

ANNUAL REPORT

2006 - 2007

- ◆ Tata Infrastructure Fund

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STATUTORY DETAILS:

<p>SPONSORS Tata Sons Limited Bombay House, 24, Homi Modi Street, Mumbai - 400 001.</p> <p>Tata Investment Corporation Limited Ewart House, 22, Homi Modi Street, Mumbai - 400 001.</p> <p>TRUSTEE Tata Trustee Company Private Limited Fort House, 221, D. N. Road, Fort, Mumbai – 400 001.</p>	<p>AMC Tata Asset Management Ltd. Fort House, 221, D. N. Road, Fort, Mumbai – 400 001.</p> <p>REGISTRAR Computer Age Management Services (Pvt.) Limited Ground Floor, 178/10 Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai - 600 034.</p>
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**REPORT OF THE TRUSTEE TO THE UNITHOLDERS
FOR THE YEAR ENDED 31ST MARCH 2007**

Dear Unitholder,

It gives us great pleasure to enclose schemewise audited financials as on 31st March, 2007. This Report is in continuation of the 'Performance and Portfolio of the Schemes' Report as on 31st March, 2007 published by us earlier.

Report of the Trustee on the operations of various schemes of the fund and the fund as a whole during the year and the future outlook of the fund**(I) FUNDS UNDER MANAGEMENT**

Tata Mutual Fund (TMF) today manages twenty six open ended schemes of which thirteen are equity schemes, two are balanced schemes, eleven are debt schemes. TMF also manages eleven close ended schemes of which seven are debt schemes, two are equity schemes, one is Equity Linked Saving Scheme (ELSS) and one is Balanced Scheme. The net assets under management were around Rs. 12624.47 crores as on 31/03/07 which have increased from Rs.9716.68 crores as on 31/03/06 showing an increase of Rs. 2907.79 crores. The AMC's continued focus on marketing and sales efforts has been showing good results and the total assets under management as on 31/07/07 were Rs 20480.52 crores.

The Year that was:

Equity :

During the last financial year, the BSE Sensex was range bound with two corrections in between. The year started off well with almost 10% return in April over March closing with the index continuing on its upward trend since the mild October 2005 correction. However, May and June saw a shakeout in the market with risk appetite falling sharply. What started as a fall in the Chinese market shook most equity markets and ours was no exception. The positive aspect of this correction was that since the correction in May, on a closing basis, the index gained consistently every month till January / February 2007. The range bound nature of the market becomes clear with the fact that the April high was broken only in September'06 despite rising month on month. February and March '07 were again correction months. The year FY2007 thus saw the market giving a return of 15% from open to close. More importantly, the breadth of the market was very poor with few stocks participating in the rally. Even within the index, there were several underperformers.

FII flows into the Indian stock markets continued to be quite healthy and India did attract one of the best flows within the emerging markets in the current calendar year CY07. After attracting FII flows of over USD 8 bn in the calendar year CY06, the Indian market has already seen FIIs put in over USD 10 bn in the first seven month of the current calendar year CY07, upto July'07.

The Indian economy sustained its broad based growth momentum at a stepped up rate for the fourth year in succession during FY'07. Powered by robust industry and services sector performance, Indian economy grew at 9.4% during FY07, which maintains India's status as one of the fastest growing economies in the world. The fast pace of growth in the economy though did cause some overheating resulting in higher inflation in the early part of this calendar year CY07, calling for policy response in the form of higher interest rates. However, for now, the interest rates seem to have stabilized as WPI inflation has now come down to around a level of 4.5%, a level which is comfortable with the RBI. Corporate India continues to grow and expand at a fast pace, utilizing the momentum in the economy. The leading companies in India have seen rising cash balances, and strong balance sheets. This year also saw marked strength in the India rupee, which touched a nine year high of Rs 40.3 to a US Dollar, a level which Rupee should find hard to breach further in the short term as the Indian government may not be comfortable with the Rupee further strengthening at such a fast pace. After lot of promise for years, we did see a step up in the FDI flows to India. The foreign exchange reserves of India have now crossed USD 220 bn. The year also saw the upgrading in India's sovereign rating. India is now rated Investment Grade by all the three leading rating agencies viz. S&P, Moody's and Fitch, which is an acknowledgement of India's improving economic prospects.

Debt:

The year 2006-2007 saw a mindset change from RBI, the central bank switched the operating rate from reverse repo to repo rate. RBI hiked the repo rate five times by 25 basis points from 6.5 % to 7.75 % levels, reverse repo rates two times from 5.5 % to 6 % and CRR three times from 5 % to 6.5 %. Call rates in the second half of the financial year continued to stay above the repo rate for considerable period of time as liquidity became tight due to hikes in CRR. The ten year yield closed at 8 % levels from 7.40 % levels prevailing at the beginning of the year. One year corporate bond yields moved in double digit to 10.50 % with the spread between one year Government Securities and Corporate bond moving to 275 basis points. The ten year corporate bond yields traded in the range of 10 % - 10.25 % levels, a spread of 200 basis points over Government securities of similar maturity.

FUTURE OUTLOOK:**EQUITY AND BALANCED FUNDS**

The GDP growth rate for FY08 is estimated in the region of 8-9%, which should continue to maintain its status as one of the fastest growing economies in the world. However, industrial growth decelerated to around 9.8% level in June'07. For two consecutive months the industrial production numbers have seen moderation. Although capital goods production - up 29% in June'07 - remained strong, the deceleration was due to the slowdown in the interest rate-sensitive sectors. The Industrial growth over the next few months is expected to be in the region of 8-10%. The services sector is expected to again grow at 10% plus in FY08 and the evidence of that is in the continued uptrend in sectors like telecom, insurance, media, in-bound tourism etc. The agriculture sector should also grow at a moderate positive rate thanks to the good rainfall in the ongoing monsoon season.

The corporate results for the quarter ended June'07, were good and continued to surprise positively. Sectors like industrial capital goods, telecom, energy, financials and materials reported good results. While the IT sector results disappointed primarily because of appreciation in the Indian Rupee. Though, for many companies in other sectors, profits were buoyed by currency gains on foreign exchange loans. We expect that while sectors focused on infrastructure and domestic consumption would continue to record robust growth in the current fiscal year, export oriented sectors and interest rate sensitive sectors would have a near term challenge at their hands.

The Indian Mutual Funds have raised around USD 2 bn in their equity schemes in the last couple of months. The common Indian person is very much under-invested in equities and we believe that over a period of time, the percentage of India's savings going into equities would nudge up. Already Systematic Investment Plans of Mutual Funds in India have started attracting equity inflows at the run rate of around USD 125 mn/month.

In the current calendar year 2007, India has seen one of the strongest FII flows amongst all emerging markets. Although India still trades at premium to most of its emerging market peers given its above average growth and Return on Equity (ROE), the valuation gap has narrowed down of late. India witnessed record FII flows in July'07, with FIIs being massive buyers in the cash equities segment to the tune of around USD 5.8 bn, which took the cumulative FII buying in the cash equities segment in India in the current calendar year so far (Jan-Jul'07) to around USD 10.2 bn (as against FII investments of USD 8 bn in the cash equities segment in India for the whole of calendar year CY06). Clearly, these are very strong flows to the Indian bourses. Such a massive pouring of money into India by FIIs indicate that there are lots of new set of investors who are realizing the importance of investing in India in the overall global economic landscape.

In the near term, the biggest concern for the Indian equity market as well as global equity markets stems from the implications of deepening US sub prime crisis. If the crisis worsens further, in the short term, we could see liquidity outflows across emerging markets, including India. However, over the medium to longer term, we believe that global investors would want a bigger pie of higher growth economies and India stands a good chance to attract a decent share of those flows. In the last few years, directionally, we have seen several global equity markets move almost in tandem, though the pace of movement has differed. The different pace of growth in equity markets may be attributed to the differential rate of growth being witnessed in different regions of the world. The US sub-prime crisis may further reinforce the feeling that a part of the global liquidity should be diversified away from US. Sovereign funds of various countries like Singapore, Saudi Arabia, Kuwait, China and other oil or trade surplus nations are increasingly investing into equities of various forms – both listed and private equity and are an important source of global liquidity today. The new sources of funds could redirect some of their investments in US and other markets at risk into emerging markets and other stable oil/resource rich countries.

BSE Sensex, as of 7th August quotes at around 18 times FY08e earnings, which is at a slight premium to its long term average of 16 times forward earnings. Strong earnings growth, breadth of sectors & stocks to invest and better return ratios will help the Indian market continue to get above average valuations.

DEBT OUTLOOK

Indian rupee has appreciated due to stock market related Inflows and External Commercial borrowings (ECB) money coming back into the system. The rupee touched a high of 40.30 levels from 43 levels prevailing at the beginning of the current fiscal year against the US dollar. RBI has been intervening in the forex market to control rupee appreciation. As the reverse repo was capped at Rs 3000 Crores, call rates came down to 0.02 % levels as liquidity in the system increased due to RBI Intervention. RBI forex reserves are around US\$ 220 billion from 192 billion prevailing at the beginning of this fiscal. To sterilise the rupee inflow due to forex intervention, RBI has done Market Stabilisation Scheme (MSS) to the extent of Rs. 40000 Crores, hiked CRR by 100 basis points to suck out liquidity to the extent of Rs 32000 Crores. RBI also bought restriction on ECB borrowing of corporates. Due to these developments, corporate bonds yields have moved up with the one year rates trading at 9 % levels and 10 year corporate bond yields trading at 10 % levels.

Banks have considerably drained down their SLR holding in the last 3 years. Banks have abstained from purchasing Government securities as they had excess SLR and as lending rates was attractive compared with buying G sec. Most of the banks have now come near the statutory limits of 25 %. Banking sector demand along with Insurance companies demand has led to the

ten year Government securities yields fluctuating between 7.80 % - 8.25 % levels. Statutory demand will intensify as bank deposit accretion is happening at a robust pace.

U.S yields are trending lower, due to sub prime problem spills over into the real economy, GDP growth is expected to average around 2 – 2.5 % for the current year, and credit spreads are expected to widen as banks become choosy when they lend to corporates and individuals. This will lead to sub par growth in the U.S, which could necessitate cuts in fed fund rates in the coming quarters. Due to these developments, the 2 year government securities yields are trading around 4.20 % levels and the ten year rates are trading around 4.70 % levels. Commodities are showing a downward trend due to unwinding of speculative positions.

In India, credit demand is expected to be robust in the coming months. Corporate bond yields are expected to be range bound or move slightly higher due to expected tightness in liquidity. Since, global markets have turned bond market positive, the rise in yields could be capped. G sec yields are expected to be range bound due to SLR demand; rates are expected to move up only if SLR is cut from 25 %. Yields can then move up by 50 basis points from the current level of 7.92 % levels.

A note on the scheme wise investment objective, policy of investment and performance has been appended at the end of the trustee report.

LIABILITIES AND RESPONSIBILITIES OF TRUSTEES

Tata Mutual Fund was constituted as a Trust in accordance with the provisions of the Indian Trust Act 1882 and is registered as a Trust under The Indian Registration Act 1908. Tata Sons Limited and Tata Investment Corporation Limited are the Sponsors and the Settlers have made an initial contribution of Rs 1 lakh towards setting up of Tata Mutual Fund. The Trustee i.e Tata Trustee Company Private Limited is accountable for the funds and property of the respective schemes of Tata Mutual Fund which it holds in trust for the benefit of the unitholders in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the provisions of the Trust Deed. The Trustee Company has appointed Tata Asset Management Limited to manage the schemes of Tata Mutual Fund. The Trustee Company is responsible to ensure that the asset management company fulfils the various functions assigned to it under the Securities & Exchange Board of India (Mutual Fund) Regulations 1996 and the Trust Deed .

(II) CONSTITUTION OF THE FUND

Tata Mutual Fund (TMF) has been constituted as a Trust in accordance with the provisions of The Indian Trusts Act, 1882 (2 of 1882) and is registered as a Trust under The Indian Registration Act, 1908. TMF was registered with the Securities & Exchange Board of India (SEBI) and commenced operations by launching its first scheme on 30th August, 1995. Tata Sons Limited (TSL) and Tata Investment Corporation Limited (TICL), are the Settlers and Sponsors of Tata Mutual Fund. TSL and TICL, have made an aggregate initial contribution of Rs.1 lakh towards setting up of TMF. Tata Trustee Company Private Limited is the Trustee Company and Tata Asset Management Limited (TAML) is the Asset Management Company of Tata Mutual Fund.

The shareholding pattern of Tata Asset Management Ltd (TAML) and Tata Trustee Company Private Ltd (TTCPL) as on 31st March, 2007:-

	TAML	TTCPL
Tata Sons Ltd	67.91%	50%
Tata Investment Corporation Limited	32.09%	50%

The main object of TMF is to formulate and devise various collective Schemes of savings and investments from the general public and to provide them with reasonable income / returns and ensure liquidity of investments as applicable, for the Unitholders.

We also take this opportunity to express our sincere thanks to you, our valued customers as also the various regulatory authorities, and our co-partners in Mutual Fund operations viz. our Intermediaries, Agents, Bankers, Auditors, Solicitors, Registrars, Custodians and Brokers for their valuable support throughout the years.

With best wishes,

**On behalf of the Board of Directors of
Tata Trustee Company Private Limited**

Ishaat Hussain
Director

Date : 29th August, 2007

Encl. Schemewise Audited Accounts and Auditor's Report

NOTE

The price and redemption value of the units, and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments.

Note:

- 1) A copy of the Annual Report of the Fund will be posted to all the unitholders. In case of non-receipt a Unitholder on request can obtain from the Fund a copy of the Annual Report of the scheme in which he has invested.
- 2) The Annual results have been placed by the Tata Asset Management Ltd. before the Board of the Trustee Company and approved by the Trustee Company on 12th June, 2007.
- 3) The Annual Report of the Asset Management Company has been displayed on our website www.tatamutualfund.com. A copy of the same shall be provided to the unitholders on request on payment of nominal fees, if any.
- 4) On a written request, present and prospective unitholders /investors can obtain copy of the Trust Deed, the annual report (at a price)and the text of the relevant scheme.

Abbreviations of the Scheme Name:

TISF - Tata Infrastructure Fund this scheme has two options namely Dividend Option and Growth Option. Dividend option is denoted by D, Div and Growth Option is denoted by G, GR.

INVESTMENT OBJECTIVES, POLICY OF INVESTMENT AND PERFORMANCE

Tata Infrastructure Fund:

The investment objective of the Scheme is to provide income distribution and / or medium to long term capital gains by investing predominantly in equity/equity related instrument of the companies in the infrastructure sector. The scheme will invest 70% of its assets in equity and equity related instruments of the companies in infrastructure sector. Further the scheme may also invest not exceeding 30% of the scheme's assets in debt and money market instruments. Due to the moment of only few stocks in the Benchmark Index for the 1 Year period ended March 31st 2007 the scheme has underperformed the Benchmark Index. However the scheme has outperformed the BenchmarkIndex in other time periods.

Performance at a glance (% as on 31st March, 2007)

	Performance	
	Last 1 year	Since Inception
Tata Infrastructure Fund - Growth	9.88	42.10 (31/12/04)
BSE SENSEX	15.89	35.53

Performance at a glance (% as on 31st July, 2007)

	Performance	
	Last 1 year	Since Inception
Tata Infrastructure Fund - Growth	66.66	51.58 (31/12/04)
BSE SENSEX	44.74	39.37

Return for the period 1 year and below is absolute and for more than one year is compounded annualised. Past performance may or may not be sustained in future.

AUDITORS' REPORT**TO THE BOARD OF DIRECTORS OF
TATA TRUSTEE COMPANY PRIVATE LIMITED**

We have audited the attached Balance Sheet of **TATA MUTUAL FUND – TATA INFRASTRUCTURE FUND** ("the Fund") as at 31st March, 2007 and the Revenue Account of the Fund for the year ended on that date, annexed thereto, and report thereon as follows:

- a) The Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. These financial statements are the responsibility of the Managements of the Trustee and the Asset Management companies.
- b) Our audit was conducted in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- c) 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.
- d) The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the Fund.
- e) Non - traded securities have been valued in accordance with the guidelines notified by the Securities and Exchange Board of India. In our opinion, these valuations are fair and reasonable.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 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 Fund as at 31st March, 2007 and
 - (ii) in the case of the Revenue Account, of the surplus of the Fund for the year ended on that date.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants

Nalin M. Shah
Partner
(Membership No. 15860)

MUMBAI, 12th June, 2007

Balance Sheet of Tata Infrastructure Fund as at 31st March, 2007

	Schedule	As At 31-Mar-07 (Rupees)	As At 31-Mar-06 (Rupees)
LIABILITIES			
Unit Capital	I	6,322,326,823	4,529,289,333
Reserves & Surplus	II	5,834,787,838	4,314,547,900
Current Liabilities & Provisions	III	160,368,432	152,699,819
TOTAL		12,317,483,093	8,996,537,052
ASSETS			
Investments	IV	12,069,199,522	8,737,355,419
Other Current Assets	V	180,923,224	167,834,428
Deferred Revenue Expenditure	VI	67,360,347	91,347,205
TOTAL		12,317,483,093	8,996,537,052

Significant Accounting Policies and Notes to the Accounts VIII

As per our report of even date attached
For S. B. BILLIMORIA & CO.
Chartered Accountants

Nalin M. Shah
Partner
(Membership No. 15860)

Place: Mumbai,
Dated: 12th June, 2007

On behalf of the Board of Directors of
Tata Trustee Co. Pvt. Ltd.

Ishaat Hussain
Director

On Behalf of the Investment Manager
Tata Asset Management Ltd.

Farrokh K. Kavarana
Chairman

Ved Prakash Chaturvedi
Managing Director

Hormuz A. Bulsara
Chief Operating Officer

M. Venugopal
Fund Manager

**Revenue Account of Tata Infrastructure Fund
for the year ended 31st March, 2007**

	Schedule	Year Ended 31-Mar-07 (Rupees)	Year Ended 31-Mar-06 (Rupees)
INCOME			
Dividend		95,626,541	98,941,023
Interest	VII	33,035,467	44,566,822
Profit on sale / redemption of investments		2,467,767,594	1,120,916,118
Profit on inter- scheme transfer / sale of investments		-	4,122,114
TOTAL (A)		2,596,429,602	1,268,546,077
EXPENSES AND LOSSES			
Loss on sale / redemption of investments		185,069,045	185,830,657
Loss on inter- scheme transfer / sale of investments		7,569,561	8,617,924
Management fees		99,399,512	75,850,593
Trusteeship fees		3,129,092	3,667,633
Commission to Agents (net of load utilised of Rs. 167,721,475/- (previous year Rs.54,759,394/-))		47,546,904	42,639,309
Publicity expenses		11,641,122	6,779,720
Audit fees		637,119	165,300
Other operating expenses		22,341,727	14,582,612
Deferred revenue expenses written off		23,986,858	23,986,858
Custodian fees & expenses		1,529,860	2,189,983
Registrar fees & expenses		13,763,388	11,780,279
Provision / (reversal) for diminution in value of investments		363,688,994	(62,749,170)
TOTAL (B)		780,303,182	313,341,698
Surplus (A - B)		1,816,126,420	955,204,379
Increase / (decrease) in unrealised appreciation in value of investments		(1,309,980,149)	3,848,645,212
Surplus after considering unrealised appreciation / (diminution) in value of investments		506,146,271	4,803,849,591
Add / (Less) : Income Equalisation Account		653,457,500	(32,591,879)
		1,159,603,771	4,771,257,712
Add : Surplus brought forward		5,023,465,686	445,426,431
Surplus after adjustments		6,183,069,457	5,216,684,143
Appropriations			
Income Distribution / Units Capitalisation		1,228,011,916	193,218,457
Surplus carried forward		4,955,057,541	5,023,465,686

	Schedule	Year Ended 31-Mar-07 (Rupees)	Year Ended 31-Mar-06 (Rupees)
Income (Gross) as a percentage to Average Net Assets		26.58	17.05
Recurring Expenses as a percentage to Average Net Assets		2.05	2.12
Significant Accounting Policies and Notes to the Accounts	VIII		

As per our report of even date attached
For S. B. BILLIMORIA & CO.
Chartered Accountants

Nalin M. Shah
Partner
(Membership No. 15860)

Place: Mumbai,
Dated: 12th June, 2007

On behalf of the Board of Directors of
Tata Trustee Co. Pvt. Ltd.

Ishaat Hussain
Director

On Behalf of the Investment Manager
Tata Asset Management Ltd.

Farrokh K. Kavarana
Chairman

Ved Prakash Chaturvedi
Managing Director

Hormuz A. Bulsara
Chief Operating Officer

M. Venugopal
Fund Manager

Schedules forming part of the Balance Sheet as at 31st March, 2007

	As At 31-Mar-07 (Rupees)	As At 31-Mar-06 (Rupees)
SCHEDULE I		
UNIT CAPITAL		
Initial Capital (761,085,324.100 Units of the face value of Rs. 10/- each)	7,610,853,241	7,610,853,241
<u>Unit Capital</u>		
Units Opening Balance (452,928,933.300 units (previous year 696,144,396.400 units) of the face value of Rs.10/- each)	4,529,289,333	6,961,443,964
Add : Units reissued during the year (439,470,122.871 units (previous year 270,415,095.600 units) of the face value of Rs.10/- each)	4,394,701,229	2,704,150,956
	8,923,990,562	9,665,594,920
Less : Units repurchased during the Year (260,166,373.905 units (previous year 513,630,558.700 units) of the face value of Rs.10/- each)	2,601,663,739	5,136,305,587
Units Closing Balance (632,232,682.266 units (previous year 452,928,933.300 units) of the face value of Rs.10/- each)	6,322,326,823	4,529,289,333
SCHEDULE II		
RESERVES & SURPLUS		
Unit premium reserve		
Opening Balance	(709,465,462)	(28,938,023)
Add : Addition / (deduction) during the year	1,587,164,117	(680,527,439)
Closing Balance	877,698,655	(709,465,462)
Accumulated Load		
Opening Balance	547,676	212,137
Add : Collection during the year	169,205,441	55,094,933
	169,753,117	55,307,070
Less : Utilised towards agents commission	167,721,475	54,759,394
Closing Balance	2,031,642	547,676
Revenue Account	4,955,057,541	5,023,465,686
	5,834,787,838	4,314,547,900
SCHEDULE III		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Management Fees Payable	5,266,152	3,842,529
Trusteeship Fees Payable	2,938,320	3,462,531
Selling Commission / Brokerage	14,793,657	21,896,251
Advertisement & Publicity	28,539	-
Audit Fees	224,720	165,300
Custodian Fees & Expenses	283,020	110,200
Registrar's Fees & Expenses	693,322	872,324
Other Expenses	1,431,579	30,754,860
Contract for purchase of investments	103,538,251	40,060,744
Repurchase amount payable	14,617,597	25,736,352
Inter-scheme dues	12,345,685	24,380,145
Others	4,207,590	1,418,583
	160,368,432	152,699,819

	As At 31-Mar-07 (Rupees)	As At 31-Mar-06 (Rupees)
SCHEDULE IV		
INVESTMENTS		
(Market / Yield to maturity / Fair value)		
Equity Shares	10,904,809,326	8,459,117,086
Certificate Of Deposit	1,131,142,455	-
Reverse Repos	33,247,741	278,238,333
	<u>12,069,199,522</u>	<u>8,737,355,419</u>
SCHEDULE V		
Other Current Assets		
Balances with banks in current account	123,506,693	67,150,189
Cheques on hand	35,481,416	11,513,219
Contract for sale of investments	-	29,929,534
Outstanding and accrued income	14,071,620	5,405,861
Inter-scheme dues	6,748,448	45,457,757
Others *	1,115,047	8,377,868
	<u>180,923,224</u>	<u>167,834,428</u>
* Refer Note No. 5 of Schedule VIII Part B- Notes to the Accounts		
SCHEDULE VI		
Deferred Revenue Expenditure		
Opening balance	91,347,205	115,334,063
Less : Amount written off during the year	23,986,858	23,986,858
Amount deferred to subsequent years	<u>67,360,347</u>	<u>91,347,205</u>

Schedule forming part of the Revenue Account for the year ended 31st March, 2007

	Year Ended 31-Mar-07 (Rupees)	Year Ended 31-Mar-06 (Rupees)
SCHEDULE VII		
INTEREST INCOME		
Call Money	-	88,019
Term Deposits	434,863	6,188,402
Debentures / Bonds / Asset Backed Securities	3,283,745	19,910,804
Discounted Securities	12,870,792	3,581,914
Reverse Repos	16,446,067	14,797,683
	<u>33,035,467</u>	<u>44,566,822</u>

SCHEDULE VIII: Statement of significant accounting policies of Tata Infrastructure Fund (TISF) and Notes forming part of the Accounts for the year ended 31st March, 2007.

A. SIGNIFICANT ACCOUNTING POLICIES

1. INCOME RECOGNITION:

- a) Dividend income is accounted on ex-dividend dates.
- b) Profit or loss on sale of investments is recognised on trade dates. The cost of investments sold is determined on "weighted average cost basis".
- c) Interest on investments is accounted on an accrual basis. Interest on an investment that is past due for three months is accrued and a full provision is made against all outstanding interest on that investment.
- d) Other income of a miscellaneous nature is accounted when it is received on grounds of prudence.

2. EXPENSES:

- a) All expenses are accounted on an accrual basis.
- b) Expenses not identifiable with any particular scheme are generally allocated to the schemes in proportion to their net assets.

3. DEFERRED REVENUE EXPENDITURE:

Initial issue expenses are written off over a period of five years. The unamortised portion of the initial issue Rs.67,360,347/- (previous year Rs. 91,347,205/-) expenses is included in the NAV.

4. INVESTMENTS:

- a) Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, stamp charges and any charge customarily included in the broker note.
- b) Rights entitlement pending formal allotment is accounted as investments at issue price plus acquisition cost, if any.
- c) Bonus entitlement is recognised on ex-bonus dates.

5. PORTFOLIO VALUATION FOR NAV CALCULATION

i. Traded Securities :

Traded Securities are valued at year-end closing market rates on the principal stock exchange on which the security is traded (excluding accrued interest, if any, which is accounted separately).

In the absence of a quoted price on the valuation date for debt securities (other than Government Securities), the last available quoted price within a period of fifteen days prior to the valuation date is used for valuation purposes.

In the absence of a quoted price on the valuation date for equity instruments, the last available quoted price within a period of thirty days prior to the valuation date is used for valuation purposes.

ii. Thinly Traded Securities :

Thinly traded equity / equity related securities are those securities whose trade in a month, are both less than Rs.5 lacs and the total volume is less than 50,000 shares. These have been valued on the basis of valuation principles laid down by The Securities and Exchange Board of India (SEBI) for the same.

Debt securities (other than Government Securities) are considered as thinly traded if on the valuation date, there are no individual trades in those securities in marketable lots (presently Rs.5 crores) on the principal stock exchange or any other stock exchange. These have been valued on the basis of valuation principles laid down by SEBI for the same.

iii. Non-Traded Securities :

Non-Traded/Thinly Traded Debt Securities/Asset Backed Securities of over 182 days to maturity are valued in good faith on a yield to maturity basis by Tata Asset Management Limited (TAML).

The non – traded debt securities have been classified by TAML as "investment grade" and "below investment grade" as at 31st March, 2007. The values applied by TAML for "investment grade" debt securities are on the basis of valuation yields determined by CRISIL (Credit Rating Information Services of India Limited). In the opinion of TAML, these yields determine fair and reasonable values and such basis of valuation is approved by the Tata Trustee Company Private Limited. The aggregate fair value of "investment grade" debt securities as at 31st March, 2007 is Rs.Nil (previous year Rs.Nil). The value of "below investment grade" debt securities as at 31st March, 2007 is Rs.Nil (previous year Rs.Nil).

These balances exclude redemption proceeds due but not received and fully provided Rs.Nil (previous year Rs.Nil).

These securities have been valued on the basis of valuation principles laid down by SEBI for the same.

Non – traded debt securities with residual maturity of upto 182 days are valued on the basis of amortisation (cost plus accrued interest till the beginning of the day plus the difference between the redemption value (inclusive of interest) and the cost spread uniformly over the remaining maturity period of the instrument).

This basis of valuation is in accordance with SEBI guidelines.

iv. Money Market Securities :

Money Market instruments which are not traded are valued on the basis of amortisation (cost plus accrued interest till the beginning of the day plus the difference uniformly amortised over the remaining maturity period of the instrument).

For Money Market Instruments which are traded, the difference between the traded price and the cost plus accrued interest is booked as unrealised gain or loss on that day and from the next day the unrealised gain or loss is amortised over the remaining period to maturity in such a manner that on the maturity date, the value of security matches the face value.

v. Government Securities :

Government securities are valued at the prices released by CRISIL, which is currently the only approved agency suggested by Association of Mutual Funds in India (AMFI).

vi. Unrealised Gain / Loss in value of Investments :

Following the issue of the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), the appreciation / diminution in investments is worked out on individual basis. The value of diminution as at the year end is reflected in the Revenue Account. Unrealised appreciation as at the year end is also routed through the Revenue Account but is reduced from the distributable income at the time of income distribution.

vii. Derivatives :

Traded derivatives are valued at year-end closing market rates on the principal stock exchange on which the security is traded. On an ongoing basis, in the absence of a quoted price on the valuation date for derivatives, the last available quoted price within a period of thirty days prior to valuation date is used for valuation purposes.

Non – traded derivatives are valued in good faith by Tata Asset Management Limited on the basis of valuation principles laid down by SEBI.

6. INCOME EQUALISATION RESERVE :

Income Equalisation Reserve is being maintained by crediting / (debiting) the equalisation account in respect of sale / (repurchase) of units by an appropriate amount which represents the distributable income at the time of sale / (repurchase). It is reflected in the Revenue Account after the net excess / deficit of the scheme is determined.

7. UNIT PREMIUM RESERVE AND ACCUMULATED LOAD :

On repurchase / redemption / resale of units, the difference between the unit face value and the NAV (after adjusting income equalisation reserve) is disclosed as “Unit Premium Reserve”, while the difference between the NAV and the repurchase / resale price is disclosed as “Accumulated Load” which is not considered for computation of the Net Asset Value. The accumulated load of Rs. 167,721,475/- (previous year Rs. 54,759,394/-) is utilised by the Fund to cover the cost of raising / redeeming units on a continuous basis by way of providing redemption / distribution related services to the Fund relating to the sale, promotion and marketing of the scheme and costs associated with liquidating the Fund’s investment securities, including payments for postage, application processing, disseminating NAV related information etc and also payments to brokers for their services in connection with the distribution / redemption of the units. The utilisation of the load reserve is disclosed in “Accumulated Load” account in Schedule II.

B. Notes attached to and forming part of the accounts for the year ended 31st March, 2007.

- The aggregate value of purchase and sale of investments for the year ended 31st March, 2007 expressed as a percentage of average daily net assets is as under :

Particulars	As at 31-3-07		As at 31-3-06	
	Value *Rs.	%	Value *Rs.	%
Aggregate value of Purchase	29,117,444,011	298.06	10,361,730,179	139.30
Aggregate value of Sale	26,141,917,339	267.60	12,884,375,069	173.21

* The amounts do not include reverse repo transactions.

2. Investments made in group / associate companies.
(Refer Annexure 1).
3. Investments made by the schemes of Tata Mutual Fund in companies or their subsidiaries (to the extent of information available) that have invested more than 5% of the net assets as at 31st March, 2007 of any scheme of the fund, in terms of Regulation 25 (11).
(Refer Annexure 2).
4. Statement of Portfolio with industry wise classification as at 31st March, 2007.
(Refer Annexure 3).
5. Amount receivable from AMC Rs.Nil (previous year Rs. 8,327,000/-) is included under "Others" in "Other Current Assets".
6. In accordance with the rules and regulations of the scheme, Management fees are paid at the rate of 1.25% of the daily net assets upto Rs.100 crores and 1% of the daily net assets above Rs.100 crores (previous year : 1.25% of the daily net assets upto Rs.100 crores and 1% of the daily net assets above Rs.100 crores) and Trusteeship fees are paid as per the chart shown below :

Current Year			Previous Year		
Dates		% of Daily Net Asset	Dates		% of Daily Net Asset
From	To		From	To	
01-04-06	13-11-06	0.0500%	01-04-05	31-03-06	0.0500%
14-11-06	31-03-07	0.0100%			

7. Contingent liabilities :

Particulars	31-03-2007	31-03-2006
Uncalled Liability on Partly Paid Equity Shares	Nil	18,690,408

8. Disclosure under Regulation 25(8) of the SEBI Regulation have been made in the table below in respect of amounts paid to parties associated with sponsors in which the Asset Management Company or its major shareholders have a substantial interest.

Name of the Company	Nature of Payment	2006 – 2007 Rs.	2005 – 2006 Rs.	% equity capital held by the sponsors and its subsidiary / associates as at 31 st March, 2007
Tata Securities Pvt. Limited.	Selling Commission	937,018	378,780	#
TML Financial Services Ltd	Selling Commission	3,880	66	#
Tata Asset Management Limited	Management Fees	99,399,512	75,850,593	100%*
Tata Trustee Company Private Limited	Trusteeship Fees	3,129,092	3,667,633	100%**

Extent of holding by principal shareholders of the sponsors and its subsidiary / associates not available.

* Tata Sons Limited – 67.90% and Tata Investment Corporation Limited – 32.10%

** Tata Sons Limited – 50.00% and Tata Investment Corporation Limited – 50.00%

9. Net Asset Value Per Unit (Rs.) :

Particulars	As at 31-03-07		As at 31-03-06	
	Dividend Growth		Dividend Growth	
Face Value	10.00		10.00	
Net Asset Value		17.7088 22.0210		19.2745 20.0401

10. Unprovided diminution and unrealised appreciation in the value of investments.

Particulars	2006 – 2007 Rs.	2005 – 2006 Rs.
Unrealised appreciation	2,920,124,798	4,230,104,947
Unprovided diminution	0	0

11. There are no unit holders holding over 25% of the Net Asset Value of the Scheme as at 31st March, 2007.

12. Unclaimed redemption/dividend amount, since the inception of the scheme has been invested separately, only in money market instruments and the investors who have claimed their dividend amount have been paid alongwith the appreciation earned on this amount as per SEBI circular MFD / CIR / 9 / 120 / 2000 dated 24th November, 2000. As at 31st March, 2007 the unclaimed redemption/ dividend amount is Rs.Nil (previous year Rs.Nil).

13. In accordance with Regulation 44 (1) of the SEBI (Mutual Funds) Regulations, 1996, securities purchased should be held in the name of the scheme. As at 31st March, 2007 no securities are held in the name of Tata Trustee Company Private Limited A/c Tata Mutual Fund.

14. The figures for the previous year have been regrouped and reclassified wherever necessary.

On behalf of the Board of Directors of
Tata Trustee Co. Pvt. Ltd.

Ishaat Hussain

Director

On Behalf of the Investment Manager
Tata Asset Management Ltd.

Farrokh K. Kavarana

Chairman

Ved Prakash Chaturvedi

Managing Director

Hormuz A. Bulsara

Chief Operating Officer

M. Venugopal

Fund Manager

ANNEXURE - I
Investments in group / associate companies

Name of the Company	TISF
Finolex Cables Ltd	131,581,222
Hindustan Construction Co.Ltd	90,556,675
Kirloskar Brothers Ltd	56,513,371
Kirloskar Oil Engines Ltd.	57,878,329
T.I.S.C.O.	323,712,000
Voltas Limited	205,607,013
	865,848,610

ANNEXURE - II

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate cost of acquisition during the period ended 31 st March 2007 Rs	Outstanding as at 31 st March 2007 at fair /market value Rs
HINDALCO INDUSTRIES LTD.	TDBF TFHFA11 TFHFA17 TFHFA43 TFHFA46 TFHFA48	TBF	159,269,855	100,041,442
		TCBF	26,014,065	-
		TCF	3,000,000	45,560,350
		TSEF	13,719,121	9,772,500
		TEMF	10,499,305	-
		TEOF	17,103,680	-
		TEQPEF	2,027,040	19,736,737
		TIFN	426,538	315,472
		TIFS	471,035	459,760
		TISF	115,824,589	-
		TMPF	25,697,931	-
		TOIOS	331,726,001	256,918,374
		TPEF	38,473,302	-
		TTSF	28,465,732	-
BHARTI AIRTEL LTD.	TDBF	TBF	46,276,495	68,688,000
		TCBF	86,724,038	143,019,864
		TEMF	96,886,977	175,536,000
		TEOF	51,576,430	51,897,600
		TEQPEF	8,059,317	13,737,600
		TGF	17,594,633	27,115,733
		TIFN	2,657,493	3,141,157
		TIFS	1,614,370	2,207,174
		TISF	390,567,447	560,192,616
		TLSTF	12,617,089	18,851,040
		TMPF	8,692,739	11,448,000
		TPEF	129,207,933	185,762,880
		TSEF	39,249,672	95,628,960
		TSIF	60,683,078	81,662,400
		TSIPF1	5,850,871	5,876,640
TTAF1	20,430,604	20,606,400		
TTSF	33,872,584	35,107,200		
TYCF	11,204,823	11,448,000		
HCL TECHNOLOGIES LTD.	TFRSTF TFHFA11 TFHFA13 TFHFA15 TFHFA17 TFHFA19 TFHFA23	TBF	24,289,385	-
		TCBF	28,411,625	-
		TDYF	9,419,752	-
		TEMF	118,001,110	111,498,222
		TEOF	43,139,703	-
		TIFN	454,818	410,874
		TMCF	5,163,822	-
		TOIOS	239,710,480	250,389,000
		TPEF	60,207,571	-
		TSIF	5,617,463	-
		TTSF	35,798,905	32,026,500
		TYCF	5,216,900	5,823,000

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggrate cost of acquisition during the period ended 31 st March 2007 Rs	Outstanding as at 31 st March 2007 at fair /market value Rs
HCL CORPORATION LTD.	TFHFA13 TFHFA15 TFHFA23 TFHFA31 TFHFA38	TDYF	-	22,360,250
BALAJI TELEFILMS LTD.	TFRSTF	TEQPEF	8,346,366	8,255,000
TATA STEEL LTD.	TLF TLMF TFHFA11 TFHFA13 TFHFA15	TBF TCF TDYF TEMF TEOF TEQPEF TIFN TIFS TISF TMIF TMPF TOIOS TPEF TTAF1 TTSF	80,727,330 77,103,518 24,726,523 76,464,662 56,815,345 31,719,798 635,089 666,608 479,701,897 8,840,251 27,738,254 330,657,122 159,828,215 64,442,790 83,479,254	44,960,000 46,533,600 21,805,600 - - 28,774,400 552,170 759,824 323,712,000 4,496,000 11,240,000 288,912,960 107,904,000 58,448,000 -
HINDUSTAN LEVER LTD.	TFHFA11 TFHFA13 TFHFA15 TFHFA19 TFHFA31	TBF TCBF TCF TDYF TEMF TEOF TGF TIFN TIFS TMIF TMPF TOIOS TTAF1 TTSF	9,807,618 61,001,017 77,402,907 18,416,447 154,028,529 31,211,845 10,189,954 1,127,822 793,107 4,075,277 6,576,912 1,131,378,786 52,935,968 70,453,220	- 51,312,500 128,553,412 49,362,625 119,537,805 45,155,000 5,131,250 984,960 930,809 - - 1,037,507,963 55,417,500 -
HINDUSTAN ZINC LTD.	TFHFA13 TFHFA15 TFHFA17 TFHFA18 TFHFA19 TFHFA23 TFHFA31 TFHFA38 TFHFA46 TFHFA47	TBF TEMF TEOF TISF TMCF TMPF TOIOS TTSF	20,630,385 29,710,219 59,964,042 21,943,972 31,121,297 4,809,768 334,970,530 46,669,364	- - - - - - 221,847,230 -

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggrate cost of acquisition during the period ended 31 st March 2007 Rs	Outstanding as at 31 st March 2007 at fair /market value Rs
MARUTI UDYOG LTD.	TFHFA13	TBF	40,875,195	16,803,850
	TFHFA18	TCBF	77,491,355	53,280,500
	TFHFA31	TCF	43,960,616	40,985,000
	TFHFA35	TEMF	141,811,715	108,529,919
	TFHFA41	TEOF	9,130,131	-
	TFHFA47	TIFN	572,592	515,906
		TIFS	366,708	393,456
		TMIF	4,967,010	2,090,235
		TMPF	15,622,777	5,410,020
		TOIOS	859,348,549	863,682,643
		TPEF	177,642,543	97,462,330
		TSEF	16,693,714	16,394,000
		TSIPF1	9,602,483	9,016,700
		TTAF1	29,649,569	8,606,850
	TTSF	40,960,967	-	
VIDESH SANCHAR NIGAM LTD.	TLMF	TCF	20,588,652	20,070,000
	TFHFA15	TEMF	29,788,185	20,070,000
	TFHFA18	TEQPEF	7,960,424	-
	TFHFA29	TIFN	273,936	249,828
	TFHFA31	TOIOS	304,383,194	301,983,255
	TFHFA38	TSEF	5,784,935	26,091,000
	TFHFA47			
	TFHFA48			
TATA TEA LTD.	TFHFA15	TCF	25,043,453	38,659,260
	TFHFA17	TEOF	41,944,645	-
	TFHFA29	TGF	11,125,778	-
		TIFN	37,083	-
		TMPF	5,837,433	-
		TOIOS	66,981,583	57,060,703
		TTSF	25,607,113	-
TATA CONSULTANCY SERVICES LTD.	TFHFA17	TIFN	2,591,879	2,610,827
	TFHFA18	TIFS	818,037	1,007,122
	TFHFA35	TLSTF	-	21,314,534
	TFHFA43	TPEF	-	41,388,019
	TFHFA38	TYCF	-	17,059,507
RAYMOND LTD.	TFHFA18	TEMF	11,187,381	-
		TEOF	3,927,520	-
		TFHA29	100,270,560	-
		TLF	1,910,483,490	80,000,000
		TLMF	503,903,349	250,000,000
		TTSF	31,607,174	-
B L KASHYAP & SONS LTD.	TFHFA19	TEMF	7,791,535	-
		TSEF	15,045,981	11,869,019
		TSIF	899,781	-
		TTSF	28,857,883	-

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate cost of acquisition during the period ended 31 st March 2007 Rs	Outstanding as at 31 st March 2007 at fair /market value Rs
ITC LTD.	TFHFA23 TFHFA30 TFHFA35 TFHFA43 TFHFA45	TBF	8,093,004	-
		TCBF	66,016,902	52,640,000
		TEMF	148,328,565	62,115,200
		TEOF	8,093,004	-
		TGF	1,958,669	-
		TIFN	1,485,596	1,236,558
		TIFS	1,661,201	1,721,629
		TMCF	9,538,510	-
		TMIF	7,373,261	-
		TMPF	1,011,276	-
		TOIOS	869,891,987	687,299,123
		TTAF1	60,281,563	21,808,000
		TTSF	8,444,121	-
HERO HONDA MOTORS LTD.	TFHFA29	TCBF	3,517,783	-
		TCF	62,265,071	-
		TDYF	28,385,851	37,135,130
		TEMF	65,569,192	-
		TIFN	330,160	298,229
		TIFS	252,907	285,708
		TOIOS	234,491,202	-
		TTAF1	15,719,727	-
		TTSF	24,224,536	-
INDIAN PETROCHEMICALS CORPORATION LTD.	TFHFA29 TFHFA30 TFHFA35 TFHFA41 TFHFA43	TBF	13,092,313	-
		TEMF	64,533,031	-
		TEQPEF	8,682,759	-
		TIFN	177,158	160,855
		TOIOS	76,581,051	-
		TPEF	26,095,364	-
		TTAF1	29,644,867	-
WIPRO LTD.	TFHFA30 TFHFA35 TFHFA41 TFHFA43 TFHFA44 TFHFA45 TFHFA48	TBF	32,526,978	30,709,250
		TCBF	15,245,116	-
		TCF	52,202,314	41,876,250
		TEMF	123,303,108	108,878,250
		TEOF	110,660,678	55,835,000
		TGF	2,521,074	-
		TIFN	1,858,505	1,738,615
		TIFS	567,165	652,711
		TLSTF	4,514,308	22,334,000
		TMPF	920,667	-
		TOIOS	371,636,678	398,271,055
		TPEF	142,944,167	126,612,563
		TSIF	36,859,790	60,301,800
		TTSF	53,255,772	36,432,338
		TYCF	9,875,058	11,167,000

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggrate cost of acquisition during the period ended 31 st March 2007 Rs	Outstanding as at 31 st March 2007 at fair /market value Rs
INFO EDGE (INDIA)PVT LTD.	TFHFA30	TLSTF	537,984	-
		TMIF	70,720	-
		TMPF	190,720	-
		TSEF	1,451,520	-
		TTAF1	2,146,560	-
GRASIM INDUSTRIES LTD.	TFHFA35 TFHFA41 TFHFA43	TBF	53,339,140	-
		TCBF	68,827,255	-
		TEMF	113,287,118	-
		TEOF	67,955,172	-
		TIFN	486,503	418,580
		TIFS	591,992	623,193
		TISF	102,462,448	-
		TMIF	5,611,993	-
		TMPF	8,598,073	-
		TOIOS	639,578,487	579,194,691
		TPEF	84,324,701	-
		TSEF	14,438,784	10,456,250
		TTAF1	43,590,185	23,526,563
		TTSF	53,259,758	-
LARSEN & TOUBRO LTD.	TFHFA41	TBF	23,556,913	46,955,350
		TCBF	62,525,924	66,385,150
		TEMF	107,381,707	97,149,000
		TEOF	90,660,581	168,660,379
		TGF	6,857,428	29,541,392
		TIFN	935,999	980,161
		TIFS	1,361,744	1,763,254
		TISF	39,035,696	481,486,636
		TMIF	-	5,667,025
		TMPF	4,827,093	10,362,560
		TOIOS	831,352,766	1,065,774,724
		TPEF	72,089,115	132,621,338
		TSEF	-	25,906,400
		TSIPF1	6,705,673	6,962,345
		TTAF1	79,719,666	51,812,800
TTSF	69,024,038	53,431,950		
TYCF	-	30,925,765		
TRENT LTD.	TFHFA41	TSIF	2,673,450	1,749,053

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate cost of acquisition during the period ended 31 st March 2007 Rs	Outstanding as at 31 st March 2007 at fair /market value Rs
GUJARAT AMBUJA CEMENT LTD.	TFHFA43	TBF	4,667,816	-
		TCBF	39,149,570	-
		TEMF	88,442,266	-
		TEOF	45,363,405	-
		TIFN	381,748	332,371
		TIFS	452,517	475,349
		TISF	42,700,373	32,010,000
		TOIOS	200,175,927	175,766,910
		TPEF	18,563,138	-
		TSEF	19,403,603	18,032,300
		TYCF	-	14,017,713
		TATA CHEMICALS LTD.	TFHFA43	TCF
TDYF	12,324,917			15,945,084
TFHFA45	TIFN		4,608	-
	TTAF1		36,061,187	-
INDIAN OVERSEAS BANK	TFHFA45	TBF	12,323,208	-
		TCBF	64,522,915	36,327,997
		TCF	17,567,803	54,188,300
		TEMF	51,024,342	30,260,370
		TEQPEF	8,776,986	8,635,005
		TISF	21,839,079	-
		TTSF	18,224,524	-
MINDTREE CONSULTING LTD.	TFHFA45	TBF	257,125	-
		TCBF	605,625	-
		TEMF	895,475	-
		TEOF	1,019,575	-
		TLSTF	81,600	-
		TOIOS	5,983,150	-
		TPEF	665,125	-
		TSIF	412,250	-
		TTAF1	294,950	-
		TYCF	170,000	-
MASTEK LTD.	TFHFA45	TBF	10,315,163	-
		TEOF	10,278,553	-
		TGF	10,338,128	-
		TMCF	20,161,794	21,647,500
		TTAF1	13,303,951	-

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate cost of acquisition during the period ended 31 st March 2007 Rs	Outstanding as at 31 st March 2007 at fair /market value Rs
TANLA SOLUTIONS LTD.	TFHFA47	TBF	8,884,567	8,306,875
		TDYF	484,685	635,303
		TEOF	46,316,987	41,682,000
		TGF	7,406,980	6,680,235
		TLSTF	352,450	461,976
		TMCF	5,906,594	5,210,250
		TMPF	116,865	-
		TOIOS	22,835,315	29,931,497
		TSEF	1,016,805	1,332,782
		TSIF	37,509,758	33,610,628
		TTAF1	7,391,803	6,981,388
		TTSF	25,272,474	20,841,000
VOLTAS LTD.	TFHFA47	TBF	6,585,444	-
		TCBF	32,318,300	31,364,976
		TGF	6,995,873	-
		TISF	30,083,531	205,607,013
		TMCF	-	36,344,432
		TOIOS	129,377,414	132,876,512
		TSEF	5,106,471	-
		TYCF	-	6,360,000
HINDUJA TMT LTD.	TFHFA48	TBF	9,028,917	2,914,250
		TCF	15,043,277	4,691,943
		TEOF	65,655,658	20,399,750
		TGF	9,596,246	3,074,534
		TLSTF	15,956,335	2,473,615
		TMCF	5,741,834	10,011,614
		TMPF	3,009,005	-
		TOIOS	543,905,347	170,422,426
		TPEF	31,894,076	10,199,875
		TSIF	29,581,488	29,507,947
		TTSF	7,101,693	-
		TYCF	6,177,720	10,351,416

Tata Balanced Fund (TBF), Tata Young Citizens' Fund (TYCF), Tata Tax Saving Fund (TTSF), Tata Select Equity Fund (TSEF), Tata Income Fund (TIF), Tata Pure Equity Fund (TPEF), Tata Liquid Fund (TLF), Tata Life Sciences & Technology Fund (TLSTF), Tata Gilt Securities Fund (TGSF), Tata Growth Fund (TGF), Tata Short Term Bond Fund (TSTBF), Tata Income Plus fund (TIPF), Tata Monthly Income Fund (TMIF), Tata Gilt Short Maturity Fund (TGSMF), Tata Index Fund - Nifty Plan (TIFN), Tata Index Fund - Sensex Plan (TIFS), Tata Equity Opportunities Fund (TEOF), Tata Dynamic Bond Fund (TDBF), Tata Floating Rate Long Term Fund (TFRLTF), Tata Floating Rate Short Term Fund (TFRSTF), Tata MIP Plus Fund (TMPF), Tata Equity P/E Fund (TEQPEF), Tata Dividend Yield Fund (TDYF), Tata Service Industries Fund (TSIF), Tata Midcap Fund (TMCF), Tata Floater Fund (TFF), Tata Contra Fund (TCF), Tata Fixed Horizon Fund Series 2 Plan B (TFHA11), Tata Tax Advantage Fund 1 (TTAF1), Tata Fixed Horizon Fund Series 2 Plan C (TFHA13), Tata Fixed Horizon Fund Series 3 Scheme F (TFHA15), Tata Fixed Horizon Fund Series 3 Scheme C (TFHA17), Tata Liquidity Management Fund (TLMF), Tata Fixed Horizon Fund Series 3 Scheme D (TFHA18), Tata Fixed Horizon Fund Series 3 Scheme G (TFHA19), Tata Equity Management Fund (TEMF), Tata Capital Builder Fund (TCBF), Tata Fixed Horizon Fund Series 6 Scheme A (TFHA23), Tata Fixed Horizon Fund Series 5 Scheme G (TFHA26), Tata Fixed Horizon Fund Series 6 Scheme B (TFHA29), Tata Fixed Horizon Fund Series 6 Scheme H (TFHA30), Tata Fixed Horizon Fund Series 7 Scheme D (TFHA31), Tata Fixed Horizon Fund Series 8 Scheme D (TFHA33), Tata SIP Fund 1 (TSIPF1), Tata Fixed Horizon Fund Series 8 Scheme E (TFHA35), Tata Fixed Horizon Fund Series 6 Scheme E (TFHA36), Tata Fixed Horizon Fund Series 6 Scheme C (TFHA38), Tata Fixed Horizon Fund Series 8 Scheme F (TFHA41), Tata Fixed Horizon Fund Series 9 Scheme D (TFHA43), Tata Fixed Horizon Fund Series 9 Scheme A (TFHA44), Tata Fixed Horizon Fund Series 9 Scheme E (TFHA45), Tata Fixed Horizon Fund Series 7 Scheme A (TFHA46), Tata Fixed Horizon Fund Series 7 Scheme B (TFHA47), Tata Fixed Horizon Fund Series 9 Scheme F (TFHA48), Tata Offshore India Opportunities Scheme (TOIOS).

All the above companies are growth oriented blue chip companies with a proven track record.

ANNEXURE - III
Portfolio as at 31st March, 2007.

	Name of the Instrument	Market/ Fair Value(Rs)	% to NAV	% to Category
(I)	EQUITY SHARES			
	Auto Ancillaries	32,340,185	0.27	0.30
	Kesoram Industries Ltd.	32,340,185		
	Banks	567,638,161	4.67	5.21
	State Bank of India	305,101,291		
	ICICI Bank Ltd.	172,923,370		
	Punjab National Bank	89,613,500		
	Cement	516,520,355	4.25	4.74
	Century Textiles & Industries Ltd.	170,958,093		
	ACC Ltd.	120,473,784		
	Birla Corporation Ltd.	75,500,003		
	Shree Cement Ltd.	59,418,764		
	Rain Commodities Ltd.	58,159,711		
	Gujarat Ambuja Cements Ltd.	32,010,000		
	Construction	1,115,206,246	9.17	10.23
	Nagarjuna Construction Co. Ltd.	179,929,509		
	Jaiprakash Associates Ltd.	170,229,200		
	IVRCL Infrastructures & Project Ltd.	165,620,700		
	Simplex Infrastructures Ltd.	157,194,624		
	Punj Llyod Ltd.	127,907,344		
	Ansal Properties & Infrastructure Ltd.	113,729,000		
	Gammon India Ltd.	110,039,194		
	Hindustan Construction Co.Ltd.	90,556,675		
	Consumer Durables	205,607,013	1.69	1.89
	Voltas Ltd.	205,607,013		
	Diversified	581,485,552	4.78	5.33
	Larsen & Toubro Ltd.	481,486,636		
	Greaves Cotton Ltd.	99,998,916		
	Ferrous Metals	840,815,729	6.92	7.71
	Tata Steel Ltd.	323,712,000		
	Steel Authority of India Ltd.	125,510,000		
	Welspun Gujarat Stahl Rohren Ltd.	124,661,332		
	JSW Steel Ltd.	110,039,350		
	Usha Martin Ltd.	68,617,458		
	Maharashtra Seamless Ltd.	56,079,637		
	Jindal Saw Ltd.	32,195,952		
	Finance	239,525,713	1.97	2.20
	IFCI Ltd.	103,152,000		
	Power Finance Corporation Ltd.	86,153,713		
	Infrastructure Development Finance Co. Ltd.	50,220,000		
	Gas	42,424,377	0.35	0.39
	Indraprastha Gas Ltd.	42,424,377		
	Industrial Capital Goods	2,542,577,318	20.92	23.32
	Bharat Heavy Electricals Ltd.	492,920,366		
	Siemens Ltd.	463,984,323		
	ABB Ltd.	431,513,969		
	Crompton Greaves Ltd.	304,444,070		
	Thermax Ltd.	205,724,759		
	Bharat Earth Movers Ltd.	163,819,732		
	Elecon Engineering Company Ltd.	113,569,038		
	Bharat Electronics Ltd.	103,789,647		
	Emco Ltd.	81,459,366		
	Texmaco Ltd.	70,838,524		
	Areva T&D India Ltd.	66,554,941		
	Mcnally Bharat Engineering Co Ltd.	32,453,866		
	Voltamp Transformers Ltd.	11,504,717		

	Name of the Instrument		Market/ Fair Value(Rs)	% to NAV	% to Category
	Industrial Products		408,940,139	3.36	3.75
	Finolex Cables Ltd.		131,581,223		
	KSB Pumps Ltd.		111,749,280		
	Kirloskar Oil Engines Ltd.		57,878,329		
	Kirloskar Brothers Ltd.		56,513,371		
	KEI Industries Ltd.		51,217,936		
	Minerals/ Mining		1,662,949	0.01	0.02
	Gujarat Mineral Development Corporation Ltd.		1,662,949		
	Non - Ferrous Metals		140,460,000	1.16	1.29
	Sterlite Industries India Ltd.		140,460,000		
	Oil		341,835,945	2.81	3.13
	Oil & Natural Gas Corporation Ltd.		270,274,372		
	Great Offshore Ltd.		71,561,573		
	Petroleum Products		847,228,361	6.97	7.77
	Reliance Industries Ltd.		711,542,000		
	Indian Oil Corporation Ltd.		100,130,969		
	Rain Calcining Ltd.		35,555,392		
	Power		1,224,402,375	10.07	11.23
	National Thermal Power Corporation Ltd.		419,007,239		
	KEC International Ltd.		267,598,370		
	CESC Ltd.		154,249,710		
	GVK Power & Infrastructure Ltd.		113,280,678		
	Jyoti Structures Ltd.		190,662,598		
	Reliance Energy Ltd.		79,603,780		
	Telecom - Equipment & Accessories		156,838,792	1.29	1.43
	Sterlite Optical Tech Ltd.		102,002,615		
	Avaya Global Connect Ltd.		54,836,177		
	Telecom - Services		1,067,510,616	8.78	9.78
	Bharti Airtel Ltd.		560,192,616		
	Reliance Communications Ltd.		507,318,000		
	Transportation		31,789,500	0.26	0.28
	Allcargo Global Logistics Ltd.		31,789,500		
	TOTAL (COST : Rs. 8,392,425,375)		10,904,809,326	89.70	100.00
(II)	CERTIFICATE OF DEPOSIT				
	Banks		1,131,142,455	9.30	100.00
	ICICI Bank Ltd.		938,404,737		
	State Bank of Saurashtra		192,737,718		
	TOTAL (COST : Rs. 1,131,142,455)		1,131,142,455	9.30	100.00
(III)	REVERSE REPO INVESTMENT		33,247,741	0.27	
	TOTAL INVESTMENTS (COST : RS. 9,556,815,571)	(I+II+III)	12,069,199,522	99.27	

HISTORICAL PER UNIT STATISTICS

PARTICULARS		31-Mar-07	31-Mar-06	31-Mar-05
(a)	Net Assets Value per unit	D -17.7088, G-22.0210	D -19.2745, G-20.0401	D -10.6002, G -10.5940
(b)	(i) Income other than profit on sale of Investments	0.20	0.33	0.10
	(ii) Income from profit on inter-scheme Sales / transfer of Investments	0.00	0.01	0.00
	(iii) Income from profit on sale of Investments	3.90	2.47	0.20
	(iv) Transfer to Revenue Account from past year's Reserve	0.00	0.00	0.00
(c)	Aggregate of Expenses, Write off, Amortisation and Charges	0.35	0.40	0.05
	Provision for depreciation in value of investment	0.00	0.00	0.00
(d)	Net Income	3.75	2.41	0.25
(e)	Unrealised appreciation / depreciation in value of investments	(2.65)	8.64	0.39
(f)	(i) Highest Repurchase Price (Initial Unitholder)	D- 22.4941 G- 25.0577	D- 19.2745 G- 20.0401	D- 10.8667 G- 10.8601
	(ii) Lowest Repurchase Price (Initial Unitholder)	D- 14.2466 G- 14.8069	D- 10.6310 G- 10.6247	D- 9.8434 G- 9.8390
	(iii) Highest Repurchase Price (Fresh Unitholder)	D- 22.4941 G- 25.0577	D- 19.2745 G- 20.0401	D- 10.8667 G- 10.8601
	(iv) Lowest Repurchase Price (Fresh Unitholder)	D- 14.2466 G- 14.8069	D- 10.6310 G- 10.6247	D- 9.8434 G- 9.8390
	(v) Highest Ongoing Sale Price	D- 23.0002 G- 25.6215	D- 19.7082 G- 20.4910	D- 11.1112 G- 11.1045
	(vi) Lowest Ongoing Sale Price	D- 14.5671 G- 15.1401	D- 10.8702 G- 10.8638	D- 10.0649 G- 10.0604
	(vii) Highest Traded Price	NA	NA	NA
	(viii) Lowest Traded Price	NA	NA	NA
	(ix) Price-earning ratio	5.12	8.11	42.39
(g)	Ratio of expenses to average net assets by percentage	2.05	2.12	2.12
(h)	Ratio of gross income to average net assets by percentage (excluding transfer to revenue account from past year's reserve but excluding unrealised appreciation on investments)	26.58	17.05	2.90

Statutory Details: Constitution: Tata Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. Sponsors and Settlers: Tata Sons Ltd., Tata Investment Corporation Ltd. **Risk Factors:** • Mutual Fund and securities investments are subject to market risks and there can be no assurance and no guarantee that the schemes will achieve their objectives. • As with any investment in stocks, shares and securities the NAV of the units under the schemes can go up or down, depending upon the factors and forces affecting the capital market. • Past performance of the previous Schemes, the Sponsors or its Group affiliates is not indicative of and does not guarantee the future performance of the Schemes. • Tata Infrastructure Fund is only the name of the Scheme and do not in any manner indicate either the quality of the Scheme, its future prospects or the returns. • The sponsors are not responsible or liable for any loss resulting from the operations of the scheme beyond the initial contribution of Rs.1 lac made by them towards setting up the Mutual Fund. • Investment in fixed income securities are subject to interest rate risk, credit risk and liquidity risk. • Tata Infrastructure Fund - The scheme being sector specific will be affected by risk associated with the Infrastructure Sector. • For scheme specific risk factors and other details please read the offer document carefully before investing.

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West Zone: **Mumbai** : Mulla House, Ground Floor, Homi Modi Street, Mumbai 400 001. Tel.: 66315191/92/93, Fax: 022 - 66315194. **Ahmedabad** : 402, Megha House, 4th Floor, Mithakhali - Law Garden Rd, Netaji Marg, Ahmedabad – 380 006. Tel: (079) 65418989 / 65447799 / 26466080. **Bhopal** : MF-12, Block-A, Mansarovar Complex, Near Habibganj Railway Station, Bhopal- 462016. Tel.: 0755- 4229379 / 4273914 / 2574198. **Goa** : U G - 4-1st Floor, Inaam complex, Don Bosco School Crossing, Panaji Goa - 403001. Tel.: 0832 - 6451135 & 6451136, 0832 - 2422135, Fax: 0832-2422135. **Indore** : G-25 City Centre, 507, M.G. Road, Indore - 452001. Tel.: 0731-4201806, Fax: 0731-4201807. **Jabalpur** : AMC For Tata Mutual Fund, Office No. 4, 1178, Napier Town, Home Sceience College Road, Jabalpur - 482001 (M.P.), Tel.: 0761-4074263. **Pune** : Office No. 105, D-Gold House Near Hotel Sheetal, Dynaneshwar Paduka Chowk, F.C. Road, Shivajinagar, Pune - 411004. Tel.: 30288775/64005932, Fax: - 30288776. **Rajkot** : Arhant Plaza, 201 2nd Floor, Subhas Road, Near Moti Taki, Rajkot - 360001. Tel.: 0281-6624848/6544949. **Nashik** : 5, Samriddhi Residency, Opp Hotel City Pride, Tilakwadi Nashik - 422002. Tel.: 0253-6605138 / 0253-6510315, Fax: 0253-2579098. **Surat** : 421, Jolly Plaza, Near Collector Office, Next to G.P. College, Athwa Gate, Surat 395001. Tel.: 0261 - 245520 / 6554418 / 19, Fax: 0261-2470326. **Vadodara** : 202- 203, Madhav Complex, RC Dutt Road, GEB Circle Alkapuri Vadodara - 390007. Tel.: 0265-6641888/2356114, Fax: 0265-6641999.

North Zone: **Chandigarh** : Cabin No.3-4-5, 1st Floor, Meeting Point, SCO - 487/488, Sector- 35C, Chandigarh - 160 022. Tel.: 0172 - 5087322 /6450322/2605320/ 2603771-Extn 227, Fax: 0172 - 2603770. **Jaipur** : 233, 2nd Floor, Ganpati Plaza, M I Road, Jaipur - 302001. Tel.: 0141 - 5105177 / 78 / 2389387 / 6539009, Fax: 5105178. **Jodhpur** : Jaya Enclave, 79/4, Opp. IDBI Bank, Ist A Road Sardarpura Jodhpur - 342001. Tel.: 291-6450555/2631257, 0291-2631257. **Kanpur** : Ground Floor, Agarwal Building, Adjoining Oriental Bank of Commerce, Survey No. 419/1 Cantts, The Mall, Kanpur - 208 004. Tel.: 0512 - 2306066, Fax: 0512 - 2306065. **Lucknow** : Office No.2, Saran Chambers-I, 1st Floor, 5, Park Road, Lucknow - 01. Tel.: 0522-6452432/4001731, Fax: 0522-2235386. **Ludhiana** : Cabin No.201, 2nd Floor, SCO 18, Opp. Ludhiana Stock Exchange, Feroze Ghandhi Market, Ludhiana - 141 001. Tel.: 0161 - 5089667/6503366. **Moradabad** : Ground Floor, Shop No. LG - 33, Chadha Shopping Complex, GMD Road, Moradabad - 244 001. Tel.: 0591 - 2313567, 6535002. **New Delhi** : 710-712 Prakesh Deep Building, 7th Floor, 7 Tolstoy Marg, Connaught Place, New Delhi - 110001. Tel.: 66324111/102/103/104/105, Fax: 011-66303202. **Udaipur** : Office No - 4, 2nd Floor, Madhav Appartment, Opp GPO, Chetak Circle, Udaipur - 313001. Tel.: 294 - 6450979/2429371, 0294-2429371.

South Zone: **Bangalore** : Batra Chambers, 1st Floor, Cunningham Crescent Road, Bangalore - 560 052. Tel.: 080 - 66561313, 22370512 /65335986 / 87 & 22371195, Fax: 080- 22370513. **Chennai** : Riaz Garden, 3rd Floor, No:29, Kodambakkam High Road, Near Palmgrove Hotel, Nungambakkam, Chennai-34. Tel.: (044) 64541868 / 69, 64541878, Fax: 044-43546313. **Cochin** : 2nd Floor, Ajay Vihar, JOS Junction, M. G. Road, Cochin - 682 016. Tel.: 0484 - 237 7580/581/6533107, Fax: 0484 - 237 7581. **Coimbatore** : 551 A, I st Floor, West Lokamaniya Street Near CAMS R. S. Puram, Coimbatore - 641002. Tel.: 0422 - 6502133 & 6502144. Fax: 2546585. **Hyderabad** : 3rd Floor, Block B, R R Estate, G.S MALL, Somajiguda, Hyderabad - 82. Tel.: 040-65961237/38 & 65548290, Fax: 040-66363187. **Mangalore** : 1st Floor, Essel Tower, Above UTI Bank, Bunts Hostel Circle, Mangalore - 575003 Tel.: 0824 - 6450308, Fax: 0824 - 4260308.

East Zone: **Bhubhaneshwar** : Janpath Tower Room No – 208, 2nd Floor Ashok Nagar, Bhubaneswar – 751 009 Tel.: 0674 – 2533818 / 6450817. **Jamshedpur** : C/o. Mithila Motors Pvt Limited, 1st Floor, Main Road, Bistupur, Jamshedpur - 831 001. Tel.: 0657 - 2756021/22 2756023/30 / 6576911, Fax: 0657 - 2756030. **Kolkatta** : Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkatta - 700 071. Tel.: 033 - 22881534 / 22883413 / 22883415, Fax: 033 - 22881535. **Patna** : 605, 6th Floor, Ashiana Harniwas, New Dak Bunglow Road, Patna - 800001. Tel.: 0612-2206497, 6450120. **Ranchi** : Shop No - 15, Ground Floor, A.C. Market, G.E.L. Church Complex, Main Road, Ranchi - 834 001. Tel.: 0651 - 2330704 / 2330226.

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