



TATA INVESTMENT CORPORATION LIMITED

71st Annual Report
2007-08

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BOARD OF DIRECTORS :

Mr. N.A. Soonawala (*Chairman*)
 Mr. A.B.K. Dubash
 Mr. K.N. Suntook
 Mr. M. J. Kotwal (*Executive Director & Secretary*)
 Mr. N. N. Tata
 Mr. K. A. Chaukar
 Mr. F. N. Subedar
 Mr. H. N. Sinor

Registered Office :

Ewart House,
 Homi Mody Street,
 Mumbai 400 001.
 (Tel: 66658282 – Fax: 22652629)
 e-mail: ticl@tata.com

Bankers :

Bank of India
 Catholic Syrian Bank
 Central Bank of India
 Citibank N.A.
 HDFC Bank Ltd.
 Hatton National Bank Ltd., Colombo
 ICICI Bank Ltd.
 Standard Chartered Bank
 The Hongkong and Shanghai Banking Corporation Ltd.

Auditors :

Messrs A.F. Ferguson & Co.
 Chartered Accountants.

Solicitors :

Messrs Mulla & Mulla and Craigie, Blunt & Caroe

Registrars & Share Transfer Agents :

TSR Darashaw Limited
 (Tel. 66568484 Fax: 66568494)
 e-mail: csg-unit@tsrdarashaw.com

Annual General Meeting on Tuesday, the 15th day of July, 2008 at Bombay House Auditorium at 3.30 p.m.

No hand bags/parcels of any kind will be allowed inside the Auditorium. The same will have to be deposited outside the Auditorium on the counter provided, at the visitor's own risk.

TATA INVESTMENT CORPORATION LIMITED

NOTICE

THE SEVENTY-FIRST ANNUAL GENERAL MEETING OF TATA INVESTMENT CORPORATION LIMITED will be held at Bombay House Auditorium, Homi Mody Street, Mumbai 400 001, on Tuesday, the 15th day of July, 2008, at 3.30 p.m. to transact the following business :-

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31st March, 2008, and the Balance Sheet as at that date.
2. To declare a dividend on Ordinary Shares.
3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that Mr. K.A. Chaukar, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, be and is hereby re-appointed a Director of the Company."
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that Mr. F.N. Subedar, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, be and is hereby re-appointed a Director of the Company."
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be increased from Rs.50,00,00,000 divided into 5,00,00,000 Ordinary Shares of Rs.10 each to Rs.60,00,00,000 divided into 6,00,00,000 Ordinary Shares of Rs.10 each by creation of 1,00,00,000 Ordinary Shares of Rs.10 each and that Clause V of the Memorandum of Association of the Company be altered accordingly."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :-

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, Article 6 of the Articles of Association of the Company be substituted by the following Article :

'6. The present authorised capital of the Company is Rs.60,00,00,000 divided into 6,00,00,000 Ordinary Shares of Rs.10 each with power to increase the capital from time to time.'
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, in place of the retiring auditors, Messrs A.F. Ferguson & Co., Chartered Accountants to examine and audit the accounts of the Company for the financial year 2008-2009, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus reimbursement of service charges and other out-of-pocket expenses incurred in the performance of their duties."

NOTES :

- a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under Item Nos. 5 to 7 set out above are annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- c) The Register of Members and the Transfer Books of the Company will remain closed from Tuesday, 1st July, 2008 to Tuesday, 15th July, 2008, both days inclusive.

- d) Dividend, if declared, will be paid on or after 16th July, 2008, to those members whose names appear on the Company's Register of Members on 15th July, 2008. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 1st July, 2008 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Ltd.
- e) Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
- f) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants.
- g) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1997 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period, are requested to forward their claims in the prescribed Form No.II to the Registrar of Companies, Central Government Office Bldg., 'A' Wing, 2nd floor, Next to Reserve Bank of India, CBD Belapur 400 614.

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2001 onwards, are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed final dividend for the financial year ended 31st March, 2001 is due for transfer to the Fund on or before 15th August, 2008.

By Order of the Board of Directors,
TATA INVESTMENT CORPORATION LIMITED

M.J. KOTWAL
Executive Director & Secretary.

Mumbai, 16th May, 2008

Registered Office :
Ewart House
Homi Mody Street
Mumbai 400 001.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the special business mentioned in Item Nos. 5 to 7 of the accompanying Notice dated 16th May, 2008.

Item Nos. 5 & 6 : In order to facilitate the increase in capital arising out of the Zero Coupon Convertible Bonds, the Authorised Capital of the Company is being increased from Rs.50,00,00,000 divided into 5,00,00,000 Ordinary Shares of Rs.10 each to Rs.60,00,00,000 divided into 6,00,00,000 Ordinary Shares of Rs.10 each as indicated in the Resolution at Item Nos. 5 & 6 of the Notice. Consequently, Clause V of the Memorandum of Association and Article 6 of the Articles of Association of the Company are proposed to be altered.

A copy of the Memorandum & Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Item No. 7 : The Company's Statutory Accounts have been audited by Messrs A.F. Ferguson & Co. (AFF) since its incorporation.

AFF have, vide their letter dated 9th May, 2008, stated that they do not wish to seek re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

The Company has received a special notice from a Member of the Company, in terms of the provisions of the Act, signifying its intention to propose the appointment of Deloitte Haskins & Sells (DHS) as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. DHS is an Indian firm of Chartered Accountants in which some partners of AFF are also partners. DHS have expressed its willingness to act as Auditors of the Company, if appointed and have confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

In view of the above and based on the recommendations of the Audit Committee, the Board of Directors have, at its meeting held on 16th May, 2008, proposed the appointment of DHS as the Statutory Auditors for the Financial Year 2008-2009 in place of AFF.

Members' approval is being sought to the appointment of DHS as the Statutory Auditors and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

The Directors commend the resolution for acceptance by the Members.

By Order of the Board of Directors,
TATA INVESTMENT CORPORATION LIMITED

M.J. KOTWAL
Executive Director & Secretary.

Mumbai, 16th May, 2008

Registered Office :
Ewart House
Homi Mody Street
Mumbai 400 001.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting - Clause 49(1)(A) of the Listing Agreement

Name of the Director	Mr. K.A. Chaukar	Mr. F.N. Subedar
Date of Birth	01.08.1947	24.09.1955
Date of Appointment	09.06.2004	11.03.2005
Expertise in specific functional areas	Investment and Finance	Taxation, Accounts and Finance
Qualifications	B.A (Eco), PGDBA, DEA – Rural Economics	B.Com., A.C.A., A.C.S.
No. of Shares held in the Company	Nil Ordinary Shares	1467 Ordinary Shares
Directorships held in other companies (excluding private and foreign cos.)	Tata Industries Ltd. (Mg. Director) Tata Advanced Materials Ltd. Tata Teleservices Ltd. Tata Autocomp Systems Ltd. Tata Communications Ltd. IDFC Private Equity Company Ltd. Tata Business Support Services Ltd. (Chairman) Tata Petrodyne Ltd. TSR Darashaw Ltd. (Chairman) Advinus Therapeutics Pvt. Ltd. Praj Industries Ltd. Tata Communications International Pte Ltd. Tata Industrial Services Ltd.	Tata Services Ltd. Tata Capital Ltd. Ewart Investments Ltd. Panatone Finvest Ltd. TCE Consulting Engineers Ltd. Global Information Services Ltd. THDC Ltd. Tata International Ltd. Tata Petrodyne Ltd. Tata Sky Ltd. Tata Realty & Infrastructure Ltd. Mc-Graw Hill Education (India) Pvt. Ltd. Zoroastrian Investment Corporation Pvt. Ltd.
Position held in mandatory committees of other companies	Tata Autocomp Systems Ltd. (Member: Audit Committee) Tata Teleservices Ltd. (Member: Audit Committee) Tata Communications Ltd. (Chairman: Shareholders/Investor Grievance Committee) (Member: Remuneration Committee) Tata Business Support Services Ltd. (Chairman : Audit Committee) (Member : Remuneration Committee) Tata Communications International Pte. Ltd. (Member: Audit Committee)	Tata Services Ltd. (Member : Audit Committee) (Member : Remuneration Committee) TCE Consulting Engineers Ltd. (Member : Audit Committee) Tata International Ltd. (Member : Audit Committee) (Member : Investment Committee) THDC Ltd. (Member : Audit Committee) (Member : Committee of Directors) Tata Petrodyne Ltd. (Member : Audit Committee)

DIRECTORS' REPORT

TO

THE MEMBERS,

The Directors present their Seventy-first Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2008.

2. FINANCIAL RESULTS :

	Rupees (in crores)	Previous Year Rupees (in crores)
Total Income	210.08	204.12
Profit before tax	202.31	197.74
Less: Provision for tax	16.46	15.29
Amount transferred from Deferred Tax Asset	—	- 0.80
Profit after tax	185.85	181.65
Balance brought forward from the previous year	70.11	60.27
Amount available for appropriation	255.96	241.92
The Directors have made the following appropriations -		
Proposed dividend on Ordinary Shares @ 150%	51.69	51.69
Tax on dividends	8.78	8.78
Reserve Fund	37.18	36.33
General Reserve	75.00	75.00
	172.65	171.80
leaving a balance to be carried forward of	83.31	70.12

3. OPERATIONS :

The total income of the Company during the year increased to Rs.210 crores against Rs.204 crores in the previous financial year. The total expenditure during the year was Rs.7.76 crores against Rs.6.38 crores in the previous year. The increase is due to provision of certain employee costs in accordance with the revised Accounting Standard, and increase in other expenses.

The profit before tax increased from Rs.197.74 crores in the previous year to Rs.202.31 crores for the year under review and the profit after tax for the year under review increased to Rs.185.85 crores as against Rs.181.65 crores in the previous year.

The basic earnings per share (EPS) computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India was Rs.53.93 per share as against Rs.52.71 per share for the previous year.

Considering the volatility in the financial and stock markets during the year under review, the Directors trust that the shareholders will find the performance of the Company for the financial year 2007-2008 to be satisfactory.

4. DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs.15 per share i.e. 150% for the year 2007-2008 (previous year 130% plus 20% special dividend). The total dividend payout (including dividend tax) would be about 33% of the profit after tax.

5. INVESTMENT PORTFOLIO :

A summarised position of the Company's portfolio of investments is given below :-

	As on	
	31.03.2008 Rupees (in crores)	31.03.2007 Rupees (in crores)
QUOTED INVESTMENTS (Long Term and Current) -		
Book value (net of provision for diminution)	521.40	387.06
Market value	2411.24	1843.47
UNQUOTED INVESTMENTS (including Mutual Funds and application money)-		
Book value (net of provision for diminution).....	366.79	366.53
Estimated value (previous year taken at book value - please see para below)	654.48	366.53
TOTAL PORTFOLIO		
Total book value of all investments (net of provision for diminution)	888.19	753.59
Total of market value of quoted investments and estimated value of unquoted investments (subject to tax as applicable) (previous year's figure for unquoted investments taken at book value – please see para below)	3065.72	2210.00
TOTAL NUMBER OF COMPANIES (excluding mutual funds)		
	184	229

In the past, the NAV of the Company's share was computed on the basis of the market values of listed investments and the book values of unlisted investments. However, this year, an attempt has been made to determine the fair value of the unlisted investments to the extent possible, based on the last available data of such investments. The amounts invested in Mutual Funds (Rs.247.60 crores) on 31st March, 2008 (which is included in this category of unlisted investments) have been valued at their respective net asset values, most of the other large investments in unlisted companies have been taken on the basis of independent valuations and the balance shares which represent a relatively small portion have been taken on the basis of their respective book values. Accordingly, the NAV of the Company's share on 31st March, 2008, works out to Rs.805 per share, based on the market values of the listed investments and the fair values of the unlisted investments, subject to the limitations mentioned above, after deducting tax as applicable. On the earlier method of computation, the NAV on 31st March, 2008 would have worked out to Rs. 730 (Previous year Rs. 588).

In accordance with the relevant Accounting Practice, an amount of Rs.42.24 lacs being the provision for diminution in value of investments made earlier, now no longer required, has been written back to the Securities Premium Account.

The Directors confirm that most of the investments held by the Company are long term investments and would normally be held for more than one year from the date of acquisition, unless otherwise decided in specific cases. A small part (about 4% of the book value on 31st March, 2008) of the portfolio is in the category of 'Current Investments' which, for accounting and other purposes, are so classified at the time of making such investments and are indicated separately in the list of investments shown in the relevant schedule in the Balance Sheet.

The Board has been considering from time to time diversification of its investment portfolio in other areas such as real estate funds and making block investments in unlisted companies. Accordingly, for a start, the Company has made an investment in two Real Estate Funds from which, by their very nature, the Company can only expect returns over a period of time. In the case of unlisted investments, certain proposals are under active consideration.

6. MANAGEMENT DISCUSSION & ANALYSIS :

The financial year 2007-08 witnessed a continuation of the 'bull run' on the Indian Stock Exchange for the fifth year in succession. The BSE Sensex increased by about 25% from the start to the end of the year – but this figure does not reflect the large fluctuations in the intervening months. Such wide fluctuations have become very frequent particularly in the last two/three years; for example, in early January 2008, the BSE Sensex reached an all-time peak of 21207, showing an increase of 47% since April 2007 and then declined sharply by 36% to touch 15644 in March, 2008. The year 2007-08 therefore had a record of some of the largest daily increases and also the largest daily declines in the history of the BSE. This level of volatility is not conducive to orderly growth in the market and is particularly difficult for long-term investors like our Company which does not undertake frequent trading in shares.

While the changes in the BSE Sensex reflects the variations in the prices of the large companies included in that index, there were many occasions when the fluctuations in the other shares were even more dramatic in both directions which is not adequately noticed. For example, data compiled by some reputable research houses reveal that even after the recent boom years, around 55% of the number of shares were trading in March 2008 below their levels two years ago.

As in the past four years, the markets reacted favourably to the major positive factors in the Indian economy, namely the continuing high GDP growth rate of over 8%, sustained improvement in corporate quarterly earnings in 2007 and, importantly, the continuing inflow of large funds from Foreign Institutional Investors (FIIs). The FII inflow into equity markets during 2007-08 was about \$ 13 billion, which thus increased their total investment in our equity markets to over \$ 60 billion (i.e. Rs.2,40,000 crores). As we have said in our earlier reports, this is not an unmixed blessing because of the consequences of any large outflows from such investors for their own valid reasons which may have nothing to do with the Indian environment. Sure enough, when there was a major disturbance in the international financial world in the last quarter of 2007, there was an inevitable effect – though a little delayed – on our stock markets when some foreign funds were withdrawn and new investment was not forthcoming to the same extent. The drastic decline in our stock market in January 2008 was certainly related to these developments abroad and continues to keep our stock market subdued. Fortunately, there has been a healthy growth in inflows into the domestic Mutual Funds where the total assets under management are now reported to have reached a level of about Rs.5,00,000 crores, of which about Rs.1,50,000 crores are estimated to be in equity Mutual Funds. Another favourable development is the substantial increase in Foreign Direct Investment in the last two years which will directly contribute to the overall growth of the economy. It is also heartening to observe the large investment being made (and planned) in the infrastructure sector.

A fairly large amount of funds – both domestic and foreign - are now being invested in the real estate sector and this is having a similar effect on real estate values as the large fund inflows have had on our stock markets. Here too, this needs to be viewed with some caution as too much money is being invested too fast and while real estate values have inevitably shot up, it is to be seen whether the pent-up demand for such high value properties will keep pace with the supply. On the other hand, there is a huge demand for affordable real estate and it is this segment that needs to be addressed.

Shareholders are aware of the drastic change in the international financial situation since the last quarter of 2007 and the causes – and consequences – of these developments have been more than adequately analysed in the foreign and domestic media, and do not need further elaboration. Suffice it to say that, though the origin of these serious events was mainly in the U.S.A. with subsequent similar developments in many other countries, it was inevitable that our country would also feel some ripple effects. It is also not surprising that the most notable effect was on our stock market which, to a fair extent, have come to depend on foreign fund flows which were naturally affected by the financial developments in their home countries. Apart from this major development, we cannot be immune from other major negative factors such as the very sharp and continuous increase in fuel prices and other major raw material prices, the high rate of inflation resulting from high food and commodity prices, the relatively high domestic rates of interest, etc.

In this scenario, it would be naïve to believe that in the current financial year 2008-09 there would be no adverse effect on the overall growth rate and that of various sectors of the economy. The corporate sector too cannot be immune to these factors and we should be prepared to see a moderation in the growth of corporate profits arising from pressure of rising costs on their margins. However, having

seen three/four years of exceptionally high growth in the corporate sector, a moderation in growth and profits would still provide satisfactory results and one should not over-react to such a situation.

The performance of our Company during 2007-08 has to be viewed in the context of the above mentioned factors. The Company has maintained its track record of profits even though the growth from Rs.182 crores to Rs.186 crores was only marginal. The reduction in the total dividend income was mainly due to a shift in the investments in Mutual Funds from 'dividend' schemes to 'growth' schemes with the latter being accounted as capital gains, and also because of payment of interim dividends by many companies in the latter half of the previous accounting year, to avail of certain tax benefits. The higher level of the profit on sale of investments was partly due to this factor and partly due to the fact that a major part of the sales were effected before the substantial decline in share prices in January, 2008.

As will be seen from the statement given earlier in this Report, the book value of the Company's investments increased from Rs.754 crores to Rs.888 crores during 2007-08 and the market value of the listed investments showed an increase of 31% during the year compared to the increase of 24% in the BSE-200 Index. The Company has also reduced the total number of investments from 229 to 184. The Directors have maintained a dividend of 150% on the Company's equity capital, though the previous year's dividend included a special dividend of 20%. Under the circumstances prevailing in 2007-08, the Directors hope that the shareholders would consider the financial results to be satisfactory.

7. PROPOSED RIGHTS ISSUE OF ZERO COUPON CONVERTIBLE BONDS :

Though the Company does have some surplus funds which are invested in Mutual Funds, these generate a good and steady income which is much higher than the low dividend yield on high-priced equity shares. Moreover, the Company has made some commitments for additional investments which, together with the dividend payment, will considerably reduce the surplus funds. As it is necessary in the interest of the long-term growth of the Company to increase the investment portfolio of the Company, your Board has announced a Rights Issue of Fully Convertible Bonds of about Rs.448 crores on reasonably attractive terms and which is structured in a way that the increase in the equity capital would be in stages so as to facilitate the servicing of such capital increases. The Directors hope that the shareholders will respond favourably to the proposed Rights Issue. The details of the issue have already been sent separately to the shareholders.

8. VOLUNTARY OPEN OFFER FOR SHARES BY TATA SONS LIMITED :

As the shareholders are aware, Tata Sons Ltd. (Tata Sons) the main promoter of the Company which, along with other Tata companies, held about 60.61% of the paid-up capital of the Company, made a public announcement on 15th September, 2007 for an Open Offer for acquisition of 28.39% of the equity shares of the Company at Rs.600 per share which represented a premium of 33% over the then prevailing market price of about Rs.450 per share. Thus, an opportunity was provided to the public shareholders of the Company to realise a higher value of the shares but at a more normal discount to the NAV prevalent at that time — as often suggested by the shareholders.

In the Public Announcement as well as in the Offer document, it had been clearly stated that it was the intention in future to increase the level of long term strategic and financial investments in Tata companies (both listed and unlisted) in the total portfolio of the Company. There could therefore be a change in the investment strategy of the Company over a period of time, which could have an impact on the realised profits of the Company. It was also stated that, there was no intention to change the Board of Directors of the Company (except in the ordinary course of business) nor to de-list the shares of the Company.

The Offer was first announced on 15th September, 2007 and on completion of the stipulated procedure, the Offer was open from 12th December, 2007 to 31st December, 2007. During this intervening period however, due to the exceptional buoyancy in the stock market, the market price of our shares increased well above the Offer price and, consequently only a very small number of shares were offered to and acquired by Tata Sons Ltd. under the Offer. As a result, the holding of Tata Sons Ltd. (along with other Tata companies) increased marginally from 60.61% to 60.64% of the paid-up capital of the Company.

Consequent upon a subsequent transfer of a block of shares inter-se between the promoters, the Company has become a subsidiary of Tata Sons Limited with effect from 13th February, 2008.

9. FIXED DEPOSITS :

All Fixed Deposits have been repaid on maturity and there are no deposits outstanding other than unclaimed deposits at the end of the year. The Company is no longer accepting or renewing public deposits and, as required by the Reserve Bank, an aggregate amount of Rs.4.08 lacs (representing unclaimed deposits of Rs.2.45 lacs and unclaimed interest on Fixed Deposits of Rs.1.63 lacs, in respect of cheques which have not been encashed), has been deposited in a separate Escrow Account with ICICI Bank Ltd.

Reserve Bank of India, on an application made by the Company, has, after the close of the year, changed the classification of the Company from a Non-Banking Financial (Deposit Accepting or Holding) Company [Category A] to a Non Banking Financial (Non-Deposit Accepting or Holding) Company [Category B].

10. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that, to the best of their knowledge –

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies consulted the statutory auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for the period;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

11. INTERNAL CONTROL SYSTEMS :

The Company has proper and adequate internal control systems commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and that all applicable statutes and corporate policies are duly complied with.

The Company has appointed an independent firm of Chartered Accountants, as Internal Auditors, which continuously reviews the adequacy and efficacy of the internal controls. The Internal Auditors submit an Internal Audit Report periodically which is placed before and reviewed by the Audit Committee.

12. DIRECTORS :

Pursuant to the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. K.A. Chaukar and Mr. F.N. Subedar retire by rotation but are eligible for re-appointment. Details of these Directors who are eligible to be re-appointed is furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

13. AUDITORS :

Shareholders are requested to appoint Auditors for the current year and to fix their remuneration.

M/s. A.F. Ferguson have, vide their letter dated 9th May, 2008, stated that they do not wish to seek re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

The Company has received a special notice from a Member of the Company, in terms of the provisions of the Act, signifying its intention to propose the appointment of Deloitte Haskins & Sells (DHS) as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. DHS is an Indian firm of Chartered Accountants in which some partners of AFF are also partners. DHS have expressed its willingness to act as Auditors of the Company, if appointed and have confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

In view of the above and based on the recommendations of the Audit Committee, the Board of Directors have, at its meeting held on 16th May, 2008, proposed the appointment of DHS as the Statutory Auditors for the Financial Year 2008-2009 in place of AFF. The approval of the Members is

being sought to the appointment of DHS as the Statutory Auditors and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors. The Directors commend the resolution for acceptance by the Members.

14. GENERAL :

Being an investment company, the provisions regarding conservation of energy and technology absorption are not applicable to the Company.

There were no foreign exchange earnings and outgo other than those mentioned in Notes 4 & 5 to the Accounts.

In accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, a statement giving the names and other particulars of the employees of the Company, in receipt of remuneration of not less than Rupees twenty-four lacs per annum or Rupees two lacs per month, for the year under review, is set out separately.

A report on Corporate Governance, in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges is set out separately for the information of the shareholders.

On behalf of the Board of Directors,

N.A. SOONAWALA
Chairman

Mumbai, 16th May, 2008.

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Sr. No.	Name	Designation and nature of Duties	Remuneration		Qualifications	Age	Experi-ence (in years)	Date of commen- cement	Last employment held, designation and period for which post held
			Gross	Net					
			Rs. in lacs						
1.	Mr. M. J. Kotwal	Executive Director & Secretary	64.26	41.61	B.Sc., LL.B., F.C.S	60	41	1.1.1984	The Tata Mills Ltd. (Secretary), 3½ years.
2.	Mr. J. H. Talsania	Chief Investment Officer	36.87	22.61	B.Com.MBA. (Wharton)	53	29	6.9.2004	Infrastructure Development Finance Co. Ltd. (Head – Equity) 6 years.
3.	Mr. K. J. Ghadiali	Chief Financial Officer	46.96	30.28	B.Com (Hons), ACA, ACS	55	31	15.4.1985	Hindustan Ciba-Geigy Ltd. (Executive Finance) –3 years.

- NOTES :**
- (1) Remuneration includes salary, allowances, taxable value of perquisites, contribution to provident & superannuation Funds and commission/performance linked payment to the employees for the year ended 31st March, 2008, which is payable in the ensuing accounting year.
 - (2) The above calculations do not include contribution to gratuity fund, medical and health insurance benefits, etc. which employees are entitled to as per Company's rules.
 - (3) Net remuneration is arrived at by deducting from the gross remuneration, income-tax, company's contribution to provident fund, superannuation fund and the monetary value of the non-cash perquisites.
 - (4) All the employees have adequate experience to discharge the responsibilities assigned to them.
 - (5) The nature of employment is contractual.
 - (6) None of the employees mentioned above is a relative of a Director of the Company.

On behalf of the Board of Directors,

N.A. SOONAWALA
Chairman

Mumbai, 16th May, 2008.

REPORT ON CORPORATE GOVERNANCE

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

Board of Directors :

As on 31.3.2008, the Board of Directors of the Company comprised eight members, of whom seven are Non-Executive Directors. The category of each Director is given below. Steps are being taken to comply with the new listing requirements under which our Company's Board would need to have 50% of the Directors as independent Directors.

Board Meetings :

20 Board/Committee Meetings were held at Mumbai during the year under review of which 8 were Board Meetings and 12 various Committee Meetings. The Board Meetings were held on 7th May, 2007, 4th June, 2007, 20th July, 2007, 14th September, 2007, 25th October, 2007, 13th December, 2007, 22nd January, 2008 and 25th March, 2008. Details of the Directors together with their attendance at Board Meetings, and at the Annual General Meeting on 20th July, 2007, the number of their Directorships and memberships of the SEBI-designated Board Committees of companies as well as the shareholding of the Directors as on 31st March, 2008 are given below :

Name of Directors (as on 31.3.2008)	Category of Director	Board Meetings attended during 2007-2008	No. of Directorships of other Indian Companies as on 31 st March, 2008		Membership of Board Committees of other Companies as on 31 st March, 2008		No. of equity shares held as on 31 st March, 2008
			Chairman	Member	Chairman	Member	
Mr. N.A. Soonawala	Non Independent	8	—	5	2	—	10,000
Mr. A.B.K. Dubash	Independent	6	—	—	—	—	972
Mr. K.N. Suntook	Independent	8	1	3	—	2	840
Mr. M.J. Kotwal	Executive Director	8	—	4	—	—	501
Mr. N.N. Tata	Non Independent	6	—	6	1	—	11,363
Mr. K.A. Chaukar	Non Independent	7	2	9	2	3	—
Mr. F.N. Subedar	Non Independent	8	—	11	—	5	1,467
Mr. H.N. Sinor	Independent	6	1	9	5	1	—

All the Directors had attended the last Annual General Meeting held on 20th July, 2007.

Committee of Directors :

Details of the various Committees of the Board of Directors of the Company as on 31st March, 2008 and the meetings attended by each Director, shown within brackets, are as under :

	Name of the Director
<i>Audit Committee :</i> (4 meetings held during the year)	Mr. K.N. Suntook – <i>Chairman</i> (4), Mr. A.B. K. Dubash (3), Mr. F.N. Subedar (3), Mr. H.N. Sinor (3) (Appointed: 4.6.2007)
<i>Remuneration Committee:</i> (2 meetings held during the year)	Mr. K.N. Suntook – <i>Chairman</i> (2) Mr. N.A. Soonawala (2), Mr. N.N. Tata (1)
<i>Share Transfer & Investors' Grievance Committee</i> (2 meetings held during the year)	Mr. N.A. Soonawala – <i>Chairman</i> (2) Mr. M.J. Kotwal (2), Mr. F.N. Subedar (2)
<i>Investment Committee</i> (1 meeting held during the year)	Mr. N.A. Soonawala – <i>Chairman</i> (1) Mr. A.B.K. Dubash (1), Mr. K.N. Suntook (1) Mr. N.N. Tata (1)
<i>Asset Liability Management Committee</i> (2 meetings held during the year)	Mr. H.N. Sinor – <i>Chairman</i> (2) Mr. M.J. Kotwal (2), Mr. K.A. Chaukar (2)

Audit Committee :

The Audit Committee has been constituted in compliance with (i) the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 (ii) the listing guidelines on Corporate Governance, as mandated by the Stock Exchanges and (iii) Section 292A of the Companies Act, 1956. All the Directors, except Mr. F.N. Subedar, are independent Directors. Mr. K.N. Suntook, Chairman of the Audit Committee was present at the Annual General Meeting held on 20th July, 2007.

The functions of the Audit Committee include :-

- Overseeing of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment/removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the quarterly and annual financial statements before submission to the Board.
- Reviewing the Company's financial and risk management policies.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal and external auditors about their findings and follow up thereon.

The Audit Committee reports its findings to the Board at the subsequent meeting and its recommendations are implemented by the management.

Remuneration Committee :

The Committee has been authorized to determine the remuneration package for the Executive Director as well as to recommend the remuneration payable to the Non-Executive Directors from year to year.

Remuneration of Directors :

The Directors are paid sitting fees and Commission in accordance with Section 309 and 310 of the Companies Act, 1956. A total remuneration of Rs.50.60 lacs was paid to the Non-Executive Directors during the year ended 31st March, 2008. The remuneration paid to each Director is given below :

Name of the Director	Sitting fees paid during 2007-2008	Commission for 2006-2007 paid in 2007-2008
	(Rs. in lacs)	
Mr. N.A. Soonawala	1.20	10.00
Mr. V.C. Vaidya	—	2.00
Mr. A.B.K. Dubash	1.00	3.00
Mr. K.N. Suntook	1.50	8.00
Mr. N.N. Tata	0.80	6.00
Mr. K.A. Chaukar	0.80	4.00
Mr. F.N. Subedar	1.30	7.00
Mr. H.N. Sinor	1.00	3.00
TOTAL	7.60	43.00

The remuneration to the non-executive Directors is based on the net profits of the Company for the year, the number of meetings of the Board and/or Committees attended by the concerned Directors and their contribution to the Company in terms of deliberations at the Board/Committee Meetings as well as in the over-all functioning of the Company. At present, the Company does not have a scheme for grant of stock-options to the executive director, non-executive directors or employees of the Company.

The members had, at the Annual General Meeting held on 20th July, 2007 approved of the re-appointment and the terms of remuneration of Mr. M.J. Kotwal, the Executive Director of the Company for the period from 4th September, 2007 to 27th May, 2012. The appointment can be terminated by either party giving to the other party six months notice or the Company paying six months remuneration in lieu of the notice.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Director. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are approved by the Board. Salary and perquisites are paid within the range approved by the Shareholders. Commission payable to the Executive Director is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendation of the Remuneration Committee within the limits fixed by the Board and subject to over-all ceilings stipulated

in Section 198 and 309 of the Companies Act, 1956. The specific amount payable to the Executive Director is based on certain performance criteria and is payable after the Annual Accounts have been approved by the Board of Directors and adopted by the members.

The total remuneration of Mr. M.J. Kotwal, Executive Director & Secretary during the year 2007-2008 aggregates Rs.65.21 lacs comprising Rs.32.72 lacs as remuneration, Rs.25 lacs as commission, Rs.3.45 lacs as perquisites and Rs.4.04 lacs towards contribution to provident and superannuation funds.

Share Transfer & Investors' Grievance Committee :

The Committee under the Chairmanship of Mr. N.A. Soonawala, approves and monitors transfers, transmissions, consolidation etc. of shares issued by the Company. The Committee also monitors redressal of complaints from shareholders by the Share Registrars. Mr. M.J. Kotwal, Executive Director & Secretary is also the Compliance Officer.

The Registrars had received correspondence on 486 matters in the aggregate during the year. There were 301 queries regarding dividend warrants including changes on live warrants or issue of fresh cheques against time barred instruments, 62 queries for loss of share certificates, 36 requests for change of address and 84 correspondence for other miscellaneous matters. There were no queries pending as on 31st March, 2008.

Investment Committee :

The Investment Committee has been constituted pursuant to Section 292 of the Companies Act, 1956. The investment policy and specific recommendations form an important part of the discussions at the Board meetings which are held more frequently. In view of 8 Board Meetings held during the year, only one meeting of the Committee was held during the year. However, specific investment decisions, based on detailed analysis and recommendations of the Investment Executives, are taken by investment committee circulars with full disclosure and subsequent review at Board / Committee Meetings.

Asset Liability Management Committee :

In accordance with the Reserve Bank of India guidelines, an Asset Liability Management (ALM) Committee of the Board has been constituted for implementation of the ALM system and to review its functions periodically.

General Body Meetings :

The Annual General Meeting of the Company will be held on Tuesday, 15th July, 2008 at 3-30 p.m. at Bombay House Auditorium, Homi Mody Street, Mumbai 400 001. The last 3 Annual General Meetings were held at the same location on 20th July, 2007, 21st July, 2006 and 22nd July, 2005 at 3-30 p.m. Four Special Resolutions under Sections 31, 94 and 309 of the Companies Act, 1956 were passed with the requisite majority at the Annual General Meeting held on 22nd July, 2005, and one Special Resolution under Section 163 of the Companies Act, 1956, was passed with the requisite majority at the Annual General Meeting on 20th July, 2007.

Disclosures :

- i. The particulars of transactions between the Company and its related parties in accordance with Accounting Standard 18 are set out in Note No.9 to the Accounts. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.
- ii. There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and any investments in shares and fixed deposits with the Company on normal terms.
- iii. There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
- iv. There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- v. The Company has complied to the extent applicable with all mandatory requirements mentioned in Annexure IC of Clause 49 of the Listing Agreement in respect of Corporate Governance. As regards the non-mandatory requirements mentioned in Annexure ID thereto, the Company has been complying with requirements as regards Remuneration Committee. Further, the Company has also adopted the Whistle Blower Policy as mentioned in this Report.

CEO/CFO certification :

The Executive Director and the Chief Financial Officer have certified to the Board that :

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs as on 31st March, 2008 and are in compliance with existing accounting standards, applicable laws and regulations.

- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company and have reported to the auditors and the Audit Committee that they are not aware of any deficiencies in the design or operation of internal controls. In the event such deficiencies do arise, the same shall be reported to the auditors and the Audit Committee forthwith.
- (d) They have indicated to the auditors and the Audit Committee that there have been -
 - (i) no changes in internal control during the year;
 - (ii) no changes in accounting policies during the year;
 - (iii) no instances of fraud of which they have become aware and / or the involvement therein of any of the management or any employee of the Company.

The Executive Director has given a Declaration to the effect that all Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31st March, 2008.

Means of Communication :

The unaudited quarterly results are generally published in one English newspaper (Business Standard/ Financial Express) and atleast one vernacular newspaper (Loksatta/Sakaal) in the last fortnight of July, October & January each year. The audited results for the year are published in the above newspapers in the second week of June each year. The results are also displayed on the Tata web-site, www.tata.com

Share Transfer System :

TSR Darashaw Ltd. (TSRD) is the Registrar and Transfer Agents of the Company. TSRDL has a network of Investor Relation Centres (IRCs) at Mumbai, Delhi, Bangalore, Kolkata and Jamshedpur to accept the documents/bankers requests/queries/correspondence from the investors/shareholders of the Company.

Shares lodged for transfer at the Registrars' address are normally processed within 30 days from the date of lodgement, and requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days from the date of lodgement, if the documents are clear in all respects. The Executive Director & Secretary who is also the Compliance Officer verifies the Transfer Register sent by the Registrars. The Share Transfer and Investors' Grievance Committee approves the transfer of shares and debentures.

TSRD has Investor Interface Cell which handles all queries/correspondence/requests received across the counter/walk in investors, over the phone and by e-mail. Written communication received from the Investors is segregated into different categories on the basis of the nature of the query received. The concerned workgroup takes the required action in respect of the same by accessing the current shareholder information resident on TSRDL database. The details are verified and responded through customised and fully automated systems for handling such correspondence. Copies of the responses for complaints/letters received through statutory bodies/wherever required are forwarded to the Company for their reference and records.

The endeavour is to attend to shareholder requests and redress their queries speedily and to their satisfaction, keeping in mind the statutory/regulatory time frame of 30 days. Investors' grievances, if any, are resolved by the Compliance Officer, failing which, they would be referred to the Investors' Grievance Committee.

Whistle Blower Policy :

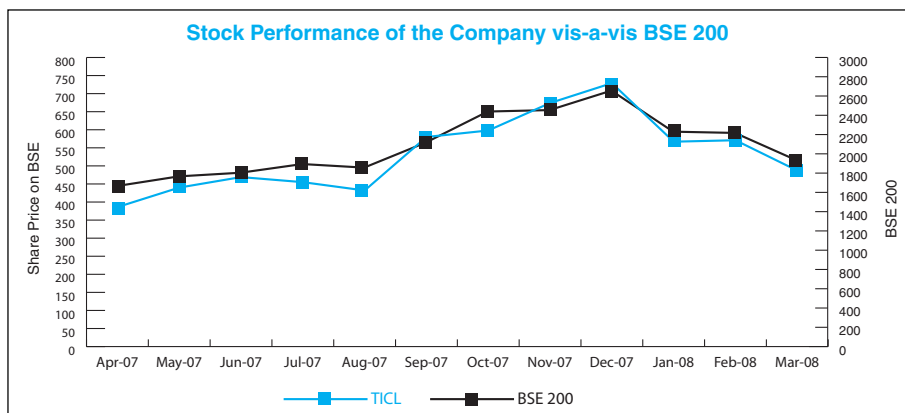
The model Whistle Blower Policy suggested for Tata companies has been adopted by the Board of Directors. The policy provides for adequate safeguards against victimisation of employees and also provides for access to the Audit Committee. The policy has been appropriately communicated within the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

Management Discussion and Analysis forms part of the Directors' Report.

General Shareholder Information :

Registered Office (Address for correspondence)	Ewart House, Homi Mody Street, Mumbai 400 001. Tel.No.6665 8282 Fax : 2265 2629
Annual General Meeting (Date, time and venue)	Tuesday, 15 th July, 2008 at 3.30 p.m. Bombay House Auditorium, Homi Mody Street, Mumbai 400 001.
Financial Year	The Financial Year of the Company ends on 31st March each year.
Book Closure Date	Tuesday, 1 st July, 2008 to Tuesday, 15 th July, 2008.
Dividend Payment	A dividend of Rs. 15 per share (150%) for the year ended 31 st March, 2008 on the existing Ordinary Share Capital of Rs.34.46 crores would be payable to those Members whose names appear on the Register of Members on 15 th July, 2008. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 1 st July, 2008 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Listing on Stock Exchanges	1. Bombay Stock Exchange Ltd. P.J. Towers, Dalal Street, Mumbai 400 001. 2. The National Stock Exchange of India Ltd. Bandra-Kurla Complex, Mumbai 400 051. Listing fees have been paid upto the year ending 31st March, 2009 to each of the Stock Exchanges.
Stock Code	BSE : 501301 NSE : TATA INVEST
ISIN	INE672A01018
Demat of Shares	Available on National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 97% of the Company's shares are in dematerialised mode. Annual Custodial charges paid to both Depositories upto 31 st March, 2009.

Market Price Data	BSE		NSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April 2007	389.45	329.25	384.85	334.00
May 2007	459.70	385.00	456.90	365.60
June 2007	516.95	427.60	530.00	427.50
July 2007	535.00	430.00	500.00	423.50
August 2007	458.85	408.60	459.00	401.25
September 2007	599.00	426.00	594.00	426.00
October 2007	608.80	571.05	609.00	565.00
November 2007	724.00	590.75	719.85	590.00
December 2007	750.00	600.00	755.00	600.00
January 2008	804.50	505.05	900.00	525.00
February 2008	650.00	560.10	649.00	560.05
March 2008	578.00	470.00	574.95	470.00



Registrars & Share Transfer Agents :
REGISTERED OFFICE TSR DARASHAW LTD.

6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. Tel. : 022-6656 8484 Fax : 022-6656 8494
e-mail : csg-unit@tsrdarashaw.com website : www.tsrdarashaw.com

BRANCH OFFICES :
Bangalore

503, Barton Centre, 84, M.G. Road, Bangalore 560 001.
Tel. : 080-2532 0321 Fax : 080-25580019 E-mail : tsrdlbg@tsrdarashaw.com

Jamshedpur

Bungalow No.1, 'E' Road, Northern Town, Bistupur, Jamshedpur 831 001.
Tel. : 0657-2426616 Fax : 0657-2426937 E-mail : tsrdljsr@tsrdarashaw.com

Kolkata

Tata Centre, 1st floor, 43, Jawaharlal Nehru Road, Kolkata 700 071.
Tel. : 033-22883087 Fax : 033-22883062 E-mail : tsrdlcal@tsrdarashaw.com

New Delhi

2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi 110 002.
Tel. : 011-23271805 Fax : 011-23271802 E-mail : tsrdldel@tsrdarashaw.com

Agents

Shah Consultancy Services Ltd.3, Sumathinath Complex, Pritam Nagar, Akhada Road, Ellis Bridge, Ahmedabad – 380 006.
Telefax: 079 – 26576038 E-mail: shahconsultancy@hotmail.com

Distribution of Shareholding as on 31.3.2008

	No. of shares	%
Promoter Company and other Tata companies	2,08,97,698	60.64
Directors & their Relatives	40,365	0.12
Public Financial Institutions / Nationalised Banks / Insurance companies & State Governments	9,65,549	2.80
Non-residents / FII's	13,97,656	4.06
Other Bodies Corporate & Other Banks	15,48,393	4.49
Mutual Funds	16,22,649	4.71
Others	79,88,078	23.18
	<u>3,44,60,388</u>	<u>100.00</u>

Distribution Schedule as on 31.3.2008

Sr.No.	No. of shares	Holdings	Amount (Rs.)	% to total Capital	No. of Holders	% to total Holders
1.	1 to 500	1450714	14507140	4.21	14296	85.02
2.	501 to 1000	775005	7750050	2.25	1036	6.16
3.	1001 to 2000	994231	9942310	2.88	698	4.15
4.	2001 to 3000	682279	6822790	1.98	273	1.62
5.	3001 to 4000	435282	4352820	1.26	124	0.74
6.	4001 to 5000	416215	4162150	1.21	93	0.55
7.	5001 to 10000	1064275	10642750	3.09	152	0.91
8.	Greater than 10000	28642387	286423870	83.12	143	0.85
	Total	34460388	344603880	100.00	16,815	100.00

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Tata Investment Corporation Limited

- We have examined the compliance of conditions of Corporate Governance by Tata Investment Corporation Limited, for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).
- The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A.F. Ferguson & Co.**
Chartered Accountants

H.L. Shah
Partner

Membership No.33590

Mumbai : 16th May, 2008.

**AUDITORS' REPORT TO THE MEMBERS OF
TATA INVESTMENT CORPORATION LIMITED**

1. We have audited the attached Balance Sheet of TATA INVESTMENT CORPORATION LIMITED, as at 31st March, 2008, and also the Profit and Loss Account and the Cash Flow Statement 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the annexure referred to in paragraph (3) 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 the books;
 - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account; in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2008, from being appointed as director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **A. F. FERGUSON & CO.**
Chartered Accountants

H.L.SHAH
Partner

Membership No. : 33590

Mumbai : 16th May, 2008

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF TATA INVESTMENT CORPORATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2008

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has system of verifying fixed assets once in a year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The fixed assets have been physically verified by the management during the year. No discrepancies were noticed on such verification.
- (c) In our opinion, the disposal of fixed assets during the year is not substantial. Therefore, the provisions of clause 4(i) (c) of the Order are not applicable to the Company.
- (ii) The Company is an investment Company and does not have any inventory. Therefore, the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iii) (a) There is a company covered in the register maintained under Section 301 of the Companies Act, 1956 to whom the Company has granted a loan. The maximum amount involved during the year was Rs. 1100 lacs and the year-end balance of loan granted to such party is Rs. 1100 lacs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
- (c) During the year, there has been no recovery towards principal amount and interest from the party as they were not due.
- (d) There was no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, sub-clauses (f) and (g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has generally complied with the provisions of Sections 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the Rules framed there under (to the extent applicable) and the directives issued by the Reserve Bank of India, with regard to the deposits accepted from public. No Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) Internal Audit is carried out by a firm of Chartered Accountants. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We are informed that Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company's activities.
- (ix)
 - (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of above dues were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there were no dues of sales-tax, wealth tax, service tax, customs duty, excise duty and cess, to the extent applicable, which have not been deposited on account of any dispute.
- (x) In our opinion, the Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has no dues payable to financial institutions, banks or debenture holders. Accordingly the provisions of clause 4(xi) of the Order are not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, in respect of current investments, the Company has maintained proper records of the transactions and contracts of its dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The investments are held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions and hence the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, no term loans have been raised by the Company during the year and hence, the provisions of clause 4(xvi) of the Order are not applicable to the Company.

- (xvii) In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) During the period covered by our audit report, the Company has not raised any money by public issues. Accordingly the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **A. F. FERGUSON & CO.**
Chartered Accountants

H.L.SHAH
Partner

Membership No. : 33590

Mumbai : 16th May, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	As at 31-3-2007 Rupees (in lacs)
FUNDS EMPLOYED:					
1. SHARE CAPITAL	A			3446.04	3446.04
2. RESERVES AND SURPLUS	B			81066.83	68635.94
3. TOTAL SHAREHOLDERS' FUNDS				84512.87	72081.98
4. LOANS :-					
Unsecured :					
Fixed Deposits - Short Term (including deposits matured but not claimed Rs.Nil, Previous Year Rs.9.88 lacs)				—	53.31
5. TOTAL FUNDS EMPLOYED				84512.87	72135.29
APPLICATION OF FUNDS:					
6. FIXED ASSETS	C				
Gross Block			150.12		146.27
Less: Depreciation			126.20		124.06
Net Block				23.92	22.21
7. INVESTMENTS	D			88819.05	75358.83
8. CURRENT ASSETS, LOANS AND ADVANCES	E				
(a) Sundry Debtors				—	98.90
(b) Cash and Bank balances		954.93			2801.51
(c) Other Current Assets		18.33			123.73
(d) Loans and Advances		1342.62			157.13
			2315.88		3181.27
9. Less: CURRENT LIABILITIES AND PROVISIONS	F				
(a) Current Liabilities		332.23			296.22
(b) Provisions		6313.75			6130.80
			6645.98		6427.02
NET CURRENT ASSETS				(4330.10)	(3245.75)
10. TOTAL ASSETS (NET)				84512.87	72135.29
Notes to the Accounts	K				

Per our report attached,

For A.F. FERGUSON & CO.
Chartered Accountants

H. L. SHAH
Partner

M. J. KOTWAL
Executive Director &
Secretary

For and on behalf of the Board,

N. A. SOONAWALA Chairman

A. B. K. DUBASH
N.N. TATA
K.A. CHAUKAR
F.N. SUBEDAR
H.N. SINOR } Directors

Mumbai, 16th May, 2008.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	Rupees (in lacs)	Rupees (in lacs)	Previous Year Rupees (in lacs)
INCOME :				
1. Dividends (includes Rs.47.26 lacs on Current Investments; Previous Year Rs.90.86 lacs)			4167.00	4866.55
2. Interest (Net)	G		296.06	202.39
3. Net Profit on sale of investments (includes Rs.238.07 lacs on Current Investments; Previous Year Rs.1185.04 lacs)			16541.56	15340.39
4. Miscellaneous - Gross			2.38	2.69
5. Net profit on sale of fixed assets			0.65	—
6. TOTAL INCOME			21007.65	20412.02
EXPENDITURE :				
7. Payments to and provisions for employees	H		375.18	328.99
8. Other expenditure	I / J		391.00	300.30
9. Depreciation			10.06	9.14
10. TOTAL EXPENDITURE			776.24	638.43
11. PROFIT BEFORE TAXES			20231.41	19773.59
12. Provision for tax [includes Rs.0.13 lacs for Wealth Tax, Previous Year Rs.0.11 lacs and Rs.210.37 lacs excess provision of earlier years (net) written back, Previous Year Rs.208.28 lacs]			1637.21	1520.23
13. Provision for Fringe Benefit Tax			9.00	9.02
14. Amount transferred from Deferred Tax Asset			—	79.47
15. PROFIT AFTER TAXES			18585.20	18164.87
16. Balance brought forward from previous year			7011.30	6026.97
17. AMOUNT AVAILABLE FOR APPROPRIATION			25596.50	24191.84
18. APPROPRIATIONS :-				
Proposed final dividend on ordinary shares		5169.06		5169.06
Tax on dividends		878.48		878.48
Reserve Fund		3718.00		3633.00
General Reserve		7500.00		7500.00
			17265.54	17180.54
19. Balance carried to balance sheet			8330.96	7011.30
20. Earnings per Ordinary share (See Note 11 to Notes to Accounts) (Face Value Rs.10/- per share) Basic and diluted (Rupees)			53.93	52.71
Notes to the Accounts	K			

Per our report attached to the balance sheet

For A.F. FERGUSON & CO.
Chartered Accountants

H. L. SHAH
Partner

M. J. KOTWAL
Executive Director &
Secretary

For and on behalf of the Board,

N. A. SOONAWALA Chairman

A. B. K. DUBASH
N.N. TATA
K.A. CHAUKAR
F.N. SUBEDAR
H.N. SINOR } Directors

Mumbai, 16th May, 2008.

CASH FLOW STATEMENT

	Year ended 31st March	
	2008	2007
	— (Rs. in lacs) —	
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	20231.41	19773.59
Adjustments for :		
(Profit) / Loss on sale of fixed assets	(0.65)	0.02
Depreciation	10.06	9.14
Unrealised foreign exchange loss	1.82	2.21
Operating Cash Flow before working capital changes	20242.64	19784.96
Adjustments for :		
Trade and other receivables	205.15	(161.99)
Trade and other payables	65.18	41.95
Cash generated from operations	20512.97	19664.92
Direct Taxes paid - (Net of refunds)	(1682.82)	(1451.86)
Net Cash from Operating activities	18830.15	18213.06
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(12.80)	(2.18)
Sale of Fixed Assets	1.68	0.01
Purchase of investments	(58829.68)	(61669.23)
Cost of investments sold	45411.70	48483.94
Net Cash used in Investing activities	(13429.10)	(13187.46)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Borrowings	(56.20)	(362.98)
Dividends/Dividends Tax Paid	(6042.94)	(4689.96)
Net Cash used in Financing activities	(6099.14)	(5052.94)
Net Increase/(Decrease) in Cash and Cash equivalents	(698.09)	(27.34)
Cash and Cash equivalents at the beginning of the year	2850.96	2880.51
Cash and Cash equivalents at the end of the year	2151.05	2850.96
Add: Exchange loss on foreign currency bank balance	1.82	2.21
	2152.87	2853.17

Notes :

- i) Profit on sale of investments, interest earned/paid and dividend earned have been considered as part of "Cash flow from Operating activities" since the Company is an Investment company.
 - ii) Direct taxes paid is treated as arising from Operating activities and is not bifurcated between Investing and Financing activities.
 - iii) Cash and Cash equivalents represents cash and bank balances as per Balance Sheet, intercorporate deposits placed for three months or lower tenure and interest accrued thereon.
 - iv) Previous year's figures have been regrouped wherever necessary.
- Per our report attached to the balance sheet

For A.F. FERGUSON & CO.
Chartered Accountants

H. L. SHAH
Partner

M. J. KOTWAL
*Executive Director &
Secretary*

For and on behalf of the Board,

N. A. SOONAWALA Chairman

<p>A. B. K. DUBASH N.N. TATA K.A. CHAUKAR F.N. SUBEDAR H.N. SINOR</p>	}	Directors
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Mumbai, 16th May, 2008.

Auditors' Report

We have examined the above cash flow statement of Tata Investment Corporation Limited for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report of 16th May, 2008, to the members of the Company.

For A. F. Ferguson & Co.,
Chartered Accountants
H. L. Shah
Partner.
Membership No.33590

Mumbai, 16th May, 2008.

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 'A' : SHARE CAPITAL

	Rupees (in lacs)	As at 31.3.2007 Rupees (in lacs)
AUTHORISED CAPITAL :-		
5,00,00,000 Ordinary shares of Rs.10 each	5000.00	5000.00
ISSUED CAPITAL :-		
3,44,60,888 Ordinary shares of Rs.10 each fully paid up	3446.09	3446.09
SUBSCRIBED CAPITAL :-		
3,44,60,388 Ordinary shares of Rs.10 each fully paid up	3446.04	3446.04
Of the above shares -		
(a) 10,39,190 Shares of Rs.10 each have been allotted as fully paid up pursuant to a contract without payment having been received in cash		
(b) 1,61,96,289 Shares of Rs.10 each have been issued as fully paid up bonus shares by capitalisation of capital reserve and securities premium account		
	3446.04	3446.04

Note: With effect from 13th February, 2008, the Company became a subsidiary of Tata Sons Limited. As on 31st March, 2008, 1,89,47,595 Ordinary Shares are held by Tata Sons Limited, the holding Company and 5,43,420 Ordinary Shares are held by a wholly owned subsidiary of Tata Sons Limited.

Schedule 'B' : RESERVES AND SURPLUS

	Rupees (in lacs)	As at 31.3.2007 Rupees (in lacs)
CAPITAL RESERVE :-		
Balance as per last balance sheet	4163.35	4163.35
SECURITIES PREMIUM :-		
Balance as per last balance sheet	5445.65	5734.51
Add: Provision for diminution in value of investments, earlier debited to securities premium, no longer required, written back (See note 2)	42.24	—
	5487.89	5734.51
Less: Utilised for provision for diminution in value of investments (See note 2)	—	288.86
	5487.89	5445.65
GENERAL RESERVE :-		
Balance as per last balance sheet	35953.64	28453.64
Add: Transferred from profit and loss account	7500.00	7500.00
	43453.64	35953.64
Less: Liability for certain employee costs upto 31.3.2007 (See note 10)	149.01	—
	43304.63	35953.64
RESERVE FUND (as per RBI regulations) :-		
Balance as per last balance sheet	16062.00	12429.00
Add: Transferred from profit and loss account	3718.00	3633.00
	19780.00	16062.00
PROFIT AND LOSS ACCOUNT :-		
Balance carried forward	8330.96	7011.30
	81066.83	68635.94

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 'C' : FIXED ASSETS

	Cost as at 1st April, 2007	Addi- tions	Deduc- tions/ Adjust- ments	Cost as at 31st March, 2008	Depre- ciation for the year	Accumulated Depreciation as at 31st March, 2008	Net book value as at 31st March, 2008	Net book value as at 31st March, 2007
	(Rupees in lacs)							
Buildings	1.30	—	—	1.30	0.01	1.06	0.24	0.25
Furniture, fixtures and equipment	38.43	0.18	—	38.61	0.18	38.61	—	—
Motor cars	58.85	11.32	8.23	61.94	7.22	41.39	20.55	17.46
Plant and Machinery	47.69	1.30	0.72	48.27	2.65	45.14	3.13	4.50
	146.27	12.80	8.95	150.12	10.06	126.20	23.92	
Previous year	144.17	2.18	0.08	146.27	9.14	124.06		22.21
							23.92	22.21

Schedule 'D' : INVESTMENTS

	As at 31-03-2008				As at 31-03-2007			
	Fully paid Rupees (in lacs)	Partly paid Rupees (in lacs)	Book Value Rupees (in lacs)	Book Value Rupees (in lacs)	Fully paid Rupees (in lacs)	Partly paid Rupees (in lacs)	Book Value Rupees (in lacs)	Book Value Rupees (in lacs)
I LONG TERM (AT OR BELOW COST) QUOTED :- (LIST 1)								
Equity shares	45201.44	—			35289.48	65.17		
Mutual funds	100.27	—			100.27	—		
Debentures/Bonds	537.74	—			537.74	—		
Government/Government guaranteed securities	151.98	—			166.83	—		
Preference shares	2824.98	—			—	—		
(Market Value Rs.235139.88 lacs; Previous year Rs.180447.84 lacs)								
	48816.41	—	48816.41		36094.32	65.17	36159.49	
UNQUOTED :- (LIST 2)								
Equity shares	5608.91	16.80			5197.45	—		
Mutual funds	24760.00	—			27273.41	—		
Venture Capital funds	1300.00	—			375.00	—		
Preference shares	4500.00	—			3500.00	—		
Tradeable warrants	—	—			179.94	—		
	36168.91	16.80	36185.71		36525.80	—	36525.80	
Application money on securities not allotted			817.84				495.00	
			85819.96				73180.29	
Less: Provision for Long Term diminution in value of Investments			627.11				669.35	
			85192.85					72510.94
CURRENT INVESTMENTS (LOWER OF COST AND FAIR VALUE)								
Quoted Equity Shares (List 3) (at cost)			3626.20					2847.89
(Market Value Rs.5983.74 lacs; Previous year Rs.3899.27 lacs)								
			88819.05					75358.83
Aggregate Investments (net of diminution)								
Quoted (Market Value Rs.241123.62 lacs; Previous year Rs.184347.11 lacs)			52139.61					38705.85
Unquoted			36679.44					36652.98
			88819.05					75358.83

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007		
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)	
LIST 1:QUOTED:-						
EQUITY SHARES FULLY PAID:-						
1	BANKS					
	Andhra Bank.	10	702913	262.96	702913	262.96
	Axis Bank Ltd.(Form.UTI Bank Ltd.)	10	395000	157.57	410000	163.55
	Bank of Baroda.	10	125000	319.61	100000	229.21
	Central Bank of India.	10	30774	31.38	—	—
	Centurion Bank of Punjab Ltd.	1	800000	208.57	800000	208.57
	Development Credit Bank Ltd.	10	481991	506.09	—	—
	HDFC Bank Ltd.	10	88600	38.79	88600	38.79
	Karnataka Bank Ltd.	10	95000	112.33	95000	112.33
	Punjab National Bank.	10	—	—	55000	214.45
	State Bank of India.	10	124000	408.72	124000	408.72
	Syndicate Bank.	10	200000	158.16	125000	98.21
	Union Bank of India.	10	300000	104.82	300000	104.82
				2309.00		1841.61
	Market Value			8661.59		5945.89
2	CEMENT					
	Ambuja Cements Ltd. (Form.Gujarat Ambuja Cements Ltd.)	2	2387400	43.98	2387400	43.98
	Associated Cement Co's Ltd.	10	262463	372.98	262463	372.98
	Grasim Industries Ltd.	10	25000	10.72	25000	10.72
	Jaiprakash Associates Ltd.	10	—	—	65000	23.06
	Mangalam Cements Ltd.	10	150000	292.56	100000	209.71
	Shree Cements Ltd.	10	—	—	30000	119.01
				720.24		779.46
	Market Value			5906.28		5762.16
3	CHEMICALS AND FERTILIZERS					
	Chambal Fertilisers & Chemicals Ltd.	10	—	—	1160000	251.53
	India Glycols Ltd.	10	40000	175.05	—	—
	Rallis India Ltd.	10	289436	72.68	319436	80.22
	Tata Chemicals Ltd.	10	16500000	4768.50	16500000	4768.50
				5016.23		5100.25
	Market Value			47401.53		35345.32
4	ELECTRICITY AND TRANSMISSION					
	GVK Power & Infrastructure Ltd.	10	—	—	40000	110.09
	KEI Industries Ltd.	2	300000	218.78	200000	136.49
	National Thermal Power Corporation Ltd.	10	1190000	1519.57	1000000	1081.51
	Power Grid Corporation of India Ltd.	10	200000	166.01	—	—
	Reliance Power Ltd.	10	3134	14.10	—	—
	Tata Power Co. Ltd.	10	700000	263.48	700000	263.48
				2181.94		1591.57
	Market Value			10929.55		5335.41
5	ELECTRICALS AND ELECTRONICS					
	Bharat Electronics Ltd.	10	95000	154.36	95000	154.36
	Cummins India Ltd.	2	102100	0.46	102100	0.46
	Emco Ltd. (Previous Year Face Value Rs.10) ..	2	125000	192.51	15000	98.94
	Havells India Ltd.	5	200000	98.12	200000	98.12
	Honda Siel Power Products Ltd.	10	100000	215.47	50000	91.77
	Mirc Electronics Ltd.	1	—	—	400000	111.74
	Siemens Ltd.	2	300000	42.36	165000	46.60
	Thermax Ltd.	2	250000	83.02	275000	91.33
	Voltamp Transformers Ltd.	10	25000	214.35	—	—
	Voltas Ltd.	1	9550000	359.12	9500000	294.50
				1359.77		987.82
	Market Value			23396.37		13755.20
6	ENGINEERING & INFRASTRUCTURE					
	Alstom Projects India Ltd.	10	—	—	45000	29.56
	Bharat Earth Movers Ltd.	10	—	—	25000	37.24
	Bharat Heavy Electricals Ltd.	10	86000	436.06	43000	436.06
	Engineers India Ltd.	10	20000	52.69	40000	105.39
	Gammon India Ltd.	2	30000	138.04	30000	140.80
	IVRCL Infrastructure & Projects Ltd.	2	150000	60.82	150000	60.82
	Carried forward.....			687.61		809.87

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
6 ENGINEERING & INFRASTRUCTURE (Contd.)					
Brought forward.....			687.61		809.87
Kalindee Rail Nirman (Engineers) Ltd.	10	60000	103.21	40000	66.55
KSB Pumps Ltd.	10	72000	64.55	72000	64.55
Larsen & Toubro Ltd.	2	100608	68.94	100608	68.94
Lloyd Electric & Engineering Ltd.	10	—	—	50000	94.07
Nagarjuna Construction Co.Ltd.	2	100000	188.71	150000	283.07
Punj Lloyd Ltd.	2	125000	382.69	—	—
Valecha Engineering Ltd.	10	202500	213.28	135000	213.28
			1708.99		1600.33
Market Value			7044.88		4776.03
7 FAST MOVING CONSUMER GOODS					
Asian Paints (India) Ltd.	10	53694	21.88	53694	21.88
Dabur India Ltd.	1	900000	142.29	1000000	158.10
Godrej Consumer Products Ltd.	1	—	—	72000	44.36
Hindustan Unilever Ltd. (Form.Hindustan Lever Ltd.)	1	—	—	300000	12.33
ITC Ltd.	1	369510	12.72	369510	12.72
Marico Ltd.	1	755000	136.35	755000	136.35
Nestle India Ltd.	10	48184	52.36	48184	52.36
Pidilite Industries Ltd.	1	670000	151.59	670000	151.59
Ruchi Soya Industries Ltd. (Previous Year Face Value Rs.10)	2	150000	108.50	30000	108.50
Tata Tea Ltd.	10	2820000	758.86	2880000	775.01
Titan Industries Ltd.	10	861282	1710.87	861282	1710.87
			3095.42		3184.07
Market Value			37042.56		29155.58
8 FINANCE AND INVESTMENTS					
Bajaj Auto Finance Ltd.	10	—	—	39000	85.96
Bajaj Holdings & Investment Ltd. (Form.Bajaj Auto Ltd.)	10	20000	0.59	27700	2.05
Can Fin Homes Ltd.	10	—	—	175000	110.57
GIC Housing Finance Ltd.	10	1330800	463.45	1330800	463.45
Gruh Finance Ltd.	10	500000	390.16	500000	390.16
Housing Development Finance Corporation Ltd.	10	84740	5.64	84740	5.64
IL & FS Investment Managers Ltd.	10	75000	92.66	75000	92.66
LIC Housing Finance Co. Ltd.	10	200000	210.32	200000	210.32
Mahindra & Mahindra Financial Services Ltd.	10	50000	97.69	50000	97.69
Nahar Capital and Financial Services Ltd. (Transferred from Unquoted List.)	5	200000	155.15	—	—
Power Finance Corporation Ltd.	10	—	—	20757	17.64
Rural Electrification Corporation Ltd.	10	41387	43.46	—	—
Sundaram Finance Ltd.	10	20000	134.52	—	—
			1593.64		1476.14
Market Value			4886.67		3975.45
9 HEALTH CARE					
Ankur Drugs & Pharma Ltd.	10	110000	235.63	70000	108.77
Apollo Hospital Enterprises Ltd.	10	—	—	50000	58.96
Aventis Pharma Ltd.	10	—	—	20000	72.76
Carol Info Services Ltd.	10	200000	121.81	200000	121.81
Cipla Ltd.	2	300000	299.16	400000	398.89
Dishman Pharmaceuticals & Chemicals Ltd.	2	—	—	80000	139.66
Elder Pharmaceuticals Ltd.	10	—	—	51500	75.95
Glaxo Smithkline Pharmaceuticals Ltd.	10	90000	76.16	90000	76.16
Glenmark Pharmaceuticals Ltd. (Previous Year Face Value Rs. 2)	1	370000	40.53	185000	40.53
Novartis India Ltd.	5	—	—	50000	2.35
Pfizer Ltd.	10	—	—	40000	154.51
Ranbaxy Laboratories Ltd.	5	100000	371.14	—	—
Sun Pharmaceutical Industries Ltd.	5	250000	57.23	250000	57.23
Vivemed Labs.Ltd.	10	—	—	25000	54.97
Wockhardt Ltd.	5	50000	217.30	50000	217.30
			1418.96		1579.85
Market Value			7358.39		7547.51

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
10 HOTELS					
EIH Ltd.	2	—	—	100000	103.46
Hotel Leelaventure Ltd.	2	600000	194.25	600000	194.25
Indian Hotels Co. Ltd.	1	8538314	4791.23	4200000	54.18
Indian Resort Hotels Ltd. (Amlgn.with Indian Hotels Co.Ltd.)	10	—	—	355600	202.05
Oriental Hotels Ltd.	10	107600	39.03	107600	39.03
TAJGVK Hotels & Resorts Ltd.	2	68300	8.19	68300	8.19
			5032.70		601.16
Market Value			10171.73		8461.84
11 INFORMATION TECHNOLOGY					
3i Infotech Ltd.	10	310000	280.38	155000	280.38
Aptech Ltd.	10	—	—	200000	105.52
Geodesic Information Systems Ltd.	2	163900	99.64	140000	127.67
Helios & Matheson Information Technology Ltd.	10	36400	49.75	75000	102.50
Infosys Technologies Ltd.	5	31987	223.99	31987	223.99
Infotech Enterprises Ltd.	5	45000	171.97	45000	171.97
NIIT Technologies Ltd.	10	225000	311.53	150000	311.53
Patni Computer Systems Ltd.	2	—	—	35000	139.40
Satyam Computer Services Ltd.	2	75000	340.06	75000	340.06
Tata Consultancy Services Ltd.	1	365226	2291.90	175226	318.40
Tata Elxsi Ltd.(Form.Tata Elxsi (India) Ltd.) ...	10	395000	802.78	110000	226.00
Wipro Ltd.	2	90000	234.57	90000	234.57
			4806.57		2581.99
Market Value			5688.61		6154.85
12 MEDIA					
Jagran Prakashan Ltd. (Previous Year Face Value Rs.10)	2	150000	105.26	30000	105.26
New Delhi Television Ltd.	4	—	—	65000	75.98
TV Today Network Ltd.	5	—	—	90000	89.35
			105.26		270.59
Market Value			131.10		426.77
13 METALS & MINING					
Graphite India Ltd.	2	—	—	200000	44.40
Gujarat NRE Coke Ltd.	10	160000	77.21	—	—
Hindalco Industries Ltd.	1	474300	194.02	474300	194.02
ISMT Ltd.	5	11078	5.26	—	—
Jindal Steel & Power Ltd. (Previous Year Face Value Rs.5)	1	45000	42.05	9000	42.05
Mahindra Ugine Steel Co.Ltd.	10	—	—	100000	28.47
National Aluminium Company Ltd.	10	200000	89.06	200000	89.06
Neyveli Lignite Corporation Ltd.	10	400000	216.40	400000	216.40
Sesa Goa Ltd.	10	—	—	25000	168.97
Steel Authority of India Ltd.	10	150000	104.98	150000	104.98
Tata Sponge Iron Ltd.	10	—	—	50000	22.72
Tata Steel Ltd.	10	2845835	2352.11	2504716	791.99
Tayo Rolls Ltd.	10	—	—	35482	7.20
Welspun Gujarat Stahl Rohren Ltd.	5	100000	48.11	100000	48.11
			3129.20		1758.37
Market Value			23712.31		13755.22
14 MOTOR VEHICLES AND ANCILLARIES					
Amara Raja Batteries Ltd. (Previous Year Face Value Rs.10)	2	300000	235.47	60000	235.47
Amtek Auto Ltd.	2	—	—	35000	130.29
Amtek India Ltd.	2	—	—	150000	45.15
Asahi India Glass Ltd.	1	—	—	250000	5.10
Ashok Leyland Ltd.	1	—	—	600000	197.43
Bharat Forge Ltd.	2	100000	23.21	220000	51.06
Bosch Ltd.(Form.Motor Industries Co. Ltd.) ..	10	30000	4.59	45230	6.92
Eicher Motors Ltd.	10	52500	142.17	52500	142.17
Exide Industries Ltd.	1	872176	133.01	810000	114.35
Fag Bearings India Ltd.	10	70000	36.60	100000	52.29
			575.05		980.23
Carried forward.....					

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
14 MOTOR VEHICLES AND ANCILLARIES (Contd.)					
Brought forward.....			575.05		980.23
Mahindra & Mahindra Ltd.	10	270000	74.84	270000	74.84
Munjal Auto Industries Ltd.	10	—	—	24263	15.73
SKF India Ltd.	10	200000	32.66	220000	35.93
Sundaram Fasteners Ltd.	1	700000	4.80	700000	4.80
Tata Motors Ltd.	10	1540000	1161.77	1550000	1169.32
TVS Motor Co.Ltd.	1	—	—	100000	124.08
TVS Shrichakra Ltd.	10	—	—	75000	60.81
			1849.12		2465.74
Market Value			15381.12		19004.01
15 OIL & NATURAL RESOURCES					
Bharat Petroleum Corporation Ltd.	10	—	—	35000	146.18
Bongaigaon Refinery & Petrochemicals Ltd.	10	—	—	300000	236.85
Cairn India Ltd.	10	500000	773.15	300000	438.45
Gail (India) Ltd.	10	300000	260.91	300000	260.91
Hindustan Oil Exploration Ltd.	10	461930	444.66	139151	66.41
Hindustan Petroleum Corporation Ltd.	10	—	—	100528	149.25
Indian Oil Corporation Ltd.	10	187500	334.15	187500	334.15
Indian Petrochemicals Corporation Ltd. (Amalgn.with Reliance Industries Ltd.)	10	—	—	67950	65.88
Indraprastha Gas Ltd.	10	—	—	70000	58.35
Oil & Natural Gas Corporation Ltd.	10	81408	147.38	81408	147.38
Petronet LNG Ltd.	10	700000	183.91	506700	76.00
Reliance Industries Ltd.	10	123060	139.22	109470	73.33
Reliance Petroleum Ltd.	10	569450	795.34	169450	115.05
			3078.72		2168.19
Market Value			8680.53		5308.84
16 PAPER, PRINTING & PACKAGING					
Ballarpur Industries Ltd. (Previous Year Face Value Rs.10)	2	960000	121.82	500000	317.14
The Sirpur Paper Mills Ltd.	10	—	—	181710	154.64
West Coast Paper Mills Ltd. (Previous Year Face Value Rs.10)	2	180030	54.68	80000	121.50
			176.50		593.28
Market Value			385.52		921.43
17 SUGAR					
EID Parry (India) Ltd.	2	—	—	17500	42.57
KCP Sugar Industries Corporation Ltd.	1	—	—	1000000	234.87
Simbhaoli Sugar Mills Ltd.	10	—	—	180000	196.67
			0.00		474.11
Market Value			0.00		293.72
18 TELECOMMUNICATIONS					
Bharti Airtel Ltd.	10	140000	220.17	140000	220.17
Idea Cellular Ltd.	10	91320	68.49	91320	68.49
Reliance Communication Ventures Ltd.	5	200000	315.66	200000	315.66
Tata Teleservices (Maharashtra) Ltd.	10	595000	109.04	595000	109.04
Vindhya Telelinks Ltd.	10	—	—	50000	82.71
			713.36		796.07
Market Value			2434.17		2170.69
19 TEXTILES					
Alok Industries Ltd.	10	—	—	160000	104.40
Century Textiles & Industries Ltd.	10	275000	262.43	300000	286.30
Gokak Textiles Ltd.	10	50000	65.39	—	—
Himmatsingka Seide Ltd.	5	—	—	52000	13.67
Nahar Spinning Mills Ltd.	5	172395	133.75	200000	155.15
Raymond Ltd.	10	20000	87.11	100000	249.67
Welspun India Ltd.	10	—	—	175000	151.42
			548.68		960.61
Market Value			2199.94		2487.21

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
20 TRANSPORTATION AND LOGISTICS					
Container Corporation of India Ltd.	10	75000	585.49	75000	585.49
Gateway Distriparks Ltd.	10	100000	144.07	—	—
Great Eastern Shipping Co.Ltd.	10	200000	64.82	400000	129.64
Great Offshore Ltd.	10	155000	164.94	140000	45.37
Mercator Lines Ltd.	1	—	—	200000	119.24
Shreyas Shipping & Logistics Ltd.	10	—	—	50000	103.61
Sical Logistics Ltd.	10	22500	39.22	—	—
SpiceJet Ltd.	10	1000000	526.90	1000000	526.90
Taneja Aerospace & Aviation Ltd.	5	—	—	100000	63.69
Varun Shipping Co. Ltd.	10	154406	60.80	154406	60.80
			1586.24		1634.74
Market Value			3684.15		3921.87
21 MISCELLANEOUS AND DIVERSIFIED					
Aditya Birla Nuvo Ltd.	10	90000	224.14	101591	253.00
DCM Shriram Consolidated Ltd.	2	—	—	100000	99.03
Forbes & Company Ltd. (Form.Forbes Gokak Ltd.)	10	100000	102.02	100000	167.41
Greenply Industries Ltd.	5	125000	190.48	45000	53.82
Hanung Toys & Textiles Ltd.	10	70000	102.28	—	—
Kesoram Industries Ltd.	10	—	—	80000	46.87
Trent Ltd.	10	732714	4151.98	426961	2111.56
Tube Investments of India Ltd.	2	—	—	230000	111.84
			4770.90		2843.53
Market Value			6126.09		4944.79
Total of Listed Equity Shares - Book Value			45201.44		35289.48
- Market Value			231223.09		179449.79
EQUITY SHARES PARTLY PAID :-					
INDIAN					
Hindalco Industries Ltd. (Rs 0.50 paid)	1	—	—	135771	65.17
					65.17
MUTUAL FUNDS FULLY PAID :-					
Morgan Stanley Growth Fund.	10	500000	100.27	500000	100.27
			100.27		100.27
DEBENTURES/BONDS FULLY PAID :-					
US 64 Tax Free 6.75% Bonds.	100	510920	537.74	510920	537.74
			537.74		537.74
GOVERNMENT/GOVERNMENT GUARANTEED SECURITIES :-					
Export Import Bank of India 2010 11.5% (8th Series) Bonds.	1000	3000	29.49	3000	29.49
IFCI Ltd. 2008 11.5% Bonds.	1000	6900	68.07	6900	68.07
Industrial Development Bank of India Ltd. 2007 13% Bonds.	1000	—	—	1200	14.85
Tourism Finance Corporation of India Ltd 2012 12% Bonds.	1000	4200	54.42	4200	54.42
			151.98		166.83
PREFERENCE SHARES FULLY PAID :-					
Tata Steel Ltd. 2% Cum.Compulsory Conv. Pref.Shares.	100	2824977	2824.98	—	—
			2824.98		—
			48816.41		36159.49

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
LIST 2: UNQUOTED :-					
EQUITY SHARES FULLY PAID :-					
INDIAN					
Bajaj Auto Ltd.(New)	10	20000	0.60	—	—
Bajaj Finserv Ltd.	5	20000	0.30	—	—
Credit Analysis & Research Ltd.	10	200000	20.00	200000	20.00
Fiora Services Ltd.	100	10500	10.50	10500	10.50
GVK Industries Ltd.	10	—	—	100000	10.05
Indbazar.com Ltd.	10	50000	52.50	50000	52.50
Indian Seamless Enterprise Ltd.	10	33605	—	33605	—
Jamshedpur Injection Powder Ltd.	10	250000	25.00	250000	25.00
Mecklai Financial & Commercial Services Ltd.	10	15000	50.00	15000	50.00
Nahar Capital and Financial Services Ltd. (Transferred to Quoted List.)	5	—	—	200000	155.15
Piem Hotels Ltd.	10	35000	0.55	35000	0.55
Questar Investments Ltd.	10	—	—	14400	1.44
Ratnakar Bank Ltd.	100	110000	495.00	—	—
Ritspin Synthetics Ltd.	10	100000	10.00	100000	10.00
Rujuvalika Investments Ltd.	10	183333	30.00	183333	30.00
Sicagen India Ltd.	10	22500	19.01	—	—
Tata Asset Management Ltd.	10	5265457	1950.09	5265457	1950.09
Tata Autocomp Systems Ltd.	10	2266712	566.68	2266712	566.68
Tata Industries Ltd.	100	451193	513.50	451193	513.50
Tata Securities Ltd.	10	—	—	510890	40.01
Tata Services Ltd.	1000	270	2.70	270	2.70
Tata Sons Ltd (the holding company)	1000	326	193.27	326	193.27
Tata Teleservices Ltd.	10	10400000	1603.20	10000000	1500.00
Tata Trustee Company Pvt.Ltd.	10	5000	0.62	5000	0.62
Trinity Die Forgers Ltd.	10	596049	65.39	596049	65.39
			5608.91		5197.45
PAKISTAN					
Electronic & Film Equipment Co. Ltd.	100	350	—	350	—
Karachi Electric Supply Construction Ltd.	100	27.5	—	27.5	—
Pakistan International Airlines Corporation 'A'	10	5000	—	5000	—
			—	—	—
SRI LANKA					
Doomoo Tea Co. of Ceylon Ltd.	10	2500	*	2500	*
Estates Co. of Uva Ltd.	10	3581	*	3581	*
Great Western Tea Co.,of Ceylon Ltd.	10	1750	*	1750	*
Hunuwella Tea & Rubber Co. Ltd.	10	3750	*	3750	*
Kandyan Hills Co. Ltd.	10	1000	*	1000	*
Marigold Tea Estates Ltd.	10	1000	*	1000	*
Mayen (Ceylon) Tea & Rubber Co.Ltd.	10	1875	*	1875	*
Mirishena (Kalutara) Rubber Co.Ltd.	10	1400	*	1400	*
Mocha Tea Co.of Ceylon Ltd.	10	1700	*	1700	*
Nahavilla Estates Co.Ltd.	10	6900	*	6900	*
Neuchatel Estates Ltd.	7	5377	*	5377	*
Opalgalla Tea & Rubber Estates Ltd.	9	3519	*	3519	*
Pelmadulla Valley Tea & Rubber Co. Ltd.	10	675	*	675	*
Poonagalla Valley Ceylon Co. Ltd.	10	5917	*	5917	*
Roeberry Tea Co. of Ceylon Ltd.	10	1600	*	1600	*
Saffragam Rubber & Tea Co.of Ceylon Ltd.	10	4000	*	4000	*
St.James (Uva) Tea Co. Ltd.	10	7800	*	7800	*
Stratheden Tea Co. Ltd.	10	9900	*	9900	*
Strathspey Tea Co. Ltd.	10	5916	*	5916	*
Uplands Tea Estates of Ceylon Ltd.	10	3600	*	3600	*
Uva Highlands Tea Co. Ltd.	10	1200	*	1200	*
Vogan Tea Co. of Ceylon Ltd.	1	12600	*	12600	*
Watapota Investments Ltd.	10	2720	*	2720	*
			*		*
			5608.91		5197.45
EQUITY SHARES PARTLY PAID :-					
INDIAN					
Indian Seamless Enterprise Ltd.(Rs 5/- paid)	10	33605	16.80	—	—
			16.80		
PAKISTAN					
Malik Diesel Ltd.(Rs 25 paid)	50	500	—	500	—
			—		—
			16.80		

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
MUTUAL FUNDS FULLY PAID :-					
INDIAN					
Deutsche Fixed Term Fund-Series 9 (Growth) ...	10	—	—	10000000	1000.00
DWS Fixed Term Fund-Series 16 - Institutional Plan.(Growth)	10	—	—	5000000	500.00
DWS Fixed Term Fund-Series 18 - Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
DWS Fixed Term Fund-Series 24 - Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
DWS Insta Cash Fund-Super IP (Growth)	10	14021555	1450.00	—	—
Grindlays Fixed Maturity Plus Plan-I-B (Growth)	10	—	—	5000000	500.00
HDFC Fixed Maturity Plan 13M - March 2006 - Institutional Plan.(Growth)	10	—	—	5000000	500.00
HDFC Fixed Maturity Plan 26 M - August 2006 - Institutional Plan.(Growth)	10	—	—	5000000	500.00
HDFC Fixed Maturity Plan 13M - September 2006 - Institutional Plan.(Growth) ...	10	—	—	10000000	1000.00
HDFC Fixed Maturity Plan 17M - November 2006 - Wholesale Plan.(Growth)	10	—	—	10000000	1000.00
HDFC Fixed Maturity Plan 16M - December 2006 - Wholesale Plan.(Growth)	10	5000000	500.00	5000000	500.00
HDFC Fixed Maturity Plan 367D - April 2007 - Wholesale Plan.(Growth)	10	5000000	500.00	—	—
HDFC Mid-Cap Opportunities Fund.(Growth) ...	10	5000000	500.00	—	—
HSBC Fixed Term Series - 1 (Growth)	10	—	—	5000000	500.00
HSBC Fixed Term Series - 14 (Growth)	10	—	—	10000000	1000.00
HSBC Fixed Term Series - 15 - Institutional Plan.(Growth)	10	—	—	5000000	500.00
HSBC Fixed Term Series - 21 - Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
HSBC Fixed Term Series - 22 - Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
HSBC Fixed Term Series - 23 - Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
HSBC Fixed Term Series - 28 - Institutional Plan.(Growth)	10	5000000	500.00	—	—
HSBC Fixed Term Series - 33 - Institutional Plan.(Growth)	10	10000000	1000.00	—	—
HSBC Liquid Plus - Institutional Plus (Growth) ..	10	—	—	2155427	218.29
ICICI Prudential Fixed Maturity Plan - Series 28-Institutional Plan.(Growth)	10	—	—	10000000	1000.00
ICICI Prudential Fixed Maturity Plan - Series 30-Institutional Plan.(Growth)	10	—	—	8000000	800.00
ICICI Prudential Fixed Maturity Plan - Series 34-15 months Institutional Plan.(Growth)	10	7500000	750.00	7500000	750.00
ICICI Prudential Fixed Maturity Plan - Series 34-16 months Institutional Plan.(Growth) ..	10	5000000	500.00	5000000	500.00
ICICI Prudential Fixed Maturity Plan - Series 34-17 months Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
ICICI Prudential Institutional Liquid Plan- Super IP (Growth)	10	4253039	500.00	—	—
ICICI Prudential Interval Fund-Annual Interval Plan- 1-Institutional Plan.(Growth)	10	5000000	500.00	—	—
ING Liquid Plus Fund-Institutional Plan (Growth) .	10	9331840	1000.00	—	—
JM Arbitrage Advantage Fund.(Growth)	10	—	—	3000000	300.00
JM Equity & Derivative Fund.(Growth)	10	—	—	2000000	200.00
Lotus India Fixed Maturity Plan - Series 1 - 13 months Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
Lotus India Fixed Maturity Plan - Series 3 - 375 days Institutional Plan.(Growth)	10	5000000	500.00	—	—
Principal Pnb Fixed Maturity Plan-385 days -Series 5 Institutional Plan.(Growth)	10	5000000	500.00	—	—
Principal Resurgent India Equity Fund (Dividend)	10	—	—	781250	200.00
Reliance Fixed Horizon Fund-I- Annual Plan-Series-1 (Growth)	10	—	—	5000000	500.00
Reliance Fixed Horizon Fund-I- Annual Plan-Series-3 (Growth)	10	—	—	5000000	500.00
Reliance Fixed Horizon Fund-II- Annual Plan-Series 2 (Growth)	10	5000000	500.00	5000000	500.00
Reliance Fixed Horizon Fund-II- Annual Plan-Series 5 (Growth)	10	7500000	750.00	7500000	750.00
Carried forward.....			13450.00		17218.29

LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2008		As at 31st March, 2007	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
MUTUAL FUNDS FULLY PAID :-					
INDIAN (Contd.)					
Brought forward.....			13450.00		17218.29
Reliance Fixed Horizon Fund-IV-Series 1 - Institutional Plan.(Growth)	10	10000000	1000.00	—	—
Sundaram BNP Paribas Fixed Term Plan-Series 21-16 months (Growth)	10	4800000	480.00	4800000	480.00
Tata Fixed Horizon Fund-Series 2 - Plan B (Growth)	10	—	—	5000000	500.00
Tata Fixed Horizon Fund-Series 2 - Plan C (Growth)	10	—	—	4500000	450.00
Tata Fixed Horizon Fund-Series 6 - Scheme A (Growth)	10	—	—	5000000	500.00
Tata Fixed Horizon Fund-Series 6 - Scheme B (Growth)	10	—	—	10000000	1000.00
Tata Fixed Horizon Fund-Series 6 - Scheme C (Growth)	10	7500000	750.00	7500000	750.00
Tata Fixed Horizon Fund-Series 7 - Scheme D - Institutional Plan.(Growth)	10	—	—	10000000	1000.00
Tata Fixed Horizon Fund-Series 13 - Scheme C - Institutional Plan.(Growth)	10	10000000	1000.00	—	—
Tata Fixed Horizon Fund-Series 14 - Scheme B - Institutional Plan.(Growth)	10	9000000	900.00	—	—
Tata Infrastructure Fund.(Growth)	10	2000000	200.00	2000000	200.00
Tata Liquid Super High Investment Fund.(Growth) ..	1000	15390	230.00	72869	1000.00
Tata Treasury Manager Fund-Super High Investment Plan (Growth)	1000	191018	2000.00	—	—
Templeton India Equity Income Fund.(Growth)	10	—	—	4975124	500.00
UTI Fixed Income Interval Fund-Annual Interval Plan-Series II Institutional Plan.(Growth)	10	10000000	1000.00	—	—
UTI Fixed Maturity Plan YFMP - 0806 (Growth) .	10	—	—	7500000	750.00
UTI Fixed Maturity Plan YFMP - 0307 (Growth) .	10	5000000	500.00	5000000	500.00
UTI Fixed Maturity Plan YFMP - 0407 (Growth) .	10	10000000	1000.00	—	—
UTI Fixed Term Income Fund-Series-I-Plan 18-Q3 (Growth)	10	—	—	5000000	500.00
UTI Fixed Term Income Fund-Series-II-Plan 16 - Institutional Plan.(Growth)	10	7500000	750.00	7500000	750.00
UTI Fixed Term Income Fund-Series-II-Plan 16 - Institutional Plan.(Growth)	10	5000000	500.00	5000000	500.00
UTI Fixed Term Income Fund-Series III-Plan 20 - Institutional Plan.(Growth)	10	10000000	1000.00	—	—
UTI Liquid Cash Plan-Institutional Plan.(Growth)	1000	—	—	51913	624.47
UTI - Mastershare.	10	—	—	500000	50.65
			24760.00		27273.41
VENTURE CAPITAL FUNDS FULLY PAID :-					
Indian Real Opportunity Venture Capital Fund.	1000	80000	800.00	—	—
Indiareit Fund.	100000	500	500.00	375	375.00
			1300.00		375.00
PREFERENCE SHARES FULLY PAID :-					
INDIAN					
Tata Autocomp Systems Ltd.7% Cum.Red.	10	15000000	1500.00	15000000	1500.00
Tata Sons Ltd (the holding company) 6% Cum.Red.	1000	—	—	100000	1000.00
Tata Sons Ltd (the holding company) 7% Cum.(Red.30/12/2011)	1000	100000	1000.00	100000	1000.00
Tata Sons Ltd (the holding company) 7% Cum.(Red.31/12/2012)	1000	200000	2000.00	—	—
			4500.00		3500.00
TRADEABLE WARRANTS FULLY PAID :-					
Trent Ltd.	85.686	—	—	210000	179.94
			—		179.94
			36185.71		36525.80
List 3					
CURRENT INVESTMENTS :-					
QUOTED EQUITY SHARES FULLY PAID :-					
Associated Cement Cos.Ltd.	10	50000	348.46	—	—
Infosys Technologies Ltd.	5	40000	552.61	30000	414.36
ITC Ltd.	1	200000	314.51	200000	314.51
Larsen & Toubro Ltd.	2	36500	500.51	33500	401.71
Mahindra & Mahindra Ltd.	10	—	—	55000	298.38
Mcnally Bharat Engineering Company Ltd.	10	—	—	70000	94.01
Reliance Industries Ltd.	10	85000	821.22	65000	324.38
Steel Authority of India Ltd.	10	50000	88.35	—	—
TAJGVK Hotels & Resorts Ltd.	2	75000	152.23	75000	152.23
Tata Steel Ltd.	10	200000	848.31	200000	848.31
			3626.20		2847.89

* Denotes amount less than Rs.500

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 'E': CURRENT ASSETS, LOANS AND ADVANCES

	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	As at 31-03-2007 Rupees (in lacs)
(a) Sundry Debtors:- (Unsecured and considered good, less than six months)			—	98.90
(b) Cash and Bank balances:-				
With scheduled banks:				
1. On current accounts	181.01			275.76
2. On deposit account	750.00			2500.00
		931.01		2775.76
With other banks, viz. Hatton National Bank Ltd., Colombo (Realisability of these balances are subject to exchange control restrictions in Sri Lanka) :-				
1. On current account - Maximum balance during the year Rs.0.11 lacs (Previous Year Rs.0.11 lacs)	0.02			0.02
2. On deposit account - Maximum balance during the year Rs.25.73 lacs (Previous Year Rs.28.47 lacs)	23.90			25.73
		23.92		25.75
			954.93	2801.51
(c) Other Current Assets:-				
i) Dividends declared but not received		2.00		106.88
ii) Interest accrued but not due		16.33		16.85
			18.33	123.73
(d) Loans and Advances:- (Unsecured and considered good)				
(i) Loans		20.06		22.30
(ii) Intercompany deposits		1175.00		25.00
(iii) Interest accrued on loans and deposits		21.12		24.45
(iv) Advances recoverable in cash or in kind or for value to be received		29.11		27.72
(v) Advance taxes (net of provision)		95.99		56.88
(vi) Advance fringe benefit tax (net of provision)		1.34		0.78
			1342.62	157.13
			2315.88	3181.27

Schedule 'F': CURRENT LIABILITIES AND PROVISIONS

	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	As at 31-3-2007 Rupees (in lacs)
(a) Current Liabilities:-				
(i) Sundry creditors (other than micro and small enterprises) [See Note i) below]		260.23		225.93
(ii) Investor Education and Protection Fund shall be credited by the following [See Note ii) below] :-				
a) Unpaid dividends	67.60			63.00
b) Unpaid matured deposits	2.45			4.63
c) Unpaid matured debentures (including premium on redemption)	0.33			0.59
d) Interest accrued on a) to c) above	1.62			2.07
		72.00		70.29
			332.23	296.22
(b) Provisions:-				
(iii) Employee benefits liability		219.59		39.70
(iv) Proposed dividend		5169.06		5169.06
(v) Tax on proposed dividend		878.48		878.48
(vi) Provision for taxation (net of Advance Tax)		46.62		43.56
			6313.75	6130.80
			6645.98	6427.02

Notes:

- i. None of the creditors have declared themselves under the Micro, Small and Medium Enterprises Development Act, 2006. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- ii. The actual amount to be transferred to the Investor Education and Protection Fund in respect of items (ii) a) to d) shall be determined on the due dates.
- iii. Cheques had been issued by the Company in respect of items (ii) a) to d) which have not been encashed by the respective parties.
- iv. In addition to Unpaid matured deposits, shown above in Item (ii) b), there are unclaimed fixed deposits of Rs.Nil (Previous Year Rs.9.88 lacs) shown under the head "Unsecured Loans - Fixed Deposits" in the Balance Sheet.

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT**Schedule 'G' : INTEREST (NET)**

	Rupees (in lacs)	Rupees (in lacs)	Previous Year Rupees (in lacs)
Interest Received :-			
(i) On Investments (Tax deducted at source Rs.3.01 lacs - Previous Year Rs.3.26 lacs)	51.96		52.47
(ii) On Loans and Advances (Tax deducted at source Rs.36.30 lacs - Previous Year Rs.14.40 lacs)	246.36		166.58
		298.32	219.05
Less: Interest paid on :-			
i) On Fixed Loans and Fixed Deposits	0.98		16.66
ii) On Others	1.28		—
		2.26	16.66
		296.06	202.39

Schedule 'H' : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

	Rupees (in lacs)	Rupees (in lacs)	Previous Year Rupees (in lacs)
(1) Salaries		292.96	255.80
(2) Contributions to provident and other funds		25.31	22.34
(3) Employees' welfare		47.26	41.81
(4) Retiring gratuities including contribution to gratuity fund		9.65	9.04
		375.18	328.99

Schedule 'I' : OTHER EXPENDITURE

	Rupees (in lacs)	Rupees (in lacs)	Previous Year Rupees (in lacs)
(1) Miscellaneous (includes loss on foreign exchange Rs.1.82 lacs; Previous Year Rs.2.21 lacs)		158.90	146.12
(2) Donations		127.30	75.40
(3) Insurance		0.96	1.18
(4) Rent (net)		33.75	0.51
(5) Commission/Sitting fees to non-whole time directors (See Schedule 'J') ..		43.35	51.70
(6) Repairs and Maintenance :			
a) Plant and Machinery	1.61		2.95
b) Buildings	1.04		1.08
c) Others	5.15		4.31
		7.80	8.34
(7) Auditors' Remuneration :			
(i) Statutory Auditors			
a) Audit fees (including Rs.Nil for the previous year; Previous Year Rs.1.50 lacs)	7.50		7.50
b) Tax audit fees	2.00		2.00
c) Other services	5.40		4.12
d) Service tax (including Rs.Nil for the previous year; Previous Year Rs.0.18 lacs)	1.90		1.67
e) Out-of-pocket expenses	0.46		0.06
	17.26		15.35
(ii) Fees paid to internal auditors	1.68		1.68
		18.94	17.03
(8) Net loss on sale of fixed assets		—	0.02
		391.00	300.30

Schedule 'J' : MANAGERIAL REMUNERATION

	Rupees (in lacs)	Rupees (in lacs)	Previous Year Rupees (in lacs)
(a) COMPUTATION OF NET PROFITS UNDER SECTION 309(5) READ WITH SECTION 349 OF THE COMPANIES ACT, 1956.			
Profit before taxes per profit and loss account	20231.41		19773.59
Add: Non-Whole time Directors' remuneration (including sitting fees of Rs.7.60 lacs; Previous Year Rs.8.20 lacs and net of excess provision of previous year of Rs.2.00 lacs; Previous Year Rs.1.50 lacs)	43.35		51.70
Whole time Directors' remuneration	65.21		54.86
Net Loss on sale of fixed assets	—		0.02
	20339.97		19880.17
Less: Net Profit on sale of investments	16541.56		15340.39
Net Profit on sale of fixed assets	0.65		—
	3797.76		4539.78
1% of above	37.98		45.40
Commission to the Non-Whole time Directors	37.75		45.00
(b) Remuneration, commission, perquisites and contribution to Provident and Superannuation Funds in respect of the Whole time Director (excluding gratuity, leave salary provision and group insurance premium) included in the profit and loss account is Rs.65.21 lacs (Previous Year Rs.54.86 lacs), as per details given below :-			
Remuneration	32.72		28.51
Commission	25.00		20.00
Perquisites	3.45		3.00
Contribution to Provident and Superannuation Funds	4.04		3.35
	65.21		54.86

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008
1. Significant Accounting Policies:
(i) Basis of Preparation of Financial Statements.

The financial statements have been prepared on the historical cost convention, on an accrual basis and comply in all material respect with the Accounting Standards notified by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956.

(ii) Fixed assets are stated at cost less accumulated depreciation provided on the written down value method at the following rates:-

	(% p.a.)
(a) Building	5
(b) Furniture, Fixtures and Equipment	100
(c) Motor Cars	26
(d) Plant and Machinery	40

(iii) Income from Dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.
(iv) a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the period in which the related service is rendered.

b) Contributions under Defined Contribution Plans are recognised in the Profit and Loss Account in the period in which the employee has rendered the service.

c) Company's liability towards Defined Benefit Plans/Long term compensated absences is determined by an independent actuary using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(v) a) Long Term investments are stated at average cost except where there is a diminution other than temporary, for which provision is made.

b) Current investments are stated at the lower of cost and fair value, considered category wise.

(vi) Income tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income for the period. The deferred tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonably certainty of realisation in future. Deferred tax assets/liabilities are reviewed at each balance sheet date based on developments during the year and available case laws to reassess realisation/liabilities.
2. In accordance with the High Court Order dated 27th September, 2002 and the Accounting Practice adopted earlier, an amount of Rs.Nil (Previous Year Rs.288.86 lacs) has been debited to the securities premium account, being further provision for diminution in the value of long term investments.

Further an amount of Rs.42.24 lacs (Previous Year Rs.Nil) has been credited to the securities premium account being write back of provision for diminution in value of certain investments no longer required, which had been debited to such account in earlier years.

	Rupees (in lacs)	Previous Year Rupees (in lacs)
3. Contingent Liabilities -		
a) Uncalled liability on partly paid shares, debentures and bonds	16.93	65.30
b) Income Tax matters decided in the Company's favour by appellate authorities, where the department is in further appeal	430.19	237.89
c) Claims against the Company not acknowledged as debts in respect of income-tax matters .	33.61	—
4. Expenditure in foreign currency for professional fees	0.09	0.19
5. Earnings in foreign currency -		
a) Sale proceeds of investments (net profit on sale Rs.698.25 lacs, previous year Rs.115.12 lacs)	700.58	189.18
b) Interest received on deposits	3.59	2.58
c) Dividend received (kept in Suspense, pending receipt in India)	0.09	0.02
6. Foreign exchange currency exposures not covered with regard to the deposit placed with Hatton National Bank, Colombo, of Sri Lanka Rs.64.25 lacs (Previous Year Sri Lanka Rs.64.25 lacs); Indian Rs.23.90 lacs (Previous Year : Indian Rs.25.73 lacs).		
7. As the Company has no activities other than those of an investment company, the segment reporting accounting standard is not applicable.		

8. Related Parties Disclosures

a) List of Related Parties and Relationship

Promoter and also holding company from 13.2.2008

Tata Sons Ltd.

Associates

Tata Asset Management Ltd.

Tata Trustee Company Pvt. Ltd.

Tata Securities Ltd. (till 30.7.2007)

Key Management Person

Mr. M. J. Kotwal

Other Subsidiaries of Promoter :-

1. Computational Research Laboratories Ltd.
2. Concept Marketing & Advertising Ltd.
3. E-NXT Financials Pvt. Ltd.
4. Ewart Investments Ltd.
5. Ewart Investment Pvt. Ltd. (Mauritius)
6. Infiniti Retail Ltd.
7. Panatone Finvest Ltd.
8. Tata AG, ZUG
9. Tata AIG Life Insurance Co. Ltd.
10. Tata AIG General Insurance Co. Ltd.
11. Tata Asset Management (Mauritius) Pvt. Ltd.
12. Tata Asset Management Ltd.
13. Tata Business Support Services Ltd.
14. Tata Capital Ltd.
15. Tata Capital Markets Ltd.
16. TRIF Investments Management Ltd.
17. Tata International AG, ZUG
18. Tata Internet Services Ltd.
19. Tata Ltd. London
20. Tata Pension Management Ltd.
21. Tata Petrodyne Ltd.
22. Tata Securities Ltd.
23. Tata Sky Ltd.
24. Tata Teleservices (Maharashtra) Ltd.
25. Tata Teleservices Ltd.
26. Tata Trustee Co. Ltd.
27. TCE Consulting Engineers Ltd.
28. THDC Ltd.
29. Wiireless-TT Infoservices Ltd.
30. Tata Realty and Infrastructure Ltd.
31. Ahinsa Realtors Pvt. Ltd. (w.e.f. 18.3.2008)
32. Navinya Buildcon Pvt. Ltd.(w.e.f. 18.3.2008)
33. Pioneer Infratech Pvt. Ltd.
34. TRIF Gandhinagar Projects Pvt. Ltd.
35. TRIF Hyderabad Projects Pvt. Ltd. (w.e.f. 18.3.2008)
36. TRIF Infrastructure Pvt. Ltd.(w.e.f. 18.3.2008)
37. TRIF Kochi Projects Pvt. Ltd.(w.e.f. 18.3.2008)
38. TRIF Kolkata Projects Pvt. Ltd.(w.e.f. 18.3.2008)
39. TRIF Property Development Pvt. Ltd. (w.e.f. 18.3.2008)
40. TRIF Real Estate and Development Pvt. Ltd. (w.e.f. 18.3.2008)
41. TRIF Realty Projects Pvt. Ltd.(w.e.f. 25.3.2008)
42. TRIF Trivandrum Projects Pvt. Ltd.(w.e.f. 18.3.2008)
43. TRIL Airport Developers Ltd.
44. TRIL Constructions Ltd.
45. TRIL Developers Ltd.
46. Tata Consultancy Services Ltd.
47. Tata America International Corporation Ltd.
48. CMC Ltd.
49. CMC Americas Inc.
50. Aponline Ltd.
51. WTI Advanced Technology Ltd.
52. Tata Consultancy Services Asia Pacific Pte Ltd.
53. Tata Consultancy Services, Malaysia SDN BHD
54. Tata Consultancy Services Japan Ltd.
55. Tata Information Technology (Shanghai) Co. Ltd.
56. TCS Ibero America SA
57. TCS Solution Center S.A.
58. TCS Argentina S.A.
59. Tata Consultancy Services DO Brasil Desenvolvimento De Servicos LTDA
60. Tata Consultancy Services DE Mexico SA DE CV
61. TCS Inversiones Chile Limitada, Chile
62. Tata Consultancy Services De Espana SA
63. Tata Consultancy Services Do Brasil LTD
64. Tata Consultancy Services Chile, SA
65. Tata Consultancy Services,Deutschland GMBH
66. Tata Consultancy Services,Netherlands BV
67. Tata Consultancy Services, Sverige, AB
68. Tata Consultancy Services, Belgium SA
69. TCS Italia SRL
70. Diligenta Ltd.
71. TCS FNS Pty Ltd.
72. Tata Consultancy Services Portugal Unipessoal, Limitada
73. Swedish Indian IT Resources AB
74. Tata Consultancy Services BPO Chile, SA
75. TCS Financial Solutions Australia Holdings Pty. Ltd.
76. TCS Financial Solutions Australia Pty. Ltd.
77. Financial Network Services (Europe) plc
78. PT Financial Network Services
79. Financial Network Services (Africa) (PTY) Ltd.
80. Financial Network Services (H.K.) Ltd.
81. Financial Network Services Malaysia SDN BHD82
82. Syscom S.A.
83. Custodia De Documentos Intres Limitada
84. Tata Consultancy Services Luxemborg S.A.
85. Exigenix Canada INC
86. Tata Infotech Deutschland GMBH
87. Tata Infotech Singapore (PTE) Ltd.
88. C-Edge Technologies Ltd.
89. MP Online Ltd.
90. Tata Consultancy Services Switzerland Ltd.
91. Tata Consultancy Services France SAS
92. TCS Management Pty Ltd.
93. Tata Consultancy Services (China) Co. Ltd.
94. PT Tata Consultancy Services Indonesia
95. Tata Solution Center SA
96. Financial Network Services (Beijing) Co. Ltd.
97. Tata Consultancy Services Morocco SARL AU
98. Tata Consultancy Services (Africa) (PTY) Ltd.
99. Tata Consultancy Services
100. TCS Financial Management

Related Parties Disclosures (contd.)
b) Related Party Transactions

(Rs. in lacs)

	2007-08				2006-07			
	Promoter	Associates	Other Subsidiaries of Promoter	Key Management Person	Promoter	Associates	Other Subsidiaries of Promoter	Key Management Person
Subscription to preference shares/convertible debentures	2000.00	—	107.33	—	1000.00	—	—	—
Redemption proceeds of preference shares	1000.00	—	—	—	—	—	—	—
Receipt of bonus shares (at face value of Rs.10/-)	—	—	—	—	—	31.44	—	—
Dividends received	138.90	236.95	—	—	81.19	289.22	—	—
Dividends Paid	2090.50	—	—	1.44	1313.11	—	—	1.15
Deposit given	—	—	1100.00	—	—	—	—	—
Interest on deposit placed	—	—	15.94	—	—	—	—	—
Repayment of fixed deposits received	—	—	—	—	—	—	—	5.10
Interest paid	—	—	—	—	—	—	—	0.23
Brand equity subscription expense	59.00	—	—	—	57.33	—	—	—
Rent Reimbursement	33.75	—	—	—	0.51	—	—	—
Brokerage paid	—	—	1.14	—	—	—	—	—
Telephone call charges	—	—	0.18	—	—	—	—	—
Remuneration paid	—	—	—	65.21	—	—	—	54.86
Debit balance outstanding at year end outstanding receivables	—	—	1115.94	—	—	—	—	—
Credit balance outstanding at year end outstanding payables	101.09	—	0.05	25.00	67.40	—	—	21.00

c) Details of material related party transactions included in b) above

(Rs. in lacs)

	2007-2008		2006-2007	
	Associates	Other subsidiaries of Promoter	Associates	Other subsidiaries of Promoter
Receipt of bonus shares (at face value of Rs.10/-)				
Tata Securities Ltd.	—	—	31.44	—
Dividends received				
Tata Asset Management Ltd.	236.95	—	210.62	—
Tata Securities Ltd.	—	—	78.60	—
Deposit given				
Panatone Finvest Ltd.	—	1100.00	—	—
Interest on deposit placed				
Panatone Finvest Ltd.	—	15.94	—	—
Brokerage paid				
Tata Securities Ltd.	—	1.14	—	—
Telephone call charges				
Tata Teleservices (Maharashtra) Ltd.	—	0.18	—	—

9. Deferred Tax Assets have not been recognised, as there is no reasonable certainty for setting off the same, considering the present tax status of the Company.

10. Employee benefits :

The Company has adopted Accounting Standard 15 (revised 2005) on Employee Benefits effective 1st April, 2007. Consequent to the adoption, an amount of Rs.149.01 lacs has been adjusted against General Reserve as at 1st April, 2007 in accordance with the transitional provision of the Standard.

Defined benefit Plans – As per actuarial valuation as on 31st March, 2008

	Gratuity (Funded) Rupees (In lacs)	Long Service Award (Non-Funded) Rupees (In lacs)	Compensated Absences (Non-Funded) Rupees (In lacs)
A Expenses recognised in the statement of Profit and Loss Account for the year ended 31 st March, 2008			
1. Current service cost	6.07	—	1.35
2. Interest cost	6.74	2.23	11.92
3. Expected return on plan assets	(7.56)	—	—
4. Net actuarial (gain)/loss recognised during the year	4.40	3.70	19.50
5. Expenses / (Income) recognised in Profit and Loss Account (Schedule 'H')	9.65	5.93	32.77

Defined benefit Plans – As per actuarial valuation as on 31st March, 2008 (Contd.)

	Gratuity (Funded) Rupees (In lacs)	Long Service Award (Non-Funded) Rupees (In lacs)	Compensated Absences (Non-Funded) Rupees (In lacs)
B Actual return on plan assets for the year ended 31 st March, 2008			
1. Expected return on plan assets	7.56	—	—
2. Actuarial gain/(loss) on plan assets	—	—	—
3. Actual return on plan assets	7.56	—	—
C Net Asset/(Liability) recognised in the Balance Sheet as at 31 st March, 2008			
1. Present value of the Defined Benefit obligation	107.14	32.06	187.53
2. Fair value of plan assets	107.14	—	—
3. Net Asset/(Liability) recognised in the Balance Sheet	—	(32.06)	(187.53)
D Changes in Defined Benefit Obligation during the year ended 31 st March, 2008			
1. Present value of the Defined Benefit obligation as at 1 st April, 2007	89.93	29.81	158.90
2. Current service cost	6.07	—	1.35
3. Interest cost	6.74	2.23	11.92
4. Benefits Paid	—	(3.68)	(4.14)
5. Actuarial (gain)/loss on obligation	4.40	3.70	19.50
6. Present value of obligation as at 31 st March, 2008	107.14	32.06	187.53
E Changes in Fair Value of Plan Asset during the year ended 31 st March, 2008			
1. Fair value of plan assets as at 1 st April, 2007	89.93	—	—
2. Expected return on plan assets	7.56	—	—
3. Contributions made	9.65	—	—
4. Benefits Paid	—	—	—
5. Actuarial (gain)/loss on plan assets	—	—	—
6. Fair value of plan assets as at 31 st March, 2008	107.14	—	—
F Major Categories of plan assets as a percentage of total plan assets			
1. Central Government Securities	26.91%	—	—
2. State Government Securities	1.05%	—	—
3. Public Sector Bonds	60.59%	—	—
4. Cash at Bank	11.45%	—	—
G Actuarial assumptions			
1. Discount rate	7.50%	7.50%	7.50%
2. Expected rate of return on plan assets	8.00%	—	—
3. Salary Escalation	5.00%	5.00%	5.00%

Notes :

- Gratuity is administered through a trust fund recognised by the Income Tax Act, 1961.
- Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other retirement factors.
- The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- During the year, the Company has recognised the following amounts in the Profit and Loss Account. (Details in Schedule 'H')

(Rs. In lacs)

Compensated absences and long service awards (included under salaries)	38.70
Retiring gratuities including contribution to gratuity fund	9.65
Contributions to – provident and other funds include	
- Provident Fund	11.84
- Superannuation Fund	13.42
- Employees' State Insurance Scheme	0.05

- This being the first year during which the Company has adopted the Accounting Standard 15 (revised 2005) Employee Benefits, figures for the previous period have not been included.

	As at 31.3.2008	As at 31.3.2007
11. Details of Earnings per share :-		
i) Profit Computation for both basic and diluted earnings per share of Rs.10/- Net Profit as per profit and loss account available for Ordinary shareholders (Rs. in lacs)	18585.20	18164.87
ii) Weighted average number of Ordinary shares for computing basic/diluted earnings per share	3,44,60,388	3,44,60,388
iii) Earnings per Ordinary share (Weighted average) (As per Accounting Standard 20)		
Basic and Diluted (Rupees)	53.93	52.71

12. All Investments disclosed under Schedule 'D' are Trade Investments.

13. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.2622 State Code 11
Maharashtra
Balance Sheet Date: 31.3.2008

II. Capital raised during the year (Rupees in lacs) Nil

III. Position of Mobilisation and Deployment of Funds (Rupees in lacs)

Total Liabilities (Net of Current Assets)	Total Assets (Excludes Current Liabilities)
88842.97	88842.97
Sources of Funds	Application of Funds
Paid up capital	Net Fixed Assets
3446.04	23.92
Reserves & Surplus	Investments
87114.37	88819.05
Secured Loans	Miscellaneous Expenditure
Nil	Nil
Unsecured Loans	Accumulated Losses
Nil	Nil
Net Current Liabilities	
4330.10	

IV. Performance of Company (Rupees in lacs)

Turnover [excludes Miscellaneous Income but includes profit on sale of assets and interest (net)]	21005.27
Total Expenditure	776.24
Profit before tax	20231.41
Profit after tax	18585.20
Basic Earnings per share in Rs. (Details as per item 11 above)	
Dividend Rate %	150

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Not applicable

14. Previous year's figures have been regrouped wherever necessary.

Schedule appended to the Balance Sheet of a Non-Banking Financial Company

[as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998]

Particulars	— (Rs. in lacs) —			
	—		— Previous Year —	
Liabilities Side :	Amount	Amount	Amount	Amount
(1) Loans and advances availed by the NBFCs	outstanding	overdue	outstanding	overdue
Inclusive of interest accrued thereon but not paid :				
(a) Debentures : Secured	0.33+	—	0.59+	—
: Unsecured	—	—	—	—
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	—	—	—	—
(c) Term Loans	—	—	—	—
(d) Inter-corporate loans and borrowing	—	—	—	—
(e) Commercial Paper	—	—	—	—
(f) Public Deposits	4.07*	—	60.01*	—
(g) Other Loans (Overdraft from a bank)	—	—	—	—
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
(a) In the form of Unsecured debentures	—	—	—	—
(b) In the form of partly secured debentures	—	—	—	—
(c) Other public deposits	4.07*	—	60.01*	—
+ entire amount is on account of unclaimed principal.				
* including unclaimed deposits/interest thereon Rs.4.07 lacs, Previous Year Rs.6.70 lacs.				
				Previous Year
Assets Side :	<u>Amount outstanding</u>			<u>Amount outstanding</u>
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(a) Secured	—	—	—	—
(b) Unsecured	—	1342.62	—	157.13
(4) Break up of Leased Assets and stock on hire and hypohecaation loans counting towards EL/HP activities				
(i) Lease assets including lease rentals under sundry debtors :				
(a) Financial lease	—	—	—	—
(b) Operating lease	—	—	—	—
(ii) Stock on hire including hire charges under sundry debtors :				
(a) Assets on hire	—	—	—	—
(b) Repossessed Assets	—	—	—	—
(iii) Hypohecaation loans counting towards EL/HP activities				
(a) Loans where assets have been repossessed	—	—	—	—
(b) Loans other than (a) above	—	—	—	—
(5) Break-up of Investments : (net of provision for diminution)				
<u>Current Investments :</u>				
1. <u>Quoted :</u>				
(i) Shares : (a) Equity	3626.20	—	2847.89	—
(b) Preference	—	—	—	—
(ii) Debentures and Bonds	—	—	—	—
(iii) Units of mutual funds	—	—	—	—
(iv) Government Securities	—	—	—	—
(v) Others	—	—	—	—
2. <u>Unquoted :</u>				
(i) Shares : (a) Equity	—	—	—	—
(b) Preference	—	—	—	—
(ii) Debentures and Bonds	—	—	—	—
(iii) Units of mutual funds	—	—	—	—
(iv) Government Securities	—	—	—	—
(v) Others	—	—	—	—

— (Rs. in lacs) —

	<u>Amount outstanding</u>	<u>Previous Year Amount outstanding</u>
Long Term investments :		
1. Quoted :		
(i) Share : (a) Equity	44898.44	35053.11
(b) Preference	2824.98	—
(ii) Debentures and Bonds	537.74	537.74
(iii) Units of mutual funds	100.27	100.27
(iv) Government Securities	151.98	166.83
(v) Others	—	—
2. Unquoted :		
(i) Shares : (a) Equity	5301.60	4860.89
(b) Preference	4500.00	3500.00
(ii) Debentures and Bonds	—	—
(iii) Units of mutual funds	24760.00	27242.16
(iv) Government Securities	—	—
(v) Others : (a) Application Money	817.84	495.00
(b) Tradeable warrants	—	179.94
(c) Units of venture capital fund	1300.00	375.00
TOTAL	<u>88819.05</u>	<u>75358.83</u>

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances (including other Current Assets) (Amount net of provisions)

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>	— Previous Year —		
				<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
1. Related Parties						
a) Subsidiaries	—	—	—	—	—	—
b) Companies in the same group	—	1115.94	1115.94	—	—	—
c) Other related parties	—	—	—	—	—	—
2. Other than related parties	—	1199.94	1199.94	—	3181.27	3181.27
TOTAL	<u>—</u>	<u>2315.88</u>	<u>2315.88</u>	<u>—</u>	<u>3181.27</u>	<u>3181.27</u>

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	<u>Market Value/Break up or fair value or NAV</u>	<u>Book Value (Net of Provisions)</u>	— Previous Year —	
			<u>Market Value/Break up or fair value or NAV</u>	<u>Book Value (Net of Provisions)</u>
1. Related Parties				
a) Subsidiaries	—	—	—	—
b) Companies in the same group	23505.86	4465.73	6441.09	3995.10
c) Other related parties	9345.59	3193.27	5875.00	2233.28
2. Other than related parties	272803.72	81160.05	214201.72	69130.45
TOTAL	<u>305655.17</u>	<u>88819.05</u>	<u>226517.81</u>	<u>75358.83</u>

8) Other Information

	<u>Previous Year</u>
(i) Gross Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(ii) Net Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(iii) Assets acquired in satisfaction of debt	—

Signatures to Notes to the Accounts,
Schedules A to K, Lists 1 to 3 and
Schedule as per NBFC Prudential
Norms (RBI) Directions, 1998

M. J. KOTWAL
Executive Director &
Secretary.

For and on behalf of the Board,
N. A. SOONAWALA Chairman

A. B. K. DUBASH
N. N. TATA
K. A. CHAUKAR
F. N. SUBEDAR
H. N. SINOR } Directors

Mumbai, 16th May, 2008.

FINANCIAL STATISTICS

(For the last 20 years)

(Rupees in lacs)

Year	Paid up Capital	Reserves and Surplus	Total Borrowings	Investments (at or below cost)	Net Fixed, Net Current and Deferred tax Assets	Total Income (including net interest)	Total Expenses (Including net interest)	Profit before Tax	Profit after Tax	Dividend/ Dividend Tax	Dividend on Ordinary Shares (%)	Realisable value of investments	Debt/ Equity ratio	Number of companies invested in (excluding mutual fund units)
1988-89	396.73	1656.94	1121.97	2710.26	465.38	517.33	118.82	398.51	349.33	91.25	23	10190	0.55:1	221
1989-90	396.73	1834.46	1740.12	3941.97	29.34	538.29	182.03	356.26	280.30	99.18	25	13292	0.78:1	253
1990-91	488.34	2648.68	1659.53	4306.87	489.68	1056.26	163.60	892.66	747.81	119.49	27	18847	0.53:1	278
1991-92	534.14	4130.07	2519.12	5266.72	1916.61	1826.30	173.66	1652.64	1490.75	160.24	30	59397	0.54:1	313
1992-93	641.65	5070.11	3171.37	8284.86	598.27	1161.52	172.55	988.97	769.45	205.76	35	32535	0.56:1	318
1993-94	749.16	6411.55	3009.50	9479.26	690.95	1959.70	438.56	1521.14	1241.57	278.16	40	57618	0.42:1	333
1994-95	1223.74	10392.59	1258.00	11208.45	1665.88	2474.53	291.00	2183.53	1692.27	406.45	35	55210	0.11:1	395
1995-96	1223.74	11742.45	2274.15	12744.09	2496.25	2541.06	205.69	2335.37	1778.17	428.31	35	53056	0.18:1	419
1996-97	1223.74	13118.45	2087.91	13591.59	2838.51	2835.32	401.93	2433.39	1981.73	605.75	45	42691	0.15:1	410
1997-98	1243.13	15413.49	2778.84	17084.43	2351.03	2716.28	563.98	2152.30	2005.98	615.35	45	44749	0.17:1	441
1998-99	1243.13	16991.09	2144.40	18847.74	1530.88	2832.33	398.45	2433.88	2267.54	689.94	50	41707	0.12:1	429
1999-00	1641.01	21331.23	3490.66	26881.99	(419.09)	4672.76	710.50	3962.26	3720.98	1507.41	60	72170	0.15:1	409
2000-01	1641.01	24416.19	1421.72	27322.59	156.33	4480.76	398.16	4082.60	4112.72	1085.03	60	46401	0.05:1	353
2001-02	1969.18	28619.95	3193.73	30003.04	3779.82	5032.73	521.01	4511.72	4396.73	1085.03	60	49982	0.10:1	308
2002-03	2297.36	32516.38	1019.94	31693.13	4140.55	5280.11	341.21	4938.90	4582.38	1181.51	60	54511	0.03:1	253
2003-04	2297.36	37946.15	3875.18	45501.06	(1382.37)	9036.69	486.62	8550.07	8055.68	2617.62	101	118476	0.10:1	238
2004-05	2297.36	46357.29	633.70	51652.21	(2363.86)	11918.47	528.63	11389.84	11237.53	3148.25	120	149005	0.01:1	237
2005-06	3446.04	56807.47	417.89	62462.40	(1791.00)	17087.84	628.56	16459.28	16314.07	4715.21	120	243807	0.01:1	231
2006-07	3446.04	68635.94	53.31	75358.83	(3223.54)	20413.52	639.93	19773.59	18164.87	6047.54	150	221000	0.01:1	229
2007-08	3446.04	81066.83	—	88819.05	(4306.18)	21007.65	776.24	20231.41	18585.20	6047.54	150*	306572+	0.00:1	184

Note: Previous years' figures have been re-grouped wherever necessary.

* Subject to shareholders approval.

+ Please see Para 5 of the Directors' Report.

SUMMARY OF INVESTMENTS

DISTRIBUTION AMONG DIFFERENT INDUSTRIES AND CLASSES OF SECURITIES

(Quoted and Unquoted Investments)

	As on 31-03-2008 (%)	As on 31-03-2007 (%)
I. Distribution among different industries as a percentage to the book value -		
Banks	3.75	3.07
Cement	1.19	1.02
Chemicals and Fertilizers	5.64	6.74
Electricity and Transmission	2.44	2.09
Electricals and Electronics	1.52	1.30
Engineering & Infrastructure	2.47	2.76
Fast Moving Consumer Goods	3.82	4.62
Finance and Investments	8.14	8.37
Healthcare	1.59	2.08
Hotels	5.80	0.99
Information Technology	6.11	4.08
Media	0.12	0.36
Metals & Mining	7.72	3.51
Motor Vehicles and Ancillaries	4.45	6.44
Oil and Natural Resources	4.36	3.28
Paper, Printing & Packaging	0.20	0.78
Sugar	0.00	0.62
Telecommunications	2.71	3.02
Textiles	0.62	1.28
Transportation and Logistics	1.77	2.16
Miscellaneous and Diversified	5.56	4.01
Mutual Funds/Venture Capital Funds	29.25	36.49
Debentures/Bonds	0.60	0.71
Govt. Securities	0.17	0.22
	100.00	100.00
II. Distribution among classes of securities as a percentage to the book value -		
Debentures/Bonds	0.60	0.71
Government Securities	0.17	0.22
Preference Shares	8.19	4.60
Mutual Funds/Venture Capital Funds	29.25	36.49
Tradeable Warrants	—	0.24
Equity Shares	61.79	57.74
	100.00	100.00



TATA INVESTMENT CORPORATION LIMITED

Regd. Office : Ewart House, 22, Homi Mody Street, Fort, Mumbai 400 001.

Attendance Slip

I hereby record my presence at the SEVENTY-FIRST ANNUAL GENERAL MEETING of the Company at Bombay House Auditorium, 24, Homi Mody Street, Mumbai 400 001 at 3.30 p.m. on Tuesday, 15th July, 2008.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

- NOTES :
1. Shareholder/Proxyholder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.
 2. Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

TATA INVESTMENT CORPORATION LIMITED

Regd. Office : Ewart House, 22, Homi Mody Street, Fort, Mumbai 400 001.

Proxy

I/We
of in the district of being
a Member/Members of the above named Company, hereby appoint
..... of in the district of or failing him
..... of in the district of
..... as my/our Proxy to attend and vote for me/us and on my/our
behalf at the Seventy-First Annual General Meeting of the Company, to be held on Tuesday, 15th July, 2008 and at any
adjournment thereof.

Signed this day of 2008.

Folio No. : _____ # DP ID No. _____ # Client ID NO. _____

No. of Shares : _____

This form is to be used _____ ^{*in favour of} the resolution. Unless otherwise instructed, the
_____ ^{* against}

Proxy will act as he thinks fit.

*Strike out whichever is not desired.

Applicable for shares held in electronic form.

Signature _____

Affix Re. one revenue stamp

NOTE : The Proxy must be returned so as to reach the Registered Office of the Company at Ewart House, 22, Homi Mody Street, Fort, Mumbai 400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

TATA INVESTMENT CORPORATION LIMITED

Ewart House Homi Mody Street Mumbai 400 001