS MUTUAL FUND
REVENUE ACCOUNT OF TAURUS FIXED MATURITY PLAN 370 DAYS - SERIES 3 FOR THE PERIOD ENDED
MARCH 31, 2010

	SCHEDULE	FOR THE PERIOD ENDED MARCH 31, 2010 AMOUNT (RS.)
INCOME		
Interest	F	-
Profit on sale/ redemption of investments (Net)		
- inter-scheme		-
- others		-
		-
EXPENSES		
Management, Trusteeship Fees, Administrative and Other Operating expenses	G	-
		-
Surplus for the period		-
Balance transferred to Balance Sheet		-
Significant Accounting Policies and Notes to Accounts	H	

Schedules referred to above form an integral part of Revenue Account

This is the Revenue Account referred to in our report of even date

For and on behalf of
N.M. Rajji & Co.
 Chartered Accountants


 Vinay P. Balse
 Partner



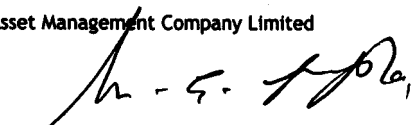
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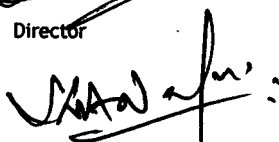

 Director


 Director

For and on behalf of Taurus Asset Management Company Limited


 Director


 Director


 Waqar Naqvi
 Chief Executive Officer

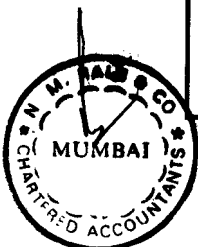

 Sanjay Parikh
 Chief Operation Officer

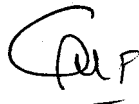



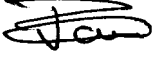

Place: Mumbai
 Date: June 30, 2010


 Pankaj Jain
 Fund Manager

TAURUS FIXED MATURITY PLAN 370 DAYS - SERIES 3
SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010




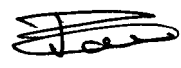



		AS AT MARCH 31, 2010 AMOUNT (RS.)
SCHEDULE 'A' : UNIT CAPITAL		
a) Initial Capital Issued and Subscribed		
2,735,300.000 units of Rs 10 each fully paid up		27,353,000.00
b) Outstanding at the end :		
(I) Taurus Fixed Maturity Plan 370 Days - Series 3- Retail Growth Plan 2,700,300.000 units of Rs. 10 each fully paid up	27,003,000	
(II) Taurus Fixed Maturity Plan 370 Days - Series 3 -Retail Dividend Plan 35,000.000 units of Rs. 10 each fully paid up	350,000	
		27,353,000
		27,353,000
SCHEDULE 'B' : RESERVES AND SURPLUS		
Unit Premium Reserve		
Balance at the commencement of the year	-	
Discount / Premium on units repurchased/sold during the period	-	
Closing balance		-
Balance in Revenue Reserve [Including net unrealised appreciation in value of Investments Rs. Nil]		-
		-
SCHEDULE 'C' : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		-
Payable to Taurus Asset Management Co. Ltd. (Including Management Fees Payable)		-
Tax Deducted at Source payable		-
Audit Fees payable		-
Custodian Fees Payable		-
Other Liabilities		-
		-
SCHEDULE 'D' : INVESTMENTS		
(Refer Note 1(b) of Schedule H)		
Debentures/Bonds (Listed/ Awaiting Listing)		-
Government Securities		-
Collateralised Borrowing and Lending Obligation (CBLO)		-
Commercial Papers		-
		-
SCHEDULE 'E' : OTHER CURRENT ASSETS		
Balance with Banks in Current Accounts		-
Units Subscription Receivable		24,853,000
Amount Receivable from other schemes		2,500,000
		27,353,000



TAURUS FIXED MATURITY PLAN 370 DAYS - SERIES 3
SCHEDULES FORMING PART OF THE REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010

		FOR THE PERIOD ENDED MARCH 31, 2010 AMOUNT (RS.)
SCHEDULE 'F' : INTEREST		
Collateralised Borrowing and Lending Obligation (CBLO)	-	
Certificates of Deposit	-	
Commercial Papers	-	
SCHEDULE 'G' : MANAGEMENT, TRUSTEESHIP, ADMINISTRATIVE AND OTHER OPERATIVE EXPENSES		
Management Fees	-	
Trusteeship Fees	-	
Custodian Fees	-	
Registrar Charges	-	
Advertisement and Publicity Expenses	-	
Audit Fees	-	
Other Operating Expenses	-	



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Schedule - H:

Significant Accounting Policies and Notes to Accounts (Annexed to and forming part of Balance Sheet as at March 31, 2010 and Revenue Account for the year ended March 31, 2010).

1 Significant Accounting Policies

a) Method of Accounting

The Scheme maintains its books of accounts on accrual basis. The accounting policies of the Scheme and its Financial Statements are prepared in accordance with the Mutual Fund Regulations, 1996 of the Securities and Exchange Board of India ('SEBI').

b) Portfolio Valuation

Investments in securities are valued on "Marked to Market" basis, principally as stated below:

I. Quoted debt investments are valued at the quoted price on Bombay Stock Exchange and if such quotation is not available, at quoted price on any other stock exchange. If the security has not been traded on the valuation date, then the security is valued at the last quoted price available on any stock exchange upto 30 days prior to valuation date.

(II) Non traded and thinly traded debt security Those securities which are upto or having residual period of upto 182 days to maturity are valued on the basis of amortisation i.e. cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments.

The securities of over 182 days of maturity are valued as under:

* Investment grade debt securities are valued on a Yield to Maturity basis based on the yield matrix released by an approved independent agency in accordance with the SEBI/AMFI regulations.

* Non-investment grade performing debt securities are valued at a discount of 25% to the face value.

* Non-investment grade non-performing debt securities are valued net of provisions.

(III) Investments in Central Government Securities are valued at the prices released by CRISIL, an AMFI approved independent agency, in accordance with the SEBI regulations.

(IV). Investments in Collateralised Borrowing and Lending Obligation (CBLO) are valued at cost plus accrual. Other money market instruments are valued on the basis of amortisation (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments).

c) Investment Transactions

Investment transactions are accounted on trade date for debt securities. The cost of acquisition includes the cost of purchase, stamp duty, security transaction tax and charges customarily included in the broker's bought note. In respect of privately placed debt instruments, front-end discount is reduced from cost of investment.

d) Recognition of revenue and treatment of expenses

I. Interest is accrued on day-to day basis, except for debt classified as non-performing assets, on which interest is recognized on receipt basis, in line with applicable regulations. In respect of interest bearing investments, interest paid at the time of purchase for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and interest received at the time of sale for the period from the last interest due date upto the date of sale is credited to Interest Recoverable Account.

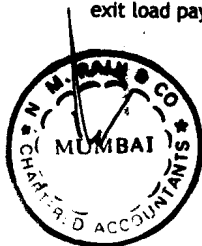
II. If the interest is not received till after the expiry of the 1st quarter from the date the income has fallen due, no further interest accrual is made on that asset.

III. The net unrealized gain/loss in the value of investments is determined separately for each class of investments. Further the change in net unrealized gain/ loss, if any, between two balance sheet dates is recognized in the Revenue Account.

IV. Registrar expenses common to the fund have been allocated in proportion to the monthly number of transactions and other common expenses have been allocated in proportion to the number of unitholders of the respective schemes as at the month-end to which the expenses pertain.

V. Profit and loss on sale or redemption of investments is computed by applying the weighted average cost of such investments.

VI. Marketing and incidental expenses incurred in connection with the collection / redemption of the units are adjusted against entry and exit load payable to the extent available. The expenses in excess of load available are charged to Revenue Account.



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e) Unit Re-purchase/ Sale transactions

Unit repurchase/sale transactions are recorded on the basis of advice received from the Registrar & Transfer agent on daily basis. The discount/premium on re-purchase is credited/debited to unit premium reserve of the respective plan. Similarly the discount/premium on sale of units is debited/credited to unit premium reserve of the respective plan.

f) Determination of net asset values

I. The net asset value of the units of the scheme is determined separately for units issued under the different plans.

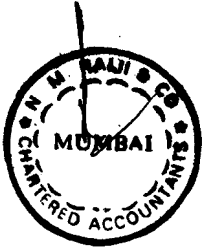
II. For calculating the net asset values under different plans, the amount of sale/repurchase of units under each plan are separately accounted for. Further, net income arising from such deployment are allocated daily to the plans in proportion to their Net Asset Values.

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Notes to Accounts

2 Taurus FMP 370 Days Series -3 is a close ended scheme which was launched on March 22, 2010. The scheme closed for subscription on March 29, 2010. The scheme seeks to generate income through minimum volatility through investments in a portfolio of debt (including securitised debt) and money market instruments. The scheme has Retail Plan and Institutional Plan. A combined Balance Sheet and Revenue Account is prepared for the scheme.

3 As at the year end, the details of investments are as under:

	March 31, 2010	
	Market /Fair Value	
	(Rs)	
<u>Debentures/Bonds:</u>		
Certificate Of Deposit		Nil
Commercial Paper		Nil
Collateralised Borrowing & Lending Obligation (CBLO)		Nil

4 Net Asset Value (NAV) per unit as at the year end is as follows :

	March 31, 2010
Retail -Dividend Plan	10.0000
Retail -Growth Plan	10.0000

5 The Scheme has not declared any dividend during the year.

6 The Scheme has not paid any management fees during the year.

7 Unrealized appreciation as on March 31, 2010 is Rs. Nil.

8 The aggregate value of purchases and sales of investments and income and expenditure during the year expressed as a % of average daily net assets is as under :

	Rs.	% as above
Purchases	0	0.00
Sales	0	0.00
Income	0	0.00
Expenditure	0	0.00

Note: Income excludes net change in unrealized gain/loss in value of investments, profit on sale thereof and provisions written back. Expenditure excludes net change in unrealized gain/loss in value of investments and loss on sale thereof.

9 Movement in unit capital during the year 2009-10 is as under :

	No. Of units	Face Value (Rs.)
Balance at the commencement of the year	Nil	Nil
Units sold during new fund offer	2,735,300.000	27,353,000
Unit repurchased during the year	Nil	Nil
Balance as on March 31, 2010	2,735,300.000	27,353,000

10 During the year, the scheme has not paid any Trusteeship fees as unit capital as on 1st April of the scheme was nil.

11 No provision for taxation is required as the fund is a recognized Mutual Fund u/s 10(23D) of the Income Tax Act, 1961.

12 As at the year end, the investment of the scheme was Nil, hence disclosure of Industry wise classification of investment has not been given.

13 At March 31, 2010, the scheme does not hold investments in companies, which had invested more than 5% of the NAV of any scheme of the fund, or their subsidiaries, as at that date.



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- 14 There has been no transaction with the associates in terms of regulation 25(7) of SEBI (Mutual Fund) Regulations, 1996.
- 15 There are no underwriting commitments.
- 16 The scheme has no exposure in Derivatives/Foreign Securities/ADRS/GDRS as on March 31, 2010.
- 17 During the year the services of the sponsor, its associates / employees were not utilised nor any brokerage or commission paid therefor.
- 18 The scheme has not subscribed to any issue lead managed by its associate companies or any issue of debt on private placement basis where the sponsor or its associates acted as the arranger or manager.
- 19 There are no unitholders holding over 25% of the NAV of the scheme as at the year end.
- 20 The financial statements are prepared for the period March 22, 2010 to March 31, 2010. As these are the first financial statements of the scheme, there are no comparatives figures for the previous year.
- 21 A full portfolio of investments of the Scheme is attached herewith as Annexure I.

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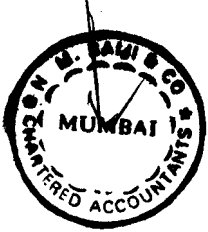


Portfolio Statement as on March 31, 2010

Name of the Instrument	Quantity	Market Value (in Rs. Lakhs)
MONEY MARKET INSTRUMENTS		
CBLO/REPO		-
Sub Total		-
Total		-
GRAND TOTAL		-

** Non Traded Security, # Unlisted Security

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 - "Kumar" written in the center.
 - "Soni" written on the right.
 - "Soni" written below "Soni".
 - A large circular signature on the far right.



TAURUS FIXED MATURITY PLAN 370 DAYS - SERIES 3

Perspective Historical Per Unit Statistics

Amount in Rupees

	As at March 31, 2010
Per Unit Particulars	.
A) Face Value	10.0000
B) Net Asset Value, per unit -	
Retail Growth Plan	10.0000
Retail Dividend Plan	10.0000
C) Gross Income	
i) Income other than Profit on sale of investment	-
ii) Income from Profit on inter scheme sale/transfer of investments (net)	-
iii) Income from Profit on sale of investment to third party) (net)	-
iv) Net change in Unrealised gain/loss in value of investments	-
v) Transfer to Revenue Account from past years' reserve.	-
vi) Gross Income [Total of (i) to (v)]	-
D) Total Expenses	
i) Aggregate of Expenses, write off, amortisation and charges	-
ii) Net change in Unrealised gain/loss in value of investments	-
iii) Total Expenses [Total of (i) and (ii)]	-
E) Net Income [(C)-(D)]	-
F) Unrealised appreciation/(depreciation) in value of investments	-
G) (1) Trading Price/NAV	
i) Highest during the year - Retail Growth Plan	10.0000
Retail Dividend Plan	10.0000
ii) Lowest during the year - Retail Growth Plan	10.0000
Retail Dividend Plan	10.0000
(2) Price Earning Ratio	N.A
H) Per unit ratio of expenses to average net assets by %	0.00% *
I) Per unit ratio of gross income to average net assets by %	0.00% *
(including net changes in unrealised gain/loss in value of investments)	

* Percentage of Income and Expenditure have been given on annualised basis

